Price Waterhouse & Co Chartered Accountants LLP

Independent Auditor's Report

To the Members of Neelachal Ispat Nigam Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Neelachal Ispat Nigam Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and 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 financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

4. We draw your attention to Note 42 to the financial statements which states non-compliances with certain provisions of the Companies Act, 2013. Pending disposal of compounding applications made by the Company, the impact, as there may be, of the aforesaid non-compliances is presently not ascertainable.

   Our opinion is not modified in respect of this matter.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report along with Annexures to the Director's Report included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

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

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

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Responsibilities of management and those charged with governance for the 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 financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the Audit of the Financial Statements

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

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
   - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
   - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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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.

Other Matter

12. The financial statements of the Company for the year ended March 31, 2022, were audited by another firm of chartered accountants under the Act who, vide their report dated September 26, 2022, expressed an unmodified opinion on those financial statements. In respect of opinion on internal financial control with reference to financial statements, the Annexure A of the said report mentioned that the Company is yet to have, in all material respects, an adequate internal financial controls system in place.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("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 financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

       i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Notes 33 and 17 to the financial statements;

       ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable loss on long term contracts. The Company did not have any derivative contracts. Refer Note 46 to the financial statements.

       iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023.

       iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or

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entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer Note 50(a) to the financial statements;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer Note 50(b) to the financial statements; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The Company has not paid any dividend during the year.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

15. 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.

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

Pinaki Chowdhury
Partner
Membership Number: 057572
UDIN: 23057572BGXVOU9155

Kolkata
April 25, 2023

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Neelachal Ispat Nigam Limited on the financial statements for the year ended March 31, 2023

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Neelachal Ispat Nigam Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

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

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Kolkata

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Neelachal Ispat Nigam Limited on the financial statements for the year ended March 31, 2023

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 financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Pinaki Chowdhury
Partner
Membership Number: 057572
UDIN: 23057572BGXVOU9155
Kolkata
April 25, 2023

Annexure B to Independent Auditors' Report

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment 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 Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 on Property, Plant and Equipment and Note 4 on Right-of-use assets to the financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (Rs. crores)	Net carrying value (Rs. crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company
Right-of-use land	2.49	1.77	Konark Met Coke Limited (KMCL)	No	April 1, 2004	Property was a part of erstwhile KMCL, which merged into the Company. The Company is in process of getting title deeds registered in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets. Accordingly, the reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.

ii. (a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory other than excess raw material inventory aggregating Rs. 54.64 crores adjusted in books based on physical inventory count. Also refer Note 10 to the financial statements.

(b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company except for quarter ended June 30, 2022 has filed quarterly returns or statements, as applicable, with such banks, which are in agreement with the books of account.

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FRN 304026E/E-300009
Kolkata

Further, the Company is yet to submit the returns or statements for the quarter ended March 31, 2023 to the banks and hence reporting under clause 3(ii)(b) of the Order to the extent it relates to the last quarter of the financial year is not applicable to the Company.
Also refer Note 49 to the financial statements.

iii. (a) The Company has not made any investments during the year other than in six mutual fund schemes. The Company has not granted secured/ unsecured loans/ advances in the nature of loans to any Company/Firm/Limited Liability Partnership/Other Party during the year. The Company did not stand guarantee or provided security to any Company/Firm/Limited Liability Partnership/Other party during the year.

(b) In respect of the aforesaid investments, the terms and conditions under which such investments were made are not prejudicial to the Company's interest.

(c) The Company has not granted secured/ unsecured loans/advances in nature of loans to any parties. Therefore, the reporting under clause 3(iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.

iv. In our opinion and accordingly to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of the investments made. The Company has not granted any loans or provided any guarantees or security to any party.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund (other than arrears set out in table below) and goods and services tax though there has been a slight delay in a few cases and is regular in depositing undisputed statutory dues, including income tax, 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. The extent of the arrears of statutory dues outstanding as at March 31, 2023, 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 (Rs. crores)	Period to which the amount relates	Due date	Date of payment	Remarks, if any
The Employees' Provident Funds And Miscellaneous Provisions Act, 1952	Interest and Penalty on Provident Fund (PF) delay	12.14	January 2021 to July 2022	Interest and penalty relates to the delayed payments of PF dues for the period December 2020 to June 2022	Not Paid	Refer Note 20 to the financial statements

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(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (net of payment/ deposits) (Rs. crores)	Amount paid/ deposited (Rs. crores)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	504.06	8.83	2005-06 to 2007-08	Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	181.02	-	2004-05	Commissionerate of Central Excise, Customs & Service Tax
Central Excise Act, 1944	Excise Duty	22.21	0.31	2008-09 to 2014-15	Customs, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty	5.06	0.12	2011-12 to 2015-16	Commissioner (Appeals), Central GST & Central Excise
Central Excise Act, 1944	Excise Duty	0.23	0.01	2015-16	Commissioner (Appeals), Central Excise, Customs & Service Tax
Orissa Entry Tax Act, 1999	Sales Tax	13.17	0.30	2002-03 to 2003-04	Sales Tax Tribunal
Orissa Entry Tax Act, 1999	Sales Tax	7.65	0.41	2005-06 to 2006-07	Sales Tax Tribunal
Finance Act,1994	Service Tax	32.48	0.85	2016-17	Customs, Excise and Service Tax Appellate Tribunal
Orissa Entry Tax Act, 1999	Sales Tax	0.04	-	2000-01	Sales Tax Tribunal
Orissa Entry Tax Act, 1999	Sales Tax	0.10	-	2002-03	Sales Tax Tribunal
Central Excise Act, 1944	Excise Duty	14.74	0.54	2006-09, 2012-13	Commissioner (Appeals) Central Excise
Central Sales Tax Act, 1956	Sales Tax	1.04	0.05	2010-11	Commissioner (Appeals) Central Excise
Central Sales Tax Act, 1956	Sales Tax	0.35	0.33	2005-06	Deputy Commissioner of Commercial tax
Orissa Irrigation Act, 1959	Water Conservation Fund	32.35	-	2015-16	High Court
Electricity Act, 2003	Electricity charge	4.39	-	2001-02	High Court

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-4362 Chartered Accountants FRN 304026E/E-300009 Kolkata

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanations given to us, except for loans or other borrowings or interest on loan/borrowing described below, the Company has not defaulted in repayment of loans or other borrowings to any lender during the year.

Nature of Loan	Name of the Lender	Amount not paid on due date-Principal (Rs. crores) #	Interest (Rs. crores) #	Due from	Number of days	Remarks
Term Loan	Indian Bank	90.64	57.66	30-Sep-15	2,469	Refer Note 16 to the financial statements
Term Loan	State Bank of India	86.96	166.75	30-Sep-15	2,469	
Term Loan	Industrial Finance Corporation of India	37.88	26.84	30-Jun-16	2,195	
Term Loan	Bank of Baroda	33.00	19.94	30-Sep-15	2,469	
Term Loan	Union Bank of India	28.19	34.41	30-Sep-15	2,469	
Term Loan	IndusInd Bank	26.48	37.89	30-Nov-18	1,312	
Term Loan	State Bank of India	18.37	44.55	30-Jun-18	1,465	
Term Loan	Punjab National Bank	8.31	3.68	30-Sep-15	2,469	
Term Loan	Dena Bank	7.29	36.32	30-Jun-15	2,561	
Term Loan	State Bank of India	6.25	3.14	31-Dec-14	2,742	
Term Loan	Central Bank of India	5.28	22.72	30-Sep-15	2,469	
Bonds and Debentures	10.45% Bond - Indian Bank	50.00	8.43	28-Feb-21	491	
Bonds and Debentures	11.90% Bond - SBI Caps Trustee Company Limited	150.00	65.84	28-Feb-21	491	
Inter-corporate Loan	Odisha Mining Corporation Limited	159.37	31.15	30-Sep-19	1,008	
Inter-corporate Loan	Odisha Mining Corporation Limited	108.00	2.48	31-Jan-21	519	
Inter-corporate Loan	National Mineral Development Corporation	54.00	6.79	31-Jan-21	519	
Inter-corporate Loan	National Mineral Development Corporation	6.00	-	31-Jan-22	154	
Inter-corporate Loan	National Mineral Development Corporation	1.60	-	30-Sep-15	2,469	

#paid during the year

Price Waterhouse & Co Chartered Accountants LLPIN AAC-4362 Chartered Accountants FRN 304026E/E-300009 Kolkata

Nature of Loan	Name of the Lender	Amount not paid on due date- Principal (Rs. crores) #	Interest (Rs. crores)#	Due from	Number of days	Remarks
Cash Credit	State Bank of India	-	40.93	Amounts are based on confirmation from lenders and the period of delay is not readily available.		Refer Note 16 to the financial statements
Cash Credit	Bank of Baroda	-	8.94			
Cash Credit	Indian Bank	-	5.99			
Cash Credit	Union Bank of India	-	5.28			
Cash Credit	Punjab National Bank	-	0.42			

#paid during the year

Working capital demand loans aggregating Rs. 1,577.40 crores as on July 3, 2022 were entirely paid off on July 4, 2022. According to the information, explanations and representation provided to us by the Company, these loans were repayable on demand and were not demanded. Consequently, the question of our commenting under this clause does not arise.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) The Company was shut down since March 2020. All the term loans obtained in earlier years have been settled during the year at the time of acquisition of the Company by Tata Steel Long Products Limited. In absence of ready availability of information and explanations with respect to earlier years, we are not commenting if the aforesaid term loans were applied for the purposes for which those were obtained. According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loan during the year.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company did not have any subsidiaries, joint ventures or associate companies during the year and hence clause 3ix(e) of the Order is not applicable to the Company.

(f) The Company did not have any subsidiaries, joint ventures or associate companies during the year and hence clause 3ix(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has made private placement of shares during the year, in compliance with the requirements of Section 42 and Section 62 of the Act. The funds raised have been used for the purpose for which funds were raised. The Company has not made any other preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year under audit (Refer note 14 to the financial statements).

Price Waterhouse & Co Chartered Accountants LLPIN AAC-4362 Chartered Accountants FRN 304026E/E-300009 Kolkata

xi. (a) 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 formation and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) 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, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is 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 financial statements as required under Indian Accounting Standard 24 Related Party Disclosures specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

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

(b) The Company has not conducted non-banking financial/housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group has seven CICs as part of the Group as detailed in note 53 to the financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has incurred cash losses of Rs. 1,171.95 crores in the financial year and of Rs. 1,048.64 crores in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 38 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of

Price Waterhouse & Co Chartered Accountants LLPIN AAC-1362 Chartered Accountants FRN 304026E/E-300009 Kolkata

the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. The provisions relating to Corporate Social Responsibility under Section 135 of the Act are not applicable to the Company. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Pinaki Chowdhury
Partner
Membership Number: 057572
UDIN:

Kolkata
April 25, 2023

NEELACHAL ISPAT NIGAM LIMITED

STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2023

NEELACHAL ISPAT NIGAM LIMITED

Balance Sheet as at March 31, 2023

(₹ in crores)

	Notes	As at March 31, 2023	As at March 31, 2022
I Assets			
Non-current assets			
(a) Property, plant and equipment	3	**1,865.62**	1,998.62
(b) Right-of-use assets	4	**38.17**	36.61
(c) Capital work-in-progress	3	**147.42**	143.08
(d) Other intangible assets	5	**180.14**	181.73
(e) Financial assets			
(i) Other financial assets	7	**33.10**	7.88
(f) Income tax assets (net)	9	**3.19**	0.97
(g) Other non-current assets	8	**0.38**	3.62
Total non-current assets		**2,268.02**	**2,372.51**
Current assets			
(a) Inventories	10	**898.87**	162.35
(b) Financial assets			
(i) Investments	6	**556.75**	-
(ii) Trade receivables	11	**125.63**	-
(iii) Cash and cash equivalents	12	**23.18**	40.45
(iv) Bank balances other than (iii) above	13	**3.40**	1,210.00
(v) Other financial assets	7	**11.08**	0.76
(c) Other current assets	8	**164.09**	44.66
Total current assets		**1,783.00**	**1,458.22**
Total assets		**4,051.02**	**3,830.73**
II Equity and liabilities			
Equity			
(a) Equity share capital	14	**1,365.72**	740.72
(b) Other equity	15	**(3,409.32)**	(5,445.52)
Total equity		**(2,043.60)**	**(4,704.80)**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	**4,945.51**	-
(ii) Lease liabilities	4	**5.08**	3.54
(b) Provisions	17	**80.49**	131.53
Total non-current liabilities		**5,031.08**	**135.07**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	**-**	3,325.38
(ii) Lease liabilities	4	**1.03**	0.44
(iii) Trade payables	19		
- total outstanding dues of micro and small enterprises		**66.04**	15.52
- total outstanding dues of creditors other than micro and small enterprises		**707.05**	570.20
(iv) Other financial liabilities	21	**33.20**	1,908.65
(b) Provisions	17	**80.01**	94.95
(c) Other current liabilities	20	**176.21**	2,485.32
Total current liabilities		**1,063.54**	**8,400.46**
Total liabilities		**6,094.62**	**8,535.53**
Total equity and liabilities		**4,051.02**	**3,830.73**

Notes forming an integral part of the financial statements 1 to 56

This is the Balance Sheet referred to in our report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

For and on behalf of the Board of Directors

Pinaki Chowdhury
Partner
Membership No: 057572

T.V.Narendran
Chairman
DIN: 03083605

Sudhir Kumar Mehta
Managing Director & CEO
DIN: 09660981

Rajiv Kumar
Director
DIN: 07001339

Sanjib Kumar Ghose
Chief Financial Officer

Parvatheesam Kanchinadham
Company Secretary

Place: Kolkata
Date: April 25, 2023

Place: Kolkata
Date: April 25, 2023

NEELACHAL ISPAT NIGAM LIMITED

Statement of Profit and Loss for the year ended March 31, 2023

(₹ in crores)

