Financial Statements

Highlights

Standalone

Consolidated

FINANCIAL HIGHLIGHTS

(₹ crore)

	Tata Steel Standalone		Tata Steel Group	
	2022-23	2021-22	2022-23	2021-22
Revenue from operations	1,29,006.62	1,29,021.35	2,43,352.69	2,43,959.17
Profit/(Loss) before tax	21,021.92	44,090.65	18,235.12	50,226.87
Profit/(Loss) after tax	15,495.11	33,011.18	8,075.35	41,749.32
Dividend	6,233.11	3,007.08	6,227.15	3,004.16
Retained earnings	85,970.98	76,498.67	48,166.32	55,647.79
Capital employed	1,85,854.05	1,70,045.84	2,04,183.90	2,04,985.59
Net worth	1,34,797.51	1,25,433.76	1,05,175.21	1,17,098.46
Borrowings	42,372.39	36,524.51	84,893.05	75,561.35
	Ratio		**Ratio**	
Net debt to Equity	0.30	0.30	0.61	0.52
	₹		**₹**	
Net worth per Share as at year end	110.29	102.72	86.14	96.92
Earnings per Share:				
Basic	12.68	27.03	7.17	33.24
Diluted	12.67	27.01	7.17	33.21
Dividend per Ordinary Share	3.60	51.00#	3.60	51.00#
Employees (Numbers)	36,151	35,927	75,263	72,551
Shareholders (Numbers)	36,44,090	15,87,315		

Dividend declared on face value of ₹10 each.

The net worth per share, basic and diluted EPS for the prior year have been restated considering the face value of ₹1/- each on account of sub-division of the Ordinary (equity) Shares of face value ₹10/- each into Ordinary (equity) Shares of face value of ₹1/- each.

FINANCIAL RATIOS

		Tata Steel Standalone		Tata Steel Group	
		2022-23	2021-22	2022-23	2021-22
1.	EBITDA/Turnover	21.84%	39.88%	13.44%	26.16%
2.	PBET/Turnover	16.90%	34.36%	7.45%	20.64%
3.	Return on average capital employed	12.78%	29.59%	11.62%	29.13%
4.	Return on average net worth	11.91%	29.93%	7.27%	42.91%
5.	Asset turnover	68.77%	72.30%	87.05%	89.99%
6.	Inventory turnover (in days)	59	47	79	62
7.	Debtors turnover (in days)	9	9	15	16
8.	Gross block to net block	1.35	1.31	1.57	1.58
9.	Net debt to equity	0.30	0.30	0.61	0.52
10.	Current ratio	0.86	0.62	1.01	1.07
11.	Interest service coverage ratio	10.40	22.84	6.01	12.82
12.	Net worth per share (₹)	110.29	102.72	86.14	96.92
13.	Basic earnings per share (₹)	12.68	27.03	7.17	33.24
14.	Dividend payout	28%	19%	54%	15%
15.	P/E ratio	8.24	4.84	14.57	3.93

Note: The net worth per share and basic earnings per share for the prior year have been restated considering the face value of ₹1/- each on account of sub-division of the Ordinary (equity) Shares of face value ₹10/- each into Ordinary (equity) Shares of face value of ₹1/- each.

1. EBITDA/Turnover

   (EBITDA: PBT +/(-) Exceptional items + Net finance charges + Depreciation and amortisation - Share of results of equity accounted investments)

   (Net Finance Charges: Finance costs - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments)

   (Turnover: Revenue from operations)

2. PBET/Turnover

   Profit before exceptional items and tax/Turnover

3. Return on Average Capital Employed: EBIT/Average Capital Employed

   (Capital Employed: Total Equity + Non-current borrowings + Current maturities of Non-current borrowings and Lease obligations + Current borrowings + Deferred tax liabilities)

   (EBIT: PBT +/(-) Exceptional items + Net finance charges)

4. Return on Average Net worth: PAT/Average Net worth

   (Net worth: Total equity)

5. Asset Turnover: Turnover/(Total Assets - Investments - Advance Against Equity - Assets held for sale)

6. Inventory Turnover: Average Inventory/Sale of Products in days

7. Debtors Turnover: Average Trade receivables/Turnover in days

8. Gross Block to Net Block: Gross Block/Net Block

   (Gross Block: Cost of property, plant and equipment + Cost of right-of-use assets + Capital work-in-progress + Cost of intangible assets + Intangible assets under development)

   (Net Block: Gross Block - Accumulated depreciation and amortisation - Accumulated impairment)

9. Net Debt to Equity: Net Debt/Average Equity

   (Net debt: Non-current borrowings + Current borrowings + Non-current and current lease obligations - Current investments - Cash and cash equivalents - Other balances with banks (including non-current earmarked balances)

10. Current Ratio: Total Current Assets/Current Liabilities

    (Current liabilities: Total Current liabilities - Current maturities of Non-current borrowings and Lease obligations)

11. Interest Service Coverage Ratio: EBIT/Net Finance Charges

    (Net Finance Charges: Finance costs (excluding interest on current borrowings) - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments)

12. Net worth per share: Net Worth/Number of Equity Shares

13. Basic Earnings per share: Profit attributable to Ordinary Shareholders/Weighted average number of Ordinary Shares

14. Dividend Payout: Proposed dividend for the year/Profit after tax

15. P/E Ratio: Market Price per share/Basic Earnings per share

PRODUCTION STATISTICS

'000 Tonnes

Year	Iron Ore	Coal	Iron (Hot metal)	Crude steel	Rolled/ Forged Bars and Structurals	Plates	Sheets	Hot Rolled Coils/ Strips	Cold Rolled Coils	Railway Materials	Semi-Finished for Sale	Total Saleable Steel
1993-94	4,201	3,922	2,598	2,487	561	-	124	281	-	6	1,182	2,117
1994-95	4,796	4,156	2,925	2,788	620	-	137	613	-	2	1,074	2,391
1995-96	5,181	4,897	3,241	3,019	629	-	133	1,070	-	-	869	2,660
1996-97	5,766	5,294	3,440	3,106	666	-	114	1,228	-	-	811	2,783
1997-98	5,984	5,226	3,513	3,226	634	0	60	1,210	-	0	1,105	2,971
1998-99	6,056	5,137	3,626	3,264	622	0	0	1,653	-	0	835	3,051
1999-00	6,456	5,155	3,888	3,434	615	0	0	2,057	-	0	615	3,262
2000-01	6,989	5,282	3,929	3,566	569	0	0	1,858	356	0	647	3,413
2001-02	7,335	5,636	4,041	3,749	680	0	0	1,656	734	0	566	3,596
2002-03	7,985	5,915	4,437	4,098	705	0	0	1,563	1,110	0	563	3,975
2003-04	8,445	5,842	4,466	4,224	694	0	0	1,578	1,262	0	555	4,076
2004-05	9,803	6,375	4,347	4,104	706	0	0	1,354	1,445	0	604	4,074
2005-06	10,834	6,521	5,177	4,731	821	0	0	1,556	1,495	0	679	4,551
2006-07	9,776	7,041	5,552	5,046	1,230	0	0	1,670	1,523	0	506	4,929
2007-08	10,022	7,209	5,507	5,014	1,241	0	0	1,697	1,534	0	386	4,858
2008-09	10,417	7,282	6,254	5,646	1,350	0	0	1,745	1,447	0	833	5,375
2009-10	12,044	7,210	7,231	6,564	1,432	0	0	2,023	1,564	0	1,421	6,439
2010-11	13,087	7,024	7,503	6,855	1,486	0	0	2,127	1,544	0	1,534	6,691
2011-12	13,189	7,460	7,750	7,132	1,577	0	0	2,327	1,550	0	1,514	6,970
2012-13	15,005	7,295	8,858	8,130	1,638	0	0	3,341	1,445	0	1,518	7,941
2013-14	17,364	6,972	9,899	9,155	1,676	0	0	4,271	1,638	0	1,346	8,931
2014-15	13,694	6,044	10,163	9,331	1,778	0	0	4,259	1,836	0	1,200	9,073
2015-16	16,431	6,227	10,655	9,960	1,823	0	0	4,742	1,689	0	1,443	9,698
2016-17	21,284	6,315	13,051	11,683	1,882	0	0	6,295	1,837	0	1,481	11,351
2017-18	23,043	6,224	13,855	12,482	1,882	0	0	7,093	1,853	0	1,481	12,237
2018-19	23,374	6,546	14,237	13,228	1,959	0	0	7,801	1,858	0	1,386	12,980
2019-20	26,512	6,210	14,094	13,152	1,984	0	0	7,793	1,713	0	1,499	12,878
2020-21*	28,659	5,853	17,141	16,277	1,642	0	0	10,973	1,806	0	1,538	15,959
2021-22	30,584	4,680	18,899	18,377	1,942	0	0	12,382	2,174	0	1,407	17,906
2022-23	31,387	5,769	19,250	18,966	2,052	0	0	13,122	1,685	0	1,329	18,188

* Includes production details of erstwhile Tata Steel BSL Limited pursuant to the merger (refer note 44, page F121 of the standalone financial statements).

FINANCIAL STATISTICS

(₹ crore)

Year	Capital^	Reserves and Surplus	Borrow-ings	Gross Block	Net Block	Invest-ments	Total Income	Total Expen-diture*	Depre-ciation	Profit before Tax	Tax	Profit after Tax	Dividend
2020-21	1,977.56	93,207.56	37,065.49	1,36,665.57	1,08,051.56	36,184.13	84,888.03	60,808.93	5,469.26	18,609.84	1,531.87	17,077.97	1,145.92
2021-22	1,222.37	1,24,211.39	36,524.51	1,42,620.03	1,08,832.39	43,497.54	1,30,473.37	80,919.03	5,463.69	44,090.65	11,079.47	33,011.18	3,007.08
2022-23	**1,222.40**	**1,33,575.11**	**42,372.39**	**1,51,845.69**	**1,12,793.17**	**46,189.30**	**1,32,332.10**	**1,05,875.57**	**5,434.61**	**21,021.92**	**5,526.81**	**15,495.11**	**6,233.11**

^ Capital includes Equity share capital, Hybrid perpetual securities and Share application money pending allotment.

* Expenditure includes excise duty recovered on sales, exceptional items and excludes depreciation.

DIVIDEND STATISTICS

Year	First Preference (₹150)		Second Preference (₹100)			Ordinary (₹10)			Total ₹ lakh
	Rate ₹	Dividend ₹ lakh	Rate ₹	Dividend@ ₹ lakh	Tax on dividend ₹ lakh	Rate* ₹	Dividend@ ₹ lakh	Tax on dividend ₹ lakh	
1993-94	–	–	–	–	–	3.00 [a]	9,655.44	–	9,655.44
1994-95	–	–	–	–	–	3.50 [b]	11,823.94	–	11,823.94
1995-96	–	–	–	–	–	4.50 [c]	15,697.11	–	15,697.11
1996-97	–	–	–	–	–	4.50	18,222.25	1,656.57	18,222.25
1997-98	–	–	–	–	–	4.00	16,198.05	1,472.55	16,198.05
1998-99	–	–	–	–	–	4.00	16,329.05	1,618.19	16,329.05
1999-00	–	–	9.25	860.80	85.30	4.00	16,329.07	1,618.20	17,189.87
2000-01	–	–	–	1,496.58 [d,e]	275.88	5.00	20,264.09	1,875.50	21,760.67
2001-02	–	–	8.42	228.33	21.13	4.00	14,710.88	–	14,939.21
2002-03	–	–	–	–	–	8.00	33,299.88	3,781.33	33,299.88
2003-04	–	–	–	–	–	10.00	41,625.77	4,727.58	41,625.77
2004-05	–	–	–	–	–	13.00	82,137.22	10,185.74	82,137.22
2005-06	–	–	–	–	–	13.00	82,042.66	10,092.00	82,042.66
2006-07	–	–	–	–		15.50	1,10,432.51	16,041.72	1,10,432.51
2007-08	–	–	0.4 [f]	2,596.11	377.12	16.00	1,36,759.54	19,866.05	1,39,355.65
2008-09	–	–	2.00	12,805.48	1,860.16	16.00	1,36,443.72	19,549.31	1,49,249.20
2009-10	–	–	2.00	5,367.78	779.74	8.00	82,477.15	11,500.02	87,844.93
2010-11	–	–	–	–	–	12.00	1,30,777.35	15,671.62	1,30,777.35
2011-12	–	–	–	–	–	12.00	1,34,703.22	18,157.49	1,34,703.22
2012-13	–	–	–	–	–	8.00	90,569.91	12,872.69	90,569.91
2013-14	–	–	–	–	–	10.00	1,03,740.40	6,618.86	1,03,740.40
2014-15	–	–	–	–	–	8.00	92,627.74	14,930.51	92,627.74
2015-16	–	–	–	–	–	8.00	92,471.69	14,774.46	92,471.69
2016-17	–	–	–	–	–	10.00	1,16,893.21	19,771.66	1,16,893.21
2017-18	–	–	–	–	–	10.00 [g]	1,38,147.27	23,554.82	1,38,147.27
2018-19	–	–	–	–	–	13.00	1,79,587.42	30,620.57	1,79,587.42
2019-20	–	–	–	–	–	10.00	1,14,593.05	–	1,14,593.05
2020-21	–	–	–	–	–	25.00	2,99,660.44	–	2,99,660.44
2021-22	–	–	–	–	–	51.00	6,23,310.71	–	6,23,310.71
2022-23	–	–	–	–	–	3.60 ^	4,39,975.33	–	4,39,975.33

a On the Capital as increased by Ordinary Shares issued during the financial year 1993-94 against Detachable Warrants.

b On the Capital as increased by Ordinary Shares issued during the financial year 1994-95 against Detachable Warrants and Foreign Currency Convertible Bonds.

c On the Capital as increased by Ordinary Shares issued during the financial year 1995-96 against Detachable Warrants, Foreign Currency Convertible Bonds and Naked Warrants.

d Includes Dividend of ₹22.30 lakh on 9.25% Cumulative Redeemable Preference Shares for the period April 1, 2000 to June 27, 2000.

e Includes Dividend of ₹1,198.40 lakh on 8.42% Cumulative Redeemable Preference Shares for the period June 1, 2000 to March 31, 2001.

f Dividend paid for 74 days.

g On the Capital as increased by Rights Issue of Ordinary Shares during the financial year 2017-18.

* Dividend proposed for the year

@ Includes tax on dividend.

^ Dividend on Ordinary Shares of ₹1 each.

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Steel Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Tata Steel Limited (the "Company"), which comprise the Balance Sheet as at March 31, 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 standalone 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 standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31,2023 and total comprehensive income (comprising of profit 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 Standalone Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to Note 6(iv) to the standalone financial statements which states that the ability of Tata Steel Europe (TSE), the step-down subsidiary of T Steel Holdings Pte. Ltd. (TSH), a subsidiary of the Company, to continue as a going concern is dependent on the outcome of measures taken as stated therein and the availability of future funding requirements, which may have a consequential impact on the carrying amount of investments of ₹19,684.89 crore in TSH as at March 31, 2023.

   Our Opinion is not modified in respect of the above matter.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Assessment of litigations and related disclosure of contingent liabilities [Refer to Note 2 (c) to the standalone financial statements– "Use of estimates and critical accounting judgements – Provisions and contingent liabilities", Note 35 (A) to the standalone financial statements "Contingencies" and Note 36 to the standalone financial statements – "Other significant litigations"] As at March 31, 2023, the Company has exposures towards litigations relating to various matters as set out in the aforesaid Notes. Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate. As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/ regulations, it is considered to be a Key Audit Matter.	Our audit procedures included the following: • We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations; • We have reviewed the legal and other professional expenses and enquired with the management for recent developments and the status of the material litigations which were reviewed; • We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/other significant litigations disclosed in the standalone financial statements; • We used auditor's experts/specialists to gain an understanding and to evaluate the disputed tax matters; • We considered external legal opinions, where relevant, obtained by management; • We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements; • We evaluated management's assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered to be remote by the management; and • We assessed the adequacy of the Company's disclosures. Based on the above work performed, the assessment in respect of litigations and related disclosures relating to contingent liabilities/other significant litigations in the standalone financial statements is considered to be reasonable.

Key audit matter	How our audit addressed the key audit matter
Assessment of carrying value of investments in Non-Convertible Redeemable Preference Shares and Equity Shares of Tata Steel Long Products Limited (TSLP) and Neelachal Ispat Nigam Limited (NINL), subsidiaries respectively [Refer to Note 2(c) to the standalone financial statements – "Use of estimates and critical accounting judgements – Impairment", Note 2(m) to the standalone financial statements - "Investments in subsidiaries, associates and joint ventures" and Note 6 to the standalone financial statements – "Investments", Note 2(n)(I) to the standalone financial statements – "Financial assets", Note 6(v) to the standalone financial statements] The Company's investment in 0.01% non-convertible, non-cumulative redeemable preference shares (NCRPS) in its subsidiary Tata Steel Long Products Limited (TSLP) and equity investment in its step-down subsidiary Neelachal Ispat Nigam Limited (NINL) amounts to ₹13,983.08 crore and ₹396.69 crore respectively. The Company accounts for investment in NCRPS of Tata Steel Long Products Limited initially at fair value and subsequently at amortised cost. Contractual cash flows from the NCRPS represent the principal (₹12,700 crore) plus accrued interest (₹1,283.08 crore) aggregating to ₹13,983.08 crore as on March 31, 2023. These investments have been made in TSLP for acquisition of NINL at a consideration of ₹12,100 crore and for meeting the fund requirements/obligations of NINL. The above equity investment in NINL is carried at cost. Where an indication of impairment exists, the carrying value of investment is assessed for impairment and where applicable an impairment provision is recognised. The impairment assessment for such investments have been carried out by the management in accordance with Ind AS 36 and Ind AS 109, as applicable. The key inputs and judgements involved in the impairment of unquoted investments include: • Cash flows forecast/incremental cash flows including assumptions on capacity expansion • Discount rates • Terminal growth rate • Economic and entity specific factors incorporated in the valuation. The accounting for above investments is a Key Audit Matter as the determination of recoverable value for impairment assessment involves significant management judgement and estimates.	Our audit procedures included the following: • We obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Company's key controls over the impairment assessment of investments. • We evaluated the appropriateness of the Company's accounting policy in respect of impairment assessment of investments in subsidiaries. • We evaluated the Company's process regarding impairment assessment by involving auditor's valuation experts, where considered necessary, to assist in assessing the appropriateness of the impairment assessment model, underlying assumptions relating to discount rate, terminal value etc. • We evaluated the cash flow forecasts/ incremental cash flows by comparing them to the budgets and our understanding of the internal and external factors. • We checked the mathematical accuracy of the impairment model and agreed the relevant data with the latest budgets, actual past results and other supporting documents, as applicable. • We assessed the sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment. • We have discussed the key assumptions and sensitivities with those charged with governance. • We evaluated the appropriateness of the disclosures made in the standalone financial statements. Based on the above procedures performed, we did not identify any significant exceptions in the management's assessment in relation to the carrying value of investments in aforesaid subsidiaries.

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Integrated Report, Board's Report along with its Annexures and Financial Highlights included in the Company's Annual report (titled as 'Tata Steel Integrated Report & Annual Accounts 2022-23') but does not include the standalone financial statements and our auditor's report thereon.

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

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

   - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. 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.

12. 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.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

14. 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.

15. 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 cashflows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (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 as on March 31, 2023 on its financial position in its standalone financial statements – Refer Note 35(A) and 36 to the standalone 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 losses on long-term contracts (including derivative contracts).

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2023 except for amount aggregating to ₹6.72 crore, which according to the information and explanations provided by the management is held in abeyance due to dispute/ pending legal cases.

iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Notes to the standalone 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 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 Notes 6(xi) and 7(iv) to the standalone financial statements];

(b) The management has represented that, to the best of its knowledge and belief, 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 Notes 6(xii) and 7(v) to the standalone 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 dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act, except for dividend amounting to ₹4.16 crore, which has been paid subsequently without depositing the amount to a separate bank account. [Also refer note C(i) to the standalone financial statements]

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.

16. 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

Subramanian Vivek
Partner
Membership Number 100332
UDIN: 23100332BGYVTL5217

Place: Mumbai
Date: May 2, 2023

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 15 (f) of the Independent Auditor's Report of even date to the members of Tata Steel Limited on the standalone financial statements as of and for the year ended March 31, 2023.

Report on the Internal Financial Controls with reference to Standalone 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 standalone financial statements of Tata Steel Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("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 standalone 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles,

and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 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

Subramanian Vivek
Partner
Membership Number 100332
UDIN: 23100332BGYVTL5217

Place: Mumbai
Date: May 2, 2023

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Tata Steel Limited on the standalone financial statements as of and for the year ended March 31, 2023.

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 standalone financial statements, are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held (i.e. dates of capitalisation provided in range)#	Reason for not being held in the name of the Company
Freehold Land	279.85	Not Applicable	No	March, 1928 to April, 2020	Title Deeds not available with the Company
Buildings	55.13	Not Applicable	No	March, 1974 to January, 1995	Title Deeds not available with the Company
Freehold Land	224.65	Tata Steel BSL Limited	No	April, 2020	For certain properties acquired through amalgamation/merger, the name change in the name of the Company is pending
Freehold Land	147.19	Bhushan Steel Limited (earlier name of Tata Steel BSL Limited)	No	April, 2020	
Freehold Land	1.92	Bhushan Steel & Strips Limited (earlier name of Tata Steel BSL Limited)	No	April, 2020	
Buildings	3.08	Indian Tube Company Limited	No	January, 1960	
Buildings	24.70	Tata SSL Limited	No	January, 1989 to January, 2000	
Right-of-use Land	523.65	Tata Steel BSL Limited	No	April, 2020	
Right-of-use Land	179.40	Bhushan Steel Limited (earlier name of Tata Steel BSL Limited)	No	April, 2020	
Right-of-use Land	139.93	Bhushan Steel & Strips Limited (earlier name of Tata Steel BSL Limited)	No	April, 2020	
Right-of-use Land	3.28	Jawahar Metal Industries Private Limited (earlier name of Tata Steel BSL Limited)	No	April, 2020	
Right-of-use Buildings	13.34	Tata Steel BSL Limited	No	April, 2020 to October, 2021	
Right-of-use Land	0.15	Not Applicable	No	Not Available	Lease Deed not available with the Company

In case of immovable properties acquired from Tata Steel BSL Limited which got merged with the Company in the preceding year have been considered with effect from the merger.

(d) The Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) or intangible assets during the year. 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 standalone 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 procedures of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. In respect of inventories of stores and spares, the Management has a verification programme designed to cover the items over a period of three years. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹5 crore, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account other than those as set out below.

Name of the Bank	Aggregate working capital limits sanctioned (₹ crore)	Nature of Current Asset offered as Security	Quarter ended	Amount disclosed as per quarterly return/ statement (₹ crore)	Amount as per books of account (₹ crore)	Difference (₹ crore)	Reasons for difference
State Bank of India and consortium of banks	2,000.00	Refer Note below	December 31, 2022	12,594.47	12,572.90	21.57	Incorrect amount of Creditors for Goods under Non-LC & others

Note: Pari-passu charge on the Company's entire current assets namely stock of raw materials, finished goods, stocks-in-process, consumables stores and spares and book debts at its plant sites or anywhere else, in favour of the Bank, by way of hypothecation.

The Company has filed the revised quarterly return/ statement with such banks for the above instance, in March, 2023, with the correct amounts, which are in agreement with the books of account.

Also refer Note 18(iv) to the standalone financial statements.

iii. (a) The Company has, during the year, made investments in eight companies and sixteen mutual fund schemes, granted unsecured loans to four companies and eight hundred and forty-six employees and stood guarantee for five companies. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans and guarantees to subsidiaries and to parties other than subsidiaries, joint ventures and associates are as per the table given below:

Particulars	Guarantees (₹ crore)	Loans (₹ crore)
Aggregate amount granted/ provided during the year		
Subsidiaries	478.80	3,674.60
Others	-	3.86
Balance outstanding (gross) as at balance sheet date in respect of the above cases		
Subsidiaries	349.05	3,436.75
Others	-	3.14

The above amounts are included in Note 7 on Loans and Note 35(B) on Commitments to the standalone financial statements.

(b) In respect of the aforesaid investments, guarantees and loans, the terms and conditions under which such investments were made, guarantees provided and loans were granted are not prejudicial to the Company's interest, based on the information and explanations provided by the Company.

(c) In respect of the loans outstanding as on the balance sheet date, the schedule of repayment of principal and payment of interest has been stipulated by the Company except for one loan aggregating ₹2.00 crore (fully provided in books) where no schedule of repayment of principal and payment of interest has been stipulated. Except for the aforesaid instance (where in the absence of stipulation of repayment/payment terms, we are unable to comment on the regularity of repayment of principal and payment of interest) and the following instance, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

Name of the entity	Amount (₹ crore)	Due Date	Extent of delay (provided in range)	Remarks
Tayo Rolls Limited	81.30	Multiple Dates	1,826 days - 2,421 days	The amounts pertain to principal and interest, which are overdue as at March 31, 2023. The company is under corporate insolvency resolution process. The Company has filed its claim as financial creditor. The amounts are fully provided in books.

(d) In respect of the following loan, the total amount overdue for more than ninety days as at March 31, 2023 is ₹81.30 crore. Based on the information and explanations given to us, the entity is under corporate insolvency resolution process and accordingly, the Company is not taking any further steps for the recovery of the principal and interest amounts, other than those mentioned in clause (iii)(c) above against Tayo Rolls Limited.

No. of cases	Principal Amount Overdue (₹ crore)	Interest Overdue (₹ crore)	Total Overdue (₹ crore)	Remarks
One	67.00	14.30	81.30	The amounts are fully provided in books

(e) Following loans were granted to same parties, which has fallen due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.

Name of the parties	Aggregate amount of dues renewed or extended (₹ crore)	Percentage of the aggregate to the total loans granted during the year
Tata Steel Downstream Products Limited	150.00	3.92%
Tata Steel Mining Limited	790.00	20.66%
Tata Steel Holdings Pte. Ltd.	1,643.45	42.97%

The above amounts are included in Note 7 on Loans to the standalone financial statements.

(f) The loans granted during the year, including to related parties had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. No loans were granted during the year to promoters.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.

v. The Company has not accepted any deposits 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, except for dues in respect of royalty, the Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. We are informed that the Company has applied for exemption from operations of Employees' State Insurance Act at some locations. We are also informed that actions taken by the authorities at some locations to bring the employees of the Company under the Employees' State Insurance Scheme has been contested by the Company and payment has not been made of the contribution demanded. 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 (₹ crore)	Period to which the amount relates	Due date	Date of Payment
The Mines and Minerals (Development and Regulation) Amendment Act, 2021	Royalty	2,025.44	March, 2021 to September, 2022	Various dates till September 30, 2022	Not yet paid

(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 payments) (₹ crore)	Amount paid (₹ crore)	Period to which the amount relates (FY)	Forum where the dispute is pending
Income-tax Act, 1961	Income Tax	2,061.05	1,131.51	1998-1999, 2006-2014, 2015-2017, 2018-2019	Tribunal
		197.47	124.12	2013-2016, 2017-2018	Commissioner (Appeals)
Customs Act, 1962	Customs Duty	2.44	-	2017-2018	Commissioner
		153.89	53.43	2005-2008, 2010-2016, 2017-2019	Tribunal
		15.17	1.91	1993-1994, 2002-2003, 2017-2021	High Court
		6.59	3.77	2005-2009, 2013-2014	Supreme Court
Central Excise Act, 1944	Excise Duty	10.54	0.92	2017-2018	Additional Commissioner
		61.90	5.87	1988-1989, 1994-1997, 2013-2018	Commissioner
		1.88	1.07	2016-2017	Joint Commissioner
		565.62	37.21	2002-2005, 2006-2018	Tribunal
		33.12	0.10	1989-1990, 2003-2009	High Court
Goods & Services Tax Act, 2017	Goods & Services Tax	15.83	-	2017-2018	Additional Commissioner
		0.75	0.04	2018-2020	Assistant Commissioner
		0.16	-	2018-2019	Deputy Commissioner
		0.05	-	2017-2018	Commissioner

Name of the statute	Nature of dues	Amount (net of payments) (₹ crore)	Amount paid (₹ crore)	Period to which the amount relates (FY)	Forum where the dispute is pending
Sales Tax Laws	Sales Tax	0.41	0.19	1983-1984, 1988-1989, 1990-1991, 1992-1993, 1994-1996	Sales Tax Officer
		362.04	2.36	1983-1984, 2002-2003, 2012-2013, 2016-2018	Additional Commissioner
		6.30	3.63	1973-1974, 1980-1992, 1994-1997, 2004-2005, 2016-2018	Assistant Commissioner
		15.02	2.94	1975-1976, 1983-1988, 1994-1995, 1997-2002, 2007-2012, 2013-2014, 2016-2019	Deputy Commissioner
		215.40	4.56	1988-1990, 1991-1992, 1993-1995, 2001-2004, 2013-2014	Commissioner
		66.25	0.50	2011-2013, 2014-2018	Joint Commissioner
		46.67	8.14	1977-1978, 1980-1981, 1983-1985, 1987-1988, 1989-1999, 2000-2002, 2003-2010, 2013-2016	Tribunal
		32.13	12.13	1977-1979, 1983-1984, 1991-1993, 1995-1997, 2000-2004, 2008-2009	High Court
Sales Tax Laws	Sales Tax (VAT)	69.28	0.46	2005-2006, 2012-2017	Additional Commissioner
		0.68	0.12	2005-2007, 2016-2018	Assistant Commissioner
		140.57	1.78	2004-2007, 2009-2018	Deputy Commissioner
		10.99	0.08	2006-2011, 2014-2015	Commissioner
		31.33	2.00	2011-2013, 2014-2017	Joint Commissioner
		6.72	2.90	2005-2010, 2012-2015, 2016-2017	Tribunal
		252.84	1.07	2001-2002, 2003-2004, 2007-2008, 2012-2016	High Court
Service Tax Laws	Service tax	0.74	0.03	2013-2018	Assistant Commissioner
		2.75	0.10	2004-2008, 2012-2017	Commissioner
		3.18	0.12	2016-2018	Joint Commissioner
		372.91	14.14	2007-2018	Tribunal
		0.30	-	2010-2011	High Court
Bihar Electricity Duty Act, 1948	Electricity Duty	0.59	-	2006-2011	Commercial Tax Officer
		3.82	-	2012-2013, 2014-2016	Deputy Commissioner
		7.18	0.03	2002-2003, 2008-2012	State Tax Officer
		0.31	-	1976-1980, 2004-2008	Tribunal
Employee State Insurance Act, 1948	Employee State Insurance	21.37	-	1996-1997	High Court

Name of the statute	Nature of dues	Amount (net of payments) (₹ crore)	Amount paid (₹ crore)	Period to which the amount relates (FY)	Forum where the dispute is pending
Entry Tax Laws	Entry Tax	6.02	-	2008-2009, 2011-2012, 2014-2015	Assessing Officer
		0.35	0.29	2007-2011, 2014-2015	Additional Commissioner
		0.37	4.86	2009-2021	Assistant Commissioner
		0.95	0.56	2001-2002, 2005-2007	Deputy Commissioner
		0.11	0.24	2008-2012	Joint Commissioner
		1.19	1.21	2007-2011	Tribunal
		318.65	14.35	1999-2003, 2005-2018	High Court
Mines and Mineral (Development and Regulation) Act, 1957	Excess Mining / Common Cause	2,140.30	-	2000-2017	Revisional Authority, Ministry of Mines
		132.91	-	1998-2011	Additional Chief Secretary, Steel & Mines
		2,994.49	573.83	2011-2015	High Court
Jharkhand Mineral Area Development Authority Act, 2000	Mineral Area Development Fee	58.51	18.00	2005-2007, 2008-2010, 2011-2014, 2016-2017	High Court
		8.23	-	1992-1995, 2005-2006	Supreme Court
Employees Provident Fund & Miscellaneous Provisions Act, 1952	Provident Fund	-	1.02	1997-1998	High Court
Mineral Concession Rules, 1960	Royalty on Minerals	408.48	2.60	2009-2015	Mines Tribunal
		1,366.78	1,211.92	2000-2008	Supreme Court
Indian Stamp Act, 1899	Stamp Duty	5,165.00	414.00	2013-2014	High Court
State Water Tax Laws	Water Tax	1,361.75	511.48	1980-1994, 1995-2023	High Court

The following matter has been decided in favour of the Company although the department has preferred appeal at higher levels:

Name of the statute	Nature of dues	Amount (net of payments) (₹ crore)	Period to which the amount relates (FY)	Forum where the dispute is pending
Customs Act, 1962	Customs Duty	248.24	2006-2009	Supreme Court
Central Excise Act, 1944	Excise Duty	235.48	2004-2005	Supreme Court
		16.34	2009-2010	Tribunal

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, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year. Also refer Note 18(ii) on Borrowings to the standalone financial statements.