		Notes	Year ended March 31, 2023	Year ended March 31, 2022
I	Revenue from operations	22	1,652.16	257.58
II	Other income	23	54.64	2.03
III	**Total income (I + II)**		1,706.80	259.61
IV	**Expenses:**			
	Cost of materials consumed	24	1,424.22	121.48
	Changes in inventories of finished and semi finished goods	25	(351.98)	4.37
	Employee benefits expense	26	218.08	187.73
	Finance costs	27	484.80	319.01
	Depreciation and amortisation expense	28	165.72	167.10
	Other expenses	29	1,103.63	167.13
	Total expenses (IV)		3,044.47	966.82
V	**Loss before exceptional items and tax (III - IV)**		(1,337.67)	(707.21)
VI	**Exceptional items**			
	Exceptional Items	35	-	(508.53)
	Total exceptional items (VI)		-	(508.53)
VII	**Loss before tax (V-VI)**		(1,337.67)	(1,215.74)
VIII	**Tax expense:**			
	(1) Current tax		-	-
	(2) Deferred tax	18	-	-
	Total tax expense (VIII)		-	-
IX	**Loss for the year (VII- VIII)**		(1,337.67)	(1,215.74)
X	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(a) Re-measurement losses of the defined benefit plans		(1.51)	(2.54)
	(b) Income tax relating to above item		0.38	0.89
	Total other comprehensive income (X)		(1.13)	(1.65)
XI	**Total comprehensive income for the year (IX + X) (Comprising loss and other comprehensive income for the year)**		(1,338.80)	(1,217.39)
XII	**Earnings per equity share (face value of Rs. 10 each) :**	32		
	(1) Basic (₹)		(11.70)	(16.41)
	(2) Diluted (₹)		(11.70)	(16.41)

Notes forming an integral part of the financial statements **1 to 56**

This is the Statement of Profit and Loss referred to in our report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

For and on behalf of the Board of Directors

Pinaki Chowdhury
Partner
Membership No:057572

T.V.Narendran
Chairman
DIN: 03083605

Sudhir Kumar Mehta
Managing Director & CEO
DIN: 09660981

Rajiv Kumar
Director
DIN: 07001339

Sanjib Kumar Ghose
Chief Financial Officer

Parvatheesam Kanchinadham
Company Secretary

Place: Kolkata
Date: April 25, 2023

Place: Kolkata
Date: April 25, 2023

NEELACHAL ISPAT NIGAM LIMITED

Statement of changes in equity for the year ended March 31, 2023

(A) Equity share capital

(₹ in crores)

Particulars	Notes	Amount
As at April 1, 2021	14	740.72
Changes in equity share capital during the year		-
As at March 31, 2022		**740.72**
Changes in equity share capital during the year		625.00
As at March 31, 2023		**1,365.72**

(B) Other equity

(₹ in crores)

Particulars		Reserves and surplus				Total
		Bond Redemption Reserve	Securities premium	Retained earnings	Remeasurement gain / (loss) on defined benefit plans	
Balance as at April 1, 2022	15	5.00	181.50	(5,630.37)	(1.65)	**(5,445.52)**
Loss for the year		-	-	(1,337.67)	-	**(1,337.67)**
Securities Premium on issue of equity shares		-	3,375.00	-	-	**3,375.00**
Remeasurement gain / (loss) on defined benefit plans		-	-	-	(1.13)	**(1.13)**
Transfer of Bond Redemption Reserve		(5.00)	-	5.00	-	-
Balance as at March 31, 2023		-	**3,556.50**	**(6,963.04)**	**(2.78)**	**(3,409.32)**

(₹ in crores)

Particulars	Reserves and surplus				Total
	Bond Redemption Reserve	Securities premium	Retained earnings	Remeasurement gain / (loss) on defined benefit plans	
Balance as at April 1, 2021	5.00	181.50	(4,414.63)	-	**(4,228.13)**
Loss for the year	-	-	(1,215.74)	-	**(1,215.74)**
Remeasurement gain / (loss) on defined benefit plans	-	-	-	(1.65)	**(1.65)**
Balance as at March 31, 2022	**5.00**	**181.50**	**(5,630.37)**	**(1.65)**	**(5,445.52)**

Notes forming an integral part of the financial statements 1 to 56

This is the Statement of Changes in Equity referred to in our report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

Pinaki Chowdhury
Partner
Membership No:057572

For and on behalf of the Board of Directors

T.V.Narendran
Chairman
DIN: 03083605

Sudhir Kumar Mehta
Managing Director & CEO
DIN: 09660981

Rajiv Kumar
Director
DIN: 07001339

Sanjib Kumar Ghose
Chief Financial Officer

Parvatheesam Kanchinadham
Company Secretary

Place: Kolkata
Date: April 25, 2023

Place: Kolkata
Date: April 25, 2023

NEELACHAL ISPAT NIGAM LIMITED

Statement of Cash Flows for the year ended March 31, 2023

(₹ in crores)

	Year ended March 31, 2023		Year ended March 31, 2022	
(A) Cash flows from operating activities:				
Loss before tax		(1,337.67)		(1,215.74)
Adjustments for:				
Depreciation and amortisation expenses	165.72		167.10	
Changes in fair value of financial assets / liabilities at fair value through profit or loss	(2.06)		-	
Gain on sale of current investments	(3.29)		-	
Loss on disposal of property, plant and equipment	-		0.49	
Interest income	(12.18)		(1.80)	
Finance Costs	484.80		319.01	
Exceptional (income)/ expenses	-		508.53	
Other non-cash items	(31.82)		9.00	
		601.17		1,002.33
Operating loss before working capital changes		(736.50)		(213.41)
Changes in operating assets and liabilities:				
(Increase)/ Decrease in Inventories	(736.52)		127.51	
(Increase)/Decrease in Non-current/current financial and other non-financial assets	(279.09)		18.63	
(Decrease)/Increase in Non-current/current financial and non-financial liabilities/provisions	(2,186.69)		69.48	
		(3,202.30)		215.62
Cash (used in)/ generated from operations		(3,938.80)		2.21
Income taxes (paid)		(2.22)		-
Net cash (used in) / generated from operating activities		(3,941.02)		2.21
(B) Cash flows from investing activities:				
Payments for purchases of property, plant and equipment (including capital advances)	(127.93)		-	
(Purchase)/ sale of current investments (net)	(550.57)		-	
Interest received	12.18		1.80	
Fixed deposits made (net)	(5.79)			
Net cash (used in) / generated from investing activities		(672.11)		1.80
(C) Cash flows from financing activities:				
Repayment of borrowings	(3,325.38)		8.25	
Proceeds from issue of equity shares (Refer Note 14)	4,000.00		-	
Proceeds from issue of non-convertible preference shares (Refer Note 16)	4,560.54		-	
Finance costs paid (excluding interest towards lease liabilities)	(638.74)		-	
Payment of lease obligations	(0.07)		-	
Interest paid on lease liabilities	(0.49)		-	
Net cash generated from financing activities		4,595.86		8.25
Net (decrease)/increase in cash or cash equivalents		(17.27)		12.26
Cash and cash equivalents at the beginning of the year (Refer Note 12)		40.45		28.19
Cash and cash equivalents at the end of the year (Refer Note 12)		23.18		40.45

Notes forming an integral part of the financial statements 1 to 56

This is the Statement of Cash Flows referred to in our report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/E-300009

Pinaki Chowdhury
Partner
Membership No:057572

Place: Kolkata
Date: April 25, 2023

For and on behalf of the Board of Directors

T.V.Narendran
Chairman
DIN: 03083605

Sudhir Kumar Mehta
Managing Director & CEO
DIN: 09660981

Rajiv Kumar
Director
DIN: 07001339

Sanjib Kumar Ghose
Chief Financial Officer

Parvatheesam Kanchinadham
Company Secretary

Place: Kolkata
Date: April 25, 2023

NEELACHAL ISPAT NIGAM LIMITED
Notes to the financial statements

01. Corporate information

Neelachal Ispat Nigam Limited ('NINL' or 'the Company') is a public limited Company incorporated in India with its registered office at 1st Floor, IPICOL House (Annexe Building), Janpath, Bhubaneswar, Odisha. The Company have its principal place of business at Kalinga Nagar Industrial Complex, Duburi, Jajpur, Odisha. On July 4, 2022, Tata Steel Long Products Limited completed the acquisition of the Company for total consideration of ₹ 12,100 crores in accordance with the process run by Department of Disinvestment & Public Asset Management (DIPAM), Government of India and related Share Sale and Purchase Agreement (SPA). The Company became a subsidiary of Tata Steel Long Products Limited with effect from July 4, 2022.

The Company has presence across the value chain of steel manufacturing from mining and processing iron ore to producing steel based long products. The Company also has pig iron manufacturing facility and captive power plant.

The financial statements were approved and authorized for issue with the resolution of the Company's Board of Directors on April 25, 2023.

02. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

02.01 Basis of accounting and preparation of financial statements

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on the historical cost basis except for the following:

- Certain financial assets and liabilities that are measured at fair value;
- defined benefit plans — plan assets measured at fair value.

(iii) Current versus Non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.
An asset is classified as current when it is:
expected to be realized or intended to be sold or consumed in the normal operating cycle,
held primarily for the purpose of trading,
expected to be realized within twelve months after the reporting period, or
cash or cash equivalents (as defined in Ind AS 7: Statement of Cash Flows) unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.

A liability is classified as current when:

i. it is expected to be settled in the normal operating cycle,
ii. it is incurred primarily for the purpose of trading,
iii. it is due to be settled within twelve months after the reporting period, or
iv. there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

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

02.02 Use of estimates and critical accounting judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that impact the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods impacted.

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each impacted line item in the financial statements.

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

The areas involving critical estimates or judgements are:

(i) **Employee benefits (estimation of defined benefit obligation)-Refer Notes 02.13 and 37**
Post-employment benefits represents obligation that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit cost over the employees' approximate service period, based on the terms of plans and the investment and funding decisions made. The accounting requires the Company to make assumptions regarding variables such as discount rate and rate of compensation increase. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

(ii) **Estimation of expected useful lives and residual values of property, plants and equipment-Refer Notes 02.03 and 03**
Management reviews its estimate of useful life of property, plant & equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolesce that may change the utility of property, plant and equipment.

(iii) **Provision and contingent liabilities-Refer Notes 02.16, 17 and 33**
A provision is recognized when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities, as disclosed in Note 33, are not recognized in the financial statements. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcomes. In the normal course of business, the Company consults with legal counsel and certain other experts on matters related to litigations. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

(iv) **Deferred taxes-Refer Notes 02.14 and 18**
Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

(v) **Fair value measurements of financial instruments- Refer Notes 02.08, 02.09 and 31**
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. 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 values. 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.

(vi) **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.
For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets.

(vii) **Leases (determination of lease term)-Refer Notes 02.04 and 04**
When the Company has the option to extend a lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. Management considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

02.03 Property, plant and equipment

Items of Property, plant and equipment are stated at historical cost less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets' carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are recognized as an expense in the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation method, estimated useful lives and residual values
Depreciation on property, plant and equipment is calculated on a pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual values, over their estimated useful lives. The useful lives determined are in line with the useful lives prescribed in Schedule II to the Act except in respect of certain building, roads and plant and machinery, in whose

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
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Chartered Accountants
FRN 304026E/E-300009
Kolkata

case the life of the assets has been assessed, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc.

The estimated useful lives of property, plant and equipment are as under:

Category of Assets	Useful Life
Building	30 to 60 years
Roads	5 to 10 years
Plant and Machinery	4 to 35 years
Railway Sidings	30 to 35 years
Vehicles	1 to 8 years
Furniture, fixtures and office equipments	1 to 10 years

Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the other components of the item.

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the Statement of Profit and Loss within 'Other Income'/'Other Expenses'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances' under other non- current assets and the cost of property, plant and equipment not ready to use are disclosed under 'Capital Work-in progress'.

02.04 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the company under residual value guarantees,
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

Payments associated with short-term leases of offices are recognized on a straight-line basis as an expense in Statement of Profit and Loss. Short-term leases are leases with a lease term of 12 months or less. Variable lease payments that depend on output generated are recognized in Statement of Profit and Loss in the period in which the condition that triggers those payment occurs.

NEELACHAL ISPAT NIGAM LTD.

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Chartered Accountants
FRN 304026E/E-300009
Kolkata

02.05 Intangible assets

Mining rights
Mining rights are amortised on the basis of production from mines.

Computer software
Software for internal use, which is primarily acquired from third-party vendors is capitalised. It has a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes license fees and cost of implementation/system integration services, where applicable.
Computer software are amortised over a period of 5 years. Amortisation method and useful lives are reviewed periodically including at each financial year end.

02.06 Research and development

Research costs are expensed as incurred. Expenditure on development that do not meet the specified criteria under Ind AS 38 on 'Intangible Assets' are recognised as an expense as incurred.

02.07 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

02.08 Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial 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 of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

02.09 Investments and other financial assets

(i) Classification
The Company classifies its financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income, or through Statement of Profit and Loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses are recorded in either the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this depends on the business model in which the investment is held.

For investments in equity instruments, this depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies the debt investments when and only when the business model for managing those assets changes.

(ii) Measurement
Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in the Statement of Profit and Loss.

Debt Instruments
Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instrument as amortised cost measurement categories. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired.

(iii) Impairment of financial assets
The Company assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 31 details how the Company determines whether there has been a significant increase in credit risk.
For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets
A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.
Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.
Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset.
Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Interest income
Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable which is the rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(vi) Dividend Income
Dividends are received from financial assets at fair value through profit or loss and at FVOCI. Dividends are recognised as other income in profit or loss when the right to receive payment is established.

(vii) Fair Value of Financial Instruments
In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

(viii) Offsetting Financial Instruments
Financial assets and liabilities are offset, and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

02.10 Financial liabilities and equity instruments

(i) 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.

(ii) Measurement

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.

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

(iii) 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.

02.11 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

02.12 Trade payables

Trade Payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

02.13 Employee Benefits

(i) Short-term Employee Benefits
Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as 'Provision for employee benefits' within 'Current Provisions' in the Balance Sheet.

(ii) Post-employment Benefits

(a) Defined Benefit Plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee benefits expense' in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income.

(b) Defined Contribution Plans

Contributions under Defined Contribution Plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iii) Other Long–term Employee Benefits
The liabilities for compensated absences which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are considered other long-term benefits. They are therefore measured annually by actuaries as the present value of expected future benefits in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented under 'Provision for employee benefits' within 'Current Provisions' in the Balance Sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

02.14 Income Tax

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

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the afinancial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

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

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

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

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

02.15 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost of inventories comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Finished and semi-finished goods comprise direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material.

Provisions are made to cover slow-moving and obsolete items based on historical experience of utilization on a product category basis, which involves individual businesses considering their product lines and market conditions.

02.16 Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

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.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

02.17 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.

02.18 Revenue

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. Revenue from these sales is recognised based on the price specified in the contract, which is generally fixed. No element of financing is

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

deemed present as the sales are made against the receipt of advance or with an agreed credit period of up to 7-10 days, which is consistent with the market practices. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

02.19 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.

Export incentives are recognised for when the right to receive the credit is established and when there does not exist any uncertainty as to its collection.

02.20 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. Nonmonetary 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 the re-translation or settlement of monetary items are included in the statement of profit and loss for the period.

02.21 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 is substantially ready for the intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.
The cash flows from the non-cumulative redeemable preference shares (NCRPS) represent solely payments of principal and interest and are held by the Company within the business model to pay contractual cash flows. Accordingly, NCRPS issued by the Company measured at amortised cost. Contractual cash flows from the NCRPS represent the principal plus the accrued interest.

02.22 Earnings per share

(i) Basic Earnings per Share
Basic earnings per equity share is computed by dividing profit or loss attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year, if any.

(ii) Diluted Earnings per Share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

02.23 Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

02.24 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Managing Director of the Company.

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

02.25 New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

02.26 New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 which amends certain accounting standards, and are effective 1 April 2023. The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as accounting policy already complies with the now mandatory treatment.

02.27 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores unless otherwise stated.

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

3 Property, plant and equipment and Capital work-in-progress

(₹ in crores)

Carrying amounts of:	As at March 31, 2023	As at March 31, 2022
Freehold Landincluding roads	9.56	10.76
Freehold buildings	55.40	57.72
Plant and equipment	1,783.65	1,922.35
Furniture and fixtures	1.00	0.02
Office equipment	8.81	0.09
Vehicles	0.03	0.06
Railway Sidings	7.17	7.60
Total	1,865.62	1,998.62
Capital work-in-progress [Refer note 3(v)]	147.42	143.08
Total	2,013.04	2,141.70

(₹ in crores)

	Freehold Land including roads	Freehold Buildings	Plant and Machinery	Furniture and fixtures	office equipments	Vehicles	Railway Sidings	Total
Cost/deemed cost								
Balance as at April 1, 2022	14.98	86.85	2,944.59	0.39	4.85	22.67	18.72	3,093.05
Additions during the year	-	-	17.99	1.05	9.40	-	-	28.44
Other reclassifications	-	-	23.29	-	(2.55)	(20.74)	-	-
Balance as at March, 2023	14.98	86.85	2,985.87	1.44	11.70	1.93	18.72	3,121.49
Accumulated depreciation								
Accumulated depreciation as at April 1, 2022	4.22	29.13	1,022.24	0.37	4.76	22.61	11.12	1,094.44
Charge for the year	1.20	2.32	156.69	0.07	0.68	0.03	0.43	161.42
Other reclassifications	-	-	23.29	-	(2.55)	(20.74)	-	-
Accumulated depreciation as at March 31, 2023	5.42	31.45	1,202.22	0.44	2.89	1.90	11.55	1,255.87
Carrying amount								
Balance as at April 1, 2022	10.76	57.72	1,922.35	0.02	0.09	0.06	7.60	1,998.62
Balance as at March 31, 2023	9.56	55.40	1,783.65	1.00	8.81	0.03	7.17	1,865.62

(₹ in crores)

	Freehold Land including roads	Freehold Buildings	Plant and Machinery	Furniture and fixtures	office equipments	Vehicles	Railway Sidings	Total
Cost/deemed cost								
Balance as at April 1, 2021	14.98	86.85	2,938.40	0.39	4.82	22.67	18.72	3,086.83
Additions during the year	-	-	8.66	-	0.03	-	-	8.69
Assets disposed / written off during the year	-	-	2.47	-	-	-	-	2.47
Balance as at March 31, 2022	14.98	86.85	2,944.59	0.39	4.85	22.67	18.72	3,093.05
Accumulated depreciation								
Accumulated depreciation as at April 1, 2021	3.02	26.81	864.26	0.24	4.50	22.39	10.69	931.91
Charge for the year	1.20	2.32	159.96	0.13	0.26	0.22	0.43	164.52
Depreciation on assets disposed / written off during the year	-	-	1.98	-	-	-	-	1.98
Accumulated depreciation as at March 31, 2022	4.22	29.13	1,022.24	0.37	4.76	22.61	11.12	1,094.45
Carrying amount								
Balance as at April 1, 2021	11.97	60.04	2,074.14	0.15	0.32	0.27	8.03	2,154.92
Balance as at March 31, 2022	10.76	57.72	1,922.35	0.02	0.09	0.06	7.60	1,998.62

Notes :

(i) Depreciation on property, plant and equipment has been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss (Refer Note 28).

(ii) On transition to Ind AS, the Company had chosen to carry forward previous GAAP carrying amount and accordingly the net carrying amount on transition date was considered as the deemed cost.

(iii) The Company has been considered as a single cash generating unit (CGU) and the carrying value of Property, plant and equipment (including Capital work-in-progress), Right-of-use assets, Intangible assets was tested for impairment as at the year end. The recoverable amount of the CGU was determined based on higher of fair value less costs to sell and value in use for the underlying business. The fair value less costs to sell model uses cash flow forecasts based on the most recently approved financial plan for FY24. Beyond FY24, the cash flow forecasts is based on strategic forecasts which cover a period i.e. estimated time to extract the total usable mineral reserves and six years for steel business and future projections taking the analysis out to perpetuity which includes capital expenditure for capacity expansion of steel making facilities from the current 1.1 MTPA to 4.56 MTPA by FY29 as well as estimated EBITDA changes due to implementation of the expansion strategy and operating the assets. Key assumptions to the fair value less costs to sell model are changes to selling prices and raw material costs, steel demand, amount of capital expenditure needed for expansion of the existing facilities, EBITDA and a post-tax discount rate of 10.10%. The estimates of capital expenditure for capacity expansion of steel making assets is based on management's internal estimates of implementing the expansion strategy.

For the fair value less costs to sell model, a 4.00 % growth rate is used to extrapolate the cash flows beyond the specifically forecasted period of six years in respect of which strategic forecasts have been prepared. The recoverable amount so determined exceeded the carrying values of the assets.

The management has conducted sensitivity analysis including discount rate on the impairment assessment of the carrying value of assets. The management believes that no reasonably possible change in any of the key assumptions used in the model would cause the carrying value of assets to materially exceed its recoverable value.

NEELACHAL ISPAT NIGAM LTD.

Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

(iv) **Ageing of Capital work-in-progress (CWIP)**

As at March 31, 2023 (₹ in crores)

Particulars	Amount in CWIP for period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	8.70	1.41	0.21	136.96	**147.28**
Projects temporarily suspended	-	-	-	0.14	**0.14**
Total	**8.70**	**1.41**	**0.21**	**137.10**	**147.42**

As at March 31, 2022 (₹ in crores)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Projects in progress	1.43	0.21	4.33	136.97	**142.94**
Projects temporarily suspended	-	-	-	0.14	**0.14**
Total	**1.43**	**0.21**	**4.33**	**137.11**	**143.08**

(v) **Completion schedule for Capital work-in-progress whose completion is overdue or has exceeded its cost compared to its original plan**

As at March 31, 2023 (₹ in crores)

Particulars	To be completed in				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Improvement projects	-	98.09	-	-	**98.09**
Sustenance projects	17.00	23.48	-	-	**40.48**
Total	**17.00**	**121.57**	**-**	**-**	**138.57**

As at March 31, 2022 (₹ in crores)

Particulars	To be completed in				
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Improvement projects	-	-	98.89	-	**98.89**
Sustenance projects	-	20.57	23.48	-	**44.05**
Total	**-**	**20.57**	**122.37**	**-**	**142.94**

(vi) Operations of the Company were shut since March 2020 and the capital projects got delayed as detailed above. Post acquisition of the Company (Refer note 40) the new management has made a detailed assessment, inter alia, involving external technical experts as applicable and expects the projects to be completed as detailed in the table above.

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

NEELACHAL ISPAT NIGAM LIMITED
Notes to the financial statements

4 Leases

(i) The Company as a lessee

The Company has lease contracts for land and building. Leases of land have a term of 90 years and leases of building have a term of 5 years. Generally, the Company is restricted from assigning or subleasing the leased assets. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.
The Company also has certain leases of plant & machineries with lease term of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

(ii) Following are the changes in carrying value of right of use assets

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Right-of-use land	36.05	36.61
Right-of-use buildings	2.12	-
Total Right-of-use assets	**38.17**	**36.61**

(₹ in crores)

	Right-of-use land	Right-of-use Building	Total
Cost/deemed cost			
Balance as at April 1, 2022	40.48	-	40.48
Additions during the year	-	2.21	2.21
Balance as at March 31, 2023	**40.48**	**2.21**	**42.69**
Accumulated depreciation			
Accumulated depreciation as at April 1, 2022	3.87	-	3.87
Charge for the year	0.56	0.09	0.65
Accumulated depreciation as at March 31, 2023	**4.43**	**0.09**	**4.52**
Carrying amount			
Balance as at April 01, 2022	36.61	-	36.61
Balance as at March 31, 2023	**36.05**	**2.12**	**38.17**

(₹ in crores)

	Right-of-use land	Right-of-use Building	Total
Cost/deemed cost			
Balance as at April 1, 2021	40.48	-	40.48
Additions during the year	-	-	-
Balance as at March 31, 2022	**40.48**	-	**40.48**
Accumulated depreciation			
Accumulated depreciation as at April 1, 2021	3.31	-	3.31
Charge for the year	0.56	-	0.56
Accumulated depreciation as at March 31, 2022	**3.87**	-	**3.87**
Carrying amount			
Balance as at April 1, 2021	37.17	-	37.17
Balance as at March 31, 2022	**36.61**	-	**36.61**

(iii) Following are the changes in carrying value of lease liabilities

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Balance as at beginning of the year	3.98	3.98
Additions during the year	2.21	-
Finance costs during the year	0.48	0.44
Lease payments during the year	(0.56)	(0.44)
Balance as at end of the year	**6.11**	**3.98**
Current lease liabilities	1.03	0.44
Non-current lease liabilities	5.08	3.54

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 on an undiscounted basis -

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Less than one year	1.03	0.44
One to five years	4.47	2.19
More than five years	25.83	26.27
Total	**31.33**	**28.90**

(iv) Following are the amounts recognised in the Statement of Profit and Loss

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Depreciation expense on right-of-use assets (Refer Note 28)	0.65	0.56
Interest expense on lease liabilities (Refer Note 27)	0.49	0.44
Total amount recognised in the Statement of Profit and Loss	**1.14**	1.00

(a) The Company does not have any leases of low value assets and subleases.

(b) No lease contracts of the Company contain any variable lease payments.

(c) There are no residual value guarantees in relation to any lease contracts.

(d) The Company had a total cash outflows of Rs. 0.56 crores for leases for the year ended March 31, 2023 (March 31, 2022 : ₹ 0.44 crores).

(e) Lease deeds of all right-of-use assets are held in the name of the Company, except for the following:

Particulars	Description of item of property	Gross carrying value ₹ crores	Net carrying value ₹ crores	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since
As at March, 2023						
Right-of-use assets	Right-of-use land	2.49	1.77	Konark Met Coke Limited (KMCL)	No	April 1, 2004
Total		**2.49**	**1.77**			
As at March 31, 2022						
Right-of-use assets	Right-of-use land	2.49	1.80	Konark Met Coke Limited (KMCL)	No	April 1, 2004
Total		**2.49**	**1.80**			

The erstwhile KMCL has since been merged with the Company w.e.f. April 1, 2004 as per High Court Order dated November 5, 2004.The Company had requested Industrial Infrastructure Development Corporation (IDCO) to transfer 249.45 acres of land held in the name of erstwhile KMCL in favour of the Company.Transfer deed is pending for execution in respect of such patch of land as on March 31, 2023. However, the same shall be transferred in the name of the Company as per the applicable rules and regulations / payment of transfer fee of Industrial Infrastructure Development Corporation.

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

5 Other intangible assets

(₹ in crores)

Carrying amounts of:	As at March 31, 2023	As at March 31, 2022
Mining rights (acquired)	178.39	181.73
Computer software	1.75	-
Total intangible assets	180.14	181.73

(₹ in crores)

	Mining rights (acquired)	Computer software	Total
Cost/deemed cost			
Balance as at April 1, 2022	183.75	-	183.75
Additions during the year	-	2.06	2.06
Balance as at March 31, 2023	183.75	2.06	185.81
Accumulated amortisation			
Accumulated amortisation as at April 1, 2022	2.02	-	2.02
Charge for the year	3.34	0.31	3.65
Accumulated amortisation as at March 31, 2023	5.36	0.31	5.67
Carrying amount			
Balance as at April 01, 2022	181.73	-	181.73
Balance as at March 31, 2023	178.39	1.75	180.14

(₹ in crores)

	Mining rights (acquired)	Computer software (acquired)	Total
Cost/deemed cost			
Balance as at April 1, 2021	183.68	-	183.68
Additions during the year	0.07	-	0.07
Balance as at March 31, 2022	183.75	-	183.75
Accumulated amortisation			
Accumulated amortisation as at April 1, 2021	-	-	-
Charge for the year	2.02	-	2.02
Accumulated amortisation as at March 31, 2022	2.02	-	2.02
Carrying amount			
Balance as at April 01, 2021	183.68	-	183.68
Balance as at March 31, 2022	181.73	-	181.73

Notes :

(i) The amortisation has been included under 'Depreciation and Amortisation Expenses' in the Statement of Profit and Loss (Refer Note 28).

(ii) On transition date to Ind AS, the Company had chosen to carry forward the previous GAAP carrying amount and accordingly net carrying amount on transition date was considered deemed cost.

6 Investments

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Current Investments (Unquoted)		
Investment in mutual funds (carried at fair value through profit and loss)		
(a) Tata Overnight Fund-Direct Plan- Growth	18.06	-
(b) SBI Overnight Fund Direct Growth	18.06	-
(c) Tata Liquid Fund Direct Plan-Growth	130.15	-
(d) SBI Liquid Fund Direct Growth	130.16	-
(e) HDFC Liquid Fund-Direct Plan-Growth Option	130.16	-
(f) Axis Liquid Fund-Direct Growth	130.16	-
	556.75	-
Aggregate amount of unquoted investments	556.75	-

Refer Note 31 for information about fair value measurement, credit risk and market risk on investments.