(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) In our opinion, and according to the information and explanations given to us, the term loans have been applied, on an overall basis, for the purposes for which they were obtained.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone 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) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

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. In our opinion, and according to the information and explanations given to us, the monies raised by way of further public offer in an earlier year have been applied, on an overall basis, for the purposes for which they were obtained.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

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 information 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, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause. As explained by the management, there were certain complaints in respect of which investigations are ongoing as on the date of our report and hence, the impact on our audit report in respect of those complaints cannot be determined at this stage.

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 such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (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. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has not incurred any cash losses in the financial year or 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 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios (also refer Note 42 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of 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 the 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 Company has during the year spent the amount of Corporate Social Responsibility as required under sub-section (5) of Section 135 of the Act. 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

Subramanian Vivek
Partner
Membership Number 100332
UDIN: 23100332BGYVTL5217

Place: Mumbai
Date: May 2, 2023

BALANCE SHEET

as at March 31, 2023

(₹ crore)

	Note	Page	As at March 31, 2023	As at March 31, 2022
Assets				
I Non-current assets				
(a) Property, plant and equipment	3	F41	84,942.31	87,946.22
(b) Capital work-in-progress	3	F41	21,091.92	14,159.32
(c) Right-of-use assets	4	F46	5,480.11	5,538.18
(d) Goodwill			3.22	-
(e) Other intangible assets	5	F48	760.65	806.03
(f) Intangible assets under development	5	F48	514.96	382.64
(g) Financial assets				
(i) Investments	6	F50	44,138.90	43,401.43
(ii) Loans	7	F60	32,779.08	30,195.27
(iii) Derivative assets			403.40	133.21
(iv) Other financial assets	8	F62	2,263.36	1,211.81
(h) Non-curent tax assets (net)			4,145.27	3,620.76
(i) Other assets	10	F65	3,318.72	3,301.78
Total non-current assets			**1,99,841.90**	**1,90,696.65**
II Current assets				
(a) Inventories	11	F66	20,795.56	19,942.94
(b) Financial assets				
(i) Investments	6	F50	2,050.40	96.11
(ii) Trade receivables	12	F66	3,351.72	3,280.30
(iii) Cash and cash equivalents	13	F68	858.98	2,671.59
(iv) Other balances with banks	14	F68	218.35	183.70
(v) Loans	7	F60	3,191.21	2,368.01
(vi) Derivative assets			82.21	89.54
(vii) Other financial assets	8	F62	760.96	718.30
(c) Other assets	10	F65	2,640.13	1,939.08
Total current assets			**33,949.52**	**31,289.57**
Total assets			**2,33,791.42**	**2,21,986.22**
Equity and liabilities				
III Equity				
(a) Equity share capital	15	F69	1,222.40	1,222.37
(b) Other equity	17	F73	1,33,575.11	1,24,211.39
Total equity			**1,34,797.51**	**1,25,433.76**
IV Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	F78	30,880.89	20,290.81
(ii) Lease liabilities			3,649.33	3,726.90
(iii) Derivative liabilities			-	10.18
(iv) Other financial liabilities	19	F83	928.81	883.23
(b) Provisions	20	F83	2,555.25	2,685.00
(c) Retirement benefit obligations	21	F84	1,979.33	2,315.91
(d) Deferred income	22	F85	0.35	0.74
(e) Deferred tax liabilities (net)	9	F63	8,684.15	8,087.57
(f) Other liabilities	23	F85	3,878.50	4,887.29
Total non-current liabilities			**52,556.61**	**42,887.63**
V Current liabilities				
(a) Financial liabilities				
(i) Borrowings	18	F78	7,298.12	11,984.66
(ii) Lease liabilities			544.05	522.14
(iii) Trade payables	24	F86		
(a) Total outstanding dues of micro and small enterprises			791.87	678.20
(b) Total outstanding dues of creditors other than micro and small enterprises			17,290.53	20,412.94
(iv) Derivative liabilities			65.58	81.48
(v) Other financial liabilities	19	F83	5,806.15	5,137.54
(b) Provisions	20	F83	1,080.94	1,082.42
(c) Retirement benefit obligations	21	F84	109.51	114.99
(d) Deferred income	22	F85	9.81	67.84
(e) Current tax liabilities (net)			1,714.98	1,079.69
(f) Other liabilities	23	F85	11,725.76	12,502.93
Total current liabilities			**46,437.30**	**53,664.83**
Total equity and liabilities			**2,33,791.42**	**2,21,986.22**
Notes forming part of the financial statements	1 - 49			

In terms of our report attached

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

sd/-
Subramanian Vivek
Partner
Membership Number 100332

Mumbai, May 2, 2023

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

sd/-
Noel Naval Tata
Vice-Chairman
DIN: 00024713

sd/-
O. P. Bhatt
Independent Director
DIN: 00548091

sd/-
Deepak Kapoor
Independent Director
DIN: 00162957

sd/-
Farida Khambata
Independent Director
DIN: 06954123

sd/-
V. K. Sharma
Independent Director
DIN: 02449088

sd/-
Bharti Gupta Ramola
Independent Director
DIN: 00356188

sd/-
Saurabh Agrawal
Non-Executive Director
DIN: 02144558

sd/-
T. V. Narendran
Chief Executive Officer & Managing Director
DIN: 03083605

sd/-
Koushik Chatterjee
Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
Parvatheesam Kanchinadham
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2023

(₹ crore)

		Note	Page	Year ended March 31, 2023	Year ended March 31, 2022
I	Revenue from operations	25	F87	1,29,006.62	1,29,021.35
II	Other income	26	F88	3,325.48	1,452.02
III	**Total income**			**1,32,332.10**	**1,30,473.37**
IV	**Expenses:**				
	(a) Cost of materials consumed			54,011.50	35,256.98
	(b) Purchases of stock-in-trade			7,467.30	4,089.03
	(c) Changes in inventories of finished and semi-finished goods, stock-in-trade and work- in-progress	27	F88	(1,142.06)	(1,820.87)
	(d) Employee benefits expense	28	F89	6,616.29	6,365.80
	(e) Finance costs	29	F89	3,792.14	2,792.08
	(f) Depreciation and amortisation expense	30	F89	5,434.61	5,463.69
	(g) Other expenses	31	F90	38,870.96	36,458.65
				1,15,050.74	**88,605.36**
	Less: Expenditure (other than finance cost) transferred to capital account			4,519.34	2,458.09
	Total expenses			**1,10,531.40**	**86,147.27**
V	**Profit before exceptional items and tax (III-IV)**			**21,800.70**	**44,326.10**
VI	**Exceptional items:**	32	F91		
	(a) Profit/(loss) on sale of non-current investments			338.56	343.68
	(b) Provision for impairment of investments/doubtful advances (net)			(1,056.39)	(93.22)
	(c) Employee separation compensation			(91.94)	(330.81)
	(d) Restructuring and other provisions			-	(204.84)
	(e) Gain/(loss) on non-current investments classified as fair value through profit and loss (net)			30.99	49.74
	Total exceptional items			**(778.78)**	**(235.45)**
VII	**Profit before tax (V+VI)**			**21,021.92**	**44,090.65**
VIII	**Tax expense:**				
	(a) Current tax			4,928.05	11,611.94
	(b) Deferred tax			598.76	(532.47)
	Total tax expense			**5,526.81**	**11,079.47**
IX	**Profit for the year(VII-VIII)**			**15,495.11**	**33,011.18**
X	**Other comprehensive income/(loss)**				
	A (i) Items that will not be reclassified subsequently to profit and loss				
	(a) Remeasurement gain/(loss) on post-employment defined benefit plans			281.04	7.57
	(b) Fair value changes of investments in equity shares			(193.59)	654.92
	(ii) Income tax on items that will not be reclassified subsesquently to profit and loss			(48.05)	(69.79)
	B (i) Items that will be reclassified subsequently to profit and loss				
	(a) Fair value changes of cash flow hedges			81.47	136.57
	(ii) Income tax on items that will be reclassified subsesquently to profit and loss			(20.50)	(34.37)
	Total other comprehensive income/(loss) for the year			**100.37**	**694.90**
XI	**Total comprehensive income/(loss) for the year (IX+X)**			**15,595.48**	**33,706.08**
XII	**Earnings per share**	33	F92		
	Basic (₹)			12.68	27.03
	Diluted (₹)			12.67	27.01
	Notes forming part of the financial statements	1 - 49			

In terms of our report attached

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

sd/-
Subramanian Vivek
Partner
Membership Number 100332

Mumbai, May 2, 2023

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

sd/-
Noel Naval Tata
Vice-Chairman
DIN: 00024713

sd/-
O. P. Bhatt
Independent Director
DIN: 00548091

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Deepak Kapoor
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Independent Director
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V. K. Sharma
Independent Director
DIN: 02449088

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Independent Director
DIN: 00356188

sd/-
Saurabh Agrawal
Non-Executive Director
DIN: 02144558

sd/-
T. V. Narendran
Chief Executive Officer & Managing Director
DIN: 03083605

sd/-
Koushik Chatterjee
Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
Parvatheesam Kanchinadham
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

A. Equity share capital

(₹ crore)

Balance as at April 1, 2022	Changes during the year	Balance as at March 31, 2023
1,222.37	0.03	1,222.40

(₹ crore)

Balance as at April 1, 2021	Changes during the year	Balance as at March 31, 2022
1,198.78	23.59	1,222.37

B. Hybrid perpetual securities

(₹ crore)

Balance as at April 1, 2022	Changes during the year	Balance as at March 31, 2023
-	-	-

(₹ crore)

Balance as at April 1, 2021	Changes during the year	Balance as at March 31, 2022
775.00	(775.00)	-

C. Other equity

(₹ crore)

	Retained earnings (refer note 17A, page F73)	Items of other comprehensive income (refer note 17B, page F74)	Other reserves (refer note 17C, page F75)	Shares pending issue (refer note 17D, page F77)	Share application money pending allotment (refer note 17E, page F77)	Total
Balance as at April 1, 2022	**76,498.67**	**914.90**	**46,797.82**	**-**	**-**	**1,24,211.39**
Profit for the year	15,495.11	-	-	-	-	15,495.11
Other comprehensive income for the year	210.31	(109.94)	-	-	-	100.37
Total comprehensive income for the year	**15,705.42**	**(109.94)**	**-**	**-**	**-**	**15,595.48**
Received during the year	-	-	-	-	1.46	1.46
Subscription to final call on equity shares	-	-	1.44	-	(1.46)	(0.02)
Equity issue expenses written (off)/back	-	-	(0.09)	-	-	(0.09)
Dividend[(i)]	(6,233.11)	-	-	-	-	(6,233.11)
Balance as at March 31, 2023	**85,970.98**	**804.96**	**46,799.17**	**-**	**-**	**1,33,575.11**

STATEMENT OF CHANGES IN EQUITY (CONTD.)

for the year ended March 31, 2023

(₹ crore)

	Retained earnings (refer note 17A, page F73)	Items of other comprehensive income (refer note 17B, page F74)	Other reserves (refer note 17C, page F75)	Shares pending issue (refer note 17D, page F77)	Share application money pending allotment (refer note 17E, page F77)	Total
Balance as at April 1, 2021	**46,480.00**	**235.66**	**46,473.69**	**18.21**	**3.78**	**93,211.34**
Profit for the year	33,011.18	-	-	-	-	33,011.18
Other comprehensive income for the year	5.67	689.23	-	-	-	694.90
Total comprehensive income for the year	**33,016.85**	**689.23**	**-**	**-**	**-**	**33,706.08**
Received during the year	-	-	-	-	326.85	326.85
Subscription to final call on equity shares	-	-	324.90	-	(330.27)	(5.37)
Issue of Ordinary Shares	-	-	0.35	(18.21)	(0.36)	(18.22)
Equity issue expenses written (off)/back	-	-	(1.12)	-	-	(1.12)
Dividend [(i)]	(3,007.08)	-	-	-	-	(3,007.08)
Distribution on hybrid perpetual securities	(1.46)	-	-	-	-	(1.46)
Tax on distribution on hybrid perpetual securities	0.37	-	-	-	-	0.37
Transfers within equity	9.99	(9.99)	-	-	-	-
Balance as at March 31, 2022	**76,498.67**	**914.90**	**46,797.82**	**-**	**-**	**1,24,211.39**

(i) Dividend paid during the year ended March 31, 2023 is ₹**51.00** per Ordinary share (face value ₹10 each, fully paid-up) and ₹**12.75** per Ordinary Share (face value ₹10 each, partly paid-up ₹2.504 per share) (March 31, 2022: ₹25.00 per Ordinary Share of face value ₹10 each, fully paid-up and ₹6.25 per Ordinary Share of face value ₹10 each, partly paid-up ₹2.504 per share). Further, dividend amounting to ₹4.16 crore pertaining to those shares allotted pursuant to the composite scheme of amalgamation of Bamnipal Steel Limited and Tata Steel BSL Limited into and with the Company but pending legal proceedings or rejected during corporate actions has been paid subsequently without depositing the amount to a separate bank account.

D. Notes forming part of the financial statements — Note 1-49

In terms of our report attached

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

sd/-
Subramanian Vivek
Partner
Membership Number 100332

Mumbai, May 2, 2023

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

sd/-
Noel Naval Tata
Vice-Chairman
DIN: 00024713

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O. P. Bhatt
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V. K. Sharma
Independent Director
DIN: 02449088

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Bharti Gupta Ramola
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Saurabh Agrawal
Non-Executive Director
DIN: 02144558

sd/-
T. V. Narendran
Chief Executive Officer & Managing Director
DIN: 03083605

sd/-
Koushik Chatterjee
Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
Parvatheesam Kanchinadham
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921

STATEMENT OF CASH FLOWS

for the year ended March 31, 2023

(₹ crore)

	Year ended March 31, 2023		Year ended March 31, 2022	
(A) Cash flows from operating activities:				
Profit before tax		**21,021.92**		**44,090.65**
Adjustments for:				
Depreciation and amortisation expense	5,434.61		5,463.69	
Dividend Income	(285.38)		(243.92)	
(Gain)/loss on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off)	68.00		(17.28)	
Exceptional (income)/expenses	778.78		235.45	
(Gain)/loss on cancellation of forwards, swaps and options	0.58		(39.05)	
Interest income and income from current investments	(2,852.86)		(1,125.57)	
Finance costs	3,792.14		2,792.08	
Foreign exchange (gain)/loss	(2,542.96)		(851.60)	
Other non-cash items	(50.05)		2.25	
		4,342.86		**6,216.05**
Operating profit before changes in non-current/current assets and liabilities		**25,364.78**		**50,306.70**
Adjustments for:				
Non-current/current financial and other assets	(679.28)		(1,119.44)	
Inventories	(1,011.54)		(7,072.78)	
Non-current/current financial and other liabilities/provisions	(4,555.71)		11,111.87	
		(6,246.53)		2,919.65
Cash generated from operations		**19,118.25**		**53,226.35**
Income taxes paid (net of refund)		(4,891.32)		(11,240.23)
Net cash from/(used in) operating activities		**14,226.93**		**41,986.12**
(B) Cash flows from investing activities:				
Purchase of capital assets	(8,554.58)		(6,288.29)	
Sale of capital assets	19.08		132.61	
Purchase of investments in subsidiaries	(1,245.77)		(12,897.00)	
Purchase of other non-current investments	(314.00)		(55.39)	
Purchase of business undertaking	(130.00)		-	
Sale of investments in subsidiaries	1,112.42		-	
Sale of other non-current investments	-		9.99	
(Purchase)/sale of current investments (net)	(1,822.14)		7,183.31	
Loans given	(1,241.15)		(23,104.83)	
Repayment of loans given	564.65		483.74	
Principal receipts under sublease	-		1.43	
Fixed/restricted deposits with banks (placed)/realised (net)	(12.21)		(21.60)	
Interest received	277.71		144.32	
Dividend received from subsidiaries	234.93		113.89	
Dividend received from associates and joint ventures	26.83		109.64	
Dividend received from others	23.62		20.39	
Net cash from/(used in) investing activities		**(11,060.61)**		**(34,167.79)**

STATEMENT OF CASH FLOWS (CONTD.)

for the year ended March 31, 2023

(₹ crore)

	Year ended March 31, 2023		Year ended March 31, 2022	
(C) Cash flows from financing activities:				
Proceeds from issue of equity shares (net of issue expenses)	1.37		325.72	
Proceeds from long-term borrowings (net of issue expenses)	16,628.55		36.88	
Repayment of long-term borrowings	(2,904.30)		(9,380.72)	
Proceeds/(repayments) of short-term borrowings (net)	(8,106.56)		8,794.21	
Payment of lease obligations	(495.00)		(483.03)	
Amount received/(paid) on utilisation/cancellation of derivatives	(13.85)		33.33	
Repayment of hybrid perpetual securities	-		(775.00)	
Distribution on hybrid perpetual securities	-		(44.19)	
Interest paid	(3,856.03)		(2,868.17)	
Dividend paid	(6,233.11)		(3,007.08)	
Net cash from/(used in) financing activities		**(4,978.93)**		**(7,368.05)**
Net increase/(decrease) in cash and cash equivalents		**(1,812.61)**		**450.28**
Opening cash and cash equivalents (refer note 13, page F68)		**2,671.59**		**2,221.31**
Closing cash and cash equivalents (refer note 13, page F68)		**858.98**		**2,671.59**

(i) Significant non-cash movements in borrowings during the year include:

(a) amortisation/effective interest rate adjustments of upfront fees ₹**27.02** crore (2021-22: ₹138.99 crore).

(b) exchange loss ₹**277.74** crore (2021-22: ₹137.10 crore).

(c) adjustments to lease obligations, increase ₹**439.34** crore (2021-22: ₹196.68 crore).

(D) Notes forming part of the financial statements — **Note 1-49**

In terms of our report attached

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

sd/-
Subramanian Vivek
Partner
Membership Number 100332

Mumbai, May 2, 2023

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

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Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
Parvatheesam Kanchinadham
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921

NOTES

forming part of the Financial Statements

1. Company information

Tata Steel Limited ("the Company") is a public limited Company incorporated in India with its registered office in Bombay House 24, Homi Modi Street Fort, Mumbai-400 001, Maharashtra, India. The Company is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The Company has presence across the entire value chain of steel manufacturing from mining and processing iron ore and coal to producing and distributing finished products. The Company offers a broad range of steel products including a portfolio of high value added downstream products such as hot rolled, cold rolled, coated steel, rebars, wire rods, tubes and wires.

The functional and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operates.

As on March 31, 2023, Tata Sons Private Limited owns 32.44% of the Ordinary Shares of the Company, and has the ability to influence the Company's operations.

The financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorised for issue on May 2, 2023.

2. Significant accounting policies

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

(a) Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act.

(b) Basis of preparation

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair value by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(c) Use of estimates and critical accounting judgements

In the preparation of financial statements, the Company makes judgements in the application of accounting policies; and estimates and assumptions which affects carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment, right-of-use assets and intangible assets and expected credit loss for financial instruments carried at amortised cost (detailed in note 2(n), page F34) provisions and contingent liabilities, fair value measurements of financial instruments and retirement benefit obligations as discussed below.

Impairment

The Company estimates the value in use of the cash generating unit (CGU) based on future cash flows after considering current economic conditions and trends, estimated future operating results and growth rates and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate in order to calculate the present value. Further details of the Company's impairment review and key assumptions are set out in note 3, page F41, note 4, page F46, note 5, page F48 and note 6, page F50.

Useful lives of property, plant and equipment, right-of-use assets and intangible assets

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of

NOTES

forming part of the Financial Statements

2. Significant accounting policies (Contd.)

each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods. The policy has been detailed in note 2(i), page F31.

Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Further details are set out in note 20, page F83 and note 35A, page F100.

Fair value measurements of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Further details are set out in note 39, page F110.

Retirement benefit obligations

The Company's retirement benefit obligations are subject to number of assumptions including discount rates, inflation and salary growth. Significant assumptions are required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Company's balance sheet and the statement of profit and loss. The Company sets these assumptions based on previous experience and third party actuarial advice. Further details on the Company's retirement benefit obligations, including key assumptions are set out in note 34, page F92.

(d) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment is stated at cost or deemed cost applied on transition to Ind AS, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset.

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

(e) Exploration for and evaluation of mineral resources

Expenditures associated with search for specific mineral resources are recognised as exploration and evaluation assets. The following expenditure comprises cost of exploration and evaluation assets:

- obtaining of the rights to explore and evaluate mineral reserves and resources including costs directly related to this acquisition
- researching and analysing existing exploration data
- conducting geological studies, exploratory drilling and sampling
- examining and testing extraction and treatment methods

NOTES

forming part of the Financial Statements

2. Significant accounting policies (Contd.)

- compiling pre-feasibility and feasibility studies
- activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource

Administration and other overhead costs are charged to the cost of exploration and evaluation assets only if directly related to an exploration and evaluation project.

If a project does not prove viable, all irrecoverable exploration and evaluation expenditure associated with the project net of any related impairment allowances is written off to the statement of profit and loss.

The Company measures its exploration and evaluation assets at cost and classifies as property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that a tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

As the asset is not available for use, it is not depreciated. All exploration and evaluation assets are monitored for indications of impairment. An exploration and evaluation asset is no longer classified as such when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable and the development of the deposit is sanctioned by the management. The carrying value of such exploration and evaluation asset is reclassified to mining assets.

(f) Development expenditure for mineral reserves

Development is the establishment of access to mineral reserves and other preparations for commercial production. Development activities often continue during production and include:

- sinking shafts and underground drifts (often called mine development)
- making permanent excavations
- developing passageways and rooms or galleries
- building roads and tunnels and
- advance removal of overburden and waste rock

Development (or construction) also includes the installation of infrastructure (e.g., roads, utilities and housing), machinery, equipment and facilities.

Development expenditure is capitalised and presented as part of mining assets. No depreciation is charged on the development expenditure before the start of commercial production.

(g) Provision for restoration and environmental costs

The Company has liabilities related to restoration of soil and other related works, which are due upon the closure of certain of its mining sites.

Such liabilities are estimated case-by-case based on available information, taking into account applicable local legal requirements. The estimation is made using existing technology, at current prices, and discounted using an appropriate discount rate where the effect of time value of money is material. Future restoration and environmental costs, discounted to net present value, are capitalised and the corresponding restoration liability is raised as soon as the obligation to incur such costs arises. Future restoration and environmental costs are capitalised in property, plant and equipment or mining assets as appropriate and are depreciated over the life of the related asset. The effect of time value of money on the restoration and environmental costs liability is recognised in the statement of profit and loss.

(h) Intangible assets

Patents, trademarks and software costs are included in the balance sheet as intangible assets when it is probable that associated future economic benefits would flow to the Company. In this case they are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives. All other costs on patents, trademarks and software are expensed in the statement of profit and loss as and when incurred.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Costs incurred on individual development projects are recognised as intangible assets from the date when all of the following conditions are met:

(i) completion of the development is technically feasible.

NOTES

forming part of the Financial Statements

2. Significant accounting policies (Contd.)

(ii) it is the intention to complete the intangible asset and use or sell it.

(iii) ability to use or sell the intangible asset.

(iv) it is clear that the intangible asset will generate probable future economic benefits.

(v) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available.

(vi) it is possible to reliably measure the expenditure attributable to the intangible asset during its development.

Recognition of costs as an asset is ceased when the project is complete and available for its intended use, or if these criteria are no longer applicable.

Where development activities do not meet the conditions for recognition as an asset, any associated expenditure is treated as an expense in the period in which it is incurred.

Subsequent to initial recognition, intangible assets with definite useful lives are reported at cost or deemed cost applied on transition to Ind AS, less accumulated amortisation and accumulated impairment losses.

(i) Depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets

Depreciation or amortisation is provided so as to write off, on a straight-line basis, the cost/deemed cost of property, plant and equipment and intangible assets, including right-of-use assets to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of right-of-use assets, over the lease period, if shorter. The estimated useful lives of assets, residual values and depreciation method are reviewed regularly and, when necessary, revised.

Depreciation on assets under construction commences only when the assets are ready for their intended use.

The estimated useful lives for main categories of property, plant and equipment and intangible assets are:

	Estimated useful life (years)
Buildings	upto 60 years*
Roads	5 to 10 years
Plant and machinery	upto 40 years*
Railway sidings	upto 35 years*
Vehicles and aircraft	5 to 20 years
Furniture, fixtures and office equipments	3 to 10 years
Computer software	3 to 5 years
Assets covered under Electricity Act (life as prescribed under the Electricity Act)	3 to 38 years

Mining assets are amortised over the useful life of the mine or lease period whichever is lower.

Major furnace relining expenses are depreciated over a period of 10 years (average expected life).

Freehold land is not depreciated.

Assets value upto ₹25,000 are fully depreciated in the year of acquisition.

*For these class of assets, based on internal assessment and independent technical evaluation carried out by chartered engineers, the Company believes that the useful lives as given above best represents the period over which the Company expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

(j) Impairment

At each balance sheet date, the Company reviews the carrying value of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

NOTES
forming part of the Financial Statements

2. Significant accounting policies (Contd.)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

(k) Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to control the use of that asset to the Company in return for payment.

The Company as lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that such options would be exercised.

The right-of-use assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of profit and loss in the period in which the events or conditions which trigger those payments occur.

Payment made towards leases for which non-cancellable term is 12 months or lesser (short-term leases) and low value leases are recognised in the statement of Profit and Loss as rental expenses over the tenor of such leases.

In a sale and lease back transaction, the Company measures right-of-use asset arising from the leaseback as the proportion of the previous carrying amount of the

NOTES

forming part of the Financial Statements

2. Significant accounting policies (Contd.)

asset that relates to the right-of-use retained. The gain or loss that the company recognises in the statement of profit and loss is limited to the proportion of the total gain or loss that relates to the rights transferred to the buyer.

The Company as lessor

(i) **Operating lease** – Rental income from operating leases is recognised in the statement of profit and loss on a straight- line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight-line basis over the lease term.

(ii) **Finance lease** – When assets are leased out under a finance lease, the present value of minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

(l) Stripping costs

The Company separates two different types of stripping costs that are incurred in surface mining activity:

- developmental stripping costs and
- production stripping costs

Developmental stripping costs which are incurred in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

A mine can operate several open pits that are regarded as separate operations for the purpose of mine planning and production. In this case, stripping costs are accounted for separately, by reference to the ore extracted from each separate pit. If, however, the pits are highly integrated for the purpose of mine planning and production, stripping costs are aggregated too.

The determination of whether multiple pit mines are considered separate or integrated operations depends on each mine's specific circumstances. The following factors normally point towards the stripping costs for the individual pits being accounted for separately:

- mining of the second and subsequent pits is conducted consecutively with that of the first pit, rather than concurrently
- separate investment decisions are made to develop each pit, rather than a single investment decision being made at the outset
- the pits are operated as separate units in terms of mine planning and the sequencing of overburden and ore mining, rather than as an integrated unit
- expenditures for additional infrastructure to support the second and subsequent pits are relatively large
- the pits extract ore from separate and distinct ore bodies, rather than from a single ore body.

The relative importance of each factor is considered by the management to determine whether, the stripping costs should be attributed to the individual pit or to the combined output from the several pits.

Production stripping costs are incurred to extract the ore in the form of inventories and/or to improve access to an additional component of an ore body or deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realised in the form of inventories.

The Company recognises a stripping activity asset in the production phase if, and only if, all of the following are met:

- it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the Company
- the Company can identify the component of the ore body for which access has been improved and
- the costs relating to the improved access to that component can be measured reliably.

NOTES
forming part of the Financial Statements

2. Significant accounting policies (Contd.)

Such costs are presented within mining assets. After initial recognition, stripping activity assets are carried at cost/deemed cost less accumulated amortisation and impairment. The expected useful life of the identified component of the ore body is used to depreciate or amortise the stripping asset.

(m) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost/deemed cost applied on transition to Ind AS, less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable amount. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

(n) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. Trade Receivables that do not contain a significant financing component are measured at transaction price.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(I) Financial assets

Cash and bank balances

Cash and bank balances consist of:

(i) **Cash and cash equivalents -** which includes cash on hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than three months. These balances with banks are unrestricted for withdrawal and usage.

(ii) **Other bank balances -** which includes balances and deposits with banks that are restricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if such financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell such financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of certain equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments. These investments are

NOTES
forming part of the Financial Statements

2. Significant accounting policies (Contd.)

held for medium or long-term strategic purpose. The Company has chosen to designate these investments in equity instruments as fair value through other comprehensive income as the management believes this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the statement of profit and loss.

Financial assets not measured at amortised cost or at fair value through other comprehensive income are carried at fair value through profit and loss.

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the right to receive payment has been established.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

The Company recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction.

For financial assets (apart from trade receivables that do not constitute of financing transaction) whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk of the financial asset has significantly increased since initial recognition.

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a borrowing for the proceeds received.

(II) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

NOTES
forming part of the Financial Statements

2. Significant accounting policies (Contd.)

De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Derivative financial instruments and hedge accounting

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts, cross currency swaps, interest rate swaps and collars. The instruments are employed as hedges of transactions included in the financial statements or for highly probable forecast transactions/firm contractual commitments. These derivatives contracts do not generally extend beyond six months, except for certain currency swaps and interest rate derivatives.

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

The Company adopts hedge accounting for forward foreign exchange and interest rate contracts wherever possible. At inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item and transaction and nature of the risk being hedged. At inception, each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

When hedge accounting is applied:

- for fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognised in the statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.
- for cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and the ineffective portion is recognised in the statement of profit and loss. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the statement of profit and loss in the same period in which the hedged item affects the statement of profit and loss.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the statement of profit and loss as and when they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of profit and loss for the period.

(o) Employee benefits

Defined contribution plans

Contributions under defined contribution plans are recognised as expense for the period in which the employee has rendered service. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the

NOTES

forming part of the Financial Statements

2. Significant accounting policies (Contd.)

Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined benefit plans

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each year-end balance sheet date. Remeasurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) are recognised as an expense within employee costs.

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

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations as reduced by the fair value of plan assets.

Compensated absences

Liabilities recognised in respect of other long-term employee benefits such as annual leave and sick leave are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date using the projected unit credit method with actuarial valuation being carried out at each year-end balance sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation.

(p) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is ascertained on a weighted average basis. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

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

(q) Provisions

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the time value of money is material, provisions are measured on a discounted basis.

Constructive obligation is an obligation that derives from an entity's actions where:

(i) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and;

(ii) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge such responsibilities.

(r) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

NOTES

forming part of the Financial Statements

2. Significant accounting policies (Contd.)

(s) Government grants

Government grants are recognised at its fair value, where there is a reasonable assurance that such grants will be received and compliance with the conditions attached therewith have been met.

Government grants related to expenditure on property, plant and equipment are credited to the statement of profit and loss over the useful lives of qualifying assets or other systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Grants received less amounts credited to the statement of profit and loss at the reporting date are included in the balance sheet as deferred income.

(t) Business combination under common control

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities or businesses are reflected at their carrying amounts after making adjustments necessary to harmonise the accounting policies. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. The identity of the reserves is preserved in the same form in which they appeared in the financial statements of the transferor and the difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

(u) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. The Company must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, then it is treated as a discontinued operation. The post-tax profit or loss of the discontinued operation together with the gain or loss recognised on its disposal are disclosed as a single amount in the statement of profit and loss, with all prior periods being presented on this basis.

(v) Income Taxes

Tax expense for the year comprises of current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

NOTES
forming part of the Financial Statements

2. Significant accounting policies (Contd.)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

(w) Revenue

The Company manufactures and sells a range of steel and other products.

Sale of products

Revenue from sale of products is recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, the risks of loss has been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied. Sale of products include related ancillary services, if any.

Goods are often sold with volume and price discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume and price discounts. Accumulated experience is used to estimate and provide for the discounts, using the most likely method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are generally made with a credit term of 30-90 days, which is consistent with market practice. Any obligation to provide a refund is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Sale of power

Revenue from sale of power is recognised when the services are provided to the customer based on approved tariff rates established by the respective regulatory authorities. The Company doesn't recognise revenue and an asset for cost incurred in the past that will be recovered.

(x) Foreign currency transactions and translations

The financial statements of the Company are presented in Indian Rupees ("₹"), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the re-translation or settlement of monetary items are included in the statement of profit and loss for the period.

(y) Borrowing costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

NOTES

forming part of the Financial Statements

2. Significant accounting policies (Contd.)

Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is recognised in the statement of profit and loss.

Discounts or premiums and expenses on the issue of debt securities are amortised over the term of the related securities and included within borrowing costs. Premiums payable on early redemptions of debt securities, in lieu of future finance costs, are recognised as borrowing costs.

All other borrowing costs are recognised as expenses in the period in which it is incurred.

(z) Earnings per share

Basic earnings per share is computed by dividing profit or loss for the year attributable to equity holders by the weighted average number of shares outstanding during the year. Partly paid-up shares are included as fully paid equivalents according to the fraction paid-up.

Diluted earnings per share is computed using the weighted average number of shares and dilutive potential shares except where the result would be anti-dilutive.