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

7 Other financial assets

(Unsecured, considered good unless stated otherwise)

(₹ in crores)

	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
(a) Interest accrued on deposits and loans	-	0.38	-	0.76
(b) Security deposits				
Considered good	30.71	-	0.36	-
Credit impaired	0.40	-	0.39	-
Less: Allowance for credit losses	(0.40)	-	(0.39)	-
(c) Bank deposits with more than 12 months original maturity*	2.39	10.70	7.52	-
	33.10	**11.08**	**7.88**	**0.76**

*Out of total non-current and current bank deposits ₹ 12.62 crores (March 31, 2022: ₹ 7.52 crores) is earmarked.

8 Other assets

(Unsecured, considered good unless stated otherwise)

(₹ in crores)

	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
(a) Capital advances	0.38	-	3.62	-
(b) Other loans and advances				
(i) Advances with public bodies				
Considered good	-	152.34	-	34.42
Considered doubtful	-	7.91	-	7.12
Less : Provision for doubtful advances	-	(7.91)	-	(7.12)
(ii) Other advances and prepayments *				
Considered good	-	11.75	-	10.24
Considered doubtful	-	0.52	-	0.43
Less : Provision for doubtful advances	-	(0.52)	-	(0.43)
	0.38	**164.09**	**3.62**	**44.66**

* Includes advances against supply of goods/ services ₹ 10.29 crores and gratuity assets Rs. 0.43 crores

9 Income tax assets (Non current) (net)

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Advance tax and Tax Deducted at source	3.19	0.97
	3.19	0.97

(i) There is no income surrendered or disclosed as income during the current year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

10 Inventories

(lower of cost and net realisable value) (₹ in crores)

	As at March 31, 2023	As at March 31, 2022
(a) Raw materials	315.44	49.82
(b) Finished and semi-finished goods	432.13	80.15
(c) Stores and spares	151.30	32.38
	898.87	162.35
Included above, goods-in-transit		
(a) Raw materials	26.87	-
(b) Stores and spares	1.21	-
	28.08	-

(i) Value of inventories stated above is after provisions ₹ 41.31 crores (March 31, 2022: Nil) for write-downs to net realisable value.

(ii) During the year discrepancies noted on physical verification of raw material inventories is ₹ 54.64 crores (amount in books being lower) (March 31, 2022: ₹ Nil), has been appropriately adjusted in the books of accounts.

(ii) Refer Note 44 for information on inventories hypothecated as security by the Company.

11 Trade receivables

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
(a) Unsecured, considered good	125.63	-
(b) Unsecured, credit impaired	-	-
	125.63	-
Less : Allowance for expected credit loss	-	-
Total trade receivables	125.63	-
Trade receivables from related parties (Refer Note 36)	125.62	
Less: Allowance for expected credit losses	-	-

(i) Ageing of trade receivables excluding loss allowance is as below:

As at March 31, 2023

(₹ in crores)

	Unbilled	Not Due for payment	Outstanding for following periods from due date of payment					
			Less than 6 Months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed – considered good	-	104.67	20.96	-	-	-	-	125.63
	-	104.67	20.96	-	-	-	-	125.63

As at March 31, 2022

(₹ in crores)

	Unbilled	Not Due	Outstanding for following periods from due date of payment					
			Less than 6 Months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Undisputed – considered good	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-

(ii) There is one customer whose balance represents more than 10% of total balance of Trade Receivables as at March 31, 2023.

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

(iv) Refer Note 31 for information about credit risk and market risk on receivables.

(v) Refer Note 44 for information on Trade receivables hypothecated as security by the Company.

12 Cash and cash equivalents

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
(a) Balances with scheduled banks		
(i) In current accounts	23.18	18.55
(ii) In fixed deposit accounts having original maturity of three months or less	-	21.89
(b) Cash on hand	-	0.01
Total cash and cash equivalents	23.18	40.45

13 Other balances with banks

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Earmarked balances with bank (with original maturity of more than three months and less than twelve months)	3.40	1,210.00
	3.40	1,210.00

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

14 Equity share capital

A. Details of authorised, issued, subscribed and paid-up capital

(₹ In crores)

		As at March 31, 2023	As at March 31, 2022
Authorised share capital:			
5,10,00,00,000	fully paid equity shares of ₹ 10 each (March 31, 2022: 1,900,000,000 equity shares of ₹ 10 each)	5,100.00	1,900.00
Issued and subscribed:			
1,37,26,40,143	fully paid equity shares of ₹ 10 each (March 31, 2022: 747,640,143 equity shares of ₹ 10 each)	1,372.64	747.64
Paid up:			
1,35,87,88,143	Equity shares of ₹ 10 each, fully paid up (March 31, 2022: 733,788,143 euity shares of ₹ 10 each, fully paid up)	1,358.79	733.79
1,38,52,000	Equity shares of ₹ 10 each, ₹ 5 partly paid up* (March 31, 2022: 13,852,000 euity shares of 10 each, ₹ 5 partly paid up)	6.93	6.93
Fully paid equity shares		1,365.72	740.72

*1,38,52,000 equity shares of ₹ 10/- each on which ₹ 5/- has already been paid up shall not be called up except in the event of and for the purpose of the company being wound up.

B. Reconciliation of number of shares outstanding

	No. of equity shares	Amount ₹ in crores
Equity shares of Rs. 10 each		
As at April 1, 2021		
- Fully Paid (of ₹ 10 each)	73,37,88,143	733.79
- Partly Paid (of ₹ 5 each)	1,38,52,000	6.93
Changes in equity share capital during the year	-	-
As at March 31, 2022		
- Fully Paid (of ₹ 10 each)	73,37,88,143	733.79
- Partly Paid (of ₹ 5 each)	1,38,52,000	6.93
Changes in equity share capital during the Period		
- Fully Paid (of ₹ 10 each)	62,50,00,000	625.00
- Partly Paid (of ₹ 5 each)	-	-
As at March 31, 2023		
- Fully Paid (of ₹ 10 each)	1,35,87,88,143	1,358.79
- Partly Paid (of ₹ 5 each)	1,38,52,000	6.93

During the year the Company has made private placement of 578,125,000 equity shares to Tata Steel Long Products Limited and 46,875,000 equity shares to Tata Steel Limited for a consideration of Rs. 64/- each share, face value of Rs. 10/- each share. The above funds has been utilized for the purposes for which funds were raised.

C. Shares held by holding company/ ultimate holding company

	As at March 31, 2023		As at March 31, 2022	
	No. of equity shares	%	No. of equity shares	%
Tata Steel Long Products Ltd (Holding Company)	1,27,21,54,735	92.68%	-	-
Tata Steel Limited (Ultimate Holding Company)	7,19,00,492	5.24%	-	-

D. Details of shareholders holding more than 5% of outstanding shares

	As at March 31, 2023		As at March 31, 2022	
	No. of equity shares	%	No. of equity shares	%
Name of shareholders				
(a) Tata Steel Long Products Limited	1,27,21,54,735	92.68%	-	-
(b) Tata Steel Limited	7,19,00,492	5.24%	-	-
(c) MMTC Limited	-	-	36,87,62,744	49.78%
(d) Industrial Promotion & Investment Corporation of Orissa Limited	-	-	8,88,68,389	12.00%
(e) NMDC Limited	-	-	7,47,99,878	10.10%
(f) The Odisha Mining Corporation Limited	-	-	15,15,98,530	20.47%

E. Details of shareholding of promoters

	As at March 31, 2023		As at March 31, 2022	
	No. of equity shares	%	No. of equity shares	%
Name of promoter				
(a) Tata Steel Long Products Limited	1,27,21,54,735	92.68%	-	-
(b) MMTC Limited	-	-	36,87,62,744	49.78%
(c) Industrial Promotion & Investment Corporation of Orissa Limited	-	-	8,88,68,389	12.00%
(d) The Odisha Mining Corporation Limited	-	-	15,15,98,530	20.47%
Name of promoter group				
(a) Tata Steel Limited	7,19,00,492	5.24%	-	-

F. Rights, preferences and restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. 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. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Also refer Note 40 to the financial statements.

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

14A Preference share capital

A. Details of authorised, issued, subscribed and paid-up capital

₹ in crores

		As at March 31, 2023	As at March 31, 2022
Authorised share capital:			
10,00,00,000	Convertible Preference shares of Rs. 10 each (As at March 31, 2022: Nil)	**100.00**	-
70,00,00,000	Non Convertible Redeemable Preference Shares of Rs. 100 each (As at March 31, 2022: Nil)	**7,000.00**	-
	Issued and subscribed:		
45,60,54,252	Non Convertible Redeemable Preference Shares of Rs. 100 each (As at March 31, 2022: Nil)	**4,560.54**	-
	Paid up:		
45,60,54,252	Non Convertible Redeemable Preference Shares of Rs. 100 each (As at March 31, 2022: Nil)	**4,560.54**	-

B Reconciliation of number of shares outstanding

	No. of preference shares	Amount ₹ in crores
Non Convertible Redeemable Preference Shares of Rs. 100 each		
As at April 01, 2021	-	-
Shares issued during the year	-	-
As at March 31, 2022	-	-
Shares issued during the year	45,60,54,252	4,560.54
As at March 31, 2023	**45,60,54,252**	**4,560.54**

The Company has issued 0.01% Non Convertible Redeemable Preference shares (NCRPS) during the year ended March 31, 2023 amounting to ₹ 4560.54 crores having face value of ₹ 100 each. Considering the accounting principles to be followed in line with Indian Accounting Standards, the Company has computed the liability portion of NCRPS as the present value of the contractual obligations associated with the instrument and has presented it in Note 16 Borrowings. The difference between the issue amount of NCRPS and the liability so computed is Nil, accordingly 'Equity component of compound financial instruments' is Nil.

C **Rights, preferences and restrictions attached to preference shares**

The Company has issued preference shares having a par value of ₹ 100 per share. Preference shares carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013. The Company shall declare and pay dividend in Indian Rupees. The preference shares shall carry a preferential right vis-à-vis equity shares of the Company with respect to payment of dividend and repayment of capital. However, the holders of the preference shares shall be paid dividend on a non-cumulative basis. The preference shares shall be non-participating in the surplus funds and also in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company.

For terms of redemption,refer sub-note (ii) of Note 16- Borrowings.

Also refer Note 40 to the financial statements.

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

15 Other equity

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Bond Redemption Reserve	-	5.00
Securities premium	3,556.50	181.50
Retained earnings	(6,963.04)	(5,630.37)
Remeasurement gain / (loss) on defined benefit plans	(2.78)	(1.65)
Total	(3,409.32)	(5,445.52)

(₹ in crores)

Particulars	Reserves and surplus				Total
	Bond Redemption Reserve	Securities premium	Retained earnings	Remeasurement gain / (loss) on defined benefit plans	
Balance as at April 1, 2022	5.00	181.50	(5,630.37)	(1.65)	**(5,445.52)**
Loss for the year	-	-	(1,337.67)	-	**(1,337.67)**
Securities Premium on issue of equity shares	-	3,375.00	-	-	**3,375.00**
Remeasurement gain / (loss) on defined benefit plans	-	-	-	(1.13)	**(1.13)**
Transfer of Bond Redemption Reserve	(5.00)	-	5.00	-	-
Balance as at March 31, 2023	-	3,556.50	(6,963.04)	(2.78)	**(3,409.32)**

Particulars	Reserves and surplus				Total
	Bond Redemption Reserve	Securities premium	Retained earnings	Remeasurement gain / (loss) on defined benefit plans	
Balance as at April 1, 2021	5.00	181.50	(4,414.63)	-	**(4,228.13)**
Loss for the year	-	-	(1,215.74)	-	**(1,215.74)**
Remeasurement gain / (loss) on defined benefit plans	-	-	-	(1.65)	**(1.65)**
Balance as at March 31, 2022	**5.00**	**181.50**	(5,630.37)	(1.65)	**(5,445.52)**

(a) Bond redemption reserve

The provisions of the Companies Act, 2013 read with the related rules, requires a company issuing bonds either through public issue or on a private placement basis, to create a bond redemption reserve out of the profits of the Company available for payment of dividend. The amounts credited to the such reserve can be utilised by the Company only to redeem bonds.

During current financial year the entire amount in such reserve was transferred to retained earnings after redemption of all the bonds as per the approved disinvestment plan.

(b) 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:

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	181.50	181.50
Received on issue of equity shares during the year	3,375.00	-
Balance at the end of the year	3,556.50	**181.50**

(c) Retained earnings

Retained Earnings are the profits and gains that the Company has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholdes.

(d) Remeasurement gain / (loss) defined benefit plans

The Company recognises remeasurement gain / (loss) on defined benefit plans in Other Comprehensive Income. These changes are accumulated within the equity under "Remeasurement gain / (loss) on defined benefit plans" reserve within equity.

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

16 Borrowings

(₹ in crores)

	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
(a) Secured borrowings				
(i) Term loans from banks/financial institutions	-	-	-	1,067.01
(ii) Bonds and debentures	-	-	-	250.00
(iii) Loans from related parties	-	-	-	160.50
(iv) Repayable on demand from banks/financial institutions	-	-	-	152.40
	-	-	-	**1,629.91**
(b) Unsecured borrowings				
(i) Liability component of non convertible redeemable preference shares (Refer sub-note (ii))	4,945.51			
(ii) Loans from related parties	-	-	-	190.20
(iii) Loans from others	-	-	-	80.27
(iv) Working capital loan from related parties	-	-	-	1,425.00
	4,945.51	-	-	**1,695.47**
	4,945.51	-	-	**3,325.38**

(i) Maturity profile of borrowings is as below:

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Not later than one year or on demand	-	3,325.38
Later than one year but not two years	-	-
Later than two years but not three years	-	-
Later than three years but not four years	-	-
Later than four years but not five years	-	-
More than five years	4,945.51	-
	4,945.51	**3,325.38**

(ii) During the financial year ended March 31, 2023, the Company has issued 0.01% Non-Convertible Redeemable Preference Shares ("NCRPS") to Tata Steel Long Products Limited on private placement basis. The NCRPS are mandatorily redeemable at the end of 20 years from the date of allotment at premium of ₹ 762 per NCRPS. The NCRPS shall be redeemable at premium upon maturity or optional early redemption with accrued interest thereon computed on the basis of the effective yield of the instrument, at the option of the Company on a quarterly basis at 3-month intervals from the date of allotment.
The dividend payment to holders of NCRPS is discretionary (non-guaranteed) and non-cumulative in nature and accordingly these are accounted for as compound financial instruments.

(iii) Debt reconciliation

(₹ in crores)

	Amount
Debt as at April 1, 2021	3,314.28
Cash flows (Net)	(1.33)
Interest on liability component of non-convertible preference shares/ borrowings	9.56
Unamortised cost reversed	2.87
Debt as at March 31, 2022	**3,325.38**
Debt as at April 1, 2022	3,325.38
Cash flows (Net)	1,235.16
Interest on liability component of non-convertible preference shares (Refer Note 27)	384.97
Amortisation of upfront fees	-
Debt as at March 31, 2023	**4,945.51**

(iv) The borrowings obtained by the Company have been applied for the purposes for which such borrowings were taken.
(v) The Company has defaulted in repayment of loans or other borrowings which has been repaid during the year, the details are as given below.

Nature of Loan	Name of the Lender	Amount not paid on due date- Principal	Interest	Due from	Number of days
Term Loan	Indian Bank	90.64	57.66	30.09.2015	2,469
Term Loan	State Bank of India	86.96	166.75	30.09.2015	2,469
Term Loan	Industrial Finance	37.88	26.84	30.06.2016	2,195
Term Loan	Bank of Baroda	33.00	19.94	30.09.2015	2,469
Term Loan	Union Bank of India	28.19	34.41	30.09.2015	2,469
Term Loan	Indusind Bank	26.48	37.89	30.11.2018	1,312
Term Loan	State Bank of India	18.37	44.55	30.06.2018	1,465
Term Loan	Punjab National Bank	8.31	3.68	30.09.2015	2,469
Term Loan	Dena Bank	7.29	36.32	30.06.2015	2,561
Term Loan	State Bank of India	6.25	3.14	31.12.2014	2,742
Term Loan	Central Bank of India	5.28	22.72	30.09.2015	2,469
Bonds and Debentures	10.45% Bond - Indian Bank	50.00	8.43	28.02.2021	491
Bonds and Debentures	11.90% Bond - SBI Caps	150.00	65.84	28.02.2021	491
Inter-corporate Loan	Odisha Mining Corporation	159.37	31.15	30.09.2019	1,008
Inter-corporate Loan	Odisha Mining Corporation	108.00	2.48	31.01.2021	519
Inter-corporate Loan	National Mineral	54.00	6.79	31.01.2021	519
Inter-corporate Loan	National Mineral	6.00	-	31.01.2022	154
Inter-corporate Loan	National Mineral	1.60	-	30.09.2015	2,469
Cash Credit	State Bank of India	-	40.93	Amounts are based on confirmation from lenders and the period of delay is not readily available.	
Cash Credit	Bank of Baroda	-	8.94		
Cash Credit	Indian Bank	-	5.99		
Cash Credit	Union Bank of India	-	5.28		
Cash Credit	Punjab National Bank	-	0.42		

Working capital demand loans (WCDL) aggregating Rs. 1,577.40 crores as on July 3, 2022 were entirely paid off on July 4, 2022; these WCDL were repayable on demand and were not demanded.

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

17 Provisions

(₹ in crores)

		As at March 31, 2023		As at March 31, 2022	
		Non-current	Current	Non-current	Current
(a)	Provision for employee benefits				
	(i) Post-employment defined benefits	2.82	0.04	65.79	2.69
	(ii) Compensated absences	77.67	2.05	65.74	1.89
(b)	Other provisions (Refer note 39)				
	(i) Provision for interest on VAT, entry tax, sales tax	-	77.92	-	90.37
	Total provisions	**80.49**	**80.01**	**131.53**	**94.95**

18 Deferred tax liabilities (net)

(i) The following is the analysis of deferred taxes presented in the Balance Sheet:

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Deferred tax liabilities	306.60	421.81
Deferred tax assets	(306.60)	(421.81)
Deferred tax liabilities (net)	-	-

The balances comprises temporary differences attributable to:

(₹ in crores)

Balance as at March 31, 2023	Deferred tax liabilities/ (assets) as at March 31, 2022	Recognised/ (reversed) in profit and loss during the year	Deferred tax liabilities/ (assets) as at March 31, 2023
Deferred tax liability:			
(a) Property, plant and equipment and intangible assets	408.60	(113.58)	295.02
(b) Right of Use Assets	13.21	(3.59)	9.61
(c) Others	-	1.97	1.97
Total deferred tax liability	**421.81**	**(115.21)**	**306.60**
Deferred tax assets:			
(a) On unabsorbed depreciation and carry forward of business losses	420.42	(154.39)	266.03
(b) Amount allowable on payment basis as per section 43B of the Income Tax Act, 1961	-	39.52	39.52
(c) Others	1.39	(0.34)	1.05
Total deferred tax asset	**421.81**	**(115.21)**	**306.60**
Deferred tax liabilities (net)	-	-	-

Balance as at March 31, 2022	Deferred tax liabilities/ (assets) as at March 31, 2021	Recognised/ (reversed) in profit and loss during the year	Deferred tax liabilities/ (assets) as at March 31, 2022
Deferred tax liability:			
(a) Related to property plant & equipment, intangible assets and ROU	411.33	10.48	421.81
(b) Investments carried at Fair value through profit or loss	-	-	-
	411.33	**10.48**	**421.81**
Deferred tax assets:			
(a) On unabsorbed depreciation and carry forward of business losses	362.87	57.54	420.42
(b) Amount allowable on payment basis as per section 43B of the Income Tax Act, 1961	47.06	(47.06)	-
(c) Others	1.39	-	1.39
	411.32	**10.48**	**421.81**
Deferred tax liabilities (net)	-	-	-

(a) Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.

(b) Deferred tax assets has been recognised to the extent of deferred tax liabilities, with that deferred tax assets have not been recognised in respect of business losses and unabsorbed depreciation aggregating to ₹ 1,280.51 crores as at March 31, 2023 (March 31, 2022: ₹ 1383.55 crores), where it is not probable that sufficient taxable income will be available in the future against which such the deferred tax assets can be realised in the normal course of business of the Company.

(c) Tax losses and unabsorbed depreciation, in respect of which deferred tax asset has not been recognized, expire unutilized based on the year of origination as below.

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Within five years	1,343.52	1,469.79
Later than five years but less than ten years	2,492.03	1,453.28
No expiry	2,309.32	2,141.94
	6,144.87	**5,065.01**

(ii) **Reconciliation of income tax recognised in the Statement of Profit and Loss**

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Current tax		
On profit/loss for current year	-	-
	-	-
Deferred tax		
In respect of the current year	-	-
	-	-
Total tax expense (Refer reconciliation below)	-	-

(₹ in crores)

The income tax expense for the year can be reconciled to the accounting profit as follows:	As at March 31, 2023	As at March 31, 2022
Profit / (loss) before tax	(1,337.67)	(1,215.74)
Income tax expense calculated at enacted Income tax rate of **25.168%** (March 31, 2022 : 34.94%)	(336.66)	(424.84)
Effect of expenses that are not deductible in determining taxable profit	99.50	41.30
Deferred tax assets recognised on used tax losses and unused tax credits	237.16	383.54
Tax Expense as reported	-	-

NEELACHAL ISPAT NIGAM LTD

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

19 Trade payables

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Current		
(i) Total outstanding dues of micro and small enterprises (Refer Note (ii) below)	**66.04**	15.52
(ii) Total outstanding dues of creditors other than micro and small enterprises		
(a) Trade payables for supplies and services	**694.49**	461.70
(b) Trade payables for accrued wages and salaries	**12.56**	108.50
Total Trade Payables	**773.09**	585.72
Trade payable to related parties (Refer Note 36)	172.99	91.55
Trade payable other than related parties	600.10	494.17
Total Trade Payables	**773.09**	**585.72**

(i) Ageing of trade payables is as below

(₹ in crores)

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As at March 31, 2023							
(i) MSME	11.70	49.40	3.36	-	-	1.58	**66.04**
(ii) Others	353.98	275.28	64.00	-	-	13.79	**707.05**
(iii) Disputed dues - MSME	-	-	-	-	-	-	**-**
(iv) Disputed dues - Others	-	-	-	-	-	-	**-**
Total	**365.68**	**324.68**	**67.36**	-	-	**15.37**	**773.09**
As at March 31, 2022							
(i) MSME	-	-	4.57	-	1.11	9.84	**15.52**
(ii) Others	-	-	123.39	159.34	50.46	237.02	**570.20**
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	-	-	**127.96**	**159.34**	**51.57**	**246.86**	**585.72**

(ii) Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The amount due to the Micro and Small Enterprise 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 the information available with the Company, which has been relied upon by the auditors.

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
(a) (i) The principal amount remaining unpaid to supplier as at end of the accounting year	66.04	10.95
(ii) Interest due thereon remaining unpaid to supplier as at end of the accounting year	2.05	4.57
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(d) The amount of interest accrued and remaining unpaid at the end of the accounting year	2.05	4.57
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Refer Note 31 for information about liquidity risk relating to Trade payables.

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

20 Other current liabilities

₹ in crores

	As at March 31, 2023	As at March 31, 2022
(a) Advances from customers	116.43	0.43
(b) Other payables		
(i) Employee recoveries and employer contributions	15.71	20.58
(ii) Other statutory liabilities (GST,TDS,etc)	44.07	417.44
(iii) Other credit balances	-	2,046.87
Total other current liabilities	**176.21**	**2,485.32**

Notes:

(i) Amount of revenue recognised for the year ended March 31, 2023, from amounts included in the advances from customers outstanding at the beginning of the year is ₹ Nil (March 31, 2022: ₹ Nil crores).

(ii) Employee recoveries and employer contributions includes dues of ₹ 12.14 crores towards interest and penalty on delay in payment of provident fund, which has been created as per the provisions of The Employees' Provident Funds and Miscellaneous Provisions Act, 1952

(iii) Other credit balance includes operational advances from MMTC Limited amounting to ₹ Nil (March 31, 2022: ₹ 2,038.11 crores).

21 Other financial liabilities (current)

₹ in crores

	As at March 31, 2023	As at March 31, 2022
(a) Interest payable		
(i) Interest accrued but not due on borrowings	-	0.94
(ii) Interest accrued and due on borrowings	-	540.01
(iii) Interest accrued on trade payables and others	2.05	-
(b) Creditors for capital supplies and services	22.59	137.27
(c) Other credit balances *	8.56	1,230.43
Total Other financial liabilities	**33.20**	**1,908.65**

*Includes liability towards employees family benefit scheme ₹ 5.61 crores (March 31, 2022: ₹ 4.68 crores). As at March 31, 2022 it included bid advance from Tata Steel Long Products Limited ₹ 1,210.00 crores

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

22 Revenue from operations

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Revenue from contracts with customers		
(i) Sale of products	**1,461.99**	257.58
(ii) Sale of water	**0.67**	-
(b) Other operating revenue		
(i) Sale of product scrap	**147.89**	-
(ii) Sale of other products	**41.61**	-
	1,652.16	**257.58**

(i) Revenue from contracts with customers disaggregated on the basis of geographical region and major businesses is as below:

(₹ in crores)

	Year ended March 31, 2023		
	India	Outside India	Total
(a) Sale of products	1,461.99	-	**1,461.99**
(b) Sale of water	0.67	-	**0.67**
	1,462.66	-	**1,462.66**

(₹ in crores)

	Year ended March 31, 2022		
	India	Outside India	Total
(a) Sale of products	257.58	-	**257.58**
	257.58	-	**257.58**

(ii) Customers who contributed 10% or more to the Company's revenue

₹ in crores

	Year ended March 31, 2023	Year ended March 31, 2022
(i) Tata Steel Limited	968.34	-
(ii) MMTC Limited	-	232.36
	968.34	**232.36**

(iii) Contract balances

₹ in crores

	As at March 31, 2023	As at March 31, 2022
Trade receivables (Gross) (Refer note 11)	125.63	-
Contract liabilities		
Advance from customers (Refer Note 20)	116.43	0.43

There has been no significant changes in the outstanding balances of contract liabilities.

NEELACHAL ISPAT NIGAM LTD. ★

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FRN 304026E/E-300009
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23 Other income

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Interest income		
(i) Interest income earned on financial assets that are not designated at FVTPL		
- Bank deposits carried at amortised cost	12.18	1.80
(b) Net gain on fair value changes		
(i) Net gain on fair value changes of financial assets carried at FVTPL (Current)	2.89	-
(ii) Net gain on sale of current investments	3.29	-
(c) Liabilities no longer required written back	32.71	-
(d) Other non-operating income	3.57	0.23
Total other income	54.64	2.03

Note:

Liabilities no longer required written back includes, foreign currency payables write off ₹ 30.16 crores (March 31, 2022:₹ Nil)

24 Cost of materials consumed

₹ in crores

	Year ended March 31, 2023	Year ended March 31, 2022
Opening stock	49.82	169.15
Add: Purchases of materials	1,689.84	2.15
	1,739.66	171.30
Less: Closing stock	315.44	49.82
Total cost of materials consumed	1,424.22	121.48

25 Changes in inventories of finished and semi-finished goods

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Finished and semi-finished goods		
Opening stock	80.15	89.05
Less: Closing stock	432.13	80.15
Net decrease / (increase) in finished and semi-finished goods	(351.98)	8.90
Adjustment for physical verification and valuation impact	-	(4.53)
Net decrease / (increase) in finished and semi-finished goods	(351.98)	4.37

26 Employee benefits expense

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Salaries and wages	195.42	147.78
(b) Contribution to provident and other funds (Refer note 37)	15.55	32.70
(c) Staff welfare expenses	7.11	7.25
Total employee benefits expense	218.08	187.73

27 Finance costs

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Interest expenses		
(i) Non-convertible redeemable preference shares (Refer Note 16(iii))	384.97	-
(ii) Bank borrowings and others	77.52	279.18
(iii) Leases	0.49	0.44
(b) Other borrowing costs	21.82	39.39
	484.80	319.01

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

28 Depreciation and amortisation expense

(₹ in crores)

		Year ended March 31, 2023	Year ended March 31, 2022
(a)	Depreciation of property, plant and equipment (Refer Note 3)	161.42	164.52
(b)	Depreciation of right-of-use assets (Refer Note 4)	0.65	0.56
(c)	Amortisation of intangible assets (Refer Note 5)	3.65	2.02
Total depreciation and amortisation expense		**165.72**	**167.10**

29 Other expenses

(₹ in crores)

		Year ended March 31, 2023	Year ended March 31, 2022
(a)	Consumption of stores and spare parts	423.30	1.66
(b)	Fuel oil consumed	65.97	-
(c)	Purchase of power	61.28	12.70
(d)	Rent	5.13	0.31
(e)	Repairs to buildings	2.18	0.38
(f)	Repairs to machinery	229.17	4.57
(g)	Insurance	3.35	3.82
(h)	Rates and taxes	21.22	114.66
(i)	Freight and handling charges	82.40	2.16
(j)	Commission, discounts and rebates	4.33	-
(k)	Royalty	61.51	3.38
(l)	Conversion charges	84.51	-
(m)	Other expenses		
	(1) Legal and professional fees (Refer Note 29.01)	12.88	1.82
	(2) Advertisement, promotion and selling expenses	0.01	0.47
	(3) Travelling expenses	-	0.24
	(4) Net Loss on foreign currency transactions	0.14	0.66
	(5) Loss on disposal of property plant and equipment	-	0.49
	(6) Net loss on fair value changes of financial assets /liabilities carried at FVTPL	0.83	-
	(7) Other general expenses	45.42	19.81
Total other expenses		**1,103.63**	**167.13**

29.01 Payment to auditors

(₹ in crores)

	Year ended March 31, 2023	Year ended March 31, 2022
Auditors remuneration and out-of-pocket expenses		
(i) As auditors - statutory audit	0.30	0.05
(ii) As auditors - tax audit	0.03	0.01
(iii) Other services *	0.30	-
(iv) Out-of-pocket expenses	0.01	-
	0.64	0.06

* includes Rs. 0.15 crores (March 31, 2022:₹ Nil) paid to predecessor auditors

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

30 Capital Management

Risk management

The objective of the Company's capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings (sanctioned not yet utilised).