(aa) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") has notified the following new amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2023.

Amendment to Ind AS 1 "Presentation of Financial Instruments"

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information is material if, together with other information can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Amendment to Ind AS 12 "Income Taxes"

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Amendment to Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities use measurement techniques and inputs to develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

NOTES
forming part of the Financial Statements

3. Property, plant and equipment
[Item No. I(a) and I(b), Page F22]

(₹ crore)

	Land including roads	Buildings	Plant and machinery	Furniture, fixtures and office equipments	Vehicles	Railway sidings	Total
Cost/deemed cost as at April 1, 2022	14,950.30	16,445.58	83,203.23	718.07	411.94	1,241.08	1,16,970.20
Additions	28.39	324.33	1,341.38	91.84	1.96	(0.91)	1,786.99
Additions relating to acquisitions	-	20.98	117.09	0.24	0.24	-	138.55
Disposals	(38.62)	(13.50)	(85.85)	(10.39)	(15.43)	(0.04)	(163.83)
Cost/deemed cost as at March 31, 2023	**14,940.07**	**16,777.39**	**84,575.85**	**799.76**	**398.71**	**1,240.13**	**1,18,731.91**
Accumulated impairment as at April 1, 2022	-	1.21	-	-	-	-	1.21
Accumulated impairment as at March 31, 2023	**-**	**1.21**	**-**	**-**	**-**	**-**	**1.21**
Accumulated depreciation as at April 1, 2022	906.90	2,723.31	24,277.34	587.01	230.34	297.87	29,022.77
Charge for the year	53.34	551.55	4,080.61	73.67	23.89	52.01	4,835.07
Disposals	-	(2.87)	(41.15)	(11.17)	(14.24)	(0.02)	(69.45)
Accumulated depreciation as at March 31, 2023	**960.24**	**3,271.99**	**28,316.80**	**649.51**	**239.99**	**349.86**	**33,788.39**
Total accumulated depreciation and impairment as at March 31, 2023	**960.24**	**3,273.20**	**28,316.80**	**649.51**	**239.99**	**349.86**	**33,789.60**
Net carrying value as at April 1, 2022	14,043.40	13,721.06	58,925.89	131.06	181.60	943.21	87,946.22
Net carrying value as at March 31, 2023	**13,979.83**	**13,504.19**	**56,259.05**	**150.25**	**158.72**	**890.27**	**84,942.31**

(₹ crore)

	Land including roads	Buildings	Plant and machinery	Furniture, fixtures and office equipments	Vehicles	Railway sidings	Total
Cost/deemed cost as at April 1, 2021	14,687.71	16,063.35	81,612.25	698.89	433.57	1,192.95	1,14,688.72
Additions	59.37	600.28	1,709.89	53.47	4.92	17.83	2,445.76
Disposals	(19.16)	(20.74)	(93.07)	(33.94)	(31.19)	-	(198.10)
Other re-classifications	222.38	(197.31)	(25.84)	(0.35)	4.64	30.30	33.82
Cost/deemed cost as at March 31, 2022	**14,950.30**	**16,445.58**	**83,203.23**	**718.07**	**411.94**	**1,241.08**	**1,16,970.20**
Accumulated impairment as at April 1, 2021	0.15	1.32	27.97	19.68	-	-	49.12
Disposals	(0.15)	(0.11)	(6.16)	-	-	-	(6.42)
Other re-classifications	-	-	(21.81)	(19.68)	-	-	(41.49)
Accumulated impairment as at March 31, 2022	**-**	**1.21**	**-**	**-**	**-**	**-**	**1.21**
Accumulated depreciation as at April 1, 2021	826.99	2,211.03	20,223.14	513.81	225.14	234.90	24,235.01
Charge for the year	50.87	550.02	4,098.49	85.04	28.55	50.29	4,863.26
Disposals	-	(8.71)	(59.46)	(29.67)	(27.99)	-	(125.83)
Other re-classifications	29.04	(29.03)	15.17	17.83	4.64	12.68	50.33
Accumulated depreciation as at March 31, 2022	**906.90**	**2,723.31**	**24,277.34**	**587.01**	**230.34**	**297.87**	**29,022.77**
Total accumulated depreciation and impairment as at March 31, 2022	**906.90**	**2,724.52**	**24,277.34**	**587.01**	**230.34**	**297.87**	**29,023.98**
Net carrying value as at April 1, 2021	13,860.57	13,851.00	61,361.14	165.40	208.43	958.05	90,404.59
Net carrying value as at March 31, 2022	**14,043.40**	**13,721.06**	**58,925.89**	**131.06**	**181.60**	**943.21**	**87,946.22**

NOTES

forming part of the Financial Statements

3. Property, plant and equipment (Contd.)

[Item No. I(a) and I(b), Page F22]

(i) Buildings include ₹**94.33** crore (March 31, 2022: ₹51.33 crore) being held through shares in co-operative housing societies and limited companies.

(ii) Net carrying value of furniture, fixtures and office equipment comprises of:

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Furniture and fixtures:		
Cost/deemed cost	163.01	151.90
Accumulated depreciation and impairment	145.25	137.59
	17.76	**14.31**
Office equipments:		
Cost/deemed cost	636.75	566.17
Accumulated depreciation and impairment	504.26	449.42
	132.49	**116.75**
	150.25	**131.06**

(iii) ₹**281.95** crore (2021-22: ₹169.98 crore) of borrowing costs has been capitalised during the year against qualifying assets under construction using a capitalisation rate of **2.47%** (2021-22: 2.88%).

(iv) Property, plant and equipment (including capital work-in-progress) were tested for impairment during the year where indicators of impairment existed. During the year ended March 31, 2023, the Company has recognised an impairment reversal of ₹22.77 crore in respect of expenditure incurred at one of its mining sites. The impairment recognised/reversed is included within other expenses in the statement of profit and loss.

(v) Details of property, plant and equipment pledged against borrowings is presented in note 18, page F78.

(vi) Additions to capital work-in-progress during the year is ₹**8,708.97** crore (2021-22: ₹6,497.86 crore).

NOTES

forming part of the Financial Statements

3. Property, plant and equipment (Contd.)

[Item No. I(a) and I(b), Page F22]

(vii) 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), are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held (i.e. dates of capitalisation provided in range)#	Reason for not being held in the name of the Company
Freehold Land	**279.85**	Not Applicable	No	March, 1928 to April, 2020	Title Deeds not available with the Company
	279.85				
Buildings	**55.13**	Not Applicable	No	March, 1974 to January, 1995	
	105.88			January, 1960 to April, 2020	
Freehold Land	**224.66**	Erstwhile Tata Steel BSL Limited (TSBSL)	No	April, 2020	For certain properties acquired through amalgamation/merger,the name change in the name of the Company is pending
	262.76				
	147.19	Bhushan Steel Limited	No	April, 2020	
	161.27				
	1.92	Bhushan Steel & Strips Limited	No	April, 2020	
	1.92				
	-	Tata SSL Limited	No	July, 1988	
	59.90				
Buildings	**24.70**	Tata SSL Limited	No	January, 1989 to January, 2000	
	46.37			January, 1987 to January, 2007	
	3.08	Indian Tube Company Limited	No	January, 1960	
	-				

Figures in italics represents comparative figures of previous year.

In case of immovable properties acquired from Tata Steel BSL Limited which got merged with the Company in the preceding year pursuant to National Company Law Tribunal Order dated October 29, 2021, dates have been considered with effect from the date of merger.

(viii) With effect from April 1, 2021, the Company has revised the terminal value of certain items of property, plant and equipment acquired consequent to the merger of Tata Steel BSL Limited with and into the Company. Had there been no change in terminal value of the assets acquired, depreciation for the year ended March 31, 2022 would have been lower by ₹**99.37** crore.

NOTES

forming part of the Financial Statements

3. Property, plant and equipment (Contd.)

[Item No. I(a) and I(b), Page F22]

(ix) Ageing of capital work-in-progress is as below:

As at March 31, 2023

(₹ crore)

	Amount in Capital work in progress for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	10,216.90	4,032.22	2,492.14	4,350.66	21,091.92
	10,216.90	**4,032.22**	**2,492.14**	**4,350.66**	**21,091.92**

As at March 31, 2022

(₹ crore)

	Amount in Capital work in progress for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	6,225.41	2,518.49	2,655.98	2,759.44	14,159.32
	6,225.41	**2,518.49**	**2,655.98**	**2,759.44**	**14,159.32**

(x) The expected completion of the amounts lying in capital work in progress which are delayed are as below.

As at March 31, 2023

(₹ crore)

	Amount in Capital work in progress to be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project in progress :				
Growth projects	9,527.37	7,024.02	97.75	67.81
Raw material augmentation	489.92	1,153.85	-	-
Environment, safety and compliance	303.00	404.82	-	-
Sustenance projects	1,371.00	63.85	1.66	24.03
	11,691.29	**8,646.54**	**99.41**	**91.84**

As at March 31, 2022

(₹ crore)

	Amount in Capital work in progress to be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project in progress :				
Growth projects	1,635.23	4,765.14	4,365.64	-
Raw material augmentation	817.34	-	87.79	348.80
Environment, safety and compliance	102.55	-	625.64	-
Sustenance projects	626.39	429.36	10.37	42.93
	3,181.51	**5,194.50**	**5,089.44**	**391.73**

NOTES

forming part of the Financial Statements

3. Property, plant and equipment (Contd.)

[Item No. I(a) and I(b), Page F22]

As part of its strategy to continue to grow in the Indian market, the Company acquired Tata Steel BSL Limited (TSBSL) with ~5 MTPA steel making capacity in May 2018, under a bid process triggered by TSBSL's insolvency. Post-acquisition, the Company's net debt at a consolidated level had increased considerably.

Given the Company's strategic priority to deleverage balance sheet consequent to increase in net debt levels ahead of incurring further planned investments in organic growth projects, capital expenditure during last few years have been lower than the original phasing of spend approved by the Board of Directors of the Company. This was further exacerbated by the onset of the COVID19 pandemic towards the close of financial year 2020, wherein business & supply chain disruptions, health and safety concerns across the globe coupled with travel restrictions globally impacted the pace of project execution over the last 2-3 years.

Following the rebalancing of capital structure post significant reduction in the debt levels and the Company attaining an investment grade credit rating, the capital allocation for organic growth projects has been increased and the Company expects to commission these facilities in line with their revised completion schedules.

(xi) Property, plant and equipment include capital cost of in-house research facilities as below:

(₹ crore)

	Land including roads	Buildings	Plant and machinery	Furniture, fixtures and office equipments	Vehicles	Total
Cost/deemed cost as at April 1, 2022	**1.88**	**7.02**	**97.05**	**8.26**	**0.09**	**114.30**
	1.88	*6.35*	*95.82*	*7.64*	*0.09*	*111.78*
Additions	**-**	**0.04**	**3.22**	**0.41**	**-**	**3.67**
	-	*0.67*	*0.34*	*0.54*	-	*1.55*
Other reclassifications	**-**	**-**	**-**	**-**	**-**	**-**
	-	-	*0.89*	*0.17*	-	*1.06*
Deductions	**-**	**-**	**-**	**(0.02)**	**-**	**(0.02)**
	-	-	-	*(0.09)*	-	*(0.09)*
Cost/deemed cost as at March 31, 2023	**1.88**	**7.06**	**100.27**	**8.65**	**0.09**	**117.95**
	1.88	*7.02*	*97.05*	*8.26*	*0.09*	*114.30*
Capital work-in-progress	**-**	**-**	**-**	**-**	**-**	**2.18**
	-	-	-	-	-	*1.60*

Figures in italics represents comparative figures of previous year.

NOTES
forming part of the Financial Statements

4. Right-of-use assets
[Item No. I(c), Page F22]

(₹ crore)

	Right-of-use land	Right-of-use buildings	Right-of-use plant and machinery	Right-of-use vehicles	Right-of-use railway sidings	Total
Cost as at April 1, 2022	1,906.97	124.69	6,703.88	40.50	5.26	8,781.30
Additions	-	52.55	340.53	43.97	-	437.05
Additions relating to acquisitions	17.94	-	-	-	-	17.94
Disposals	-	(19.77)	(74.54)	(2.68)	(5.26)	(102.25)
Cost as at March 31, 2023	**1,924.91**	**157.47**	**6,969.87**	**81.79**	**-**	**9,134.04**
Accumulated impairment as at March 31, 2023	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated depreciation as at April 1, 2022	209.41	61.39	2,958.06	9.17	5.09	3,243.12
Charge for the year	34.03	32.67	431.92	12.29	0.18	511.09
Disposals	-	(19.54)	(74.54)	(0.93)	(5.27)	(100.28)
Accumulated depreciation as at March 31, 2023	**243.44**	**74.52**	**3,315.44**	**20.53**	**-**	**3,653.93**
Total accumulated depreciation and impairment as at March 31, 2023	**243.44**	**74.52**	**3,315.44**	**20.53**	**-**	**3,653.93**
Net carrying value as at April 1, 2022	1,697.56	63.30	3,745.82	31.33	0.17	5,538.18
Net carrying value as at March 31, 2023	**1,681.47**	**82.95**	**3,654.43**	**61.26**	**-**	**5,480.11**

(₹ crore)

	Right-of-use land	Right-of-use buildings	Right-of-use plant and machinery	Right-of-use vehicles	Right-of-use railway sidings	Total
Cost as at April 1, 2021	1,920.46	98.31	6,643.26	20.24	17.39	8,699.66
Additions	4.70	66.16	100.11	21.54	-	192.51
Disposals	(1.08)	(40.63)	(39.49)	(1.28)	(12.13)	(94.61)
Other re-classifications	(17.11)	0.85	-	-	-	(16.26)
Cost as at March 31, 2022	**1,906.97**	**124.69**	**6,703.88**	**40.50**	**5.26**	**8,781.30**
Accumulated impairment as at March 31, 2022	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated depreciation as at April 1, 2021	167.78	56.95	2,574.18	3.24	14.55	2,816.70
Charge for the year	33.75	40.66	423.37	6.16	2.66	506.60
Disposals	(0.93)	(36.22)	(39.49)	(0.23)	(12.12)	(88.99)
Other re-classifications	8.81	-	-	-	-	8.81
Accumulated depreciation as at March 31, 2022	**209.41**	**61.39**	**2,958.06**	**9.17**	**5.09**	**3,243.12**
Total accumulated depreciation and impairment as at March 31, 2022	**209.41**	**61.39**	**2,958.06**	**9.17**	**5.09**	**3,243.12**
Net carrying value as at April 1, 2021	1,752.68	41.36	4,069.08	17.00	2.84	5,882.96
Net carrying value as at March 31, 2022	**1,697.56**	**63.30**	**3,745.82**	**31.33**	**0.17**	**5,538.18**

(i) Vehicle cost used for in-house research and development included within right-of-use vehicles is ₹**2.36** crore (March 31, 2022: ₹0.71 crore).

(ii) The Company's significant leasing arrangements include assets dedicated for use under long-term arrangements, lease of land, office space, equipment, vehicles and some IT equipment.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Extension and termination options are included in some property and equipment leases.

NOTES
forming part of the Financial Statements

4. Right-of-use assets (Contd.)
[Item No. I(c), Page F22]

These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. Majority of the extension and termination options held are exercisable based on mutual agreement of the Company and the lessors.

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right of- use asset and a lease liability. Payments made for short-term leases and leases of low value are expensed on a straight-line basis over the lease term.

Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of sales) are excluded from the initial measurement of the lease liability and asset.

For leases recognised under long-term arrangements involving use of a dedicated asset, non-lease components are excluded based on the underlying contractual terms and conditions. A change in the allocation assumptions may have an impact on the measurement of lease liabilities and the related right-of-use assets.

During the year ended March 31, 2023, the Company has recognised the following in the statement of profit and loss:

a) expense in respect of short-term leases and leases of low-value assets ₹**20.16** crore (2021-22: ₹4.18 crore) and **Nil** (2021-22: Nil) respectively.

b) expense in respect of variable lease payments not included in the measurement of lease liabilities ₹**19.18** crore (2021-22: ₹6.89 crore).

c) income in respect of sub-leases of right-of-use assets ₹**0.31** crore (2021-22: ₹0.35 crore).

During the year ended March 31, 2023, total cash outflow in respect of leases amounted to ₹**1,004.19** crore (March 31, 2022: ₹1,008.91 crore).

As at March 31, 2023, commitments for leases not yet commenced was **Nil** (March 31, 2022: Nil).

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

Description of property	Gross carrying value (₹ crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held (i.e. dates of capitalisation provided in range)#	Reason for not being held in the name of the Company
Right-of-use Land	**523.65** *523.65*	Erstwhile Tata Steel BSL Limited (TSBSL)	No	April, 2020	For certain properties acquired through amalgamation/ merger,the name change in the name of the Company is pending
	179.40 *179.40*	Bhushan Steel Limited	No		
	139.93 *139.93*	Bhushan Steel & Strips Limited	No		
	3.28 *3.28*	Jawahar Metal Industries Private Limited	No		
Right-of-use Buildings	**13.34** *11.73*	Erstwhile Tata Steel BSL Limited (TSBSL)	No	April, 2020 to October, 2021	
Right-of-use Land	**0.15** *0.15*	Not Applicable	No	Not Available	Lease Deed not available with the Company

Figures in italics represents comparative figures of previous year.

In case of immovable properties acquired from Tata Steel BSL Limited which got merged with the Company in the preceding year pursuant to National Company Law Tribunal Order dated October 29, 2021, dates have been considered with effect from the date of merger.

NOTES
forming part of the Financial Statements

5. Other intangible assets
[Item No. I(e) and I(f), Page F22]

(₹ crore)

	Software costs	Mining assets	Total
Cost/deemed cost as at April 1, 2022	309.96	2,016.61	2,326.57
Additions	14.66	28.41	43.07
Cost/deemed cost as at March 31, 2023	**324.62**	**2,045.02**	**2,369.64**
Accumulated impairment as at March 31, 2023	**-**	**-**	**-**
Accumulated amortisation as at April 1, 2022	274.81	1,245.73	1,520.54
Charge for the year	20.28	68.17	88.45
Accumulated amortisation as at March 31, 2023	**295.09**	**1,313.90**	**1,608.99**
Total accumulated amortisation and impairment as at March 31, 2023	**295.09**	**1,313.90**	**1,608.99**
Net carrying value as at April 1, 2022	35.15	770.88	806.03
Net carrying value as at March 31, 2023	**29.53**	**731.12**	**760.65**

(₹ crore)

	Software costs	Mining assets	Total
Cost/deemed cost as at April 1, 2021	298.81	2,070.10	2,368.91
Additions	10.43	33.61	44.04
Disposals	-	(87.10)	(87.10)
Other re-classifications	0.72	-	0.72
Cost/deemed cost as at March 31, 2022	**309.96**	**2,016.61**	**2,326.57**
Accumulated impairment as at April 1, 2021	-	36.49	36.49
Disposals	-	(36.49)	(36.49)
Accumulated impairment as at March 31, 2022	**-**	**-**	**-**
Accumulated amortisation as at April 1, 2021	250.72	1,225.97	1,476.69
Charge for the year	23.46	70.37	93.83
Disposals	-	(50.61)	(50.61)
Other re-classifications	0.63	-	0.63
Accumulated amortisation as at March 31, 2022	**274.81**	**1,245.73**	**1,520.54**
Total accumulated amortisation and impairment as at March 31, 2022	**274.81**	**1,245.73**	**1,520.54**
Net carrying value as at April 1, 2021	48.09	807.64	855.73
Net carrying value as at March 31, 2022	**35.15**	**770.88**	**806.03**

(i) Mining assets represent expenditure incurred in relation to acquisition of mines, mine development expenditure post establishment of technical and commercial feasibility and restoration obligations as per applicable regulations.

(ii) Software costs related to in-house research and development included within software costs is ₹**0.15** crore (2021-22: ₹0.13 crore).

NOTES
forming part of the Financial Statements

5. Other intangible assets (Contd.)
[Item No. I(e) and I(f), Page F22]

(iii) Ageing of intangible assets under development is as below:

As at March 31, 2023

(₹ crore)

	Amount in intangible assets under development for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	132.66	239.22	19.20	123.88	514.96
	132.66	**239.22**	**19.20**	**123.88**	**514.96**

As at March 31, 2022

(₹ crore)

	Amount in intangible assets under development for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	4.24	249.99	43.39	85.02	382.64
	4.24	**249.99**	**43.39**	**85.02**	**382.64**

(iv) The expected completion of the amounts lying in intangible assets under development which are delayed are as below:

As at March 31, 2023

(₹ crore)

	Amount in intangible assets under development to be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project in progress :				
Sustenance projects	103.51	33.07	7.32	3.34
	103.51	**33.07**	**7.32**	**3.34**

As at March 31, 2022

(₹ crore)

	Amount in intangible assets under development to be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Project in progress :				
Sustenance projects	96.14	5.31	34.92	2.06
	96.14	**5.31**	**34.92**	**2.06**

NOTES
forming part of the Financial Statements

6. Investments

[Item No. I(g)(i) and II(b)(i), Page F22]

A. Non-Current

(₹ crore)

	No. of shares as at March 31, 2023 (face value of ₹ 10 each fully paid-up unless otherwise specified)	As at March 31, 2023	As at March 31, 2022
A. Investments carried at cost/deemed cost			
(a) Equity investments in subsidiary companies			
(i) Quoted			
(1) Tata Metaliks Ltd.	1,89,57,090	430.09	430.09
(2) Tata Steel Long Products Limited	3,37,86,521	1,360.58	1,360.58
(3) Tayo Rolls Limited (iii)	55,87,372	-	-
(4) The Tinplate Company of India Limited	7,84,57,640	395.02	395.02
		2,185.69	**2,185.69**
(ii) Unquoted			
(1) ABJA Investment Co. Pte. Ltd. (Face value of USD 1 each)	2,00,000	1.08	1.08
(2) Angul Energy Limited (formerly Bhushan Energy Limited)	99,99,904	10.00	10.00
(3) Bhubaneshwar Power Private Limited	23,69,86,703	321.73	321.73
(4) Bhushan Steel (Australia) Pty Limited (Face value of AUD 1 each)	4,73,69,796	244.45	244.45
(5) Bhushan Steel (South) Limited	13,00,000	1.30	1.30
(6) Creative Port Development Private Limited	1,27,500	91.88	91.88
(7) Jamshedpur Football and Sporting Private Limited	4,08,00,000	40.80	40.80
(8) Medica TS Hospital Private Limited	7,70,200	0.77	0.77
(9) Mohar Export Services Pvt Ltd *	3,352	-	-
(10) NatSteel Asia Pte. Ltd. (Face value of SGD 1 each) (28,14,37,128 shares sold during the year)(ii)	-	-	773.86
(11) Neelachal Ispat Nigam Limited (5,80,48,492 shares acquired during the year)	5,80,48,492	348.87	-
(12) Neelachal Ispat Nigam Limited (1,38,52,000 partly paid shares of ₹5 each acquired during the year)	1,38,52,000	47.82	-
(13) Rujuvalika Investments Limited	13,28,800	60.40	60.40
(14) S & T Mining Company Limited (1,85,26,900 shares acquired during the year and subsequently classified from investment in joint venture to subsidiary)	3,70,53,800	18.53	-
(15) Subarnarekha Port Private Limited	4,24,183	17.01	17.01
(16) T Steel Holdings Pte. Ltd. (Face value of GBP 1 each)	7,31,21,21,292	12,724.26	12,724.26
(17) T Steel Holdings Pte. Ltd. (Face value of GBP 0.78 each)	1,25,80,00,000	8,990.63	8,990.63
(18) Tata Korf Engineering Services Ltd * #	3,99,986	-	-
(19) Tata Steel Advanced Materials Limited (formerly Tata Steel Odisha Limited) (5,62,23,166 shares acquired during the year)	5,62,23,166	72.02	-
(20) Tata Steel Downstream Products Limited (7,11,743 shares acquired during the year)	24,30,39,683	2,530.06	2,520.06

NOTES
forming part of the Financial Statements

6. Investments (Contd.)
[Item No. I(g)(i) and II(b)(i), Page F22]

(₹ crore)

	No. of shares as at March 31, 2023 (face value of ₹ 10 each fully paid-up unless otherwise specified)	As at March 31, 2023	As at March 31, 2022
(21) Tata Steel Foundation	10,00,000	1.00	1.00
(22) Tata Steel Mining Limited (36,50,44,386 shares acquired during the year)	85,01,15,454	1,604.69	905.62
(23) Tata Steel Support Services Limited (formerly Bhushan Steel (Orissa) Limited)	49,990	0.05	0.05
(24) Tata Steel Technical Services Limited (formerly Bhushan Steel Madhya Bharat Limited)	49,990	0.05	0.05
(25) Tata Steel Utilities and Infrastructure Services Limited (31,62,790 shares acquired during the year)	6,32,16,337	853.10	785.10
(26) The Indian Steel & Wire Products Ltd	56,92,651	3.08	3.08
		27,983.58	**27,493.13**
Aggregate provision for impairment in value of investments		(2,333.79)	(1,271.26)
		25,649.79	**26,221.87**
		27,835.48	**28,407.56**
(b) Investment in preference shares of subsidiary companies			
(i) Unquoted			
(1) Creative Port Development Private Limited 0.01% non-cumulative optionally convertible redeemable preference shares (Face value of ₹100 each) (48,00,000 shares allotted during the year)	2,22,10,830	222.11	174.11
(2) Medica TS Hospital Private Limited 0.01% non-cumulative optionally convertible redeemable preference shares	4,92,29,800	49.23	49.23
		271.34	**223.34**
(c) Equity investments in associate companies			
(i) Quoted			
(1) TRF Limited. @	37,53,275	204.02	5.79
Aggregate provision for impairment in value of investments		(118.18)	(5.79)
		85.84	**-**
(ii) Unquoted			
(1) Bhushan Capital & Credit Services Private Limited	86,43,742	9.40	9.40
(2) Jawahar Credit & Holdings Private Limited	86,43,742	9.40	9.40
(3) Kalinga Aquatic Ltd *	10,49,920	-	-
(4) Kumardhubi Fireclay and Silica Works Ltd.*#	1,50,001	-	-
(5) Kumardhubi Metal Casting and Engineering Ltd. *#	10,70,000	-	-
(6) Malusha Travels Pvt Ltd, ₹33,520 (March 31, 2022 : ₹33,520)	3,352	-	-
(7) Strategic Energy Technology Systems Private Limited	2,56,14,500	0.91	0.91
(8) Tata Construction and Projects Limited *#	11,97,699	-	-
		19.71	**19.71**
Aggregate provision for impairment in value of investments		(19.71)	(19.71)
		-	-

NOTES
forming part of the Financial Statements

6. Investments (Contd.)
[Item No. I(g)(i) and II(b)(i), Page F22]

(₹ crore)

	No. of shares as at March 31, 2023 (face value of ₹ 10 each fully paid-up unless otherwise specified)	As at March 31, 2023	As at March 31, 2022
(d) Investment in preference shares of associate companies			
(i) Unquoted			
(1) TRF Limited.	2,50,00,000	25.00	-
11.25% Non-cumulative optionally convertible redeemable preference shares (2,50,00,000 shares purchased during the year)			
		25.00	**-**
(e) Equity investments in joint ventures			
(i) Unquoted			
(1) Andal East Coal Company Private Limited#	3,30,000	1.46	1.46
(2) Industrial Energy Limited	17,31,60,000	173.16	173.16
(3) mjunction services limited	40,00,000	4.00	4.00
(4) S & T Mining Company Limited (1,85,26,900 shares classified as investment in subsidiaries)	-	-	18.53
(5) Tata NYK Shipping Pte Ltd. (Face value of USD 1 each)	6,51,67,500	350.14	350.14
(6) TM International Logistics Limited	91,80,000	9.18	9.18
		537.94	**556.47**
Aggregate provision for impairment in value of investments		(1.46)	(19.99)
		536.48	**536.48**
B. Investments carried at fair value through other comprehensive income			
Investments in equity shares			
(i) Quoted			
(1) CARE Ratings Limited	3,54,000	22.76	18.07
(2) Housing Development Finance Corporation Ltd. (Face value of ₹2 each)	7,900	2.07	1.89
(3) Steel Strips Wheels Limited (Face value of ₹1 each) (Shares split in the ratio 5:1 during the year)	1,08,69,720	160.82	176.14
(4) Tata Consultancy Services Limited (Face Value of ₹1 each)	46,798	15.00	17.50
(5) Tata Investment Corporation Limited	2,28,015	39.78	30.93
(6) Tata Motors Ltd. (Face value of ₹2 each)	1,00,000	4.20	4.34
(7) The Tata Power Company Ltd. (Face value of ₹1 each)	3,91,22,725	744.31	933.66
(8) Timken India Ltd. ₹**2,755.45** (March 31, 2022 : ₹2,141.10)	1	-	-
		988.94	**1,182.53**

NOTES
forming part of the Financial Statements

6. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page F22]

(₹ crore)

	No. of shares as at March 31, 2023 (face value of ₹ 10 each fully paid-up unless otherwise specified)	As at March 31, 2023	As at March 31, 2022
(ii) Unquoted$			
(1) Bhushan Buildwell Private Limited	4,900	0.25	0.25
(2) Bhushan Steel Bengal Limited	50,000	0.05	0.05
(3) IFCI Venture Capital Funds Ltd.	1,00,000	0.10	0.10
(4) Panatone Finvest Ltd.	45,000	0.05	0.05
(5) Saraswat Co-operative Bank Limited	2,500	0.01	0.01
(6) Steelscape Consultancy Pvt. Ltd.	50,000	-	-
(7) Taj Air Limited	42,00,000	-	-
(8) Tarapur Environment Protection Society	82,776	0.89	0.89
(9) Tata Industries Ltd. (Face value of ₹100 each)	99,80,436	202.19	202.19
(10) Tata International Ltd. (Face value of ₹1,000 each)	42,924	54.80	54.80
(11) Tata Services Ltd. (Face value of ₹1,000 each)	1,621	0.16	0.16
(12) Tata Sons Private Ltd. (Face value of ₹1,000 each)	12,375	68.75	68.75
(13) Others (ix)		0.01	0.01
		327.26	**327.26**
		1,316.20	**1,509.79**
C. Investments carried at amortised cost			
Investments in preference shares			
(a) Subsidiary companies			
(i) Unquoted			
Tata Steel Long Products Limited	1,27,00,00,000	13,983.08	12,710.54
0.01% non-convertible, non-cumulative redeemable preference shares (Face value of ₹100 each)			
		13,983.08	**12,710.54**
D. Investments carried at fair value through profit and loss			
Investments in preference shares			
(a) Subsidiary companies			
(i) Unquoted			
(1) Tayo Rolls Limited 7.00% non-cumulative redeemable preference shares (Face value of ₹100 each)	43,30,000	-	-
(2) Tayo Rolls Limited 7.17% non-cumulative redeemable preference shares (Face value of ₹100 each)	64,00,000	-	-
(3) Tayo Rolls Limited 8% non-cumulative redeemable preference shares (Face value of ₹100 each)	3,00,000	-	-
(4) Tayo Rolls Limited 8.50% non-cumulative redeemable preference shares (Face value of ₹100 each)	2,31,00,000	-	-
		-	**-**

NOTES
forming part of the Financial Statements

6. Investments (Contd.)
[Item No. I(g)(i) and II(b)(i), Page F22]

(₹ crore)

	No. of shares as at March 31, 2023 (face value of ₹ 10 each fully paid-up unless otherwise specified)	As at March 31, 2023	As at March 31, 2022
(b) Associate companies			
(i) Unquoted			
(1) TRF Limited. 12.50 % non-cumulative non convertible redeemable preference shares	25,00,00,000	33.09	-
(2) TRF Limited. 12.17% non-cumulative non convertible redeemable preference shares (23,90,00,000 shares purchased during the year)	23,90,00,000	38.51	-
		71.60	**-**
(c) Investments in others			
(i) Unquoted			
(1) Angul Sukinda Railway Limited Non-cumulative redeemable preference shares	5,50,00,000	13.88	13.72
		13.88	**13.72**
		44,138.90	**43,401.43**

* These investments are carried at a book value of ₹1.00

As on March 31, 2023, Kumardhubi Fireclay and Silica Works Ltd., Kumardhubi Metal Casting and Engineering Ltd., Tata Construction and Projects Limited and Andal East Coal Company Private Limited are under liquidation and Tata Korf Engineering Services Ltd is non-operative.

@ Equity investment in TRF Limited includes ₹5.79 crore for 37,53,275 equity shares and deemed equity component of ₹198.23 crore for 23,90,00,000 NCRPS.

$ Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

(i) The Company holds more than 50% of the equity share capital in TM International Logistics Limited. However, decisions in respect of activities which significantly affect the risks and rewards of these businesses, require unanimous consent of all the shareholders. This entity has therefore been considered as joint venture.

(ii) During the year ended March 31, 2023, the Company has transferred its investments held in NatSteel Asia Pte. Ltd. to T Steel Holdings Pte. Ltd., a wholly owned subsidiary of the Company against cash consideration. The gain on transfer of such shares has been recognised within exceptional items.

(iii) The Hon'ble National Company Law Tribunal (NCLT), Kolkata vide order dated April 5, 2019 has admitted the initiation of Corporate Insolvency Resolution Process (CIRP) in respect of Tayo Rolls Limited, a subsidiary of the Company.

(iv) During the year ended March 31, 2023, the Company considered indicators of impairment such as decline in operational performance, changes in outlook of future profitability among other potential indicators for investments held in steel, mining and other business operations either directly or indirectly.

The recoverable value of investments held in T Steel Holdings Pte. Ltd. (TSH), a wholly owned subsidiary of the Company is, inter alia, dependent on the operational and financial performance of Tata Steel Europe (TSE) and net assets of the other underlying businesses. The recoverable amount of TSE is higher of the value in use (VIU) of the underlying businesses and the fair value less cost to sell of those businesses which inter-alia considers impact of switching the heavy end and other relevant assets to a more green steel capex base. The VIU computation uses cash flow forecasts based on most recently approved

NOTES
forming part of the Financial Statements

6. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page F22]

financial budgets and strategic forecasts which cover a period of three years and future projections taking the analysis out into perpetuity based on a steady state, sustainable cash flow reflecting average steel industry conditions between successive peaks and troughs of profitability. Key assumptions for the value in use computations are those regarding the discount rates, exchange rates, market demand, sales volume and sales prices, cost to produce etc. The projections are based on both past performance and the expectations of future performance and assumptions therein. The Company estimates discount rates using post-tax rates that reflect the current market rates adjusted to reflect the way the European union steel market would assess the specific risk. The weighted average post-tax discount rates used for discounting the cash flows projections is in range of **7.90% - 8.80%** (March 31, 2022: 6.30% to 7.00%). Beyond the specifically forecasted period, a growth rate of **1.70% - 2.00%** (March 31, 2022: 1.80%) is used to extrapolate the cash flow projections. This rate does not exceed the average long-term growth rate for the relevant markets.

TSE is exposed to certain climate related risks which could affect the estimates of future cash flow projections. The cashflow projections include the impact of decarbonisation given that the Netherlands business in TSE has stated its plan to move away from the current production process and to transition to decarbonised production. Decarbonisation as a whole is likely to provide significant opportunities to TSE as it is likely to increase the demand for steel as it is crucial as an infrastructure enabler for all technological transition within the wider economy (e.g. wind power, hydrogen, electric vehicles, nuclear etc.) and compares favourably to other materials when considering the life cycle emissions of the material. The technology transition and investments will be dependent on national and international policy and will also be driven by government decisions in the country of operation. Management's assessment is that generally, these potential carbon-related costs would be borne by the society, either through higher steel prices or through public spending/subsidies.

The outcome of the impairment assessment as on March 31, 2023 resulted in recognition of an impairment loss of ₹**1,170.00** crore in respect investments in TSH which holds investments in TSE.

The Company has also conducted sensitivity analysis on the impairment tests including sensitivity in respect of discount rates. The management believes that no reasonably possible change in any of the key assumptions used in the assessment would cause the carrying value of investments to exceed its recoverable value after recording the aforesaid impairment loss.

The operational and financial performance of TSE, a wholly owned indirect subsidiary of TSH has assessed the potential impact of the economic downturn in Europe caused by external factors including higher inflation, higher interest rates and supply chain disruptions caused by the war in Ukraine on its future business outlook for UK and Mainland Europe (MLE) value chains.

The Board has considered reasonably possible scenarios to stress test the financial position of both the UK and MLE businesses, including the impact of lower steel margins against the Annual Plan and the mitigating actions the Group could take to limit any adverse consequences to liquidity in the annual impairment assessments.

Based on the assessment, the MLE business is expected to have adequate liquidity under all the reasonably possible scenarios considered. The outlook for Tata Steel UK Limited ("TSUK"), a wholly owned indirect subsidiary of TSE, however, is expected to be adversely impacted towards meeting its liquidity requirements and accordingly with respect to its ability to continue as a going concern. In response to the challenging market and business conditions, TSUK continues to implement various measures aimed at improving its business performance and conserving cash including but not limited to ensuring adequate liquidity, if required, through available financing options, management of working capital, implementation of cost reduction measures and discussions with the UK Government to seek adequate support for transition to Green Steel as part of its decarbonization strategy. The progress of discussions with the UK government is also being monitored closely given that

NOTES

forming part of the Financial Statements

6. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page F22]

based on the initial and subsequent discussions it remains uncertain whether adequate support for the decarbonization strategy would be agreed. Given the risks and challenges associated with the underlying market and business conditions, the uncommitted nature of available financing options and the uncertainty with respect to whether adequate government support would be agreed, there exists a material uncertainty surrounding the impact of such adversities on the financial situation of TSUK.

The financial statements of TSE have been prepared on a going concern basis recognising the material uncertainty in relation to TSUK.

Whilst the Company's carrying amount of its equity investment in TSH after recognizing aforesaid impairment, which holds TSE, is considered recoverable, the associated uncertainties have been explained above.

(v) During the year ended March 31, 2022, the Company had invested ₹12,700.00 crore in 0.01% non-convertible redeemable preference shares (NCRPS) of Tata Steel Long Products Limited ("TSLP"), a subsidiary. As on March 31, 2023, the investment amount including interest accrued is ₹13,983.08 crore.

The Company through TSLP, has during the year ended March 31, 2023, acquired Neelachal Ispat Nigam Limited ("NINL") at a total consideration of ₹12,100.00 crore. The acquisition was completed on July 4, 2022 and consequently, NINL has become a subsidiary of TSLP and a step-down subsidiary of the Company.

The Company has also directly invested ₹300.00 crore for subscription of equity shares of NINL and also acquired equity shares from erstwhile shareholders for ₹96.69 crore.

Assessment of carrying value of the investment exposure of the Company in TSLP and in NINL are to be looked inter alia from TSLP's exposure in NINL.

The recoverable value of equity investments held in TSLP and NINL has been assessed based on higher of fair value less costs to sell and value in use for the underlying businesses.

The fair value less costs to sell model uses cash flow forecasts based on the most recently approved financial plan for financial year 2023-24. Beyond financial year 2023-24, the cash flow forecasts is based on strategic forecasts which cover a period i.e. estimated time to extract the total usable mineral reserves for mining business 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 financial year 2028-29 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 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 outcome of the impairment assessment as on March 31, 2023 for investments held in TSLP and NINL has not resulted in any impairment of investments.

NOTES

forming part of the Financial Statements

6. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page F22]

The management has conducted sensitivity analysis including sensitivity in respect of discount rates, on the impairment assessment of the carrying value of investments held in TSLP and NINL. The management believes that no reasonably possible change in any of the key assumptions used in the model would cause the carrying value of investments to materially exceed its recoverable value.

(vi) During the year ended March 31, 2022, cumulative gain on de-recognition of investments which were carried at fair value through other comprehensive income amounted to ₹9.99 crore. Fair value of such investments as on the date of de-recognition was ₹9.99 crore.

(vii) Tata Steel BSL Limited (TSBSL) (earlier known as Bhushan Steel Limited), an erstwhile subsidiary (acquired through the corporate insolvency resolution process) which amalgamated with the Company during the year ended March, 2022 was being identified as the promoter of Jawahar Credit & Holdings Private Limited (JCHPL) and Bhushan Capital & Credit Services Private Limited (BCCSPL). These entities were connected to the previous management of erstwhile TSBSL, before acquisition of TSBSL by the Company (through Bamnipal Steel Limited) in May 2018.

TSBSL had written to JCHPL, BCCSPL and the Registrar of Companies (National Capital Territory of Delhi & Haryana) intimating that TSBSL should not be identified as promoter of these two companies; accordingly, legally, neither erstwhile TSBSL nor the Company had any visibility or control over the operations of these two companies nor currently exercises any influence on these entities.

(viii) During the year ended March 31, 2022, Noamundi Steel Limited, Straight Mile Steel Limited, Sakchi Steel Limited, Jugsalai Steel Limited, Jamadoba Steel Limited, Dimna Steel Limited, Bistupur Steel Limited and T M Mining Company Limited have been struck off from Registrar of Companies (ROC).

NOTES

forming part of the Financial Statements

6. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page F22]

(ix) Details of other unquoted investments carried at fair value through other comprehensive income is as below:

(₹ crore)

	No. of shares as at March 31, 2023 (face value of ₹10 each fully paid -up unless otherwise specified)	As at March 31, 2023	As at March 31, 2022
(a) Barajamda Iron Ore Mine Workers' Central Co-operative Stores Ltd. (Face value of ₹25 each)	200	5,000.00	5,000.00
(b) Bokaro and Ramgarh Ltd.	100	16,225.00	16,225.00
(c) Eastern Synpacks Limited (Face value of ₹25 each)	1,50,000	1.00	1.00
(d) Ferro Manganese Plant Employees' Consumer Co-operative Society Ltd. (Face value of ₹25 each)	100	2,500.00	2,500.00
(e) Investech Advisory Services (India) Limited (Face value of ₹100 each)	1,680	1.00	1.00
(f) Jamshedpur Co-operative House Building Society Ltd. (Face value of ₹100 each)	10	1,000.00	1,000.00
(g) Jamshedpur Co-operative Stores Ltd. (Face value of ₹5 each) 50	50	250.00	250.00
(h) Jamshedpur Educational and Culture Co-operative Society Ltd. (Face value of ₹100 each)	50	5,000.00	5,000.00
(i) Joda East Iron Mine Employees' Consumer Co-operative Society Ltd. (Face value of ₹25 each)	100	2,500.00	2,500.00
(j) Namtech Electronic Devices Limited	48,026	1.00	1.00
(k) Reliance Firebrick and Pottery Company Ltd. (partly paid-up)	16,800	1.00	1.00
(l) Reliance Firebrick and Pottery Company Ltd.	2,400	1.00	1.00
(m) Sanderson Industries Ltd.	3,33,876	2.00	2.00
(n) Standard Chrome Ltd.	11,16,000	2.00	2.00
(o) Sijua (Jherriah) Electric Supply Co. Ltd.	4,144	40,260.00	40,260.00
(p) TBW Publishing and Media Pvt. Limited	100	1.00	1.00
(q) Unit Trust of India - Mastershares	2,229	55,401.00	55,401.00
(r) Wellman Incandescent India Ltd.	15,21,234	2.00	2.00
		1,28,148.00	**1,28,148.00**

B. Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Investments carried at fair value through profit and loss:		
Investments in mutual funds - Quoted		
(1) Nippon India Mutual Fund ETF Liquid Bees	0.09	0.09
	0.09	**0.09**
Investments in mutual funds - Unquoted		
(1) SBI Overnight Fund - Direct - Growth	1,025.16	-
(2) Tata Overnight Fund - Direct - Growth	1,025.15	96.02
	2,050.31	**96.02**
	2,050.40	**96.11**

NOTES
forming part of the Financial Statements

6. Investments (Contd.)
[Item No. I(g)(i) and II(b)(i), Page F22]

(x) Carrying value and market value of quoted and unquoted investments are as below:

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Investments in subsidiary companies:		
Aggregate carrying value of quoted investments	2,185.69	2,185.69
Aggregate market value of quoted investments	6,025.44	7,106.37
Aggregate carrying value of unquoted investments	39,904.21	39,155.75
(b) Investments in associate companies:		
Aggregate carrying value of quoted investments	85.84	-
Aggregate market value of quoted investments	60.11	50.44
Aggregate carrying value of unquoted investments	96.60	-
(c) Investments in joint ventures:		
Aggregate carrying value of unquoted investments	536.48	536.48
(d) Investments in others:		
Aggregate carrying value of quoted investments	989.03	1,182.62
Aggregate market value of quoted investments	989.03	1,182.62
Aggregate carrying value of unquoted investments	2,391.45	437.00

(xi) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, 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 / 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 other than investments of ₹**645.06** crore (March 31, 2022: Nil) invested in Tata Steel Mining Limited, ₹**10.00** crore (March 31, 2022: Nil) in Tata Steel Downstream Products Limited, ₹**54.69** crore (March 31, 2022: Nil) in Tata Steel Advanced Materials Limited and ₹**68.00** crore (March 31, 2022: Nil) in Tata Steel Utilities and Infrastructure Services Limited made during the year ended on March 31, 2023 and as set out in note 7(iv), page F60 in the ordinary course of business and in keeping with the applicable regulatory requirements for onward funding to certain subsidiaries of the Company towards meeting their business requirements. Accordingly, no further disclosures, in this regard, are required.

(xii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall 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.

NOTES
forming part of the Financial Statements

7. Loans
[Item No. I(g)(ii) and II(b)(v), Page 22]

A. Non-current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Loans to related parties		
Considered good - Unsecured	32,775.29	30,191.77
Credit impaired	-	558.95
Less: Allowance for credit losses	-	558.95
	32,775.29	**30,191.77**
(b) Other loans		
Considered good - Unsecured	3.79	3.50
Credit impaired	5.75	5.75
Less: Allowance for credit losses	5.75	5.75
	3.79	**3.50**
	32,779.08	**30,195.27**

B. Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Loans to related parties		
Considered good - Unsecured	3,189.87	2,365.37
Credit impaired	67.67	167.67
Less: Allowance for credit losses	67.67	167.67
	3,189.87	**2,365.37**
(b) Other loans		
Considered good - Unsecured	1.34	2.64
Credit impaired	9.60	9.60
Less: Allowance for credit losses	9.60	9.60
	1.34	**2.64**
	3,191.21	**2,368.01**

(i) Non-current loans to related parties represents loan given to subsidiaries ₹**32,775.29** crore (March 31, 2022: ₹30,750.72 crore), out of which **Nil** (March 31, 2022: ₹558.95 crore) is impaired.

(ii) Current loans to related parties represent loans/advances given to subsidiaries ₹**3,257.54** crore (March 31, 2022: ₹2,433.04 crore) and associates **Nil** (March 31, 2022: ₹100.00 crore) out of which ₹**67.67** crore (2021-22: ₹67.67 crore) and **Nil** (March 31, 2022: ₹100.00 crore) is impaired respectively.

(iii) Other loans primarily represent loans given to employees.

(iv) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, 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 / 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 other than loans aggregating **Nil** (March 31, 2022: ₹23,029.77 crore) and roll over of loan of ₹**1,643.45** crore (March 31, 2022: ₹1,515.60 crore) given during the year to T Steel Holdings Pte Ltd, a subsidiary and an investment company of the Company and as set out in note 6(xi), page F59 in the ordinary course of business and in keeping with the applicable regulatory requirements for onward funding to certain overseas subsidiaries of the Company towards meeting their business requirements and /or loan prepayments. Accordingly, no further disclosures, in this regard, are required.

NOTES

forming part of the Financial Statements

7. Loans (Contd.)

[Item No. I(g)(ii) and II(b)(v), Page 22]

(v) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall 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.

(vi) Disclosure as per Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186(4) of the Companies Act, 2013.

(a) Loans/advances in the nature of loan outstanding from subsidiaries, associates and joint venture as on March 31, 2023:

(₹ crore)

	Debts outstanding as at March 31, 2023	Maximum balance oustanding during the year
Subsidiaries		
(1) Adityapur Toll Bridge Company Limited	**-**	**-**
(interest rate 9.50%)	*-*	*2.95*
(2) Angul Energy Limited	**30.00**	**126.00**
(interest rate 8.00%; Tenure 72 Months)	*126.00*	*248.00*
(3) Bhubaneswar Power Private Limited	**327.87**	**387.63**
(interest rate 7.03% to 7.65%; Tenure 79 Months)	*387.63*	*387.63*
(4) S & T Mining Company Limited	**-**	**-**
(interest rate 9.38%)	*-*	*0.08*
(5) Subarnarekha Port Private Limited	**-**	**-**
(interest rate 9.50 % to 10.51 %)	*-*	*49.00*
(6) T Steel Holdings Pte. Ltd.(ii)	**33,813.98**	**34,057.80**
(interest rate LIBOR + 2.99 to 6.75% and SOFR + 1.65%; Tenure 12 to 96 Months)	*31,183.47*	*31,183.47*
(7) Tata Steel (KZN) (Pty) Ltd.	**-**	**-**
	558.95	*558.95*
(8) Tata Steel Downstream Products Limited	**322.30**	**528.70**
(interest rate 6.75 % to 8.62 %; Tenure 6 to 57 Months)	*-*	*10.00*
(9) Tata Steel Mining Limited	**1,471.00**	**1,471.00**
(interest rate 7.71 % to 12.53 %; Tenure 12 to 60 Months)	*790.00*	*790.00*
(10) Tata Steel Special Economic Zone Limited	**-**	**70.03**
(interest rate 10.58%)	*70.03*	*70.03*
(11) Tayo Rolls Limited(iii)	**67.00**	**67.00**
(interest rate 7.00 % to 13.07 %; Tenure 4 to 15 Months)	*67.00*	*67.00*
Associate		
(1) TRF Limited.	**-**	**100.00**
(interest rate 9.92 %)	*100.00*	*100.00*

Figures in italics represents comparative figures of previous year.
Tenure means original tenure from the date of disbursement of loan.

(i) The above loans have been given for business purpose.

(ii) Includes inter-company loan of ₹22,089.87 crore extended during the year ended on March 31, 2022, for a period of 6 to 8 years including moratorium of interest for two and a half years.

(iii) As at March 31, 2023, loan given to Tayo Rolls Limited has been fully impaired.

(b) Details of investments made and guarantees provided are given in note 6, page F50 and note 35B, page F104.

(vii) There are no outstanding loans/advances in nature of loan from promoters, key management personnel or other officers of the Company.

NOTES
forming part of the Financial Statements

8. Other financial assets
[Item No. I(g)(iv) and II(b)(vii), Page F22]

A. Non-current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Security deposits		
Considered good - Unsecured	205.62	250.67
Credit impaired	83.89	83.97
Less: Allowance for credit losses	83.89	83.97
	205.62	**250.67**
(b) Interest accrued on deposits and loans		
Considered good - Unsecured	**1,930.74**	**831.21**
(c) Earmarked balances with banks	**75.19**	**79.60**
(d) Others		
Considered good - Unsecured	**51.81**	**50.33**
	2,263.36	**1,211.81**

B. Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Security deposits		
Considered good - Unsecured	**0.06**	**2.54**
(b) Interest accrued on deposits and loans		
Considered good - Unsecured	72.38	17.70
Credit impaired	14.30	14.30
Less: Allowance for credit losses	14.30	14.30
	72.38	**17.70**
(c) Others		
Considered good - Unsecured	688.52	698.06
Unsecured, considered doubtful	144.25	144.25
Less: Allowance for credit losses	144.25	144.25
	688.52	**698.06**
	760.96	**718.30**

(i) Security deposits are primarily in relation to public utility services and rental agreements. It includes deposit with a subsidiary ₹**14.00** crore (March 31, 2022: ₹14.00 crore) and deposits with Tata Sons Private Limited ₹**11.25** crore (March 31, 2022: ₹1.25 crore).

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

(iii) Current other financial assets include amount receivable from post-employment benefit funds ₹**137.98** crore (March 31, 2022: ₹171.30 crore) on account of retirement benefit obligations paid by the Company directly.

NOTES
forming part of the Financial Statements

9. Income tax

[Item No. IV(e), Page F22]

A. Income tax expense/(benefit)

The Company is subject to income tax in India on the basis of its financial statements. The Company can claim tax exemptions/ deductions under specific sections of the Income Tax Act, 1961 subject to fulfilment of prescribed conditions, as may be applicable. The Company during the year ended March 31, 2020 had opted for the new tax regime under Section 115BAA of the Act, which provides a domestic company with an option to pay tax at a rate of 22% (effective rate of 25.168%). The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions.

As per the tax laws, business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

The reconciliation of estimated income tax to income tax expense is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Profit/(loss) before tax	21,021.92	44,090.65
Expected income tax expense at statutory income tax rate of **25.168 %** (2021-22 : 25.168 %)	5,290.80	11,096.73
(a) Disallowances in respect of impairment of investments and advances	265.87	-
(b) Other incomes/expense exempt from tax/ Items not deductible	(29.86)	(17.26)
Tax expense as reported	**5,526.81**	**11,079.47**

B. Deferred tax assets/(liabilities)

(i) Components of deferred tax assets and liabilities as at March 31, 2023 is as below:

(₹ crore)

	Balance as at April 1, 2022	Recognised/ (reversed) in profit and loss during the year	Recognised in other comprehensive income during the year	Recognised in equity during the year	Balance as at March 31, 2023
Deferred tax assets:					
Investments	2,986.50	(320.27)	-	-	2,666.23
Retirement benefit obligations	133.96	-	-	-	133.96
Expenses allowable for tax purposes when paid/written off	3,555.60	(89.77)	-	-	3,465.83
	6,676.06	**(410.04)**	**-**	**-**	**6,266.02**
Deferred tax liabilities:					
Property, plant and equipment and intangible assets	14,262.80	(92.68)	-	-	14,170.12
Loans	197.50	276.85	-	-	474.35
Others	303.33	4.55	(2.18)	-	305.70
	14,763.63	**188.72**	**(2.18)**	**-**	**14,950.17**
Net deferred tax assets/(liabilities)	**(8,087.57)**	**(598.76)**	**2.18**	**-**	**(8,684.15)**
Disclosed as:					
Deferred tax liabilities (net)	**(8,087.57)**				**(8,684.15)**

NOTES

forming part of the Financial Statements

9. Income tax (Contd.)

[Item No. IV(e), Page F22]

Components of deferred tax assets and liabilities as at March 31, 2022 is as below:

(₹ crore)

	Balance as at April 1, 2021	Recognised/ (reversed) in profit and loss during the year	Recognised in other comprehensive income during the year	Recognised in equity during the year	Balance as at March 31, 2022
Deferred tax assets:					
Investments	2,986.50	-	-	-	2,986.50
Retirement benefit obligations	133.96	-	-	-	133.96
Expenses allowable for tax purposes when paid/written off	2,828.47	727.13	-	-	3,555.60
	5,948.93	**727.13**	**-**	**-**	**6,676.06**
Deferred tax liabilities:					
Property, plant and equipment and intangible assets	14,119.15	143.65	-	-	14,262.80
Loans	-	197.50	-	-	197.50
Others	347.56	(146.49)	102.26	-	303.33
	14,466.71	**194.66**	**102.26**	**-**	**14,763.63**
Net deferred tax assets/(liabilities)	**(8,517.78)**	**532.47**	**(102.26)**	**-**	**(8,087.57)**
Disclosed as:					
Deferred tax liabilities (net)	**(8,517.78)**				**(8,087.57)**

(ii) Deferred tax assets amounting to ₹**7,967.37** crore as at March 31, 2023 (March 31, 2022: ₹7,967.37 crore) on fair value adjustment recognised in respect of investments held in a subsidiary on transition to Ind AS has not been recognised due to uncertainty surrounding availability of future taxable income against which such loss can be offset.

NOTES

forming part of the Financial Statements

10. Other assets

[Item No. I(i) and II(c), Page F22]

A. Non-current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Capital advances		
Considered good - Unsecured	1,235.15	1,252.96
Considered doubtful - Unsecured	90.78	118.05
Less: Provision for doubtful advances	90.78	118.05
	1,235.15	**1,252.96**
(b) Advance with public bodies		
Considered good - Unsecured	1,896.70	1,916.54
Considered doubtful - Unsecured	297.59	303.05
Less: Provision for doubtful advances	297.59	303.05
	1,896.70	**1,916.54**
(c) Capital advances to related parties		
Considered good - Unsecured	**111.41**	**40.69**
(d) Others		
Considered good - Unsecured	**75.46**	**91.59**
	3,318.72	**3,301.78**

B. Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Advance with public bodies		
Considered good - Unsecured	1,824.51	1,211.91
Considered doubtful - Unsecured	4.07	3.18
Less: Provision for doubtful advances	4.07	3.18
	1,824.51	**1,211.91**
(b) Advances to related parties		
Considered good - Unsecured	**196.91**	**46.66**
(c) Others		
Considered good - Unsecured	618.71	680.51
Considered doubtful - Unsecured	118.35	123.95
Less: Provision for doubtful advances	118.35	123.95
	618.71	**680.51**
	2,640.13	**1,939.08**

(i) Advance with public bodies primarily relate to input credit entitlements and amounts paid under protest in respect of demands and claims from regulatory authorities.

(ii) Others include advances against supply of goods/services and advances paid to employees.

NOTES
forming part of the Financial Statements

11. Inventories

[Item No. II(a), Page F22]

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Raw materials	8,526.90	9,288.49
(b) Finished and semi-finished goods	7,818.92	6,700.41
(c) Stock-in-trade	54.33	30.78
(d) Stores and spares	4,395.41	3,923.26
	20,795.56	**19,942.94**
Included above, goods-in-transit: ^		
(i) Raw materials	2,271.77	3,021.18
(ii) Finished and semi-finished goods	2.90	-
(iii) Stock-in-trade	0.69	1.57
(iv) Stores and spares	115.78	140.58
	2,391.14	**3,163.33**

^ Goods-in-transit represents amount of purchased material which are in transit as on date.

(i) Value of inventories above is stated after provisions (net of reversal) ₹**143.18** crore (March 31, 2022: ₹145.12 crore) for write-downs to net realisable value and provision for slow-moving and obsolete items.

(ii) The cost of inventories recognised as an expense (net of reversal) includes ₹**5.59** crore (March 31, 2022: ₹0.82 crore) in respect of write-down of inventory to net realisable value.

12. Trade receivables

[Item No. II(b)(ii), Page F22]

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Considered good - Unsecured	3,438.98	3,343.35
(b) Credit impaired	116.69	109.54
	3,555.67	**3,452.89**
Less: Allowance for credit losses	203.95	172.59
	3,351.72	**3,280.30**

In determining allowance for credit losses of trade receivables, the Company has used the practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of receivables and the rates used in provision matrix.

NOTES

forming part of the Financial Statements

12. Trade receivables (Contd.)

[Item No. II(b)(ii), Page F22]

(i) Movement in allowance for credit losses of receivables is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	172.59	145.42
Charge/(release) during the year	31.36	27.17
Balance at the end of the year	**203.95**	**172.59**

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

As at March 31, 2023

(₹ crore)

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed – considered good	1,817.77	883.78	289.96	397.73	7.05	42.68	3,438.97
Undisputed – credit impaired	-	-	-	-	-	27.10	27.10
Disputed - considered good	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	89.60	89.60
	1,817.77	**883.78**	**289.96**	**397.73**	**7.05**	**159.38**	**3,555.67**
Expected loss rate	0.49%	5.83%	5.16%	1.11%	14.88%	14.88%	
Less: Allowance for credit losses	8.95	51.50	14.97	4.43	1.05	123.05	203.95
Total trade receivables	**1,808.82**	**832.28**	**274.99**	**393.30**	**6.00**	**36.33**	**3,351.72**

As at March 31, 2022

(₹ crore)

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed – considered good	2,332.72	855.47	59.00	48.88	20.69	26.59	3,343.35
Undisputed – credit impaired	-	-	-	-	-	18.38	18.38
Disputed - considered good	-	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	91.16	91.16
	2,332.72	**855.47**	**59.00**	**48.88**	**20.69**	**136.13**	**3,452.89**
Expected loss rate	0.31%	2.36%	22.93%	22.93%	22.91%	22.94%	
Less: Allowance for credit losses	7.31	20.16	13.53	11.21	4.74	115.64	172.59
Total trade receivables	**2,325.41**	**835.31**	**45.47**	**37.67**	**15.95**	**20.49**	**3,280.30**

(iii) The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2023 to be **₹3,351.72** crore (March 31, 2022: ₹3,280.30 crore), which is the carrying value of trade receivables after allowance for credit losses.

The Company's exposure to customers is diversified and no single customer other than a subsidiary, contributes more than 10% of the outstanding receivables as at March 31, 2023 and March 31, 2022.

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

NOTES

forming part of the Financial Statements

13. Cash and cash equivalents

[Item No. II(b)(iii), Page F22]

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Cash on hand	1.64	1.15
(b) Cheques, drafts on hand	-	0.51
(c) Remittances in transit	0.12	0.02
(d) Unrestricted balances with banks	857.22	2,669.91
	858.98	**2,671.59**

(i) Cash and bank balances are denominated and held in Indian Rupees.

14. Other balances with banks

[Item No. II(b)(iv), Page F22]

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Earmarked balances with banks	218.35	183.70
	218.35	**183.70**

(i) Earmarked balances with banks primarily include balances held for unpaid dividends ₹**84.45** crore (March 31, 2022: ₹68.82 crore), bank guarantee and margin money ₹**48.01** crore (March 31, 2022: ₹41.50 crore).

(ii) Earmarked balances with banks are denominated and held in Indian Rupees.

NOTES

forming part of the Financial Statements

15. Equity share capital

[Item No. III(a), Page F22]

(₹ crore)

		As at March 31, 2023	As at March 31, 2022
Authorised:			
17,50,00,00,000	Ordinary Shares of ₹1 each	1,750.00	1,750.00
	(March 31, 2022 : 1,75,00,00,000 Ordinary Shares of ₹10 each)		
35,00,00,000	'A' Ordinary Shares of ₹10 each*	350.00	350.00
	(March 31, 2022 : 35,00,00,000 'A' Ordinary Shares of ₹10 each)		
2,50,00,000	Cumulative Redeemable Preference Shares of ₹100 each*	250.00	250.00
	(March 31, 2022 : 2,50,00,000 Shares of ₹100 each)		
60,00,00,000	Cumulative Convertible Preference Shares of ₹100 each*	6,000.00	6,000.00
	(March 31, 2022 : 60,00,00,000 Shares of ₹100 each)		
		8,350.00	**8,350.00**
Issued:			
12,23,44,16,550	Ordinary Shares of ₹1 each	1,223.44	1,223.22
	(March 31, 2022 : 1,22,32,18,367 Ordinary Shares of ₹10 each)		
-	Ordinary Shares of ₹1 each (partly paid-up, ₹0.2504 each paid-up)	-	0.22
	(March 31, 2022 : 2,23,288 Ordinary Shares of ₹10 each, ₹2.504 each paid-up)		
		1,223.44	**1,223.44**
Subscribed and paid-up:			
12,22,15,37,000**	Ordinary Shares of ₹1 each fully paid-up	1,222.15	1,222.12
	(March 31, 2022 : 1,22,21,22,042 Ordinary Shares of ₹10 each)		
-	Ordinary Shares of ₹1 each (partly paid-up, ₹0.2504 each paid-up)	-	0.05
	(March 31, 2022 : 2,23,288 Ordinary Shares of ₹10 each, ₹2.504 each paid-up)		
	Amount paid-up on 58,11,460 Ordinary Shares of ₹1 each forfeited	0.25	0.20
	(March 31, 2022 : 3,89,516 Ordinary Shares of ₹10 each)		
		1,222.40	**1,222.37**

* 'A' Ordinary Shares and Preference Shares included within the authorised share capital are for disclosure purposes and have not yet been issued by the Company as on March 31, 2023.

** Includes 4,370 equity shares of ₹1 each, on which first and final call money has been received and the equity shares have been converted to fully paid-up equity shares but are pending final listing and trading approval under the ISIN INE081A01020 (for fully paid shares), and hence, continue to be listed under the ISIN IN9081A01010 (for partly paid shares) as on March 31, 2023.

(i) Subscribed and paid-up capital includes **1,16,83,930** (March 31, 2022: 11,68,393 Ordinary Shares of face value ₹10 each) Ordinary Shares of ₹1 each fully paid-up, held by Rujuvalika Investments Limited, wholly-owned subsidiary of the Company.

NOTES
forming part of the Financial Statements

15. Equity share capital (Contd.)
[Item No. III(a), Page F22]

(ii) Details of movement in subscribed and paid-up share capital is as below:

	Year ended March 31, 2023		Year ended March 31, 2022	
	No. of shares of ₹1 each unless otherwise stated	₹ crore	No. of shares of ₹10 each unless otherwise stated	₹ crore
Ordinary Share				
Balance at the beginning of the year (face value of ₹10 each)	1,22,23,45,330	1,222.17	1,20,41,26,999	1,198.58
Sub-division of 1 share of face value ₹10/- each into 10 share of face value ₹1/- each effective July 29, 2022 (Increase in shares on account of sub-division)[(a)]	11,00,11,07,970	-	Not Applicable	
Fully paid-up shares allotted during the year	-	-	1,82,31,167	18.23
Partly paid-up shares allotted during the year	-	-	664	0.00*
Partly paid-up shares converted to fully paid-up shares during the year[(b)]	-	0.03	-	5.37
Crossholding cancelled and extinguished	-	-	(13,500)	(0.01)
Shares forfeited during the year[(c)]	(19,16,300)	(0.05)	-	-
Balance at the end of the year	**12,22,15,37,000**	**1,222.15**	**1,22,23,45,330**	**1,222.17**

*Represents value less than ₹0.01 crore.