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, lease liabilities and liability component of preference shares less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.

The table below summarises the capital, net debt and net debt to equity ratio of the Company.

(₹ in crores)

	As at March 31, 2023	As at March 31, 2022
Equity share capital	1,365.72	740.72
Other equity	(3,409.32)	(5,445.52)
Total equity (A)	**(2,043.60)**	**(4,704.80)**
Borrowings	4,945.51	3,325.38
Lease liabilities	6.11	3.98
Gross debt (B)	**4,951.62**	**3,329.36**
Total capital (A+B)	**2,908.02**	**(1,375.44)**
Gross debt as above	4,951.62	3,329.36
Less : Current investments	556.75	-
Less : Cash and cash equivalents	23.18	40.45
Less : Other balance with banks (including earmarked balances)	5.79	1,217.52
Net debt (C)	**4,365.90**	**2,071.39**
Net debt to equity ratio [1]	**(0.32)**	**(0.13)**

Note :

[1] Net debt to equity ratio has been computed based on average of opening and closing equity.

31 Disclosures on financial instruments

(a) Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's senior management oversees the management of above risks. The senior executives working to manage the financial risks are accountable to the Audit Committee and the Board of Directors. This process provides assurance that the Company's financial risks-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and the Company's risk appetite.
This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(i) Credit risk management

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk primarily arises from trade receivables, investments in mutual funds and balances with banks.

Trade receivables and contract assets

Trade receivables are typically unsecured, considered good and are derived from revenue earned from customers. Customer credit risk is managed as per Company's policy and procedures which involve credit approvals, establishing credit limits and continually monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Outstanding customer receivables are regularly monitored.

Other Financial Assets

Credit risk from balances with banks, term deposits, and investments in mutual funds are managed by Company's finance department. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements. The Company monitors ratings, credit spreads and financial strength of its counterparties.

The carrying value of financial assets represents the maximum credit risk as disclosed in 31(b)(i).

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

(ii) Liquidity risk management

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and maintain adequate source of financing.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposits and in mutual funds, which carry no or low market risk.

a. Financing arrangement

The Company has fund based and non-fund based arrangement with banks of ₹ 360.00 crores (March 31, 2022: Nil) and ₹ 650.00 crores (March 31, 2022: Nil) respectively, which may be utilised at any time.

b. Maturities of financial liabilities

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company's 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.

(₹ in crores)

As at March 31, 2023	Carrying value	Contractual cash flows	less than one year	between one to five years	More than five years
Non-derivative financial liabilities:					
Borrowings	4,945.51	39,311.88	-	-	39,311.88
Lease liabilities	6.11	31.33	1.03	4.47	25.83
Trade payables	773.09	773.09	773.09	-	-
Other financial liabilities	33.20	33.20	33.20	-	-
	5,757.91	**40,149.50**	**807.32**	**4.47**	**39,337.71**

As at March 31, 2022	Carrying value	Contractual cash flows	less than one year	between one to five years	More than five years
Non-derivative financial liabilities:					
Borrowings	3,325.38	3,325.38	3,325.38	-	-
Lease liabilities	3.98	28.89	0.44	2.19	26.27
Trade payables	585.72	585.72	585.72	-	-
Other financial liabilities	1,908.65	1,908.65	1,908.65	-	-
	5,823.73	**5,848.64**	**5,820.19**	**2.19**	**26.27**

(iii) Market risk

a. Foreign currency risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currencies (primarily US Dollars). The Company has foreign currency trade payables and is therefore exposed to foreign currency risk. Foreign currency risk exposure is evaluated and managed through operating procedures and sourcing policies.

	As at March 31, 2023	As at March 31, 2022
	USD in crores	USD in crores
Financial assets		
Trade receivables	-	-
Net exposure to foreign currency risk (Assets)	-	-
Financial liabilities		
Trade payables	1.09	0.10
Net exposure to foreign currency risk (Liabilities)	**1.09**	**0.10**
Net exposure to foreign currency risk (Assets - Liabilities)	**(1.09)**	**(0.10)**

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rate, with all other variables held constant. The impact on the Company's profit before tax and profit after tax is due to changes in the fair value of monetary assets and liabilities.

(₹ in crores)

	Impact on profit before tax		Impact on profit after tax	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Increase in rate of 1 USD against Rs. by 10%	**(8.99)**	(0.76)	(6.73)	(0.57)
Decrease in rate of 1 USD against Rs. by 10%	**8.99**	0.76	6.73	0.57

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

(iv) Commodity Price risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchase of imported raw materials for production of finished goods. Cost of raw materials forms the largest portion of the Company's cost of sales. Market forces generally determine prices for such raw materials purchased by the Company. These prices may be influenced by factors such as supply and demand, production costs and global and regional economic conditions and growth. Adverse changes in any of these factors may impact the results of the Company. Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies.

(b) Financial Instruments by Category

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

(i) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2023 and March 31, 2022.

(₹ in crores)

As at March 31, 2023	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value	Total fair value
Financial assets					
Investments in Mutual fund	556.75	-	-	556.75	556.75
Trade receivables	-	-	125.63	125.63	125.63
Cash and cash equivalents	-	-	23.18	23.18	23.18
Other bank balances	-	-	3.40	3.40	3.40
Other financial assets	-	-	44.18	44.18	44.18
Total	**556.75**	**-**	**196.39**	**753.14**	**753.14**
Financial liabilities					
Borrowings	-	-	4,945.51	4,945.51	**4,294.38**
Lease liabilities	-	-	6.11	6.11	**6.11**
Trade payables	-	-	773.09	773.09	**773.09**
Other financial liabilities	-	-	33.20	33.20	**33.20**
Total	**-**	**-**	**5,757.91**	**5,757.91**	**5,106.78**

(₹ in crores)

As at March 31, 2022	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value	Total fair value
Financial assets					
Investments	-	-	-	-	-
Trade receivables	-	-	-	-	-
Cash and cash equivalents	-	-	40.45	40.45	40.45
Balances with banks	-	-	1,210.00	1,210.00	1,210.00
Other financial assets	-	-	8.64	8.64	8.64
Total	**-**	**-**	**1,259.09**	**1,259.09**	**1,259.09**
Financial liabilities					
Borrowings	-	-	3,325.38	3,325.38	3,325.38
Lease liabilities	-	-	3.98	3.98	3.98
Trade payables	-	-	585.72	585.72	585.72
Other financial liabilities	-	-	1,908.65	1,908.65	1,908.65
Total	**-**	**-**	**5,823.73**	**5,823.73**	**5,823.73**

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

(ii) Fair value measurement

The fair values of financial assets and liabilities are included at the amount 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. Methods and assumptions used to estimate the fair values are consistent with those used in the previous year.

The following methods and assumptions were used to estimate the fair values:

(a) The management assessed that fair values of trade receivables, cash and cash equivalents, other bank balances, other financial assets (current), trade payables, and other financial liabilities (current), approximate to their carrying amounts due to the short-term maturities of these instruments.

(b) In respect of investments in mutual funds, the fair values represent net asset value as stated by the issuers of these mutual fund units in the published statements. Net asset values represent the price at which the issuer will issue further units in the mutual fund and the price at which issuers will redeem such units from the investors. Accordingly, such net asset values are analogous to fair market value with respect to these investments, as transactions of these mutual funds are carried out at such prices between investors and the issuers of these units of mutual funds.

Fair value hierarchy

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

Quoted prices in an active market (Level 1): This level hierarchy includes financial instruments measured using quoted prices. This includes mutual funds. The mutual funds are valued using the closing Net Asset Value.

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

Valuation techniques with significant unobservable inputs (Level 3): If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no amount required to be transferred as at the end of the current year and as at the end of the previous year.

(₹ in crores)

As at March 31, 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in mutual funds	556.75	-	-	556.75
Total	556.75	-	-	556.75

As at March 31, 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in mutual funds	-	-	-	-
Total	-	-	-	-

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

32 Earnings per equity share

(₹ in crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Loss for the year (₹ in crore)	**(1,337.67)**	(1,215.74)
Outstanding equity shares throughout the year (Nos.)		
- Fully paid up ₹ 10	1,35,87,88,143	73,37,88,143
- Partly paid up ₹ 5	1,38,52,000	1,38,52,000
Weighted average number of equity shares outstanding during the year (Nos.)	**1,14,37,53,527**	74,07,14,143
Nominal value per equity share (₹)	**10**	10
Basic and diluted earnings per equity share (₹)	**(11.70)**	(16.41)

(i) The Company did not have any potentially dilutive securities in any of the period presented.

33 Contingent liabilities

(a) Claims against the Company not acknowledged as debts

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.

(₹ in crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Excise Duty	721.85	729.32
Commercial Tax	23.09	22.00
Service Tax	33.33	33.33
	778.27	**784.65**

The details of significant demands are as below:

i) Improper availment of Cenvat credit ₹ 512.89 crore (March 31, 2022: ₹ 491.76 crore) - The dispute pertains to improper availment of Cenvat credit on common input and input services for the period 2005-2006, 2006-07 and 2007-08. Against the order of adjudication by the learned Commissioner, Company had filed a Writ Petition before the Hon'ble High Court on the ground of delayed adjudication by the learned Commissioner. The order passed by the Commissioner was without authority of law and ultra vires the scheme introduced vide Section 73 of the Finance Act, 2010, where under provisions of Rule 6 of the Cenvat Credit Rules,2004 was retrospectively amended. The Company had complied the statutory conditions prescribed under Section 73 of the Finance Act, 2010 and proportionately reversed Cenvat credit. The Hon'ble High Court had been pleased to admit the writ petition and subsequently permitted to file an appeal in Tribunal. Required appeal has been filed before Central Excise, Customs & Service Tax Appellate Tribunal, Kolkata.

ii) Transfer of Cenvat credit on merger of Konark Met Coke Limited (KMCL) ₹ 181.02 crore (March 31, 2022: ₹ 134.82 crore) - The dispute involved in the present case relates to transfer of Cenvat credit, lying in the books of accounts of KMCL, to the Company as result of merger of KMCL with the Company. There is no legal impediment for transfer of such credit in terms of Rule 10 of Cenvat credit Rules. Matter is pending with Commissionerate of Central Excise, Customs & Service Tax, Bhubaneswar

iii) Demand of Service Tax under Reverse Charge Mechanism ₹ 33.33 crore (March 31, 2022: ₹ Nil) - The Company was granted lease of mines by Government of Odisha. For the said mining project, Company sought forest clearance so that forest land falling under the said project can be utilised for non-forestry purposes and accordingly such clearance was granted from Ministry of Environment, Forest and Climate Change, Government of India, on payment of charges, namely "Net Present Value" (NPV), in the Compensatory Afforestation Fund Management and Planning Authority Fund, Govt of India (CAMPA Fund). An investigation was initiated by Director General of Goods & Services Tax Intelligence (DGGI) and letter has been issued demanding Service Tax/GST on these payments on the ground that Service Tax/GST is payable on these amount under Reverse Charge Mechanism (RCM) and Show Cause Notice was issued demanding Service Tax. Management submitted the reply stating that such payment are against sovereign/ public authorities under statute and hence it cannot be considered as provision of service as it is collected as per the provision of the relevant statute for performing mandatory and statutory functions under any provision of law are not to be treated as service provided for consideration but Learned Principal Commissioner (GST&CE) confirmed such demand. Subsequently, Company have filed an appeal before Central Excise, Customs & Service Tax Appellate Tribunal, Kolkata.

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

(b) Other money for which the Company is contingently liable

(₹ in crore)

		Year ended March 31, 2023	Year ended March 31, 2022
(i)	Water Conservation Fund	32.35	32.35
(ii)	Electricity charge	4.39	4.39
		36.74	**36.74**

The amount of ₹ 32.35 crores (March 31, 2022: ₹ 32.35 crores) has been demanded Irrigation Department in 2017 under the by Orissa Irrigation Act, 1959. The Company has preferred an appeal and the Orrisa High Court has granted a stay in Company's favour.

(c) The above mentioned contingent liabilities of ₹ 815.01 crores includes ₹ 798.98 crores retained in an escrow account of Tata Steel Long Products out of total consideration payable for acquisition of the Company as part of the disinvestment process. The Company will be indemnified for any claims which materialise against these liabilities within a period of three years from the date of completion of Company's strategic disinvestment on 4th July 2022.

34 Estimated amounts of contracts remaining to be executed on capital account (Property, plant and equipment) and not provided for is ₹ 15.52 crores (As at March 31, 2022: ₹ 115.70 crores) net of advances of ₹ Nil crores (As at March 31, 2022: ₹ Nil crores.)

35 Exceptional items

Exceptional items are those which are considered for separate disclosure in the financial statements considering their size, nature or incidence. Such items, included in the statement of profit and loss are as below:

(a) Provision recognized in respect of statutory demands and claims, ₹ NIL (2021-22: ₹ 401.32 crore).

(b) Provision recognised in respect of other claims expected to be settled in the course of disinvestment, ₹ NIL (2021-22: ₹ 104.82 crore).

(c) Net realisation provision recognised to write down the value of inventory to realisable value ₹ NIL (2021-22 ₹ 2.39 crore).