(a) The Shareholders of the Company, at the 115th Annual General Meeting held on June 28, 2022, had approved the sub-division of one equity share of face value ₹10 each (fully paid-up and partly paid-up) into 10 equity share of face value ₹1 each. The record date for the said sub-division was set at July 29, 2022.

(b) During the year ended March 31, 2023, the Company has sent Reminder-cum-Forfeiture Notice to the holders of partly paid-up equity shares on which the first and final call money was unpaid. The Company has converted **3,16,580** partly paid-up shares of face value ₹1 each into fully paid-up shares.

(c) The Board of Directors at its meeting held on March 27, 2023 approved the forfeiture of **19,16,300** partly paid-up shares of face value of ₹1 each on which the call money of ₹0.7496 remains unpaid. (Considering 1,91,630 partly paid-up shares of face value of ₹10 each sub- divided into 19,16,300 partly paid-up shares of ₹1 each).

(iii) As at March 31, 2023, **29,27,850** Ordinary Shares of face value ₹1 each (March 31, 2022: 2,92,785 Ordinary Shares of face value of ₹10 each) are kept in abeyance in respect of Rights issue of 2007.

As at March 31, 2023, **11,99,650** fully paid-up Ordinary Shares of face value ₹1 each (March 31, 2022: 1,19,965 fully paid-up Ordinary Shares of face value of ₹10 each) are kept in abeyance in respect of Rights Issue of 2018.

As at March 31, 2023, **5,98,280** Ordinary Shares of face value ₹1 each (March 31, 2022: 59,828 partly paid-up Ordinary shares of face value of ₹10 each) are kept in abeyance in respect of Rights Issue of 2018.

(iv) Proceeds from subscription to the first and final call on partly paid-up shares for Rights Issue of 2018, made during the year ended March 31, 2023 and March 31, 2022 have been utilised in the following manner:

(₹ crore)

	Utilised in FY 2021-22	Unutilised in FY 2021-22	Utilised in FY 2022-23*
Repayments of loan	53.27	-	4.18
Expenses towards general corporate purpose	807.43	2.72	-
Issue expense	1.12	-	-
	861.82	**2.72**	**4.18**

* includes proceeds of ₹1.46 crore from right issue during the year

NOTES
forming part of the Financial Statements

15. Equity share capital (Contd.)

[Item No. III(a), Page F22]

(v) Details of Shareholders holding more than 5% shares in the Company are as below:

	As at March 31, 2023		As at March 31, 2022	
	No. of Ordinary Shares (face value of ₹1 each)	% held	No. of Ordinary Shares (face value of ₹10 each)	% held
Name of shareholders				
(a) Tata Sons Private Limited	3,96,50,81,420	32.44	39,65,08,142	32.46
(b) Life Insurance Corporation of India	73,24,32,080	5.99	7,90,89,965	6.47

(vi) Details of promoters' shareholding in the Company are as below:

	As at March 31, 2023		As at March 31, 2022	
	No. of Ordinary Shares (face value of ₹ 1 each)	% held	No. of Ordinary Shares (face value of ₹ 10 each)	% held
Name of shareholders				
(a) Tata Sons Private Limited#	3,96,50,81,420	32.44	39,65,08,142	32.46
Name of promoter group				
(a) Tata Motors Limited	5,49,62,950	0.45	54,96,295	0.45
(b) Tata Investment Corporation Limited	4,19,84,940	0.34	41,98,494	0.34
(c) Tata Chemicals Ltd	3,09,00,510	0.25	30,90,051	0.25
(d) Ewart Investments Limited	2,22,59,750	0.18	22,25,975	0.18
(e) Rujuvalika Investments Limited*	1,16,83,930	0.10	11,68,393	0.10
(f) Tata Industries Limited	1,04,25,450	0.09	10,42,545	0.09
(g) Tata Motors Finance Limited	60,95,110	0.05	6,09,511	0.05
(h) Tata Capital Ltd	1,67,400	0.00	16,740	0.00
(i) Titan Company Limited	25,110	0.00	2,511	0.00
(j) Tata Capital Financial Services Limited	8,210	0.00	821	0.00
(k) Sir Dorabji Tata Trust^	-	-	-	-
(l) Sir Ratan Tata Trust^	-	-	-	-

Change in percentage shareholding is on account of completion of corporate action and listing of 81,52,840 fully paid-up equity shares which were pending due to legal proceedings / credit rejections from Central Depository Services (India) Limited, to the eligible shareholders of Tata Steel BSL Limited ("TSBSL"). These equity shares were allotted on November 23, 2021, pursuant to the composite scheme of amalgamation of Bamnipal Steel Limited and TSBSL into and with the Company. Further, the Board of Directors at their meeting held on March 27, 2023 approved the forfeiture of 19,16,300 partly paid-up equity shares on which the first and final call money remained outstanding.

* 1,16,83,930 Ordinary Shares held by Rujuvalika Investments Limited (a wholly owned subsidiary of the Company), do not carry any voting rights.

^ During the year ended March 31, 2019, Sir Doarabji Tata Trust and Sir Ratan Tata Trust had sold their entire holdings in the Company.

(vii) **8,79,53,750** shares (March 31, 2022: 96,95,642 shares of face value ₹10 each) of face value of ₹1 per share represent the shares underlying GDRs which were issued during 1994 and 2009. Each GDR represents one underlying Ordinary Share.

(viii) The rights, powers and preferences relating to each class of share capital and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The principal rights are as follows:

NOTES
forming part of the Financial Statements

15. Equity share capital (Contd.)
[Item No. III(a), Page F22]

A. Ordinary Shares of ₹1 each

(i) In respect of every Ordinary Share (whether fully paid or partly paid), voting right and dividend shall be in the same proportion as the capital paid-up on such Ordinary Share bears to the total paid-up Ordinary Capital of the Company.

(ii) The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

(iii) In the event of liquidation, the Shareholders of Ordinary Shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

B. 'A' Ordinary Shares of ₹10 each

(i) (a) The holders of 'A' Ordinary Shares shall be entitled to such rights of voting and/or dividend and such other rights as per the terms of the issue of such shares, provided always that:

- in the case where a resolution is put to vote on a poll, such differential voting entitlement (excluding fractions, if any) will be applicable to holders of 'A' Ordinary Shares.
- in the case where a resolution is put to vote in the meeting and is to be decided on a show of hands, the holders of 'A' Ordinary Shares shall be entitled to the same number of votes as available to holders of Ordinary Shares.

(b) The holders of Ordinary Shares and the holders of 'A' Ordinary Shares shall vote as a single class with respect to all matters submitted for voting by shareholders of the Company and shall exercise such votes in proportion to the voting rights attached to such shares including in relation to any scheme under Sections 391 to 394 of the Companies Act, 1956.

(ii) The holders of 'A' Ordinary Shares shall be entitled to dividend on each 'A' Ordinary Share which may be equal to or higher than the amount per Ordinary Share declared by the Board for each Ordinary Share, and as may be specified at the time of the issue. Different series of 'A' Ordinary Shares may carry different entitlements to dividend to the extent permitted under applicable law and as prescribed under the terms applicable to such issue.

C. Preference Shares

The Company has two classes of preference shares i.e. Cumulative Redeemable Preference Shares (CRPS) of ₹100 per share and Cumulative Convertible Preference Shares (CCPS) of ₹100 per share.

(i) Such shares shall confer on the holders thereof, the right to a fixed preferential dividend from the date of allotment, at a rate as may be determined by the Board at the time of the issue, on the capital for the time being paid-up or credited as paid-up thereon.

(ii) Such shares shall rank for capital and dividend (including all dividend undeclared upto the commencement of winding up) and for repayment of capital in a winding up, pari passu inter se and in priority to the Ordinary Shares of the Company, but shall not confer any further or other right to participate either in profits or assets. However, in case of CCPS, such preferential rights shall automatically cease on conversion of these shares into Ordinary Shares.

(iii) The holders of such shares shall have the right to receive all notices of general meetings of the Company but shall not confer on the holders thereof the right to vote at any meetings of the Company save to the extent and in the manner provided in the Companies Act, 1956, or any re-enactment thereof.

(iv) CCPS shall be converted into Ordinary Shares as per the terms, determined by the Board at the time of issue; as and when converted, such Ordinary Shares shall rank pari passu with the then existing Ordinary Shares of the Company in all respects.

NOTES
forming part of the Financial Statements

16. Hybrid perpetual securities

The detail of movement in Hybrid perpetual securities is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	-	775.00
Repayments during the year	-	(775.00)
Balance at the end of the year	**-**	**-**

The Company had issued hybrid perpetual securities of ₹775.00 crore in May 2011. These securities were perpetual in nature with no maturity or redemption and callable only at the option of the Company. The distribution on these securities were 11.50% p.a. with a step up provision if the securities were not called after 10 years. The distribution on the securities may have been deferred at the option of the Company if, in the six months preceding the relevant distribution payment date, the Company had not made payment on, or repurchased or redeemed, any securities ranking pari passu with, or junior to the instrument. As these securities were perpetual in nature and the Company did not have any redemption obligation, these were classified as equity.

During the year ended March 31, 2022, the Company had exercised its call option and redeemed the perpetual securities worth ₹775.00 crore issued during May 2011.

17. Other equity

[Item No. III(b), Page F22]

A. Retained earnings

The details of movement in retained earnings is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	76,498.67	46,480.00
Profit for the year	15,495.11	33,011.18
Remeasurement of post-employment defined benefit plans	281.04	7.57
Tax on remeasurement of post-employment defined benefit plans	(70.73)	(1.90)
Dividend	(6,233.11)	(3,007.08)
Distribution on hybrid perpetual securities(i)	-	(1.46)
Tax on distribution on hybrid perpetual securities	-	0.37
Transfers within equity(ii)	-	9.99
Balance at the end of the year	**85,970.98**	**76,498.67**

(i) During the year ended March 31, 2022, distribution of ₹8.30 crore post exercise of the call option on hybrid perpetual securities had been recognised in the statement of profit & loss.

(ii) Represents gain/(loss) on sale of investments carried at fair value through other comprehensive income reclassified from investment revaluation reserve during the year ended March 31, 2022.

NOTES
forming part of the Financial Statements

17. Other equity (Contd.)
[Item No. III(b), Page F22]

B. Items of other comprehensive income

(a) Cash flow hedge reserve

The cumulative effective portion of gains or losses arising from changes in fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss or are included as an adjustment to the cost of the related non-financial hedged item.

The Company has designated certain foreign currency forward contracts, interest rate swaps and interest rate caps and collars as cash flow hedges in respect of foreign exchange and interest rate risks.

The details of movement in cash flow hedge reserve is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	61.10	(41.10)
Other comprehensive income recognised during the year	60.97	102.20
Balance at the end of the year	**122.07**	**61.10**

(i) The details of other comprehensive income recognised during the year is as below:

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Fair value changes recognised during the year	240.65	123.92
Fair value changes reclassified to profit and loss/cost of hedged items	(159.18)	12.65
Tax impact on above	(20.50)	(34.37)
	60.97	**102.20**

During the year, ineffective portion of cash flow hedges recognised in the statement of profit and loss amounted to **Nil** (2021-22: Nil).

(ii) The amount recognised in cash flow hedge reserve (net of tax) is expected to impact the statement of profit and loss as below:

- within the next one year: gain ₹**37.82** crore (2021-22: ₹4.01 crore).
- later than one year: gain ₹**81.49** crore (2021-22: ₹57.09 crore).

NOTES
forming part of the Financial Statements

17. Other equity (Contd.)
[Item No. III(b), Page F22]

(b) Investment revaluation reserve

Cumulative gains and losses arising from fair value changes of equity investments measured at fair value through other comprehensive income are recognised in investment revaluation reserve. The reserve balance represents such changes recognised net of amounts reclassified to retained earnings on disposal of such investments.

The details of movement in investment revaluation reserve is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	853.80	276.76
Other comprehensive income recognised during the year	(193.59)	654.92
Tax impact on above	22.68	(67.89)
Transfers within equity	-	(9.99)
Balance at the end of the year	**682.89**	**853.80**

C. Other reserves

(a) Securities premium

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

The details of movement in securities premium is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	31,288.89	30,964.76
Received/transfer on issue of Ordinary Shares during the year	1.44	325.25
Equity issue expenses written (off)/back during the year	(0.09)	(1.12)
Balance at the end of the year	**31,290.24**	**31,288.89**

NOTES
forming part of the Financial Statements

17. Other equity (Contd.)
[Item No. III(b), Page F22]

(b) Debenture redemption reserve

The provisions of the Companies Act, 2013 read with the related rules required a company issuing debentures to create a Debenture Redemption Reserve (DRR) of 25% of the value of debentures issued, either through a public issue or on a private placement basis, out of the profits of the Company available for payment of dividend. The amounts credited to the DRR can be utilised by the company only to redeem debentures.

As per the recent amendment in the Companies (Share Capital and Debentures) Rules, 2014, a listed company issuing privately placed debentures on or after August 16, 2019, is not required to maintain additional amount in the DRR. Accordingly, the existing balance in the DRR shall be maintained to be utilised only for the redemption of existing debentures issued by the company before August 16, 2019.

The details of movement in debenture redemption reserve during the year is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	2,046.00	2,046.00
Balance at the end of the year	**2,046.00**	**2,046.00**

(c) General reserve

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

The details of movement in general reserve during the year is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	11,596.35	11,596.35
Balance at the end of the year	**11,596.35**	**11,596.35**

(d) Capital redemption reserve

The Companies Act, 2013 requires that when a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve. The reserve is utilised in accordance with the provisions of Section 69 of the Companies Act, 2013.

The details of movement in capital redemption reserve during the year is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	20.78	20.78
Balance at the end of the year	**20.78**	**20.78**

NOTES
forming part of the Financial Statements

17. Other equity (Contd.)
[Item No. III(b), Page F22]

(e) Capital reserve
The excess of fair value of net assets acquired over consideration paid in a common control transaction is recognised as capital reserve.

The details of movement in Capital Reserve during the year is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	1,730.25	1,730.25
Balance at the end of the year	**1,730.25**	**1,730.25**

(f) Others
Others primarily represents amount appropriated out of the statement of profit and loss for unforeseen contingencies.

The details of movement in others during the year is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	115.55	115.55
Balance at the end of the year	**115.55**	**115.55**

D. Shares pending issue

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year [(i)]	-	18.21
Less: Allotted during the year	-	(18.21)
Balance at the end of the year	**-**	**-**

(i) During the year ended March 31, 2022, opening balance was net of 13,500 treasury shares amounting to ₹0.01 crore, which had been subsequently cancelled.

E. Share application money pending allotment
The details of movement in share application money pending allotment during the year is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	-	3.78
Received during the year	1.46	326.85
Allotted during the year	(1.46)	(330.63)
Balance at the end of the year	**-**	**-**

NOTES
forming part of the Financial Statements

18. Borrowings
[Item No. IV(a)(i) and V(a)(i), Page F22]

A. Non-current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Secured		
(i) Loans from Joint Plant Committee - Steel Development Fund	2,751.17	2,714.29
	2,751.17	**2,714.29**
(b) Unsecured		
(i) Non-convertible debentures	10,125.22	10,899.62
(ii) Term loans from banks/financial institutions	18,004.50	6,676.90
	28,129.72	**17,576.52**
	30,880.89	**20,290.81**

B. Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Secured		
(i) Repayable on demand from banks	**1,003.45**	**0.85**
(b) Unsecured		
(i) Loans from banks	-	4,800.00
(ii) Current maturities of long-term borrowings	6,294.67	2,855.74
(iii) Commercial papers	-	4,328.07
	6,294.67	**11,983.81**
	7,298.12	**11,984.66**

(i) As at March 31, 2023, ₹**3,754.62** crore (March 31, 2022: ₹2,715.14 crore) of the total outstanding borrowings were secured by a charge on property, plant and equipment, inventories, receivables and other current assets.

(ii) The security details of major borrowings as at March 31, 2023 is as below:

Loan from Joint Plant Committee-Steel Development Fund

It is secured by mortgages on all present and future immovable properties wherever situated and hypothecation of movable assets, excluding land and building mortgaged in favour of Government of India under the deed of mortgage dated April 13, 1967 and in favour of Government of Bihar under two deeds of mortgage dated May 11, 1963, immovable properties and movable assets of the Tubes Division, Bearings Division, Ferro Alloys Division and Cold Rolling Complex (West) at Tarapur and all investments and book debts of the Company subject to the prior charges created and/or to be created in favour of the bankers for securing borrowing for the working capital requirement and charges created and/or to be created on specific items of machinery and equipment procured/to be procured under deferred payment schemes/bill re-discounting schemes/asset credit schemes.

NOTES
forming part of the Financial Statements

18. Borrowings (Contd.)

[Item No. IV(a)(i) and V(a)(i), Page F22]

The loan is repayable in 16 equal semi-annual instalments after completion of four years from the date of the tranche.

The Company filed a writ petition before the High Court at Calcutta in February 2006 claiming waiver of the outstanding loan and interest and refund of the balance lying with Steel Development Fund (SDF). The Writ Petition was decided by judgment dated August 3, 2022. By the judgment, the High Court declared that the corpus of SDF can only be utilised for the benefit of the main steel producers. However, the waiver of loan as sought by the Company was not allowed. Hence, against the judgment the Company filed an appeal in the High Court.

The appeal has been decided on January 3, 2023. By the final order, High Court has directed the Company to submit a fresh representation to Union of India and fixed a time of three months for Union of India to take a decision on the representation. The Company has submitted the representation on March 28, 2023.

The loan includes funded interest ₹**1,111.84** crore (March 31, 2022: ₹1,074.96 crore).

It includes ₹**1,639.33** crore (March 31, 2022: ₹1,639.33 crore) representing repayments and interest on earlier loans for which applications of funding are awaiting sanction.

(iii) 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. There are certain charges which are historic in nature and it involves practical challenges in obtaining no-objection certificates (NOCs) from the charge holders of such charges, despite repayment of the underlying loans. The Company is in the continuous process of filing the charge satisfaction e-form with MCA, within the timelines, as and when it receives NOCs from the respective charge holders.

(iv) The Company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities, which are in agreement with the books of account other than those as set out below.

(₹ crore)

Name of the Bank	Aggregate working capital limits sanctioned	Amount utilised during the quarter	Quarter ended	Amount disclosed as per quarterly return / statement	Amount as per books of account	Difference	Reason for variance*
State bank of India and consortium of banks#	**2,000.00**	**-**	**December 31, 2022**	**12,594.47**	**12,572.90**	**21.57**	Primarily inclusion of certain liabilities not forming part of creditors for goods.

(₹ crore)

Name of the Bank	Aggregate working capital limits sanctioned	Amount utilised during the quarter	Quarter ended	Amount disclosed as per quarterly return / statement	Amount as per books of account	Difference	Reason for variance*
State bank of India and consortium of banks#	2,000.00	-	June 30, 2021	6,973.00	6,409.24	563.76	Primarily inclusion of certain liabilities not forming part of creditors for goods.
	2,000.00	-	September 30, 2021	6,281.30	5,754.56	526.74	
	2,000.00	-	December 31, 2021	14,533.00	14,007.35	525.65	
	2,000.00	-	March 31, 2022	16,857.04	16,332.53	524.51	

* The above differences represents balance of creditors as at each reporting date.

Pari-passu charge is created on the Company's entire current assets namely stock of raw materials, finished goods, stocks-in-process, consumables stores and spares and book debts at its plant sites or anywhere else, in favour of the bank, by way of hypothecation.

NOTES
forming part of the Financial Statements

18. Borrowings (Contd.)

[Item No. IV(a)(i) and V(a)(i), Page F22]

(v) The details of major unsecured borrowings as at March 31, 2023 are as below:

(a) Non-Convertible Debentures

The details of debentures issued/redeemed by the Company are as below:

(i) 7.76% p.a. interest bearing 15,000 debentures of face value ₹10,00,000 each are redeemable at par on September 20, 2032.

(ii) 9.84% p.a. interest bearing 43,150 debentures of face value ₹10,00,000 each are redeemable at par in 4 equal annual instalments commencing from February 28, 2031.

(iii) 8.03% p.a. interest bearing 2,15,000 debentures of face value ₹1,00,000 each are redeemable at par on February 25, 2028.

(iv) 7.50% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par on September 20, 2027.

(v) 8.15% p.a. interest bearing 10,000 debentures of face value ₹10,00,000 each are redeemable at par on October 1, 2026.

(vi) 7.70% p.a. interest bearing 6,700 debentures of face value ₹10,00,000 each are redeemable at par on March 13, 2025.

(vii) 7.95% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par on October 30, 2023.

(viii) Repo rate plus 4.08% p.a. interest bearing 4,000 debentures of face value ₹10,00,000 each are redeemable at par on June 2, 2023.

(ix) 8.25% p.a. interest bearing 10,000 debentures of face value ₹10,00,000 each are redeemable at par on May 19, 2023.

(x) Repo rate plus 3.45% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par on April 28, 2023.

(xi) Repo rate plus 3.30% p.a. interest bearing 10,000 debentures of face value ₹10,00,000 each are redeemable at par on April 27, 2023.

(xii) 7.85% p.a. interest bearing 5,100 debentures of face value ₹10,00,000 each are redeemable at par on April 21, 2023.

(xiii) 7.85% p.a. interest bearing 10,250 debentures of face value ₹10,00,000 each are redeemable at par on April 17, 2023.

(xiv) 2.00% p.a. interest bearing 15,000 debentures of face value ₹10,00,000 each has been redeemed at a premium of 85.03% of the face value during the year.

(b) Term loans from banks/financial institutions

The details of loans from banks and financial institutions availed/repaid by the Company are as below:

(i) Rupee loan amounting ₹**1,320.00** crore (March 31, 2022: ₹1,320.00 crore) is repayable in 3 semi-annual instalments, the next instalment is due on August 31, 2029.

(ii) Rupee loan amounting ₹**1,000.00** crore (March 31, 2022: Nil) is repayable on August 30, 2029.

(iii) Rupee loan amounting ₹**500.00** crore (March 31, 2022: Nil) is repayable on December 11, 2027

(iv) Rupee loan amounting ₹**100.00** crore (March 31, 2022: Nil) is repayable on December 8, 2027.

NOTES
forming part of the Financial Statements

18. Borrowings (Contd.)

[Item No. IV(a)(i) and V(a)(i), Page F22]

(v) Rupee loan amounting ₹**400.00** crore (March 31, 2022: Nil) is repayable on September 14, 2027.

(vi) Rupee loan amounting ₹**595.00** crore (March 31, 2022: ₹595.00 crore) is repayable in 4 semi-annual instalments, the next instalment is due on October 16, 2026.

(vii) Rupee loan amounting ₹**700.00** crore (March 31, 2022: Nil) is repayable in 8 annual instalments, the next instalment is due on August 11, 2025.

(viii) Rupee loan amounting ₹**520.00** crore (March 31, 2022: ₹520.00 crore) is repayable in 5 semi-annual instalments, the next instalment is due on June 30, 2025.

(ix) Rupee loan amounting ₹**500.00** crore (March 31, 2022: Nil) is repayable on June 24, 2024.

(x) Rupee loan amounting ₹**500.00** crore (March 31, 2022: Nil) is repayable on June 22, 2024.

(xi) Rupee loan amounting ₹**500.00** crore (March 31, 2022: Nil) is repayable on June 17, 2024.

(xii) Rupee loan amounting ₹**926.24** crore (March 31, 2022: ₹930.42 crore) is repayable in 14 semi-annual instalments, the next instalment is due on November 15, 2023.

(xiii) Rupee loan amounting ₹**300.00** crore (March 31, 2022: Nil) is repayable in 5 annual instalments, the next instalment is due on September 30, 2023.

(xiv) Rupee loan amounting ₹**396.00** crore (March 31, 2022: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on September 30, 2023.

(xv) Rupee loan amounting ₹**700.00** crore (March 31, 2022: Nil) is repayable in 5 annual instalments, the next instalment is due on September 30, 2023.

(xvi) Rupee loan amounting ₹**594.00** crore (March 31, 2022: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on September 30, 2023.

(xvii) Rupee loan amounting ₹**495.00** crore (March 31, 2022: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on September 30, 2023.

(xviii) Rupee loan amounting ₹**990.00** crore (March 31, 2022: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on September 30, 2023

(xix) USD 440 million equivalent to ₹**3,616.03** crore (March 31, 2022: USD 440.00 million equivalent to ₹3,335.09 crore) loan is repayable in 3 equal annual instalments commencing from September 11, 2023.

(xx) Rupee loan amounting ₹**495.00** crore (March 31, 2022: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on September 7, 2023.

(xxi) Rupee loan amounting ₹**198.00** crore (March 31, 2022: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on September 1, 2023.

(xxii) Rupee loan amounting ₹**544.50** crore (March 31, 2022: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on September 1, 2023.

(xxiii) Rupee loan amounting ₹**990.00** crore (March 31, 2022: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on June 30, 2023.

NOTES
forming part of the Financial Statements

18. Borrowings (Contd.)
[Item No. IV(a)(i) and V(a)(i), Page F22]

(xxiv) Rupee loan amounting ₹**1,500.00** crore (March 31, 2022: Nil) is repayable in 20 semi-annual instalments, the next instalment is due on June 30, 2023.

(xxv) Rupee loan amounting ₹**500.00** crore (March 31, 2022: Nil) is repayable in 20 semi-annual instalments, the next instalment is due on June 30, 2023.

(xxvi) Rupee loan amounting ₹**500.00** crore (March 31, 2022: Nil) is repayable in 20 semi-annual instalments, the next instalment is due on June 30, 2023

(xxvii) Euro 9.55 million equivalent to ₹80.37 crore as on March 31, 2022 due for repayment on April 30, 2022, had been fully repaid during the year.

(c) Commercial papers raised by the Company are short-term in nature ranging between eleven days to six months.

(vi) Currency and interest exposure of borrowings including current maturities is as below:

(₹ crore)

	As at March 31, 2023			As at March 31, 2022		
	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
INR	14,508.72	20,066.83	34,575.55	16,106.29	12,775.79	28,882.08
EURO	-	-	-	66.56	13.82	80.38
USD	-	3,603.46	3,603.46	-	3,313.01	3,313.01
Total	**14,508.72**	**23,670.29**	**38,179.01**	**16,172.85**	**16,102.62**	**32,275.47**

INR-Indian Rupees, USD-United States Dollars.

(vii) Majority of floating rate borrowings are bank/financial institution borrowings and debentures bearing interest rates based on Marginal Cost of Lending Rate (MCLR), Repo rate and LIBOR. Of the total floating rate borrowings as at March 31, 2023, ₹**3,616.03** crore (March 31, 2022: ₹3,335.09 crore) has been hedged using cross currency swaps and interest rate swaps, with contracts covering period of more than one year.

(viii) Maturity profile of borrowings including current maturities is as below:

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Not later than one year or on demand	7,302.54	11,984.74
Later than one year but not two years	3,582.84	6,064.62
Later than two years but not three years	1,614.34	1,844.20
Later than three years but not four years	1,609.00	1,361.70
Later than four years but not five years	5,316.00	1,450.00
More than five years	18,779.68	9,614.29
	38,204.40	**32,319.55**
Less: Capitalisation of transaction costs	25.39	44.08
	38,179.01	**32,275.47**

(ix) Some of the Company's major financing arrangements include financial covenants, which require compliance to certain debt-equity and debt coverage ratios. Additionally, certain negative covenants may limit the Company's ability to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach.

NOTES
forming part of the Financial Statements

19. Other financial liabilities

[Item No. IV(a)(iv) and V(a)(v), Page F22]]

A. Non-current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Creditors for other liabilities	928.81	883.23
	928.81	**883.23**

B. Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Interest accrued but not due	748.40	568.98
(b) Unclaimed dividends	84.45	68.82
(c) Creditors for other liabilities	4,973.30	4,499.74
	5,806.15	**5,137.54**

(i) Non-current and current creditors for other liabilities include:

(a) creditors for capital supplies and services ₹**2,195.70** crore (March 31, 2022: ₹2,136.65 crore).

(b) liability for employee family benefit scheme ₹**243.37** crore (March 31, 2022: ₹227.43 crore).

(c) liability for family protection scheme ₹**194.83** crore (March 31, 2022: ₹202.46 crore).

(d) rebate liabilities arising from volume and price discounts ₹**1,328.47** crore (March 31, 2022: ₹1,214.76 crore).

20. Provisions

[Item No. IV(b) and V(b), Page F22]

A. Non-current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Employee benefits	2,026.86	2,192.59
(b) Others	528.39	492.41
	2,555.25	**2,685.00**

B. Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Employee benefits	296.04	298.03
(b) Others	784.90	784.39
	1,080.94	**1,082.42**

(i) Non-current and current provision for employee benefits include provision for leave salaries ₹**1,202.70** crore (March 31, 2022: ₹1,228.46 crore) and provision for early separation scheme ₹**1,101.22** crore (March 31, 2022: ₹1,245.08 crore).

NOTES
forming part of the Financial Statements

20. Provisions (Contd.)
[Item No. IV(b) and V(b), Page F22]

(ii) As per the leave policy of the Company, an employee is entitled to be paid the accumulated leave balance on separation. The Company presents provision for leave salaries as current and non-current based on actuarial valuation considering estimates of availment of leave, separation of employee etc.

(iii) Non-current and current other provisions include:

(a) provision for compensatory afforestation, mine closure and rehabilitation obligations ₹**1,265.96** crore (March 31, 2022: ₹1,229.47 crore). These amounts become payable upon closure of the mines and are expected to be incurred over a period of 1 to 44 years.

(b) provision for expected obligations in respect of a loss-making subsidiary ₹**47.33** crore (March 31, 2022: ₹47.33 crore). The same is expected to be settled within one year from the reporting date.

(iv) The details of movement in other provisions is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	1,276.80	1,247.73
Recognised/(released) during the year [(a)]	37.09	33.13
Utilised during the year	(0.60)	(4.06)
Balance at the end of the year	**1,313.29**	**1,276.80**

(a) includes provisions capitalised during the year in respect of restoration obligations.

21. Retirement benefit obligations
[Item No. IV(c) and V(c), Page F22]

A. Non-current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Retiring gratuities	302.98	399.37
(b) Post-retirement medical benefits	1,384.08	1,586.09
(c) Other defined benefits	292.27	330.45
	1,979.33	**2,315.91**

B. Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Post-retirement medical benefits	84.28	94.15
(b) Other defined benefits	25.23	20.84
	109.51	**114.99**

(i) Detailed disclosure in respect of post-retirement defined benefit schemes is provided in note 34, page F92.

(ii) Other defined benefits include post-retirement lumpsum benefits, long service awards, packing and transportation, farewell gifts, etc.

NOTES
forming part of the Financial Statements

22. Deferred income

[Item No. IV(d) and V(d), Page F22]

A. Non-Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Other deferred income	0.35	0.74
	0.35	**0.74**

B. Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Other deferred income	9.81	67.84
	9.81	**67.84**

23. Other liabilities

[Item No. IV(f) and V(f), Page F22]

A. Non-current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Advances received from customers	2,146.11	3,562.63
(b) Statutory dues	24.85	22.33
(c) Other credit balances	1,707.54	1,302.33
	3,878.50	**4,887.29**

B. Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Advances received from customers	2,914.90	2,858.42
(b) Employee recoveries and employer contributions	29.34	29.19
(c) Statutory dues	8,781.52	9,615.32
	11,725.76	**12,502.93**

(i) Non-current and current advance from customer includes an interest-bearing advance of ₹**3,811.90** crore (March 31, 2022: ₹4,972.83 crore) which would be adjusted over a period of 3 years against export of steel products. Amount of revenue recognised for the year ended March 31, 2023 in respect of such advances outstanding at the beginning of the year is ₹**1,543.07** crore (2021-22: ₹1,528.92 crore). Out of the amount outstanding, ₹**1,665.79** crore (March 31, 2023: ₹1,410.20 crore) is expected to be adjusted by March 31, 2024 and the balance thereafter.

(ii) Statutory dues primarily relate to payables in respect of GST, excise duty, service tax, sales tax, electricity duty, water tax, VAT, tax deducted at source and royalties.

(iii) Other credit balances includes GST compensation cess and interest thereon amounting to ₹**1,678.33** crore (March 31, 2022: ₹1,274.11 crore).

NOTES
forming part of the Financial Statements

24. Trade payables
[Item No. V(a)(iii), Page F22]

A. Total outstanding dues of micro and small enterprises

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Dues of micro and small enterprises	791.87	678.20
	791.87	**678.20**

B. Total outstanding dues of creditors other than micro and small enterprises

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Creditors for supplies and services	15,630.33	18,803.15
(b) Creditors for accrued wages and salaries	1,660.20	1,609.79
	17,290.53	**20,412.94**

(i) Amount due to micro and small enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to micro and small enterprises is as below:

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(i) Principal amount remaining unpaid to supplier at the end of the year *	944.40	955.31
(ii) Interest due thereon remaining unpaid to supplier at the end of the year	6.20	1.31
(iii) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	27.83	22.38
(iv) Amount of interest accrued and remaining unpaid at the end of the year	34.03	23.69

* Includes dues of micro, small and medium enterprises (MSME) included within other financial liabilities.

(ii) Ageing schedule of trade payable is as below:

As at March 31, 2023

(₹ crore)

	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	
Undisputed dues - MSME	727.64	34.99	-	-	-	762.63
Undisputed dues - Others	12,291.47	1,741.38	154.35	32.07	25.72	14,244.99
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	0.14	-	18.03	18.17
	13,019.11	**1,776.37**	**154.49**	**32.07**	**43.75**	**15,025.79**
Add: Unbilled dues*						3,056.61
Total trade payables						**18,082.40**

* Includes dues of micro, small and medium enterprises of ₹29.24 crore.

NOTES
forming part of the Financial Statements

24. Trade payables (Contd.)

[Item No. V(a)(iii), Page F22]

As at March 31, 2022

(₹ crore)

	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	
Undisputed dues - MSME	574.22	45.70	-	-	-	619.92
Undisputed dues - Others	15,862.03	2,184.68	37.37	25.54	42.19	18,151.81
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	0.14	-	0.65	17.34	18.13
	16,436.25	**2,230.52**	**37.37**	**26.19**	**59.53**	**18,789.86**
Add: Unbilled dues*						2,301.28
Total trade payables						**21,091.14**

* Includes dues of micro, small and medium enterprises of ₹58.28 crore.

25. Revenue from operations

[Item No. I, Page F23]

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Sale of products	1,25,564.59	1,26,070.07
(b) Sale of power and water	1,901.93	1,611.33
(c) Other operating revenues[(ii)]	1,540.10	1,339.95
	1,29,006.62	**1,29,021.35**

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

(₹ crore)

	Year ended March 31, 2023		
	India	Outside India	Total
(a) Steel	1,16,072.94	9,013.70	1,25,086.64
(b) Power and water	1,901.93	-	1,901.93
(c) Others	439.43	38.52	477.95
	1,18,414.30	**9,052.22**	**1,27,466.52**

(₹ crore)

	Year ended March 31, 2022		
	India	Outside India	Total
(a) Steel	1,08,086.59	17,085.40	1,25,171.99
(b) Power and water	1,611.33	-	1,611.33
(c) Others	495.46	402.62	898.08
	1,10,193.38	**17,488.02**	**1,27,681.40**

(ii) Other operating revenues include income from export and other incentive schemes.

(iii) There are no significant adjustment between the contracted price and revenue recognised.

NOTES
forming part of the Financial Statements

26. Other income
[Item No. II, Page F23]

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Dividend income	285.38	243.92
(b) Interest income	2,720.71	943.00
(c) Net gain/(loss) on sale/fair value changes of mutual funds	132.15	182.57
(d) Gain/(loss) on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off)	(68.00)	17.28
(e) Gain/(loss) on cancellation of forwards, swaps and options	247.03	34.09
(f) Other miscellaneous income	8.21	31.16
	3,325.48	**1,452.02**

(i) Dividend income includes income from investments carried at fair value through other comprehensive income ₹**23.62** crore (2021-22: ₹20.39 crore).

(ii) Interest income represents income on financial assets carried at amortised cost ₹**2,720.71** crore (2021-22: ₹943.00 crore).

27. Changes in inventories of finished and semi-finished goods, stock-in-trade and work-in-progress
[Item No. IV(c), Page F23]

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the end of the year		
(a) Finished and semi-finished goods	7,818.92	6,700.41
(b) Stock-in-trade	54.33	30.78
	7,873.25	**6,731.19**
Inventories at the beginning of the year		
(a) Finished and semi-finished goods	6,700.41	4,884.56
(b) Stock-in-trade	30.78	25.76
	6,731.19	**4,910.32**
Increase/(decrease)	**1,142.06**	**1,820.87**

NOTES
forming part of the Financial Statements

28. Employee benefits expense

[Item No. IV(d), Page F23]

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Salaries and wages	5,583.53	5,390.41
(b) Contribution to provident and other funds	568.98	550.29
(c) Staff welfare expenses	463.78	425.10
	6,616.29	**6,365.80**

(i) During the year ended March 31, 2023, the Company has recognised an amount of ₹**37.82** crore (2021-22: ₹40.52 crore) as remuneration to key managerial personnel. The details of such remuneration are as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Short-term employee benefits	32.88	34.67
(b) Post-employment benefits	4.88	5.85
(c) Other long-term employee benefits	0.06	-
	37.82	**40.52**

29. Finance costs

Item No. IV(e), Page F23]

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on:		
(a) Debentures, bank borrowings and others	3,583.23	2,446.76
(b) Lease Obligation	490.86	515.30
	4,074.09	**2,962.06**
Less: Interest capitalised	281.95	169.98
	3,792.14	**2,792.08**

(i) Interest expense includes interest on income tax ₹**27.57** crore (2021-22: Nil).

30. Depreciation and amortisation expense

[Item No. IV(f), Page F23]

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Depreciation on property, plant and equipment	4,835.07	4,863.26
(b) Depreciation on right-of-use assets	511.09	506.60
(c) Amortisation of intangible assets	88.45	93.83
	5,434.61	**5,463.69**

NOTES
forming part of the Financial Statements

31. Other expenses
[Item No. IV(g), Page F23]

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Consumption of stores and spares	9,658.29	6,960.39
(b) Repairs to buildings	41.62	46.56
(c) Repairs to machinery	4,956.10	3,973.15
(d) Relining expenses	232.30	204.09
(e) Fuel oil consumed	530.15	377.29
(f) Purchase of power	5,345.54	4,286.40
(g) Conversion charges	2,270.35	1,797.50
(h) Freight and handling charges	6,606.15	6,631.96
(i) Rent	88.09	85.51
(j) Royalty	3,783.07	5,506.30
(k) Rates and taxes	1,520.26	2,065.74
(l) Insurance charges	228.27	202.87
(m) Commission, discounts and rebates	290.04	288.33
(n) Allowance for credit losses/provision for advances	(6.16)	63.04
(o) Others	3,326.89	3,969.52
	38,870.96	**36,458.65**

(i) Others include: net foreign exchange gain ₹**1,874.67** crore (2021-22: ₹724.84 crore).

(ii) During the year ended March 31, 2023, the Company has recognised an amount of ₹**9.65** crore (2021-22: ₹9.76 crore) towards payment to non-executive directors. The details are as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Short-term benefits	9.20	9.30
(b) Sitting fees	0.45	0.46
	9.65	**9.76**

(iii) Details of auditors' remuneration and out-of-pocket expenses is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Auditors remuneration and out-of-pocket expenses		
(i) Statutory audit fees	9.05	9.24
(ii) Tax audit fees	0.95	0.60
(iii) For other services	0.77	0.27
(iv) Out-of-pocket expenses	0.20	-
(b) Cost audit fees [including out of pocket expenses ₹**7,600** (2021-22 : ₹12,000)]	0.27	0.20

NOTES
forming part of the Financial Statements

31. Other expenses (Contd.)

[Item No. IV(g), Page F23]

(iv) As per the Companies Act, 2013, amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹**456.92** crore (2021-22: ₹266.57 crore).

During the year ended March 31, 2023 amount approved by the Board to be spent on CSR activities was ₹**481.60** crore (2021-22: ₹526.00 crore).

During the year ended March 31, 2023, in respect of CSR activities revenue expenditure incurred by the Company amounted to ₹**480.62** crore [₹**476.39** crore has been paid in cash and ₹**4.23** crore is yet to be paid]. The amount spent relates to purpose other than construction or acquisition of any asset and out of the above, ₹**316.41** crore was spent on ongoing projects during the year. There was no amount unspent for the year ended March 31, 2023 and the Company does not propose to carry forward any amount spent beyond the statutory requirement.

During the year ended March 31, 2022, revenue expenditure incurred by the Company amounted to ₹405.97 crore [₹398.11 crore has been paid in cash and ₹7.86 crore is yet to be paid], which included ₹167.21 crore spent on ongoing projects. There was no amount unspent for year ended March 31, 2022.

During the year ended March 31, 2023, amount spent on CSR activities through related parties was ₹**435.16** crore (2021-22: ₹309.42 crore).

(v) During the year ended March 31, 2023, revenue expenditure charged to the statement of profit and loss in respect of research and development activities undertaken was ₹**270.65** crore (2021-22: ₹212.44 crore) including depreciation of ₹**8.97** crore (2021-22: ₹9.24 crore). Capital expenditure incurred in respect of research and development activities during the year was ₹**4.27** crore (2021-22: ₹0.74 crore).

32. Exceptional items

[Item No. VI, Page F23]

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

(a) Profit/(loss) on sale of non-current investments ₹**338.56** crore (2021-22: ₹343.68 crore) relates to profit recognised on sale of investments in an erstwhile wholly owned subsidiary to a wholly owned subsidiary of the Company.

(b) Provision for impairment of investments/doubtful advances ₹**1,056.39** crore (2021-22: ₹93.22 crore) relates to provision recognised for investment in a wholly owned subsidiary and an associate net of reversal of provision for loan given to an associate and investment in an erstwhile wholly owned subsidiary.

(c) Employee separation compensation ₹**91.94** crore (2021-22: ₹330.81 crore) relates to provisions recognised in respect of employee separation scheme of employees.

(d) During the year ended March 31, 2022, restructuring and other provisions ₹204.84 crore represents provision recognised under family protection scheme for dependents of employees who lost their lives due to COVID-19.

(e) Gain/(loss) on non-current investments classified as fair value through profit and loss ₹**30.99** crore (2021-22: ₹49.74 crore) primarily represents gain on investments in preference shares held in an associate.

NOTES
forming part of the Financial Statements

33. Earnings per share

[Item No. XII, Page F23]

The following table reflects the profit and shares data used in the computation of basic and diluted earnings per share (EPS).

(₹ crore)

		Year ended March 31, 2023	Year ended March 31, 2022
(a)	Profit for the year	15,495.11	33,011.18
	Less: Distribution on hybrid perpetual securities (net of tax)	-	1.09
	Profit attributable to Ordinary shareholders- for basic and diluted EPS	**15,495.11**	**33,010.09**
		Nos.	Nos.
(b)	Weighted average number of Ordinary Shares for basic EPS	12,22,17,82,062	12,02,87,52,820
	Add: Adjustment relating to merger(i) (ii)	-	18,21,03,050
	Total weighted average number of Ordinary Shares for basic EPS	**12,22,17,82,062**	**12,21,08,55,870**
	Add: Adjustment for shares held in abeyance and un-called portion on partly paid-up shares	37,16,120	94,30,740
	Weighted average number of Ordinary Shares and potential Ordinary Shares for diluted EPS	**12,22,54,98,182**	**12,22,02,86,610**
(c)	Nominal value of Ordinary Share (₹)	1.00	1.00
(d)	Basic earnings per Ordinary Share (₹)(ii)	12.68	27.03
(e)	Diluted earnings per Ordinary Share (₹)(ii)	12.67	27.01

(i) On November 23, 2021, the Board of Directors of the Company approved allotment of 1,82,23,805 fully paid-up equity shares of the Company, of face value 10/- each, to eligible shareholders of Tata Steel BSL Limited (formerly Bhushan Steel Limited) ("TSBSL") consequent to the approval of the scheme of merger of Bamnipal Steel Limited and TSBSL into the Company by National Company Law Tribunal (NCLT) through its order dated October 29, 2021.

(ii) The basic and diluted EPS for the prior year have been restated considering the face value of ₹1/- each in accordance with Ind AS 33 – "Earnings per Share" on account of sub-division of the Ordinary (equity) Shares of face value ₹10/- each into Ordinary (equity) Shares of face value of ₹1/- each (refer note 15(ii)(a), page F70).

34. Employee benefits

A. Defined contribution plans

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Company are as below:

(a) Provident fund and pension

The Company provides provident fund benefits for eligible employees as per applicable regulations wherein both employees and the Company make monthly contributions at a specified percentage of the eligible employee's salary. Contributions under such schemes are made either to a provident fund set up as an irrevocable trust by the Company to manage the investments and distribute the amounts entitled to employees or to state managed funds.

Benefits provided under plans wherein contributions are made to state managed funds and the Company does not have a future obligation to make good short fall if any, are treated as a defined contribution plan.

NOTES

forming part of the Financial Statements

34. Employee benefits (Contd.)

(b) Superannuation fund

The Company has a superannuation plan for the benefit of its employees. Employees who are members of the superannuation plan are entitled to benefits depending on the years of service and salary drawn.

Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The Company contributes up to 15% of the eligible employees' salary or ₹1,50,000, whichever is lower, to the trust every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The contributions recognised as an expense in the statement of profit and loss during the year on account of the above defined contribution plans amounted to ₹**184.31** crore (2021-22: ₹169.61 crore).

B. Defined benefit plans

The defined benefit plans operated by the Company are as below:

(a) Provident fund and pension

Provident fund benefits provided under plans wherein contributions are made to an irrevocable trust set up by the Company to manage the investments and distribute the amounts entitled to employees are treated as a defined benefit plan as the Company is obligated to provide the members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. A part of the Company's contribution is transferred to Government administered pension fund. The contributions made by the Company and the shortfall of interest, if any, are recognised as an expense in profit and loss under employee benefits expense.

In accordance with an actuarial valuation of provident fund liabilities based on guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

Key assumptions used for actuarial valuation are as below:

	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	7.25%	7.00%
Guaranteed rate of return	8.15%	8.10%
Expected rate of return on investment	8.15%	8.00%

(b) Retiring gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees as per The Payment of Gratuity Act, 1972. The plan provides for a lump- sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts or insurance companies. The Company accounts for the liability for gratuity benefits payable in the future based on a year-end actuarial valuation.

NOTES

forming part of the Financial Statements

34. Employee benefits (Contd.)

(c) Post-retirement medical benefits

Under this unfunded scheme, employees of the Company receive medical benefits subject to certain limits on amounts of benefits, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Company under an early separation scheme, on medical grounds or due to permanent disablement are also covered under the scheme. The Company accounts for the liability for post-retirement medical scheme based on a year-end actuarial valuation.

(d) Other defined benefits

Other benefits provided under unfunded schemes include post-retirement lumpsum benefits, pension payable to directors of the Company on their retirement, farewell gifts and reimbursement of packing and transportation charges to the employees based on their last drawn salary.

The defined benefit plans expose the Company to a number of actuarial risks as below:

(i) **Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan asset is below this rate, it will create a plan deficit.

(ii) **Interest risk:** A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the value of plan's debt investments.

(iii) **Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

(iv) **Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

C. Details of defined benefit obligations and plan assets:

(a) Retiring gratuity:

(i) The following table sets out the amounts recognised in the financial statements in respect of retiring gratuity plan:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Change in defined benefit obligations:		
Obligation at the beginning of the year	2,894.87	2,940.64
Current service cost	161.21	159.58
Interest costs	187.13	174.52
Remeasurement (gain)/loss	12.41	(41.04)
Benefits paid	(287.39)	(338.83)
Obligation at the end of the year	**2,968.23**	**2,894.87**

NOTES

forming part of the Financial Statements

34. Employee benefits (Contd.)

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Change in plan assets:		
Fair value of plan assets at the beginning of the year	2,495.50	2,608.99
Interest income	174.69	160.11
Remeasurement gain/(loss) excluding amount included within employee benefit expense	(5.11)	8.51
Employers' contribution	287.56	56.72
Benefits paid	(287.39)	(338.83)
Fair value of plan assets at the end of the year	**2,665.25**	**2,495.50**

Amounts recognised in the balance sheet consist of:

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets	2,665.25	2,495.50
Present value of obligation	(2,968.23)	(2,894.87)
	(302.98)	**(399.37)**
Recognised as:		
Retirement benefit obligations - Non-current	(302.98)	(399.37)

Expense/(gain) recognised in the statement of profit and loss consists of:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Employee benefits expense:		
Current service cost	161.21	159.58
Net interest expense	12.44	14.41
	173.65	**173.99**
Other comprehensive income:		
Return on plan assets excluding amount included in employee benefits expense	5.11	(8.51)
Actuarial (gain)/loss arising from changes in demographic assumption	-	1.74
Actuarial (gain)/loss arising from changes in financial assumption	(58.85)	(60.72)
Actuarial (gain)/loss arising from changes in experience adjustments	71.26	17.94
	17.52	**(49.55)**
Expense/(gain) recognised in the statement of profit and loss	**191.17**	**124.44**

NOTES
forming part of the Financial Statements

34. Employee benefits (Contd.)

(ii) Fair value of plan assets by category of investment is as below:

	As at March 31, 2023	As at March 31, 2022
Assets category (%)		
Equity instruments (quoted)	2.20%	1.08%
Debt instruments (quoted)	31.07%	24.47%
Insurance products (unquoted)	66.73%	74.45%
	100.00%	**100.00%**

The Company's investment policy is driven by considerations of maximising returns while ensuring credit quality of debt instruments. The asset allocation for plan assets is determined based on prescribed investment criteria and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan assets performance, the Company compares actual returns for each asset category with published benchmarks.

(iii) Key assumptions used in the measurement of retiring gratuity are as below:

	As at March 31, 2023	As at March 31, 2022
Discount rate	7.25%	7.00%
Rate of escalation in salary	7.00% to 10.50%	7.00% to 10.50%

(iv) Weighted average duration of the retiring gratuity obligation is **8.10** years (March 31, 2022: 8.00 years).

(v) The Company expects to contribute ₹**302.98** crore to the plan during the financial year 2023-24.

(vi) The table below outlines the effect on retiring gratuity obligation in the event of a decrease/increase of 1% in the assumptions used.

As at March 31, 2023

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹**215.04** crore, increase by ₹**249.32** crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹**244.12** crore, decrease by ₹**214.85** crore

As at March 31, 2022

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹213.73 crore, increase by ₹247.90 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹242.26 crore, decrease by ₹213.19 crore

The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

NOTES
forming part of the Financial Statements

34. Employee benefits (Contd.)

(b) Post-retirement medical benefits and other defined benefits:

(i) The following table sets out the amounts recognised in the financial statements in respect of post-retirement medical benefits and other defined benefit plans.

(₹ crore)

	Year ended March 31, 2023		Year ended March 31, 2022	
	Medical	Others	Medical	Others
Change in defined benefit obligation:				
Obligation at the beginning of the year	1,680.24	351.29	1,630.52	298.38
Current service cost	23.85	12.59	25.53	23.63
Interest cost	115.19	22.76	103.59	18.13
Remeasurement (gain)/loss				
(i) Actuarial (gains)/losses arising from changes in demographic assumptions	-	-	233.65	15.29
(ii) Actuarial (gains)/losses arising from changes in financial assumptions	(56.42)	(5.94)	(137.69)	(14.06)
(iii) Actuarial (gains)/losses arising from changes in experience adjustments	(225.20)	(11.00)	(101.75)	46.54
Benefits paid	(69.30)	(52.20)	(73.61)	(39.48)
Past service cost	-	-	-	2.86
Obligation at the end of the year	**1,468.36**	**317.50**	**1,680.24**	**351.29**

Amounts recognised in the balance sheet consist of:

(₹ crore)

	As at March 31, 2023		As at March 31, 2022	
	Medical	Others	Medical	Others
Present value of obligation	(1,468.36)	(317.50)	(1,680.24)	(351.29)
Recognised as:				
Retirement benefit obligations - Current	(84.28)	(25.23)	(94.15)	(20.84)
Retirement benefit obligations - Non-current	(1,384.08)	(292.27)	(1,586.09)	(330.45)

NOTES
forming part of the Financial Statements

34. Employee benefits (Contd.)

Expense/(gain) recognised in the statement of profit and loss consists of:

(₹ crore)

	Year ended March 31, 2023		Year ended March 31, 2022	
	Medical	Others	Medical	Others
Employee benefits expense:				
Current service cost	23.85	12.59	25.53	23.63
Past service cost	-	-	-	2.86
Net interest expense	115.19	22.76	103.59	18.13
	139.04	**35.35**	**129.12**	**44.62**
Other comprehensive income:				
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-	233.65	15.29
Actuarial (gains)/losses arising from changes in financial assumption	(56.42)	(5.94)	(137.69)	(14.06)
Actuarial (gains)/losses arising from changes in experience adjustments	(225.20)	(11.00)	(101.75)	46.54
	(281.62)	**(16.94)**	**(5.79)**	**47.77**
Expense recognised in the statement of profit and loss	**(142.58)**	**18.41**	**123.33**	**92.39**

(ii) Key assumptions used in the measurement of post-retirement medical benefits and other defined benefit plans is as below:

	As at March 31, 2023		As at March 31, 2022	
	Medical	Others	Medical	Others
Discount rate	7.25%	7.25%	7.00%	7.00%
Rate of escalation in salary	N.A	15.00%	N.A	15.00%
Inflation rate	8.00%	5.00%	8.00%	5.00%

(iii) Weighted average duration of post-retirement medical benefit obligation is **9.00** years (March 31, 2022: 9.00 years). Weighted average duration of other defined benefit obligation ranges from **1.9 to 15** years (March 31, 2022: 2.4 to 16 years)

NOTES
forming part of the Financial Statements

34. Employee benefits (Contd.)

(iv) The table below outlines the effect on post-retirement medical benefit obligation in the event of a decrease/increase of 1% in the assumptions used:

As at March 31, 2023

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹**194.08** crore, increase by ₹**249.19** crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹**232.27** crore, decrease by ₹**184.90** crore

As at March 31, 2022

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹228.47 crore, increase by ₹294.78 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹274.38 crore, decrease by ₹217.56 crore

(v) The table below outlines the effect on other defined benefit obligation in the event of a decrease/increase of 1 % in the assumptions used.

As at March 31, 2023

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹**21.24** crore, increase by ₹**25.53** crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹**6.20** crore, decrease by ₹**5.79** crore
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹**13.39** crore, decrease by ₹**11.59** crore

As at March 31, 2022

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹24.49 crore, increase by ₹29.56 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹7.50 crore, decrease by ₹6.95 crore
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹14.50 crore, decrease by ₹12.53 crore

The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

NOTES

forming part of the Financial Statements

35. Contingencies and commitments

A. Contingencies

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an on-going basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

It is not practicable for the Company to estimate the timings of the cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the same.

Litigations

The Company is involved in legal proceedings, both as plaintiff and as defendant. There are claims which the Company does not believe to be of a material nature, other than those described below:

Income tax

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowance of expenses, tax treatment of certain expenses claimed by the Company as deduction and the computation of or eligibility of the Company's use of certain tax incentives or allowances.

Most of these disputes and/or disallowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years.

As at March 31, 2023, there are matters and/or disputes pending in appeal amounting to ₹**3,552.39** crore (March 31, 2022: ₹3,544.68 crore).

The details of significant demands are as below:

(a) Interest expenditure on loans taken by the Company for acquisition of a subsidiary has been disallowed in assessments with tax demand raised for ₹**1,641.64** crore (inclusive of interest) (March 31, 2022: ₹1,641.64 crore).

(b) Interest expenditure on "Hybrid Perpetual Securities" has been disallowed in assessments with tax demand raised for ₹**484.78** crore (inclusive of interest) (March 31, 2022: ₹484.78 crore)

In respect of above demands, the Company has deposited an amount of ₹**1,255.63** crore (March 31, 2022: ₹1,255.63 crore) as a precondition for obtaining stay. The Company expects to sustain its position on ultimate resolution of the said appeals.

Customs, excise duty, service tax and goods and service tax

As at March 31, 2023, there were pending litigations for various matters relating to customs, excise duty, service tax and GST involving demands of ₹**379.61** crore (March 31, 2022: ₹310.63 crore).

Sales tax /VAT

The total sales tax demands that are being contested by the Company amounted to ₹**716.71** crore (March 31, 2022: ₹776.08 crore).

NOTES

forming part of the Financial Statements

35. Contingencies and commitments (Contd.)

The detail of significant demand is as below:

(a) The Company stock transfers its goods manufactured at Jamshedpur works plant to its various depots/ branches located outside the state of Jharkhand across the country and these goods are then sold to various customers outside the states from depots/ branches. As per the erstwhile Central Sales Tax Act, 1956, these transfers of goods to depots/branches were made without payment of Central sales tax and F-Form was submitted in lieu of the stock-transfers made during the period of assessment. The value of these sales was also disclosed in the periodical returns filed as per the Jharkhand Vat Act, 2005. The Commercial Tax Department has raised demand of Central Sales tax by levying tax on the differences between value of sales outside the states and value of F-Form submitted for stock transfers. The tax amount involved for assessment years 2011-12, 2012-13, 2014-15, 2016-17 and 2017-18 as on March 31, 2023 is amounting to ₹**200.00** crore (March 31, 2022: ₹142.00 crore).

Other taxes, dues and claims

Other amounts for which the Company may contingently be liable aggregate to ₹**18,184.13** crore (March 31, 2022: ₹15,790.08 crore).

The details of significant demands are as below:

(a) Claim by a party arising out of conversion arrangement **Nil** (March 31, 2022: ₹195.79 crore). As on March 31, 2022, the Company had not acknowledged this claim and had instead filed a claim of ₹**141.23** crore (March 31, 2022: ₹141.23 crore) on the party. The matter has been settled in accordance with the terms of Settlement Agreement dated 31 October 2022 wherein TSL agreed to pay a sum of ₹42.36 crore to Indian Metal & Ferro Alloys Limited.

(b) The State Government of Odisha introduced "Orissa Rural Infrastructure and Socio Economic Development Act, 2004" with effect from February 2005 levying tax on mineral bearing land computed on the basis of value of minerals produced from the mineral bearing land. The Company had filed a writ petition in the Odisha High Court challenging the validity of the Act. The High Court held in December 2005 that the State does not have authority to levy tax on minerals. The State of Odisha filed an appeal in the Supreme Court against the order of the High Court and the case is pending in Supreme Court. The potential liability, as at March 31, 2023 is ₹**13,084.69** crore (March 31, 2022: ₹11,023.93 crore).

(c) The Company pays royalty on iron ore on the basis of quantity removed from the leased area at the rates based on notification issued by the Ministry of Mines, Government of India and the price published by Indian Bureau of Mines (IBM) on a monthly basis.

Demand of ₹411.08 crore has been raised by Deputy Director of Mines, Joda, claiming royalty at sized ore rates on despatches of ore fines. The Company has filed a revision petition on November 14, 2013 before the Mines Tribunal, Government of India, Ministry of Mines, New Delhi, challenging the legality and validity of the demand raised and also to grant refund of royalty excess paid by the Company. Mines tribunal vide its order dated November 13, 2014 has stayed the demand of royalty on iron ore for Joda east of ₹314.28 crore upto the period ending March 31, 2014. For the demand of ₹96.80 crore for April, 2014 to September, 2014, a separate revision application was filed before Mines Tribunal. The matter was heard by Mines Tribunal on July 14, 2015 and stay was granted on the total demand with directive to Government of Odisha not to take any coercive action for realisation of the demanded amount.

NOTES

forming part of the Financial Statements

35. Contingencies and commitments (Contd.)

The Hon'ble High Court of Odisha in a similar matter held the circulars based on which demands were raised to be valid. The Company has challenged the judgment of the High Court by a separate petition in the Hon'ble Supreme Court on April 29, 2016.

On July 16, 2019, the Company has filed rejoinders to the reply filed by State of Odisha against the revision petition. The State pressed for rejection of revision applications citing the judgment of the High Court. The Company represented before the authorities and explained that the judgment was passed under a particular set of facts and circumstances which cannot have blanket application on the Company considering the case of the Company is factually different. On August 7, 2019, the Mines Tribunal decided to await the outcome of Special leave petition pending before the Hon'ble Supreme Court and adjourned the matter.

RAs of TSL was listed on June 10, 2020 for virtual hearing. Hearing was adjourned to November 24, 2020. On November 24, 2020 our Counsel submitted that the present issue is pending before the Hon'ble Supreme Court of India in SLP (C) No. 7206 of 2016, M/s Mideast Integrated Steel Pvt. Ltd. Vs. State of Odisha & Ors. and hence, sought adjournment. State Counsel also agreed for the same.

On October 26, 2022, assessment order (for the period April, 2022 to September, 2022) was served, confirming that royalty will be paid for Calibrated Lump Ore and Fines at their respective prices published by IBM w.e.f. April, 2022.

Likely demand of royalty on fines at sized ore rates as on March 31, 2023 is ₹**2,696.58** crore (March 31, 2022: ₹2,859.97 crore).

(d) Demand notices were originally issued by the Deputy Director of Mines, Odisha amounting to ₹3,827.29 crore for excess production over the quantity permitted under the mining plan, environment clearance or consent to operate, pertaining to 2000-01 to 2009-10. The demand notices have been raised under Section 21(5) of the Mines & Minerals (Development and Regulations) Act, 1957 (MMDR). The Company filed revision petitions before the Mines Tribunal against all such demand notices. Initially, a stay of demands was granted, later by order dated October 12, 2017, the issue has been remanded to the state for reconsideration of the demand in the light of Supreme Court judgement passed on August 2, 2017.

The Hon'ble Supreme Court pronounced its judgement in the Common Cause case on August 2, 2017 wherein it directed that compensation equivalent to the price of mineral extracted in excess of environment clearance or without forest clearance from the forest land be paid.

In pursuance to the Judgement of Hon'ble Supreme Court, demand/show cause notices amounting to ₹3,873.35 crore have been issued during 2017-18 by the Deputy Director of Mines, Odisha and the District Mining Office, Jharkhand.

In respect of the above demands:

- as directed by the Hon'ble Supreme Court, the Company has provided and paid for iron ore and manganese ore an amount of ₹614.41 crore during 2017-18 for production in excess of environment clearance to the Deputy Director of Mines, Odisha.
- the Company has provided and paid under protest an amount of ₹56.97 crore during 2017-18 for production in excess of environment clearance to the District Mining Office, Jharkhand.

NOTES

forming part of the Financial Statements

35. Contingencies and commitments (Contd.)

- the Company has challenged the demands amounting to ₹132.91 crore in 2017-18 for production in excess of lower of mining plan and consent to operate limits raised by the Deputy Director of Mines, Odisha before the Mines Tribunal and obtained a stay on the matter. Mines Tribunal, Delhi vide order dated November 26, 2018 disposed of all the revision applications with a direction to remand it to the State Government to hear all such cases afresh and pass detailed order. On September 14, 2022, the Dy. Director of Mines, Govt. of Odisha issued a fresh demand against the Company in view of order of the State (Dept. of Steel & Mines) in Proceedings, dated September 8, 2022 directing payment of compensation amount towards unlawful production in the mines in violation of mining plan/ consent to operate limits being a valid demand to be realised from the Revisionist i.e. the Company. Appeal has also been filed against the same on November 3, 2022 with the Ministry of Mines. Demand amount of ₹**132.91** crore (March 31, 2022: ₹132.91 crore) is considered contingent.

- the Company has made a comprehensive submission before the Deputy Director of Mines, Odisha against show cause notices amounting to ₹694.02 crore received during 2017-18 for production in violation of mining plan, Environment Protection Act, 1986 and Water (Prevention & Control of Pollution) Act, 1981. A demand amounting to ₹234.74 crore has been received in April 2018 from the Deputy Director of Mines, Odisha for production in excess of the Environmental Clearance. The Company had filed Revision Application before the Mines Tribunal, challenging the demand. In December 2021, Mines Tribunal upheld the revision petition and the matter was remanded back to the State Government for fresh consideration. The state has so far not initiated any action. Based on the evaluation of the facts and circumstances, the Company has assessed and concluded that the said show cause notice of ₹694.02 crore and demand of ₹234.74 crore has not been considered as contingent liability.

- the Company based on its internal assessment has provided an amount of ₹1,412.89 crore against demand notices amounting to ₹2,140.30 crore received from the District Mining Office, Jharkhand for producing more than environment clearance and the balance amount of ₹**727.41** crore (March 31, 2022: ₹727.41 crore) is considered contingent. The Company has however been granted a stay by the Revisional Authority, Ministry of Coal, Government of India against such demand notices.

(e) An agreement was executed between the Government of Odisha (GoO) and the Company in December, 1992 for drawal of water from Kundra Nalla for industrial consumption. In December 1993, the Tahsildar, Barbil issued a show-cause notice alleging that the Company has lifted more quantity of water than the sanctioned limit under the agreement and has also not installed water meter. While the proceedings in this regard were in progress, the Company had applied for allocation of fresh limits.

NOTES

forming part of the Financial Statements

35. Contingencies and commitments (Contd.)

Over the years, there has also been a steep increase in the water charges against which the Company filed writ petitions before Hon'ble High Court of Odisha. In this regard, the Company has received a demand of ₹183.46 crore for the period starting January 1996 to November 2020.

The writ petition filed in August, 1997 was listed for hearing before the Full Bench of the Odisha High Court on May 17, 2019. SAIL, one of the petitioners, sought permission to withdraw its writ petition because the settlement was arrived with the State Government on the matter. The High Court allowed withdrawal of writ petition of SAIL and directed other parties to negotiate with the State Government. The Company has submitted its detailed representation to Principal Secretary, Water Resource Department, GoO on June 21, 2019, which is under consideration.