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Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
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FRN 304026E/E-300009
Kolkata

36 Related party transaction

A List of related parties

Name of the related Party	Relationship
Tata Steel Limited *	Ultimate Holding Company
Where control exists	
Tata Steel Long Products Limited *	Holding Company
Others with whom transactions have taken place during the current or previous year	
Tata Pigments Limited (Subsidiary of Tata Steel Utilities and Infrastructure Services Limited) *	Fellow Subsidiaries
Tata Steel Utilities and Infrastructure Services Limited *	
T S Global Procurement Company Pte. Ltd. *	
Medica TS Hospital Private Limited *	
Kalimati Global Shared Services Limited *	
TM International Logistics Limited *	Joint Ventures of Tata Steel Limited
Tata BlueScope Steel Private Limited (Joint Venture of fellow subsidiary) *	
M Junction services Limited *	
Himalaya Steel Mill Services Private Limited *	
MMTC Limited	Company having significant influence
OMC Limited	
Mr. Sudhir Kumar Mehta *	Key Management personnel - Managing Director & CEO
Mr. T V Narendran *	Key Management personnel -Non- Executive Director, Chairman

* effective July 4, 2022

B Particulars of transactions during the year

(₹ in crore)

Name of the related party	Nature of relationship	Year ended 31 March, 2023	Year ended 31 March, 2022
Tata Steel Limited	Ultimate Holding Company	968.34	-
MMTC Limited	Company having significant influence	-	232.36
Total - Sale of goods		**968.34**	**232.36**
Tata Steel Long Products Limited	Holding Company	121.53	-
Tata Steel Limited	Ultimate Holding Company	316.85	-
Tata Blue Scope Steel Private Limited	Joint Ventures of Tata Steel Limited	15.42	-
T S Global Procurement Co Pte Limited	Fellow Subsidiaries	125.73	-
Total - Purchase of goods		**579.53**	**-**
Tata Steel Long Products Limited	Holding Company	0.15	-
Tata Steel Limited	Ultimate Holding Company	16.31	-
Total - Reimbursement of expenses		**16.46**	**-**
Tata Steel Limited	Ultimate Holding Company	10.27	-
Total - Purchase of property, plant and equipment		**10.27**	**-**
Tata Pigments Limited	Fellow Subsidiary	5.82	-
Tata Steel Limited	Ultimate Holding Company	8.80	-
Medica TS Hospital Private Limited	Fellow Subsidiary	0.11	-
TM International Logistics Limited	Joint Ventures of Tata Steel Limited	3.46	-
Tata Steel Utilities and Infrastructure Services Limited	Fellow Subsidiary	4.79	-
Himalaya Steel Mill Services Private Limited	Joint Ventures of Tata Steel Limited	1.05	-
Kalimati Global Shared Services Limited	Fellow Subsidiary	0.04	-
Mjunction Services Limited	Joint Ventures of Tata Steel Limited	0.90	-
Total - Services received		**24.97**	**-**
Srikumar Menon	Independent Director	0.02	-
Ansuman Das	Independent Director	0.02	-
Total - Sitting fees		**0.04**	**-**
Tata Steel Long Products Limited	Holding Company	4,560.54	-
Total - Issue of non-convertible preference shares		**4,560.54**	**-**
Tata Steel Long Products Limited	Holding Company	384.97	-
OMC Ltd	Company having significant influence	-	33.63
Total - Interest expense recognised		**384.97**	**33.63**
Mr. Sudhir Kumar Mehta	Managing Director & CEO	1.00	-
Mr. Ravindra Kumar Jha	Managing Director	0.06	0.24
Total - Employee benefit expenses		**1.06**	**0.24**

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LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

C Balances outstanding

(₹ in crore)

Name of the related party	Relationship	As at March 31, 2023	As at March 31, 2022
Tata Steel Limited	Ultimate Holding Company	125.62	-
Total - Trade receivables		**125.62**	**-**
Tata Steel Long Products Limited	Holding Company	0.35	-
Tata Steel Limited	Ultimate Holding Company	51.16	-
Tata Blue Scope Steel Private Limited	Joint Ventures of Tata Steel Limited	5.17	-
Tata Pigments Limited	Fellow Subsidiary	0.91	-
Medica TS Hospital Private Limited	Fellow Subsidiary	0.02	-
TM International Logistics Limited	Joint Ventures of Tata Steel Limited	1.80	-
Tata Steel Utilities and Infrastructure Services Limited	Fellow Subsidiary	4.95	-
Himalaya Steel Mill Services Private Limited	Joint Ventures of Tata Steel Limited	0.52	-
Kalimati Global Shared Services Limited	Fellow Subsidiary	0.05	-
Mjunction Services Limited	Joint Ventures of Tata Steel Limited	1.06	-
T S Global Procurement Co Pte Limited	Fellow Subsidiary	107.00	-
OMC Limited	Company having significant influence	-	91.55
Total - Trade payables for supplies and services		**172.99**	**91.55**
Tata Steel Long Products Limited	Holding Company	4,945.51	
Total - Non-convertible preference shares		**4,945.51**	**-**
Mr. Sudhir Kumar Mehta	Managing Director & CEO	0.06	-
Total - Trade payable for accrued wages and salaries		**0.06**	**-**
MMTC Limited	Company having significant influence	-	1,425.00
Total - Working capital borrowings		**-**	**1,425.00**
MMTC Limited	Company having significant influence	-	2,038.11
Total - Trade finance		**-**	**2,038.11**
MMTC Limited	Company having significant influence	-	2,800.00
Total - Corporate guarantee issued		**-**	**2,800.00**
MMTC Limited	Company having significant influence	-	1,295.82
Total - Corporate guarantee received		**-**	**1,295.82**

NEELACHAL ISPAT NIGAM LTD.

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LLPIN AAC-4362
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FRN 304026E/E-300009
Kolkata

37 Employee benefits

(I) Post employment defined contribution plans

(₹ in crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Amount recognised in the Statement of Profit and Loss		
(i) Provident fund contribution	**15.55**	32.70
	15.55	**32.70**

The Company makes contribution towards provident fund for the qualifying employees at the rate specified. The Company's contribution to the Employees Provident Fund are deposited with the Regional Provident Fund Commissioner. Such provident fund benefit is classified as defined contribution scheme as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which is recognised as expense in the Statement of Profit and Loss.

(II) Post employment defined benefit plans

(a) Description of plan characteristics

(i) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Gratuity liability arises on retirement, resignation, and death of an employee. The plan provides for a lump-sum payment to vested employees 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 present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit method with actuarial valuations being carried out at each Balance Sheet date.

The Scheme is funded by way of a separate irrevocable Trust and the Company is expected to make regular contributions to the Trust. The fund is managed by an Insurance Company and the assets are invested in their conventional group gratuity product. The fund provides a capital guarantee of the balance accumulated and declares interest periodically that is credited to the fund account. The Trust assets managed by the fund manager are highly liquid in nature and we do not expect any significant liquidity risks. The Trust is responsible for investment of assets of the Trust as well as day to day administration of the scheme.

(ii) Other defined benefits

Other benefits provided under unfunded schemes include post-retirement settlement benefits, based on employee's last drawn salary.

(b) Risk analysis

Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefit plans and management's estimation of the impact of these risks are as follows

(i) Interest risk

A decrease in the Indian government bond yield rate (discount rate) will increase the plan liability.

(ii) Salary risk

The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(iii) 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.

(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.

(c) Details of defined benefit obligations and plan assets

A. Gratuity (Funded)

(i) Reconciliation of opening and closing balances of obligation

(₹ in crore)

	As at March 31, 2023	As at March 31, 2022
a. Opening defined benefit obligation	**87.54**	80.07
b. Current service cost	**3.09**	5.93
c. Interest cost	**6.02**	5.45
d. Remeasurement (gains)/losses	**2.51**	0.40
e. Benefits paid	**(3.13)**	(4.31)
Closing defined benefit obligation	**96.03**	**87.54**

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

(ii) **Movements in the fair value of the plan assets are as follows**

(₹ in crore)

	As at March 31, 2023	As at March 31, 2022
a. Opening fair value of plan assets	22.07	25.10
b. Interest income	3.98	1.76
c. Contributions from the employer	72.67	-
d. Return on plan assets excluding interest income	0.87	(0.47)
e. Benefits paid	(3.13)	(4.31)
Fair value of plan assets at the end of the year	96.46	22.07

(iii) **Reconciliation of fair value of assets and obligations**

(₹ in crore)

	As at March 31, 2023	As at March 31, 2022
a. Fair value of plan assets	96.46	22.07
b. Present value of obligation	(96.03)	(87.54)
	0.43	(65.47)
c. Amount recognised in the Balance Sheet		
- Retirement benefit obligations - Non-current	-	(62.78)
- Retirement benefit obligations - Current	0.43	(2.69)

(iv) **Amounts recognised in the Statement of Profit and Loss**

(₹ in crore)

	As at March 31, 2023	As at March 31, 2022
Employee benefit expenses:		
a. Current service cost	3.09	5.93
b. Net interest expense	2.04	3.69
	5.13	9.62
Other comprehensive income:		
a. Return on plan assets excluding amount included in employee benefits expense	(0.87)	0.47
b. Actuarial (gain)/loss arising from changes in financial assumptions	(2.84)	(0.64)
c. Actuarial (gain)/loss arising from changes in experience adjustments	5.35	1.04
	1.64	0.87
Total defined benefit costs	6.77	10.49

(v) The plan assets of the Company relating to Gratuity are managed through a trust and are invested through Life Insurance Corporation (LIC). The details of investments relating to these assets are not shown by LIC. Hence, the composition of each major category of plan assets, the percentage or amount that each major category constitutes to the fair value of the total plan assets has not been disclosed.

	As at March 31, 2023	As at March 31, 2022
Category of Plan Assets:	In %	In %
Funded with LIC	100%	100%

(vi) **Principal assumptions used for the purposes of the actuarial valuations**

	As at March 31, 2023	As at March 31, 2022
a. Discount Rate (per annum)	7.30%	7.00%
b. Salary Escalation Rate (per annum)	7.00%	7.00%
c. Mortality Rate	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality 2012-14) Ult.
d. Withdrawal Rate	1.00%	1.00%

(vii) **Maturity profile of defined benefit obligation**

(₹ in crore)

	As at March 31, 2023	As at March 31, 2022
Within 1 year	3.09	2.78
1-2 year	5.12	3.76
2-5 years	21.50	14.43
Over 5 years	62.06	182.32

The weighted average duration of the defined benefit plan obligation representing average duration for active members is 10 years (As at March 31, 2022: 10 years).

NEELACHAL ISPAT NIGAM LTD

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

(viii) The Company expects (best estimate) to contribute Rs. 0.38 crores (previous year : Rs. Nil crore) to the plan during the next financial year.

(ix) Sensitivity analysis

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The table below outlines the effect on gratuity obligation in the event of a decrease/increase of 0.5% in the assumptions used.

Assumption

(₹ in crore)

	As at March 31, 2023	As at March 31, 2022
a. Discount rate increase by 0.5%	**Decrease by 4.05**	Decrease by 92.23
b. Discount rate decrease by 0.5%	**Increase by 4.32**	Increase by 83.13
c. Expected salary growth increase by 0.5%	**Increase by 2.09**	Decrease by 84.78
d. Expected salary growth decrease by 0.5%	**Decrease by 2.32**	Increase by 89.94

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

The Company ensures that the investment positions are managed within an asset liability matching (ALM) framework that has been developed to achieve long term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the gratuity obligations by investing with LIC.

B. Post Retirement Medical Benefit

(i) Reconciliation of opening and closing balances of obligation

(₹ in crore)

	As at March 31, 2023	As at March 31, 2022
a. Opening defined benefit obligation	**3.04**	2.12
b. Current service cost	**0.14**	-
c. Interest cost	**0.21**	0.15
d. Remeasurement (gains)/losses	**(0.53)**	0.78
e. Benefits paid	**-**	(0.01)
Closing defined benefit obligation	**2.86**	**3.04**

(ii) Reconciliation of fair value of assets and obligations

(₹ in crore)

	As at March 31, 2023	As at March 31, 2022
a. Fair value of plan assets	**-**	-
b. Present value of obligation	**(2.86)**	**(3.04)**
	(2.86)	(3.04)
c. Amount recognised in Balance Sheet		
- Retirement benefit obligations - Non-current	**(2.82)**	(3.04)
- Retirement benefit obligations - Current	**(0.04)**	-
	(2.86)	(3.04)

(iii) Amounts recognised in the Statement of Profit and Loss

(₹ in crore)

	As at March 31, 2023	As at March 31, 2022
Employee benefit expenses		
a. Net interest expense	**0.35**	0.15
	0.35	**0.15**
Other Comprehensive income		
a. Actuarial (gain)/loss arising from changes in financial assumptions	**0.14**	(0.02)
b. Actuarial (gain)/loss arising from changes in experience adjustments	**(0.67)**	0.80
	(0.53)	**0.78**
Total defined benefit costs	**(0.18)**	**0.93**

NEELACHAL ISPAT NIGAM

Price Waterhouse & Co Chartered Accountants LLP LLPIN AAC-4362 Chartered Accountants FRN 304026E/E-300009 Kolkata

(iv) Principal assumptions used for the purposes of the actuarial valuations

	As at March 31, 2023	As at March 31, 2022
a. Discount Rate (per annum)	**7.30%**	7.00%
b. Withdrawal Rate	**1%**	1%
c. Mortality Rate	**Indian Assured Lives Mortality (2012-14) (modified) Ult**	Indian Assured Lives Mortality (2006-08) (modified) Ult

(v) Maturity profile of defined benefit obligation

(₹ in crore)

	As at March 31, 2023	As at March 31, 2022
Within 1 year	**0.04**	0.00
1-2 year	**0.06**	0.01
2-5 years	**0.28**	0.02
Over 5 years	**1.05**	7.69

The weighted average duration of the defined benefit plan obligation representing average duration for active members is 16 years (as at March 31, 2022: 16 years).

(vi) Sensitivity analysis

Significant actuarial assumption for the determination of the defined obligation is discount rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The table below outlines the effect on obligation in the event of a decrease/increase of 1 % in the assumptions used.

Assumption

(₹ in crore)

	As at March 31, 2023	As at March 31, 2022
a. Discount rate increase by 1%	**Decrease by 0.40**	Decrease by 3.17
b. Discount rate decrease by 1%	**Increase by 0.49**	Increase by 2.93

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

NEELACHAL ISPAT NIGAM LTD.