Later on February 6, 2023, Department of water resources, Odisha Government, issued an order, where the Company can opt for one time settlement scheme of long pending outstanding. Application under the scheme should be submitted to the Government within stipulated time i.e., within one month of issue of the order. Under this scheme, the Company should calculate outstanding demand as on March 2022 with 12% p.a. simple interest to be charged on arrear principal only. The payment made by the Company prior to March 31, 2022 shall be adjusted against the outstanding dues in the following order – interest, penalty and principal. In this regard, the Company has computed and provided amount of ₹37.00 crore as per the scheme in the books.

The potential exposure as on March 31, 2023 is **Nil** (March 31, 2022: ₹262.13 crore) is considered as contingent.

B. Commitments

(a) The Company has entered into various contracts with suppliers and contractors for the acquisition of plant and machinery, equipment and various civil contracts of capital nature amounting to ₹**11,955.56** crore (March 31, 2022: ₹8,699.11 crore).

Other commitments as at March 31, 2023 amount to ₹**0.01** crore (March 31, 2022: ₹0.01 crore).

(b) The Company has given undertakings to:

(i) IDBI not to dispose of its investment in Wellman Incandescent India Ltd.

(ii) IDBI and ICICI Bank Ltd. (formerly ICICI) not to dispose of its investment in Standard Chrome Ltd

(c) The Company and Bluescope Steel Limited had given undertaking to State Bank of India not to reduce collective shareholding in Tata Bluescope Steel Private Limited (TBSPL), below 51% without prior consent of the lender. Further, the Company had given an undertaking to State Bank of India to intimate them before diluting its shareholding in TBSPL below 50%.

During the year ended March 31, 2021, the Company after obtaining a 'no objection certificate' from the lenders of TBSPL, had transferred its stake of 50% in TBSPL to its 100% owned subsidiary Tata Steel Downstream Products Limited.

(d) The Company, as a promoter, has pledged **Nil** (March 31, 2022: 4,41,55,800) equity shares of Industrial Energy Limited ("IEL") with Infrastructure Development Finance Corporation Limited ("IDFC"). IEL has repaid the entire loan taken from IDFC in financial year 2020-21.

NOTES

forming part of the Financial Statements

35. Contingencies and commitments (Contd.)

(e) The Company has given guarantees aggregating ₹**10,848.37** crore (March 31, 2022: ₹9,866.85 crore) details of which are as below:

(i) in favour of Commissioner Customs for ₹**1.07** crore (March 31, 2022: ₹1.07 crore) given on behalf of Timken India Limited in respect of goods imported.

(ii) in favour of The President of India for ₹**167.55** crore (March 31, 2022: ₹177.18 crore) against performance of export obligation under the various bonds executed by a joint venture Jamshedpur Continuous Annealing & Processing Company Private Limited.

(iii) in favour of State Bank of India and ICICI Bank for ₹**429.45** crore (March 31, 2022: ₹429.66) guaranteeing the financial liability of a subsidiary Tata Steel Mining Limited, for the purpose of availing banking facility for the business operations including working capital & capital expenditure, performance contract and security for bidding for auctions with respect to mines.

(iv) in favour of the note holders against due and punctual repayment of the 100% amounts outstanding as on March 31, 2023 towards issued Guaranteed Notes by a subsidiary, ABJA Investment Co. Pte Ltd. for ₹**8,218.25** crore (March 31, 2022: ₹7,579.75 crore) and ₹**1,853.74** crore (March 31, 2022: ₹1,679.04 crore). The guarantee is capped at an amount equal to 125% of the outstanding principal amount of the Notes as detailed in "Terms and Conditions" of the Offering Memorandum.

(v) in favour of ICICI Bank for ₹**0.16** crore (March 31, 2022: Nil) guaranteeing the financial liability of a subsidiary BPPL for the purpose of availing banking facility for BPPL's business operations including working capital and performance contract.

(vi) in favour of SBI Bank for ₹**78.60** crore (March 31, 2022: Nil) guaranteeing the financial liability of a subsidiary TSDPL for the purpose of availing banking facility for TSDPL's business operations including working capital and performance contract.

(vii) in favour of ICICI Bank for ₹**99.40** crore (March 31, 2022: Nil) guaranteeing the financial liability of a subsidiary TCIL for the purpose of availing banking facility for TCIL's business operations including working capital and performance contract.

(viii) in favour of President of India for ₹**0.15** crore (March 31, 2022: ₹0.15 crore) against advance license.

36. Other significant litigations

(a) Odisha Legislative Assembly issued an amendment to Indian Stamp Act, 1889, on May 9, 2013 and inserted a new provision (Section 3A) in respect of stamp duty payable on grant/renewal of mining leases. As per the amended provision, stamp duty is levied equal to 15% of the average royalty that would accrue out of the highest annual extraction of minerals under the approved mining plan multiplied by the period of such mining lease. The Company had filed a writ petition challenging the constitutionality of the Act on July 5, 2013. The Hon'ble High Court, Cuttack passed an order on July 9, 2013 granting interim stay on the operation of the Amendment Act, 2013. Because of the stay, as on date, the Act is not enforceable and any demand received by the Company is not liable to be proceeded with. Meanwhile, the Company received demand notices for the various mines at Odisha totalling to ₹**5,579.00** crore (March 31, 2022: ₹5,579.00 crore). The Company has concluded that it is remote that the claim will sustain on ultimate resolution of the legal case by the court.

NOTES
forming part of the Financial Statements

36. Other significant litigations (Contd.)

In April 2015, the Company has received an intimation from Government of Odisha, granting extension of validity period for leases under the MMDR Amendment Act, 2015 up to March 31,2030 in respect of eight mines and up to March 31, 2020 for two mines subject to execution of supplementary lease deed. Liability has been provided in the books of accounts as on March 31, 2020 as per the existing provisions of the Stamp Act 1899 and the Company had paid the stamp duty and registration charges totalling ₹413.72 crore for supplementary deed execution in respect of eight mines out of the above mines.

(b) Noamundi Iron Ore Mine of the Company was due for its third renewal with effect from January 1, 2012. The application for renewal was submitted by the Company within the stipulated time, but it remained pending consideration with the State and the mining operations were continued in terms of the prevailing law.

By a judgement of April 2014 in the case of Goa mines, the Supreme Court took a view that second and subsequent renewal of mining lease can be effected once the State considers the application and decides to renew the mining lease by issuing an express order. State of Jharkhand issued renewal order to the Company on December 31, 2014. The State, however, took a view on interpretation of Goa Mines judgement that the mining carried out after expiry of the period of second renewal was 'illegal' and hence, issued a demand notice of ₹3,568.31 crore being the price of iron ore extracted. The said demand has been challenged by the Company before the Jharkhand High Court.

The mining operations were suspended from August 1, 2014. Upon issuance of an express order, Company paid ₹152.00 crore under protest, so that mining can be resumed.

The Mines and Minerals Development and Regulation (MMDR) Amendment Ordinance, 2015 promulgated on January 12, 2015 provides for extension of such mining leases whose applications for renewal have remained pending with the State(s). Based on the new Ordinance, Jharkhand Government revised the Express Order on February 12, 2015 for extending the period of lease up to March 31, 2030 with the following terms and conditions:

- value of iron ore produced by alleged unlawful mining during the period January 1, 2012 to April 20, 2014 for ₹2,994.49 crore to be decided on the basis of disposal of our writ petition before Hon'ble High Court of Jharkhand.
- value of iron ore produced from April 21, 2014 to July 17, 2014 amounting to ₹421.83 crore to be paid in maximum 3 instalments.
- value of iron ore produced from July 18, 2014 to August 31, 2014 i.e. ₹152.00 crore to be paid immediately.

NOTES

forming part of the Financial Statements

36. Other significant litigations (Contd.)

District Mining Officer Chaibasa on March 16, 2015 issued a demand notice for payment of ₹421.83 crore, in three monthly instalments. The Company on March 20, 2015 replied that since the lease had been extended by application of law till March 31, 2030, the above demand is not tenable. The Company, had paid ₹50.00 crore under protest on July 27, 2015, because the State had stopped issuance of transit permits.

The Company filed another writ petition before the Hon'ble High Court of Jharkhand which was heard on September 9, 2015. An interim order was given by the Hon'ble High Court of Jharkhand on September 17, 2015 wherein the Court had directed the Company to pay the amount of ₹371.83 crore in 3 equal instalments, first instalment by October 15, 2015, second instalment by November 15, 2015 and third instalment by December 15, 2015.

In view of the interim order of the Hon'ble High Court of Jharkhand ₹124.00 crore was paid on September 28, 2015, ₹124.00 crore on November 12, 2015 and ₹123.83 crore on December 14, 2015 under protest.

The case is pending before the Hon'ble High court for disposal. The State issued similar terms and conditions to other mining lessees in the State rendering the mining as illegal. Based on the Company's assessment of the Goa mines judgement read with the Ordinance issued in the year 2015, the Company believes that it is remote that the demand of the State would sustain.

(c) The Supreme Court of India vide its order dated September 24, 2014, cancelled the coal blocks allocated to various entities which includes one coal block allocated to the Tata Steel BSL Limited (entity merged with the Company) which were under development. Subsequently, the Government of India had issued the Coal Mines (Special Provision) Act 2015 , which inter-alia deal with the payment of compensation to the affected parties in regard to investment in coal blocks. The receivable in respect of de-allocated coal block amounts to ₹414.56 crore (net of provision of ₹138.74 crore). The Company had filed its claim for compensation with the Government of India, Ministry of Coal. Pursuant to letter dated November 22, 2019, Ministry of Coal ('MoC') informed that all statutory license, consent approvals, permission required for undertaking of Coal mining operations in New Patrapara Coal Mine now vested to Singareni Collieries Company Ltd. MoC /Union of India, filed supplementary affidavit dated February 11, 2020 before Delhi High Court vide which it had informed that payment of compensation can be paid to prior allottee after the mine is successfully allotted and compensation is deposited by successful allottee, following the sequence mentioned in section 9 of Coal Mine (Special Provisions) Act, 2015. It was informed that New Patrapara Coal Mine had been allocated to Singareni Collieris Company Ltd (SCCL, a state Government Undertaking) and compensation to the prior allottee to be released. MoC vide order dated May 17, 2021 had directed SCCL to pay aforesaid compensation to TSBSL (entity merged with the Company). Union of India filed affidavit dated March 6, 2023 before High Court vide which it had informed that the successful allottee i.e M/s SCCL has surrendered the New Patrapara Coal Block. High Court directed MoC and Odisha Industrial Infrastructure Development Corporation (IDCO) to file updated status report outlining the amount payable to the prior allottee and indicate the date by which amount could be disbursed.

NOTES
forming part of the Financial Statements

37. Capital management

The Company's capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings and issue of non-convertible debt securities.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings including lease obligations 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.

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Equity share capital	1,222.40	1,222.37
Other equity	1,33,575.11	1,24,211.39
Total equity (A)	**1,34,797.51**	**1,25,433.76**
Non-current borrowings	30,880.89	20,290.81
Non-current lease obligations	3,649.33	3,726.90
Current borrowings	7,298.12	11,984.66
Current lease obligations	544.05	522.14
Gross debt (B)	**42,372.39**	**36,524.51**
Total capital (A+B)	**1,77,169.90**	**1,61,958.27**
Gross debt as above	42,372.39	36,524.51
Less: Current investments	2,050.40	96.11
Less: Cash and cash equivalents	858.98	2,671.59
Less: Other balances with banks (including non-current earmarked balances)	293.54	263.30
Net debt (C)	**39,169.47**	**33,493.51**
Net debt to equity [(i)]	**0.30**	**0.30**

(i) Net debt to equity ratio as at March 31, 2023 and March 31, 2022 has been computed based on average of opening and closing equity.

NOTES
forming part of the Financial Statements

38. Business combinations

(i) On July 26, 2022, the Company completed the acquisition of itemised assets of Stork Ferro Alloys and Mineral Industries Private Limited ("SFML") to produce ferro alloys. The asset acquisition will provide an inorganic growth opportunity for Tata Steel Limited to augment its ferro alloys processing capacities. The asset acquisition was carried out for a purchase consideration of ₹155.00 crore. The acquisition has been accounted for in accordance with Ind AS 103 - "Business Combinations".

Fair value of identifiable assets acquired, and liabilities assumed as on the date of acquisition is as below:

(₹ crore)

	Fair value as on acquisition date
Non-current assets	
Property, plant and equipment	138.55
Right-of-use assets	17.94
Total assets [A]	**156.49**
Non-Current liabilities	
Lease liabilities	4.56
Other liabilities	0.15
Total liabilities [B]	**4.71**
Fair value of identifiable net assets acquired [C=A-B]	**151.78**

(₹ crore)

	Fair value as on acquisition date
Cash consideration paid	130.00
Deferred consideration	25.00
Total consideration paid [D]	**155.00**
Goodwill [D-C]	**3.22**

(ii) Goodwill is attributable to the benefit of expected synergies, revenue growth and future market developments. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

(iii) From the date of acquisition, SFML has contributed ₹**28.42** crore to revenue from operations and a loss of ₹**16.07** crore to profit before tax.

Had the acquisition been effected at April 1, 2022, the revenue of the Company would have been higher by ₹**13.24** crore and profit would have been lower by ₹**6.50** crore.

NOTES
forming part of the Financial Statements

39. Disclosures on financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(n), page F34 to the financial statements.

(a) 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.

As at March 31, 2023

(₹ crore)

	Amortised cost	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
Financial assets:							
Cash and bank balances	1,152.52	-	-	-	-	1,152.52	1,152.52
Trade receivables	3,351.72	-	-	-	-	3,351.72	3,351.72
Investments	13,983.08	1,316.20	-	-	2,135.88	17,435.16	15,492.96
Derivatives	-	-	185.81	299.80	-	485.61	485.61
Loans	35,970.29	-	-	-	-	35,970.29	29,063.18
Other financial assets	2,949.13	-	-	-	-	2,949.13	2,949.13
	57,406.74	**1,316.20**	**185.81**	**299.80**	**2,135.88**	**61,344.43**	**52,495.12**
Financial liabilities:							
Trade payables	18,082.40	-	-	-	-	18,082.40	18,082.40
Borrowings other than lease obligations	38,179.01	-	-	-	-	38,179.01	38,161.84
Derivatives	-	-	16.78	48.80	-	65.58	65.58
Other financial liabilities	6,734.96	-	-	-	-	6,734.96	6,734.96
	62,996.37	**-**	**16.78**	**48.80**	**-**	**63,061.95**	**63,044.78**

NOTES

forming part of the Financial Statements

39. Disclosures on financial instruments (Contd.)

As at March 31, 2022

(₹ crore)

	Amortised cost	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
Financial assets:							
Cash and bank balances	2,934.89	-	-	-	-	2,934.89	2,934.89
Trade receivables	3,280.30	-	-	-	-	3,280.30	3,280.30
Investments	12,710.54	1,509.79	-	-	109.83	14,330.16	14,330.16
Derivatives	-	-	109.56	113.19	-	222.75	222.75
Loans	32,563.28	-	-	-	-	32,563.28	32,563.28
Other financial assets	1,850.51	-	-	-	-	1,850.51	1,850.51
	53,339.52	**1,509.79**	**109.56**	**113.19**	**109.83**	**55,181.89**	**55,181.89**
Financial liabilities:							
Trade payables	21,091.14	-	-	-	-	21,091.14	21,091.14
Borrowings other than lease obligations	32,275.47	-	-	-	-	32,275.47	33,092.94
Derivatives	-	-	28.29	63.37	-	91.66	91.66
Other financial liabilities	6,020.77	-	-	-	-	6,020.77	6,020.77
	59,387.38	**-**	**28.29**	**63.37**	**-**	**59,479.04**	**60,296.51**

(i) Investments in mutual funds and derivative instruments (other than those designated in a hedging relationship) are mandatorily classified as fair value through profit and loss.

(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual funds.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes the Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This Level includes investment in unquoted equity shares and preference shares.

NOTES
forming part of the Financial Statements

39. Disclosures on financial instruments (Contd.)

(₹ crore)

	As at March 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in mutual funds	2,050.40	-	-	2,050.40
Investments in equity shares	988.94	-	327.26	1,316.20
Investments in preference shares	-	-	85.48	85.48
Derivative financial assets	-	485.61	-	485.61
	3,039.34	**485.61**	**412.74**	**3,937.69**
Financial liabilities:				
Derivative financial liabilities	-	65.58	-	65.58
	-	**65.58**	**-**	**65.58**

(₹ crore)

	As at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in mutual funds	96.11	-	-	96.11
Investments in equity shares	1,182.53	-	327.26	1,509.79
Investments in preference shares	-	-	13.72	13.72
Derivative financial assets	-	222.75	-	222.75
	1,278.64	**222.75**	**340.98**	**1,842.37**
Financial liabilities:				
Derivative financial liabilities	-	91.66	-	91.66
	-	**91.66**	**-**	**91.66**

(i) Current financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) Investments carried at fair value are generally based on market price quotations. Investments in equity and preference shares included in Level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value. Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

(iv) Fair value of borrowings which have a quoted market price in an active market is based on its market price which is categorised as Level 1. Fair value of borrowings which do not have an active market or are unquoted is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities which is categorised as Level 2 in the fair value hierarchy.

(v) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

NOTES

forming part of the Financial Statements

39. Disclosures on financial instruments (Contd.)

(vi) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2023 and March 31, 2022.

(vii) Reconciliation of Level 3 fair value measurement is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	340.98	352.37
Additions during the year	40.77	13.72
Fair value changes through profit or loss	30.99	-
Reclassification during the year*	-	(25.11)
Balance at the end of the year	**412.74**	**340.98**

* represents investment held in preference shares of a subsidiary, measured at fair value through profit and loss, reclassified as investments in subsidiaries.

(c) Derivative financial instruments

Derivative instruments used by the Company include forward exchange contracts, interest rate swaps, currency swaps, options and interest rate caps and collars. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" wherever possible. The Company does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

The following table sets out the fair value of derivatives held by the Company as at the end of each reporting period:

(₹ crore)

	As at March 31, 2023		As at March 31, 2022	
	Assets	Liabilities	Assets	Liabilities
(a) Foreign currency forwards, swaps and options	301.44	65.58	115.66	91.66
(b) Interest rate swaps and collars	184.17	-	107.09	-
	485.61	**65.58**	**222.75**	**91.66**
Classified as:				
Non-current	403.40	-	133.21	10.18
Current	82.21	65.58	89.54	81.48

As at the end of the reporting period total notional amount of outstanding foreign currency contracts, interest rate swaps and collars that the Company has committed to is as below:

(US$ million)

	As at March 31, 2023	As at March 31, 2022
(i) Foreign currency forwards, swaps and options	2,004.89	3,170.68
(ii) Interest rate swaps and collars	440.00	440.00
	2,444.89	**3,610.68**

NOTES
forming part of the Financial Statements

39. Disclosures on financial instruments (Contd.)

(d) Transfer of financial assets

The Company transfers certain trade receivables under discounting arrangements with banks/financial institutions. Some of such arrangements do not qualify for de-recognition due to recourse arrangements being in place. Consequently, the proceeds received from transfer are recorded as short-term borrowings from banks and financial institutions. As at March 31, 2023 and March 31, 2022, there has been no such transfer of trade receivables.

(e) Financial risk management

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.

(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(i) Market risk:

Market risk is the risk of any loss in future earnings, in realising fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(a) Market risk - Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

The Company, as per its risk management policy, uses foreign exchange forwards and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

A 10% appreciation/depreciation of foreign currencies with respect to functional currency of the Company would result in an increase/decrease in the Company's net profit/equity before considering tax impacts by approximately ₹**3,380.99** crore for the year ended March 31, 2023 (March 31, 2022: ₹3,103.46 crore).

The foreign exchange rate sensitivity is calculated by assuming a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the Company.

The sensitivity analysis has been based on the composition of the Company's financial assets and liabilities as at March 31, 2023 and March 31, 2022 excluding trade payables, trade receivables, other derivative and non-derivative financial instruments not forming part of debt and which do not present a material exposure. The period end balances are not necessarily representative of the average balance outstanding during the period.

(b) Market risk - Interest rate risk:

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations.

Based on the composition of debt as at March 31, 2023 and March 31, 2022, a 100 basis points increase

NOTES
forming part of the Financial Statements

39. Disclosures on financial instruments (Contd.)

in interest rates would increase the Company's finance costs (before considering interest eligible for capitalisation) and consequently reduce net profit/equity before considering tax impacts by approximately ₹**200.67** crore for the year ended March 31, 2023 (2021-22: ₹127.94 crore).

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

(c) **Market risk - Equity price risk:**

Equity price risk is related to change in market reference price of investments in equity securities held by the Company.

The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes.

The fair value of quoted investments in equity, classified as fair value through other comprehensive income as at March 31, 2023 and March 31, 2022 was ₹**988.94** crore and ₹1,182.53 crore, respectively.

A 10% change in equity prices of such securities held as at March 31, 2023 and March 31, 2022, would result in an impact of ₹**98.89** crore and ₹118.25 crore respectively on equity before considering tax impact.

(ii) Credit risk:

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

The Company has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults.

Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments in debt securities and mutual funds, balances with bank, bank deposits, derivatives and financial guarantees provided by the Company. None of the financial instruments of the Company result in material concentration of credit risk except investment in preference shares made by the Company in its subsidiary companies and loans provided to a wholly owned subsidiary.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹**59,976.59** crore and ₹53,622.75 crore, as at March 31, 2023 and March 31, 2022 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments in debt securities, mutual funds, loans, derivative assets and other financial assets.

The risk relating to trade receivables is presented in note 12, page F66.

The Company's exposure to customers is diversified and no single customer, other than a subsidiary contributes to more than 10% of outstanding trade receivables as at March 31, 2023 and March 31, 2022.

In respect of financial guarantees provided by the Company to banks/financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

(iii) Liquidity risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company have access to undrawn lines of committed and uncommitted borrowing/ facilities, funds from debt markets through commercial paper programs, non-

NOTES
forming part of the Financial Statements

39. Disclosures on financial instruments (Contd.)

convertible debentures and other debt instruments. The Company invests its surplus funds in bank fixed deposits and in mutual funds, which carry no or low market risk.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

The Company's liquidity position remains strong at ₹**19,968.92** crore as at March 31, 2023, comprising ₹**3,202.92** crore in the form of current investments, cash and cash equivalents and other balances with banks (including non-current earmarked balances) and ₹**16,766.00** crore in committed undrawn bank lines.

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company's derivative and non- derivative financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period. Cash flows in foreign currencies are translated using the period end spot rates:

(₹ crore)

	As at March 31, 2023				
	Carrying value	Contractual cash flows	Less than one year	Between one to five years	More than five years
Non-derivative financial liabilities:					
Borrowings other than lease obligation including interest obligations	38,887.12	53,526.26	10,105.14	19,853.41	23,567.71
Lease obligations including interest obligations	4,233.67	7,516.98	544.05	3,342.71	3,630.22
Trade payables	18,082.40	18,082.40	18,082.40	-	-
Other financial liabilities	5,986.56	6,304.62	5,057.75	788.02	458.85
	67,189.75	**85,430.26**	**33,789.34**	**23,984.14**	**27,656.78**
Derivative financial liabilities	**65.58**	**65.58**	**65.58**	**-**	**-**

(₹ crore)

	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 other than lease obligation including interest obligations	32,812.21	40,185.40	13,521.23	14,301.23	12,362.94
Lease obligations including interest obligations	4,281.28	7,806.98	990.52	2,711.25	4,105.21
Trade payables	21,091.14	21,091.14	21,091.14	-	-
Other financial liabilities	5,451.79	5,451.79	4,568.56	651.79	231.44
	63,636.42	**74,535.31**	**40,171.45**	**17,664.27**	**16,699.59**
Derivative financial liabilities	**91.66**	**91.66**	**81.48**	**10.18**	**-**

NOTES

forming part of the Financial Statements

39. Disclosures on financial instruments (Contd.)

(f) The details of financial assets and liabilities held by the Company as per amendments on account of interest rate benchmark reforms which are indexed to Interbank offered rates (IBOR) as at March 31, 2023 and March 31, 2022 are as below:

As at March 31, 2023

(₹ crore)

	Carrying value as at March 31, 2023		Of which: Have yet to transition to an alternative benchmark interest rate as at March 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Non-derivative instruments:				
Intercorporate deposits to group companies	33,813.98	-	32,170.53	-
Long-term borrowings	-	3,616.03	-	3,616.03
Short-term coal purchase arrangements	-	4,004.72	-	-
	33,813.98	**7.620,75**	**32,170.53**	**3,616.03**
Derivative Instruments:				
MTM of derivative assets/ liabilities exposed to USD LIBOR	184.17	-	184.17	-
	184.17	**-**	**184.17**	**-**

As at March 31, 2023

(₹ crore)

	Carrying value as at March 31, 2022		Of which: Have yet to transition to an alternative benchmark interest rate as at March 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Non-derivative instruments:				
Intercorporate deposits to group companies	31,183.47	-	29,667.87	-
Long-term borrowings	-	3,335.09	-	3,335.09
Short-term coal purchase arrangements	-	1,433.89	-	1,433.89
	31,183.47	**4,768.98**	**29,667.87**	**4,768.98**
Derivative Instruments:				
MTM of derivative assets/ liabilities exposed to USD LIBOR	110.63	8.90	110.63	8.90
	110.63	**8.90**	**110.63**	**8.90**

40. Segment reporting

The Company is primarily engaged in the business of manufacture and distribution of steel products and is operated out of India. In accordance with Ind AS 108 "Operating Segments", the Company has presented segment information on the basis of its consolidated financial statements which forms a part of this report.

NOTES
forming part of the Financial Statements

41. Related party transactions

The Company's related parties primarily consist of its subsidiaries, associates, joint ventures and Tata Sons Private Limited including its subsidiaries and joint ventures. The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms.

The following table summarises related party transactions and balances included in the financial statements of the Company for the year ended as at March 31, 2023 and March 31, 2022:

(₹ crore)

	Subsidiaries	Associates	Joint Ventures	Tata Sons Private Limited, its subsidiaries and joint ventures	Total
Purchase of goods	**39,672.82**	**44.54**	**311.93**	**339.90**	**40,369.19**
	26,063.59	*33.14*	*269.16*	*412.26*	*26,778.15*
Sale of goods#	**11,474.59**	**4.75**	**5,337.08**	**153.96**	**16,970.38**
	11,968.38	*3.88*	*4,555.60*	*351.03*	*16,878.89*
Services received	**3,220.57**	**70.00**	**1,919.40**	**477.61**	**5,687.58**
	2,463.32	*41.12*	*1,525.32*	*493.86*	*4,523.62*
Services rendered	**492.46**	**0.11**	**27.48**	**1.07**	**521.12**
	189.55	*0.04*	*23.88*	*34.21*	*247.68*
Interest income recognised	**2,603.67**	**9.03**	**0.00**	**-**	**2,612.70**
	862.50	-	-	-	*862.50*
Dividend paid(vi)	**5.96**	**-**	**-**	**2,061.39**	**2,067.35**
	2.92	-	-	*1,011.07*	*1,013.99*
Dividend received	**234.93**	**-**	**26.83**	**12.38**	**274.14**
	113.89	-	*109.64*	*12.54*	*236.07*
Provision/(reversal) recognised for receivables during the year	**1.13**	**(99.88)**	**(0.20)**	**0.04**	**(98.91)**
	(4.00)	*99.95*	*(0.71)*	-	*95.24*
Management contracts*	**145.05**	**5.57**	**13.92**	**102.27**	**266.81**
	78.29	*5.43*	*8.18*	*148.42*	*240.32*
Sale of investments	**1,112.41**	**-**	**-**	**-**	**1,112.41**
	760.76	-	-	-	*760.76*
Finance provided during the year (net of repayments)	**2,071.28**	**164.00**	**-**	**-**	**2,235.28**
	35,439.67	*100.00*	*0.46*	-	*35,540.13*

NOTES

forming part of the Financial Statements

41. Related party transactions (Contd.)

(₹ crore)

	Subsidiaries	Associates	Joint Ventures	Tata Sons Private Limited, its subsidiaries and joint ventures	Total
Outstanding loans and receivables	**40,460.79**	**2.79**	**130.11**	**50.42**	**40,644.11**
	35,302.03	*119.81*	*131.92*	*27.25*	*35,581.01*
Provision for outstanding loans and receivables	**655.40**	**0.15**	**1.48**	**0.09**	**657.12**
	654.27	*100.03*	*1.65*	*0.05*	*756.00*
Outstanding payables	**8,849.24**	**21.56**	**348.52**	**207.23**	**9,426.55**
	13,267.52	*8.95*	*317.22*	*172.09*	*13,765.78*
Guarantees provided outstanding	**10,679.60**	**-**	**167.55**	**-**	**10,847.15**
	9,738.75	-	*177.18*	-	*9,915.93*
Purchase of Assets	**6.39**	**-**	**-**	**-**	**6.39**
	1.95	-	-	-	*1.95*
Sale of Fixed Assets	**10.27**	**-**	**-**	**-**	**10.27**
	1.05	-	-	-	*1.05*

Figures in italics represents comparative figures of previous year.

#Includes sale of power and water

*Primarily includes recharges on account of deputation of employees and brand equity due to Tata Sons Private Limited.

(i) The details of remuneration paid to key managerial personnel and payment to non-executive directors are provided in note 28, page F89 & note 31, page F90 respectively.

The Company has paid dividend of ₹**1,73,298.00** (2021-22: ₹84,950.00) to key managerial personnel and ₹**33,609.00** (2021-22: ₹16,475.00) to relatives of key managerial personnel during the year ended March 31, 2023.

(ii) During the year ended March 31, 2023, the Company has contributed ₹**548.76** crore (2021-22: ₹308.89 crore) to post employment benefit plans.

As at March 31, 2023, amount receivable from post-employment benefit fund is ₹**137.98** crore (March 31, 2022: ₹171.30 crore) on account of retirement benefit obligations paid by the Company directly.

(iii) Details of investments made by the Company in preference shares of its subsidiaries and associates is disclosed in note 6, page F50.

(iv) Commitments with respect to subsidiaries, associates and joint ventures is disclosed in note 35B, page F104.

(v) Transactions with joint ventures have been disclosed at full value and not at their proportionate share.

(vi) Dividend paid includes ₹**2,022.19** crore (2021-22: ₹991.27 crore) paid to Tata Sons Private Limited.

NOTES
forming part of the Financial Statements

42. Financial ratios

The ratios as per the latest amendment to Schedule III are as below:

		Year ended on March 31, 2023	Year ended on March 31, 2022
(1)	**Current ratio^** (Total current assets / Current liabilities) [Current liabilities: Total current liabilities - Current maturities of non-current borrowings and lease obligations]	0.86	0.62
(2)	**Net debt equity ratio** (Net debt / Average equity) [Net debt: Non-current borrowings + Current borrowings + Non-current and current lease liabilities - Current investments - Cash and cash equivalents - Other balances with banks (including non-current earmarked balances)] [Equity: Equity share capital + Other equity + Hybrid perpetual securities]	0.30	0.30
(3)	**Debt service coverage ratio#** (EBIT / (Net finance charges + Interest income from group companies + Scheduled principal repayments of non-current borrowings and lease obligations (excluding prepayments) during the period)) [EBIT : Profit before taxes +/(-) Exceptional items + Net finance charges] [Net finance charges: Finance costs (excluding interest on current borrowings) - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments]	3.90	14.36
(4)	**Return on Equity (%)#** (Profit after tax (PAT)/Average Equity) [Equity: Equity share capital + Other equity + Hybrid perpetual securities]	11.91	29.93
(5)	**Inventory turnover ratio (in days)#** (Average inventory / Sale of products in days)	59	47
(6)	**Debtors turnover ratio (in days)** (Average trade receivables / Turnover in days) [Turnover: Revenue from operations]	9	9
(7)	**Trade payables turnover ratio (in days)** (Average Trade Payables / Expenses) [Expenses: Total Expenses - Finance Cost - Depreciation and Amortisation Expense – Employee Benefit Expenses in respect of Retirement Benefits – Other expenses with respect to Royalty, Rates & Taxes, Provision for Doubtful Debts & Advances, Provision for Impairment and Foreign Exchange Gain/Loss]	73	89
(8)	**Net capital turnover ratio (in days)** (Average Working Capital / Turnover) [Working Capital: Current Assets - Current Liabilities] [Current Liabilities: Total Current liabilities - Current maturities of non-current borrowings and lease obligations] [Turnover: Revenue from operations]	*	*
(9)	**Net profit ratio (%)#** (Net profit after tax / Turnover) [Turnover: Revenue from operations]	12.01	25.59
(10)	**Return on Capital Employed (%)#** (EBIT/Average Capital Employed) [Capital Employed: Equity share capital + Other equity + Hybrid perpetual securities + Non current borrowings + Current borrowings + Current maturities of non-current borrowings and lease obligations + Deferred tax liabilities] [EBIT : Profit before taxes +/(-) Exceptional items + Net finance charges] [Net finance charges: Finance costs - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments]	12.78	29.59
(11)	**Return on investment (%)@** (Net gain/(loss) on sale/fair value changes of mutual funds/Average investment funds in current investments)	12.31	5.08

* Net working capital is negative

^ The variation in current ratio as at March 31, 2023 as compared to March 31, 2022 is primarily due to temporary decrease in current borrowings and trade payables

Variation in coverage, turnover and other profitability ratios is primarily due to decrease in profitability during the year ended March 31, 2023.