Price Waterhouse & Co Chartered Accountants LLP
LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

38 Ratios

Sr. No.	Particulars	As at March 31, 2023	As at March 31, 2022	% Change	
(a)	Current ratio (times)	1.68	0.17	887.11%	Refer sub-note (i)
(b)	Debt-equity ratio (times)	-1.47	0.00	n/a	
(c)	Debt service coverage ratio (times)	-0.17	n/a	n/a	
(d)	Return on equity ratio (%)	39.64%	29.68%	33.57%	Refer sub-note (ii)
(e)	Inventory turnover ratio (in days)	117	322	(63.60)%	Refer sub-note (iii)
(f)	Trade receivables turnover ratio (in days)	14	n/a	n/a	
(g)	Trade payables turnover ratio (in days)	82	543	(84.84)%	Refer sub-note (iv)
(h)	Net capital turnover ratio (in days)	(687.26)	(8390.27)	(91.81)%	Refer sub-note (v)
(i)	Net profit ratio (%)	-80.96%	-472.76%	(82.87)%	Refer sub-note (vi)
(j)	Return on capital employed (%)	-203.20%	-42.70%	375.88%	Refer sub-note (vii)
(k)	Return on investment (%)	44.99%	40.06%	12.30%	

Formulas for ratios

		Numerator	Denominator
(a)	Current ratio	Total current assets	Total current liabilities (-) current lease liabilities
(b)	Debt-equity ratio	Total Gross Debt (Non-current borrowings + Lease liabilities)	Average shareholder's equity
(c)	Debt service coverage ratio	Earnings for Debt Service (Loss before tax + Finance cost + Depreciation and amortisation + Other non cash expenditure)	Debt service =(Interest and Lease Payments + Principal Repayments)
(d)	Return on equity ratio	Loss after tax	Average shareholder's equity
(e)	Inventory turnover ratio	Average inventory * 365	Total revenue from operations
(f)	Trade receivables turnover ratio	Average trade receivables * 365	Total revenue from operations
(g)	Trade payables turnover ratio	Average trade payables * 365	Cost of materials and services consumed or used
(h)	Net capital turnover ratio	Average working capital = Current assets (-) Current liabilities excluding current lease liabilities*365	Total revenue from operations
(i)	Net profit ratio	Loss after tax	Total revenue from operations
(j)	Return on capital employed	Earnings before interest and taxes (Loss before taxes + Finance cost)	Average Capital employed Capital employed = Total equity + Borrowings + Lease liabilities + Deferred tax liabilities
(k)	Return on investment	Earnings before interest and taxes (Loss before taxes + Finance cost)	Total assets

(i) Current ratio has increased due to increase in current assets and simultaneous decrease in current liabilities. Current assets increased mainly due to increase in inventories, investment in mutual funds, trade receivables and increase in other advances and pre-payments. Current liabilities decreased due to repayment of borrowings and utilization of the advance from TSLP.

(ii) Return on equity has improved due to increase in average shareholders equity.

(iii) Inventory turnover ratio has improved due to increase in revenue from operation.

(iv) Trade payable turnover ratio has improved due to increase in revenue from operations and payments of trade payables within due dates.

(v) Net capital turnover ratio has decreased due increase in revenue from operations.

(vi) Improvement in net profit ratio is due to increase in revenue from operations during current year.

(vii) Return on capital employed have deteriorated because average capital employed for the current period is lower on account of fresh infusion during the year.

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LLPIN AAC-4362
Chartered Accountants
FRN 304026E/E-300009
Kolkata

39 Disclosure relating to provisions as per Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets
The details of movement in provision balances and nature of provision is below -

	VAT, entry tax and sales tax	
	As at March 31, 2023	As at March 31, 2022
Carrying amount as at beginning of the year	90.37	0.53
Add : Provision made during the year	0.84	89.84
Less : Amount paid during the year	(13.29)	-
Less : Amount reversed during the year	-	-
Carrying amount as at the end of the year (Refer Note (17(b))	77.92	90.37
Nature of obligation	VAT, entry tax and sales tax including interest thereon	
Expected timing of resultant outflow	On decision by competent authority	
Indication of uncertainty about those outflows	The above matters are under dispute with authorities	
Major assumptions concerning future events	The matter is with higher authorities for adjudication. Provision has been made on the grounds of prudence.	
Amount of any expected reimbursement, i.e., amount of any asset that has been recognised for that expected reimbursement	Nil	

40 On July 4, 2022 Tata Steel Long Products Limited (TSLP) completed the acquisition of the Company for a total consideration of Rs. 12, 100 crores in accordance with the process run by Department of Disinvestment & Public Asset Management (DIPAM), Government of India and the Share Sale and Purchase Agreement (SPA). On completion of the acquisition, the Company has become a subsidiary of TSLP and step-down subsidiary of Tata Steel Limited (Holding/ Parent Company of TSLP).

The aforesaid SPA dated March 10, 2022 were executed by and amongst MMTC Limited, NMDC Limited, MECON Limited, Bharat Heavy Electricals Limited, Industrial Promotion and Investment Corporation of Odisha Limited, Odisha Mining Corporation, The President of India, The Government of Odisha, TSLP, TSL and the Company (NINL) for acquisition of 93.71% equity share capital in NINL by TSLP.

As part of the transaction, following were completed by TSLP:
• Acquisition of 0.01%, 456,054,252 Non-Convertible Redeemable Preference Shares ('NCRPS') of face value of ₹100/- each aggregating to Rs. 4,560.54 crores.
• Acquisition of 484,375,000 equity shares of face value Rs. 10/- each aggregating to Rs. 3,100.00 crores.
• Purchase of 694,029,741 equity shares from MMTC Limited, NMDC Limited, MECON Limited, Bharat Heavy Electricals Limited, Industrial Promotion and Investment Corporation of Odisha Limited, and Odisha Mining Corporation Limited ("Sellers") for Rs. 4,439.46 crores.

The total consideration has been discharged by TSLP in the manner set out in the SPA including, inter alia, payment of financial creditor dues of the Company prior to the completion of aforesaid acquisition.

Subsequently TSLP has further invested Rs. 600 crores in equity shares of NINL, after acquisition, towards capital expenditure, working capital and operating cost to restart the plant. TSL has also subscribed to further issue of equity shares by the Company and acquired equity stake in the Company for amounts aggregating Rs. 300 crores and Rs. 96.69 crores respectively during the year. TSLP's holding in the Company's equity shares is 92.68% as at March 31, 2023 and TSL directly holds 5.24% stake in the Company with effective holding along with TSLP as at March 31, 2023 of 74.67%.

The acquisition will provide an inorganic growth opportunity for TSLP/TSL to grow in the long products business and leverage the captive iron ore mines of the Company.

41 Segment reporting
The Company is in the business of manufacture of steel and allied products (including manufacture of pig iron and generation of power) and accordingly, steel and allied products is the only reportable segment in accordance with Ind AS 108- Segment Reporting.

Details of non-current assets other than financial assets, based on geographical area are as below :

(₹ in crore)

		Year ended March 31, 2023	Year ended March 31, 2022
(i)	India	2,234.92	2,364.63
(ii)	Outside India	-	-
	Total	2,234.92	2,364.63

42 The Company has not complied with certain provisions of the Companies Act, 2013 and rules made thereunder, which are set out below. These non-compliances pertains to the period prior to the completion of acquisition of the Company by Tata Steel Long Products Limited on July 4, 2022. The Company has filed compounding applications dated April 18, 2023 for these non-compliances before the Registrar of Companies, Ministry of Corporate Affairs, Cuttack, which is pending and provided an amount of Rs. 1 crore, in these accounts, towards possible compounding fees/ charges based on Company's best estimate assessment.

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LLPIN AAC-4362
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SI No.	Section/ Rules	Nature of non-compliances
1	Section 149(4) of the Companies Act, 2013	The Company was required to appoint two independent directors. The Company had appointed only one Independent Director.
2	Section 149 and Schedule IV of the Companies Act, 2013	No separate meetings of Independent Directors were held.
3	Section 149(1)(a) of the Companies Act, 2013	Company did not appoint women director.
4	Section 203 of the Companies Act, 2013	The Company had not appointed a Chief Financial Officer as Key Managerial Personnel (KMP).
5	Section 177 of the Companies Act, 2013	The Audit Committee was dissolved by the Company in FY 22 and was not reconstituted.
6	Section 178 of the Companies Act, 2013	The Company was required to constitute a Nomination and Remuneration Committee, however, the Company did not comply with the same
7	Section 179(3) read with Section 203 of the Companies Act, 2013	The Company was required to pass a resolution in the Board meeting for an extension of the term of the Managing Director instead of passing a resolution by circulation.
8	Section 96 and Section 137 of the Companies Act 2013	Adjourned AGM for FY 21 was not held within due date
9	Section 177(9) of the Companies Act, 2013	The Company had Vigil Mechanism/ Whistle blower policy, however, the Company had no Mechanism to implement the policy.

43 The Company does not to fulfil the applicability criteria relating to Corporate Social Responsibility (CSR) as mentioned in the section 135 of the Act, and accordingly the provisions of CSR of is not applicable to the Company.

44 Assets hypothecated as security

The carrying amounts of assets pledged as security for working capital requirements as follows :

(₹ in crore)

		As at March 31, 2023	As at March 31, 2022
Non-current assets			
First charge (against term loan from banks)			
(i)	Property, plant and equipment	-	1,998.62
		-	**1,998.62**
Current assets			
First charge (against working capital requirement from Banks)			
(i)	Inventories	898.87	162.35
(ii)	Trade receivables	125.63	-
(iii)	Cash and cash equivalents	23.18	40.45
(iv)	Other balances with banks	3.40	1,210.00
(v)	Other financial assets	11.08	0.76
(vi)	Other current assets	164.09	44.66
		1,226.25	**1,458.22**

Notes:

(i) During the year ended March 31, 2023, the entire borrowings appearing in the books as on July 03, 2022, was repaid by the Company, in accordance with the approved disinvestment plan. As at March 31, 2023, the register of charges of the Company as available in records of the Ministry of Corporate Affairs (MCA) includes charges that were created/ modified since the inception of the Company. Satisfaction of charges aggregating ₹ 3,724.79 crore relating to borrowings, which were repaid during the period (on July 3, 2022), is pending due to practical challenges in obtaining no-objection certificates (NOCs) from the charge holders of such charges. The Company is in process of obtaining NOCs from the charge holders for satisfaction of charges.

(ii) Refer Note 49 for disclosure relating to total amount of security (charge created) towards working capital facilities as on March 31, 2023.

45 The following table depicts the details of balances outstanding in respect of transactions undertaken with a company struck-off under section 248 of the Companies Act, 2013:

(₹ in crore)

Name of struck off Company	Nature of transactions with struck-off Company	As at March 31, 2023*	As at March 31, 2022	Relationship with the struck-off Company
Keonjhar Minerals Private Limited	Purchase of goods	0.00	-	Vendor
Spraying Systems(India) Private Limited		0.00	-	
Sap Communication Private Limited		0.00	-	
Suzusons Care Private Limited		0.00	-	
K.G.Khosla Compressors Limited		0.10	-	
Paramount Sinters Private Limited		0.05	-	
Vallab Engineers Private Limited		0.03	-	
Jayaswals Neco Limited		0.01	-	
Ashcroft India Private Limited		0.00	-	
Pranam Powermech Private Limited		0.00	-	
Geomin Consultants Private Limited		0.00	-	

* Amount below rounding off norm adopted by the Company.

46 The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards as it does not have any material foreseeable loss on long term contracts. The Company did not have any derivative contracts.

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Price Waterhouse & Co Chartered Accountants LLP
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47 The Company has not granted loans to its promoters, directors, key managerial personnel (KMP) and the other related parties (as defined under the Companies Act, 2013) which are repayable on demand or without specifying any terms or period of repayment or any other loans or advance in the nature of loans.

48 The Company was granted mining lease by the Government of Odisha for a period of 50 years. The Company during the year (after July 4, 2022) has commenced plant and mining operations and has submitted a progressive mine closure plan to the mining authorities. The Company assessed with their inhouse technical experts, that the mining pits are being prepared and operations are currently limited to the surface level of mines and the extent of mining does not give rise to any obligation for mines restoration cost as at the balance sheet date.

49 The Company has obtained sanctioned limits from banks on the basis of security of current assets. The Company, except for the quarter ended June 30, 2022 has filed quarterly returns or statements, as applicable. Other quarterly returns or statements of current assets filed by the Company with the banks are in agreement with the books of accounts for year ended March 31, 2023. The returns for the quarter ended March 31, 2023, are not yet due, which would be appropriately filed by the Company within the due date.
Total amount of security (charge created), towards working capital facilities, as on March 31, 2023 is ₹ 510.00 crores (March 31, 2022: ₹ 95.81 crores)

50 (a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) No funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

51 The Company has not made any investments during the period other than investment in scheme of mutual funds. The Company has not granted secured/ unsecured loans/ advances in the nature of loans to any Company/Firm/Limited Liability Partnership/Other Party during the period other than loan to employees. The Company has not provided guarantee or security to any Company/Firm/Limited Liability Partnership/Other party during the year other than security provided against certain current assets in connection with working capital facilities from banks (Refer Note 44).

52 During the year ended March 31, 2023, the Company has incurred cash losses of Rs. 1,171.95 crores (March 31, 2022: ₹ 1048.64 crore)

53 The Company has done an assessment to identify Core Investment Company (CIC) [including CIC's in the Group] as per the necessary guidelines of Reserve Bank of India [including Core Investment Companies (Reserve Bank) Directions, 2016]. The Companies identified as CIC's at Group level are Panatone Finvest Limited , TATA Capital Limited, TATA Industries Limited , TATA Sons Private Limited ,TMF Holdings Limited, T S Investments and Talace Private Limited.

54 No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

55 The Company has not been declared willful defaulter by any bank or financial institutions or government or any government authority.

56 The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

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

Pinaki Chowdhury
Partner
Membership No:057572

Place: Kolkata
Date: April 25, 2023

For and on behalf of the Board of Directors

T.V.Narendran
Chairman
DIN: 03083605

Sudhir Kumar Mehta
Managing Director & CEO
DIN: 09660981

Rajiv Kumar
Director
DIN: 07001339

Sanjib Kumar Ghose
Chief Financial Officer

Parvatheesam Kanchinadham
Company Secretary

Place: Kolkata
Date: April 25, 2023