@ Variation in return on investment ratio is primarily due to lower average value of investment.

NOTES

forming part of the Financial Statements

43. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

44. The erstwhile Tata Steel BSL Limited was eligible under Package Scheme of Incentives, 1993, and accordingly as per the provisions of the Scheme it had obtained eligibility certificate from Directorate of Industries. As per the Scheme the Tata Steel BSL Limited has an option to defer the payment of sales tax for a period of fourteen years upto a specified limit (twenty-one years in case the specified limit is not availed in fourteen years). The said tax collected shall be paid after fourteen years in five annual equal instalments and has been recognised as deferred sales tax liability, which as at March 31, 2023 amounts to ₹**24.85** crore (March 31, 2022: ₹22.33 crore). Post-introduction of GST, the Maharashtra government modified the scheme, whereby the Company needs to deposit the GST and claim refund of the same. During the year, the Company has recognised ₹**62.75** crore (2021-22: ₹201.21 crore) as an income on account of such scheme.

45. The Board of Directors of the Company had considered and approved amalgamation of Tata Steel Long Products Limited ("TSLP"), Tata Metaliks Limited ("TML"), The Tinplate Company of India Limited ("TCIL"), TRF Limited ("TRF"), The Indian Steel & Wire Products Limited ("ISWP"), Tata Steel Mining Limited ("TSML") and S & T Mining Company Limited ("S & T Mining") into and with the Company by way of separate schemes of amalgamation and had recommended a share exchange ratio /cash consideration. The equity shareholders of the entities will be entitled to fully paid-up equity shares of the Company or cash consideration in the ratio as set out in the scheme. As part of the scheme of amalgamations, equity shares and preference shares, if any, held by the Company in the above entities shall stand cancelled. No shares of the Company shall be issued, nor any cash payment shall be made whatsoever by the Company in lieu of cancellation of shares of TSML and S & T Mining (both being wholly owned subsidiary companies). The proposed amalgamations will enhance management efficiency, drive sharper strategic focus and improve agility across businesses based on the strong parental support from the Company's leadership. The amalgamations will also drive synergies through operational efficiencies, raw material security and better facility utilisation.

As part of defined regulatory process, the schemes of TSLP into and with the Company, TCIL into and with the Company, TML into and with the Company, TRF into and with the Company and ISWP into and with the Company have received approval(s) from stock exchanges and Security Exchange Board of India. Further the schemes, have been filed and are pending with the Hon'ble National Company Law Tribunal.

46. The Board of Directors of the Company had considered and approved the scheme of amalgamation of Angul Energy Limited ("AEL") into and with the Company by way of a scheme of amalgamation and had recommended a cash consideration for every fully paid-up equity share held by the shareholders (except the Company) in AEL as set out in the scheme. Upon the scheme coming into effect, the entire paid-up share capital of AEL shall stand cancelled in its entirety.

The amalgamation will ensure consolidation of all power assets under a single entity, which will increase system agility for power generation and allocation. It will help the Company to improve its plant reliability, ensuring steady source of power supply while optimising cost. Further, such restructuring will lead to simplification of group structure by eliminating multiple companies in similar operation, optimum use of infrastructure, rationalisation of cost in the areas of operations and administrative overheads, thereby maximising shareholder value of the Company post amalgamation.

The scheme is subject to defined regulatory approval process, which would require approval by stock exchanges and the Hon'ble National Company Law Tribunal.

NOTES
forming part of the Financial Statements

47. Disclosure for struck off companies

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:

(₹ crore)

Name of struck off Company	Nature of transactions with struck-off Company	Balance as at March 31, 2023	Balance as at March 31, 2022	Relationship with the struck-off Company
Arya Fuels Private Limited	Sale of goods	0.00*	-	Advance from Customer
BBR (India) Pvt Ltd.		0.28	-	
Aquatech Systems (Asia) Private Limited	Purchase of goods and receiving of services	-	11.75	Vendor
Sinha Aviation Service Private Limited	Receiving of services	0.06	0.01	
BRAINWISE INFOTECH		0.00*	-	
LIFTVEL INDUSTRIES		0.01	-	
E & J Golden India Private Limited		-	0.00*	Advance to vendor
Other entities(i)	Subscription to equity shares	-	0.01	Equity shareholder

* Represents value less than ₹0.01 crore

(i) Details of other struck off entities holding equity shares in the Company are as below:

Name of struck off Company	No. of shares held	Paid-up as at March 31, 2023 (₹)	Paid-up as at March 31, 2022 (₹)
(1) Agro Based Industries Ltd	1,450	1,450.00	1,450.00
(2) Anand Growth Fund Pvt. Ltd.	1,330	1,330.00	1,330.00
(3) Anileksha Investments Pvt Ltd	2,250	2,250.00	2,250.00
(4) Bejo Sheetal Seeds (Karnataka) Private Limited	750	750.00	-
(5) Bennett Coleman. & Co. Ltd	7,950	7,950.00	7,950.00
(6) Bhagirathi Protein Ltd	6,500	6,500.00	6,500.00
(7) Bhansali & Co (Exports) Pvt Ltd	60	60.00	60.00
(8) Bharat Solite Limited	10	10.00	10.00
(9) Bindawala Builders Pvt Ltd	-	-	1,790.00
(10) Burdwan Holdings Pvt Ltd	3,150	3,150.00	3,150.00
(11) Chaityadeep Investments Pvt Ltd	2,110	2,110.00	2,110.00
(12) Chanakya Service Station Private Limited	16,500	16,500.00	16,500.00
(13) Dashtina Investments Private Limited	400	400.00	400.00
(14) Deegeeson Impex Pvt Ltd	-	-	300.00
(15) Desai Holdings Limited	750	750.00	750.00
(16) Dhanastra Investments Limited	13,500	13,500.00	13,500.00
(17) Frontline Corporate Finance Ltd.	1,060	1,060.00	1,060.00
(18) Gagan Trading Co Ltd	1,690	1,690.00	1,690.00
(19) Goldcrest Jute and Fibre Ltd	1,800	1,800.00	1,800.00
(20) Impact Growth Fund Private Limited	-	-	1,330.00
(21) Kapursco Cold Storage Pvt. Ltd.	300	300.00	300.00
(22) Kirban Sales Pvt Ltd	150	150.00	150.00
(23) Kothari Intergroup Limited	-	-	200.00
(24) Karimnagar Sai Krishna Hire Purchase Private Limited	-	-	1,000.00

NOTES
forming part of the Financial Statements

47. Disclosure for struck off companies (Contd.)

Name of struck off Company	No. of shares held	Paid-up as at March 31, 2023 (₹)	Paid-up as at March 31, 2022 (₹)
(25) Lakshadeep Investments Pvt Ltd	2,110	2,110.00	2,110.00
(26) M H Doshi Investment Agencies Private Limited	500	500.00	500.00
(27) Meghna Finance and Investments Private Limited	4,890	4,890.00	4,890.00
(28) Merchant Management System Private Limited	8,800	8,800.00	8,800.00
(29) Midas Touch Securities Pvt Ltd	150	150.00	-
(30) Modern Holdings Pvt Ltd	18,050	18,050.00	18,050.00
(31) Mokul Finance Private Limited	-	-	510.00
(32) Multiplier Financial Services Private Limited	30	30.00	30.00
(33) N.R.I. Financial Services Limited	-	-	300.00
(34) Overland Investment Co Ltd	-	-	4,500.00
(35) PCS Securities Pvt. Ltd.	500	500.00	500.00
(36) Popular Stock and Share Services Private Limited	320	320.00	320.00
(37) Prahit Investments Pvt Ltd	4,600	4,600.00	4,600.00
(38) Protect Finvest Private Limited	330	330.00	330.00
(39) Raghunath Oils and Fats Limited	500	500.00	500.00
(40) S S Securities Limited	500	500.00	500.00
(41) Safex Financial Services Private Limited	-	-	30.00
(42) Seagull Finance And Investment Private Limited	600	600.00	600.00
(43) Shree Agencies Pvt Ltd	3,180	3,180.00	4,372.52
(44) Shriram Investment Services Private Limited	1,500	1,500.00	-
(45) Shilpa Investments And Financial Services Private Limited	13,440	13,440.00	-
(46) Suhit Investments Pvt Ltd	1,660	1,660.00	1,660.00
(47) Swapnalok Construction Pvt Ltd	500	500.00	500.00
(48) Calcutta Sales Agency Ltd.	6,340	6,340.00	6,340.00
(49) Varun Credit & Real Estate Pvt Ltd	570	570.00	570.00
(50) V. Follow Up And Finance Ltd	360	360.00	-
(51) Vms Consultants Pvt. Ltd.	-	-	500.00
		1,31,140.00	**1,26,592.52**

(ii) Details of investments struck off during the year ended March 31, 2022 has been given in note 6, page F50.

NOTES
forming part of the Financial Statements

48. Details of significant investments in subsidiaries, joint ventures and associates

(% Direct Holding)

	Country of Incorporation	As at March 31, 2023	As at March 31, 2022
(a) Subsidiary companies			
(1) ABJA Investment Co. Pte Ltd.	Singapore	100.00	100.00
(2) Angul Energy Limited	India	99.99	99.99
(3) Bhushan Steel (Australia) Pty Limited	Australia	100.00	100.00
(4) Bhushan Steel (South) Limited	India	100.00	100.00
(5) Bhubaneshwar Power Private Limited	India	93.58	93.58
(6) Creative Port Development Private Limited	India	51.00	51.00
(7) Jamshedpur Football and Sporting Private Limited	India	100.00	100.00
(8) Medica TS Hospital Pvt Ltd.	India	51.00	51.00
(9) Mohar Exports Services Pvt Ltd	India	33.23	33.23
(10) NatSteel Asia Pte. Ltd.	Singapore	-	100.00
(11) Neelachal Ispat Nigam Limited	India	5.24	-
(12) Rujuvalika Investments Limited	India	100.00	100.00
(13) S & T Mining Company Limited	India	100.00	50.00
(14) Subarnarekha Port Private Limited	India	3.88	4.37
(15) T Steel Holdings Pte. Ltd.	Singapore	100.00	100.00
(16) Tata Korf Engineering Services Ltd	India	100.00	100.00
(17) Tata Metaliks Ltd.	India	60.03	60.03
(18) Tata Steel Advanced Materials Limited (formerly Tata Steel Odisha Limited)	India	100.00	-
(19) Tata Steel Downstream Products Limited	India	100.00	100.00
(20) Tata Steel Foundation	India	100.00	100.00
(21) Tata Steel Long Products Limited	India	74.91	74.91
(22) Tata Steel Mining Limited	India	100.00	100.00
(23) Tata Steel Support Services Limited (formerly Bhushan Steel (Orissa) Limited)	India	100.00	100.00
(24) Tata Steel Technical Services Limited (formerly Bhushan Steel Madhya Bharat Limited)	India	100.00	100.00
(25) Tata Steel Utilities and Infrastructure Services Limited	India	100.00	100.00
(26) Tayo Rolls Limited	India	54.91	54.91
(27) The Indian Steel & Wire Products Ltd.	India	95.01	95.01
(28) The Tinplate Company of India Limited	India	74.96	74.96

NOTES

forming part of the Financial Statements

48. Details of significant investments in subsidiaries, joint ventures and associates (Contd.)

(% Direct Holding)

	Country of Incorporation	As at March 31, 2023	As at March 31, 2022
(b) Associate companies			
(1) Bhushan Capital & Credit Services Private Limited	India	42.58	42.58
(2) Jawahar Credit & Holdings Private Limited	India	39.65	39.65
(3) Kalinga Aquatics Ltd.	India	30.00	30.00
(4) Kumardhubi Fireclay and Silica Works Ltd	India	27.78	27.78
(5) Kumardhubi Metal Casting and Engineering Ltd	India	49.31	49.31
(6) Malusha Travels Pvt Ltd	India	33.23	33.23
(7) Strategic Energy Technology Systems Private Limited	India	25.00	25.00
(8) Tata Construction and Projects Ltd.	India	27.19	27.19
(9) TRF Limited.	India	34.11	34.11
(c) Joint ventures			
(1) Andal East Coal Company Private Limited	India	33.89	33.89
(2) Industrial Energy Limited	India	26.00	26.00
(3) mjunction services limited	India	50.00	50.00
(4) S & T Mining Company Limited	India	-	50.00
(5) Tata NYK Shipping Pte Ltd.	Singapore	50.00	50.00
(6) TM International Logistics Limited	India	51.00	51.00

49. Dividend

The dividend declared by the Company is based on profits available for distribution as reported in the standalone financial statements of the Company. On May 2, 2023 the Board of Directors of the Company had proposed a dividend of ₹3.60 per Ordinary share of ₹1 each in respect of the year ended March 31, 2023 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of approximately ₹**4,399.75** crore.

In terms of our report attached

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

sd/-
Subramanian Vivek
Partner
Membership Number 100332

Mumbai, May 2, 2023

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

sd/-
Noel Naval Tata
Vice-Chairman
DIN: 00024713

sd/-
O. P. Bhatt
Independent Director
DIN: 00548091

sd/-
Deepak Kapoor
Independent Director
DIN: 00162957

sd/-
Farida Khambata
Independent Director
DIN: 06954123

sd/-
V. K. Sharma
Independent Director
DIN: 02449088

sd/-
Bharti Gupta Ramola
Independent Director
DIN: 00356188

sd/-
Saurabh Agrawal
Non-Executive Director
DIN: 02144558

sd/-
T. V. Narendran
Chief Executive Officer & Managing Director
DIN: 03083605

sd/-
Koushik Chatterjee
Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
Parvatheesam Kanchinadham
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Steel Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Tata Steel Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associate companies and jointly controlled entities (refer Note 1 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group, its associate companies and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 15 of the Other Matters section below, other than the unaudited financial statements/ special purpose financial information as certified by the management and referred to in sub-paragraph 16 of the Other Matters section below and financial information not available as referred to in sub-paragraph 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

4. Our opinion is not modified in respect of the following Material Uncertainty Relating to Going Concern that has been communicated to us by the auditors of Tata Steel Europe Limited, a subsidiary of the Holding Company, vide their audit report dated April 30, 2023:

   "Without modifying our opinion on the special purpose financial information, we have considered the adequacy of the disclosure concerning the entity's ability to continue as a going concern. Tata Steel Europe Limited, via its UK business, has received a letter of support from T S Global Holdings Pte. Ltd. to either refinance or repay its Revolving Credit Facility and uncommitted facilities due to expire on or before June 2024. T S Global Procurement Company Pte. Ltd. has also provided a letter of support to the UK business for access to £300m of additional working capital, which is more than estimated to be required under a severe but plausible downside scenario over the next twelve months. The letters state that they represent present policy, are given by way of comfort only and are not to be construed as constituting a promise as to the future conduct of the entities or Tata Steel Limited. Accordingly, there can be no certainty that the funds required by Tata Steel Europe Limited will be made available. These conditions, along with the other matters explained in the special purpose financial information, indicate the existence of a material uncertainty which may cast significant doubt about the entity's ability to continue as a going concern. The special purpose financial information does not include the adjustments that would result if the entity were unable to continue as a going concern."

   Refer Note 52 to the consolidated financial statements in this regard.

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
Business Combination- Purchase Price Allocation (PPA) on acquisition of Neelachal Ispat Nigam Limited. [Refer to Note 2 to the consolidated financial statements- "Use of estimates and critical accounting judgments- Allocation of consideration over the fair value of assets and liabilities acquired in a business combination", Note 2(e) to the consolidated financial statements- "Business combinations" and Note 41(ii) to the consolidated financial statements- "Business Combinations"]. On July 4, 2022, the Group completed the acquisition of Neelachal Ispat Nigam Limited for a total consideration of ₹12,100.00 crore in accordance with the process run by Department of Disinvestment & Public Asset Management (DIPAM), Government of India. The Group determined the acquisition to be business combination in accordance with Ind AS 103, "Business Combinations" which requires the identified assets and liabilities be recognised at fair value at the date of acquisition with the excess of consideration over fair value of recognised assets and liabilities as goodwill. The Group appointed independent professional valuers ("management's expert") to perform valuation of assets for the purpose of PPA. The PPA exercise was completed resulting in the Group recognising goodwill of ₹1,195.69 crore. Significant assumptions and estimates were used by the management with the assistance of management's expert in the determination of the fair values of the identified assets and liabilities in the transaction and thus we consider this area to be a Key Audit Matter.	Our audit procedures included the following: • We obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Group's key controls over the accounting of business combination. • We evaluated the appropriateness of the Group's accounting policy in respect of business combination. • We evaluated the competence, capabilities and objectivity of the management's expert, obtained an understanding of the work of the expert, and evaluated the appropriateness of the expert's work as audit evidence. • We involved our valuation expert ("auditor's expert") to review the PPA reports including the work done by management's experts to assess reasonableness of the underlying key assumptions used in determining the fair value of assets and liabilities as at the acquisition date. • We evaluated the competence, capabilities and objectivity of the auditor's expert, and the adequacy of the work performed by the auditor's expert. • We also assessed the Group's determination of the fair value of the remaining assets and liabilities having regard to the completeness of assets and liabilities identified and the reasonableness of any underlying assumptions in their respective valuations. • We also verified the management's computation of goodwill. Based on the above work performed, we noted that the PPA have been performed in accordance with Ind AS 103. We also assessed the appropriateness of the disclosures made in the consolidated financial statements and found it reasonable.

Key audit matter	How our audit addressed the key audit matter
Assessment of carrying amount of goodwill related to the acquisition during the year of Neelachal Ispat Nigam Limited, a step down subsidiary company. [Refer to Note 2(f) to the consolidated financial statements- "Goodwill" and Note 5 to the consolidated financial statements- "Goodwill"]. The Group has a goodwill balance of ₹1,195.69 crore as at March 31, 2023 relating to the above-mentioned subsidiary. The Group carries Goodwill at cost less impairment losses, if any, and tests the same for impairment atleast annually or when events occur which indicate that the recoverable amount of the Cash Generating Unit ("CGU") is less than the carrying amount of Goodwill. The Group has identified the subsidiary as a separate CGU for the purpose of impairment assessment and has estimated its recoverable amount based on discounted cash flows forecast for steel business/ incremental cash flows from mining business of the CGU which requires judgement in respect of certain key inputs such as assumptions on discount rates, sales volume and sales prices, cost to produce/ extract, capital expenditure, EBITDA/ton, etc. This has been determined to be a Key Audit Matter as the determination of recoverable amount involves significant management judgement.	Our procedures included the following: • We obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Group's key controls over the impairment assessment of goodwill. • We evaluated the appropriateness of the Group's accounting policy in respect of impairment assessment of Goodwill. • We evaluated the Group's process regarding impairment assessment by involving auditor's valuation experts, to assist in assessing the appropriateness of the impairment assessment model, underlying assumptions relating to discount rate, terminal value, etc. • We evaluated the cash flow forecasts/ incremental cash flows by comparing them to the budgets and our understanding of the internal and external factors. • We checked the mathematical accuracy of the impairment assessment model and agreed the relevant data with the latest budgets, actual results and other supporting documents, as applicable. • We assessed the sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment. • We have discussed the key assumptions and sensitivities with those charged with governance. • We evaluated the appropriateness of the disclosures made in the consolidated financial statements. Based on the above procedures performed, we did not identify any significant exceptions in the management's impairment assessment of the carrying amount of goodwill related to the above mentioned subsidiary.

Key audit matter	How our audit addressed the key audit matter
Assessment of litigations and related disclosure of contingent liabilities [Refer to Note 2(c) to the consolidated financial statements– "Use of estimates and critical accounting judgements – Provisions and contingent liabilities", Note 38(A) to the consolidated Financial Statements "Contingencies" and Note 39 to the consolidated financial statements – "Other significant litigations". As at March 31, 2023, the Holding Company has exposures towards litigations relating to various matters as set out in the aforesaid Notes. Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate. As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a Key Audit Matter.	Our audit procedures included the following: • We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations; • We have reviewed the legal and other professional expenses of the Holding Company and enquired with the management for recent developments and the status of the material litigations which were reviewed; • We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/other significant litigations disclosed in the consolidated financial statements; • We used auditor's experts/specialists to gain an understanding and to evaluate the disputed tax matters; • We considered external legal opinions, where relevant, obtained by management; • We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements; • We evaluated management's assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered to be remote by the management; and • We assessed the adequacy of the disclosures in the consolidated financial statements. Based on the above work performed, the assessment in respect of litigations and related disclosures relating to contingent liabilities/other significant litigations in the consolidated financial statements is considered to be reasonable.

Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information in the Integrated Report, Board's Report along with its Annexures and Financial Highlights included in Holding Company's Annual Report (titled as 'Tata Steel Integrated Report & Annual Accounts 2022-23') but does not include the consolidated financial statements and our auditor's report thereon.

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (refer paragraph 15 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

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

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associate companies and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate companies and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate companies and jointly controlled entities are responsible for assessing the ability of the Group and of its associate companies and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. The respective Board of Directors of the companies included in the Group and of its associate companies and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associate companies and jointly controlled entities.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

11. 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate companies and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate companies and jointly controlled entities to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate companies and jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. We did not audit the financial statements/ special purpose financial information of twelve subsidiaries, included in the consolidated financial statements, whose financial statements/ special purpose financial information reflect total assets of ₹98,425.66 crore and net assets of ₹35,811.96 crore as at March 31, 2023, total revenue of ₹1,00,659.13 crore, total net (loss) after tax of ₹(4,037.90) crore, total comprehensive income (comprising of loss and other comprehensive income) of ₹(14,769.69) crore and net cash flows of ₹2,965.12 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements/ special purpose financial information of these subsidiaries also includes their step-down associate companies and jointly controlled entities constituting ₹8.28 crore and ₹15.95 crore respectively of the Group's share total comprehensive income for the year ended March 31, 2023. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of ₹30.19 crore for the year ended March 31, 2023 as considered in the consolidated financial statements, in respect of one jointly controlled entity, whose financial statements/ special purpose financial information have not been audited by us. These financial statements/ special purpose financial information have been audited by other auditors whose reports have been furnished to us by the other auditors / Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, associate companies and jointly controlled entities and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, associate companies and jointly controlled entities, is based solely on the reports of the other auditors.

16. We did not audit the financial statements/ special purpose financial information of eighteen subsidiaries, included in the consolidated financial statements, whose financial statements/ special purpose financial information reflect total assets of ₹9,615.76 crore and net assets of ₹5,000.14 crore as at March 31, 2023, total revenue of ₹742.53 crore, total net profit after tax of ₹37.91 crore, total comprehensive income (comprising of profit and other comprehensive income) of ₹360.19 crore and net cash flows of ₹(37.86) crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax and total comprehensive income (comprising of profit and other comprehensive income) of ₹4.59 crore and ₹(2.36) crore respectively for the year ended March 31, 2023 as considered in the consolidated financial statements, in respect of four associate companies and three jointly controlled entities respectively, whose financial statements/ special purpose financial information have not been audited by us. These financial statements/ special purpose financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate companies and jointly controlled entities and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information in so far as it relates to the aforesaid subsidiaries, associate companies and jointly controlled entities is based solely on such unaudited financial statements/ special purpose financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ special purpose financial information are not material to the Group.

17. In the case of one subsidiary, three associate companies and one jointly controlled entity, the financial statements/ special purpose financial information for the year ended March 31, 2023 is not available. In absence of the aforesaid financial statements/ special purpose financial information, the financial statements/ special purpose financial information in respect of aforesaid subsidiaries and the Group's share of total comprehensive income of these associate companies and jointly controlled entities for the year ended March 31, 2023 have not been included in the consolidated financial statements. Accordingly, we do not report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar to the extent these relate to the aforesaid subsidiary, associate companies and jointly controlled entity.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management or not considered for the purpose of preparation of these consolidated financial statements.

Report on Other Legal and Regulatory Requirements

18. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), 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 matter specified in paragraph 3(xxi) of CARO 2020.

19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled entities incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled entities incorporated in India 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 internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

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

i. The consolidated financial statements disclose the impact, of pending litigations as on March 31, 2023 on the consolidated financial position of the Group, its associate companies and jointly controlled entities– Refer Notes 38A and 39 to the consolidated financial statements.

ii. The Group 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 (including derivative contracts).

iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled entities incorporated in India during the year ended March 31, 2023 except for amount aggregating to ₹6.79 crore by the Holding Company and two of its subsidiary companies, which according to the information and explanations provided by the management is held in abeyance due to dispute / pending legal cases.

iv. (a) The respective Managements of the Company and its subsidiaries, associate companies and jointly controlled entities which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate companies and jointly controlled entities respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to consolidated financial statements, no funds (which are material either individually or in the aggregate) 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 or any of such subsidiaries, associate companies and jointly controlled entities 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, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries, associate companies and jointly controlled entities ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries [Refer Notes 8(B)(iii) and 9(B)(iv) to the consolidated financial statements];

(b) The respective Managements of the Company and its subsidiaries, associate companies and jointly controlled entities which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associate companies and jointly controlled entities respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries, associate companies and jointly controlled entities from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries, associate companies and jointly controlled entities shall, 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 Notes 8(B)(iv) and 9(B)(v) to the consolidated financial statements];

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries, associate companies and jointly controlled entities which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid during the year by the Holding Company, its subsidiary companies, associate companies and jointly controlled entities, is in compliance with Section 123 of the Act, except for dividend amount aggregating to ₹104.16 crore by the Holding Company and one of its subsidiary company which has been paid subsequently without depositing the amount to a separate bank account. [Refer Notes C(i) to the consolidated financial statements]

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 Group, associate companies and jointly controlled entities incorporated in India is applicable to the Group, associate companies and jointly controlled entities 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.

20. The Group, its associate companies and jointly controlled entities have 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.

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

Subramanian Vivek
Partner
Membership Number 100332
UDIN: 23100332BGYVTM4257

Place: Mumbai
Date: May 2, 2023

ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 19(f) of the Independent Auditor's Report of even date to the members of Tata Steel Limited on the consolidated financial statements for the year ended March 31, 2023.

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Tata Steel Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is not applicable to two subsidiary, one associate company and one jointly controlled entities incorporated in India namely Mohar Export Services Private Limited, S & T Mining Company Private Limited, Malusha Travels Private Limited, and Tata NYK Shipping (India) Private Limited respectively, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled entities, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls system with reference to consolidated 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 the ICAI.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to six subsidiary companies, one jointly controlled entity, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

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

Subramanian Vivek
Partner
Membership Number 100332
UDIN: 23100332BGYVTM4257

Place: Mumbai
Date: May 2, 2023

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 18 of the Independent Auditors' Report of even date to the members of Tata Steel Limited on the Consolidated Financial Statements as of and for the year ended March 31,2023.

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone/consolidated financial statements of the respective companies included in the Consolidated Financial Statements of the Holding Company:

S. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective auditor's report	Paragraph number in the respective CARO reports
1.	Tata Steel Limited	L27100MH1907PLC000260	Holding Company	May 02, 2023	(i)(c), (ii)(b), (iii)(c), (iii)(d) , (vii)(a)
2.	Tata Steel Long Products Limited (Consolidated)				
	Tata Steel Long Products Limited	L27102OR1982PLC001091	Subsidiary	April 25, 2023	(i)(c), (ix)(e), (xvii)
	Neelachal Ispat Nigam Limited	U27109OR1982PLC001050	Step-down Subsidiary	April 25, 2023	(i)(c), (ii)(a), (ii)(b), (vii)(a), (ix)(a), (ix)(c), (xvii)
3.	Bhubaneshwar Power Private Limited	U40109TG2006PTC050759	Subsidiary	April 10, 2023	(i)(c)
4.	Tata Steel Utilities and Infrastructure Services Limited	U45200JH2003PLC010315	Subsidiary	April 14, 2023	(i)(c), (ix)(e)
5.	Naba Diganta Water Management Limited	U93010WB2008PLC121573	Jointly Controlled Entity of Subsidiary	April 10, 2023	(i)(c)
6.	TM International Logistics Limited (Consolidated)				
	TM International Logistics Limited	U63090WB2002PLC094134	Jointly Controlled Entity	April 17, 2023	(ii)(b)
	TKM Global Logistics Limited	U51109WB1991PLC051941	Subsidiary of Jointly Controlled Entity	April 12, 2023	(vii)(a)
7.	Jamipol Limited	U24111JH1995PLC009020	Jointly Controlled Entity	April 27, 2023	(i)(c), (ii)(b)
8.	Jamshedpur Football and Sporting Private Limited	U92490MH2017PTC297047	Subsidiary	April 26, 2023	(xvi)
9.	Tata Steel Support Services Limited	U93000DL2010PLC202028	Subsidiary	April 12, 2023	(xvii)
10.	Ceramat Private Limited	U26990MH2021PTC370837	Subsidiary	April 12, 2023	(i)(a)(A), (xvii)
11.	Industrial Energy Limited	U74999MH2007PLC167623	Jointly Controlled Entity	April 13, 2023	(i)(c)
12.	Creative Port Development Private Limited	U63032WB2006PTC246176	Subsidiary	April 13, 2023	(xvii)

The statutory audit report on the financial statements for the year ended March 31, 2023 of following related entities of the Holding Company has not been issued until the date of this report.

Subsidiaries

1. Tata Steel Downstream Products Limited
2. Tata Steel Mining Limited
3. Tata Steel Advanced Materials Limited
4. Tata Pigments Limited
5. Haldia Water Management Limited
6. Medica TS Hospital Private Limited
7. Indian Steel & Wire Products Limited
8. Adityapur Toll Bridge Company Limited
9. Mohar Export Services Pvt. Ltd.
10. S & T Mining Company Limited
11. Bhushan Steel (South) Limited
12. Tata Steel Technical Services Limited
13. Tata Steel TABB Limited
14. Rujuvalika Investments Limited

Jointly Controlled Entity

1. Himalaya Steel Mills Services Private Limited

Associate Companies

1. TRF Limited
2. Malusha Travels Pvt Ltd
3. Strategic Energy Technology Systems Private Limited

Accordingly, no comments for the said subsidiaries, associate companies, and jointly controlled entities have been included for the purpose of reporting under this clause.

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

Subramanian Vivek
Partner
Membership Number: 100332
UDIN: 23100332BGYVTM4257

Place: Mumbai
Date: May 2, 2023

CONSOLIDATED BALANCE SHEET

as at March 31, 2023

(₹ crore)

	Note	Page	As at March 31, 2023	As at March 31, 2022
Assets				
I Non-current assets				
(a) Property, plant and equipment	3	F163	1,18,696.74	1,16,166.46
(b) Capital work-in-progress	3	F166	30,307.90	21,227.62
(c) Right-of-use assets	4	F169	9,222.52	8,337.70
(d) Goodwill	5	F172	5,601.65	4,311.20
(e) Other intangible assets	6	F174	13,100.55	4,472.47
(f) Intangible assets under development	6	F176	905.12	817.93
(g) Advance against equity			-	1,210.00
(h) Equity accounted investments	7	F177	3,233.33	2,961.65
(i) Financial assets				
(i) Investments	8	F179	1,546.92	1,653.78
(ii) Loans	9	F181	64.74	72.44
(iii) Derivative assets			403.40	318.15
(iv) Other financial assets	10	F183	510.88	442.64
(j) Retirement benefit assets	11	F185	6,990.83	20,397.96
(k) Non-current tax assets			4,369.03	3,785.01
(l) Deferred tax assets	12	F186	2,625.96	3,023.93
(m) Other assets	13	F189	3,776.63	3,690.05
Total non-current assets			**2,01,356.20**	**1,92,888.99**
II Current assets				
(a) Inventories	14	F190	54,415.33	48,824.39
(b) Financial assets				
(i) Investments	8	F179	3,630.06	8,524.42
(ii) Trade receivables	15	F191	8,257.24	12,246.43
(iii) Cash and cash equivalents	16	F192	12,129.90	15,604.68
(iv) Other balances with banks	17	F193	1,227.36	294.25
(v) Loans	9	F181	1.84	5.84
(vi) Derivative assets			561.46	1,172.74
(vii) Other financial assets	10	F183	1,435.51	2,011.62
(c) Retirement benefit assets	11	F185	-	1.25
(d) Current tax assets			117.69	61.63
(e) Other assets	13	F189	4,829.75	3,508.82
Total current assets			**86,606.14**	**92,256.07**
III Assets held for sale	18	F193	**59.40**	**300.54**
Total assets			**2,88,021.74**	**2,85,445.60**

CONSOLIDATED BALANCE SHEET (CONTD.)

as at March 31, 2023

(₹ crore)

	Note	Page	As at March 31, 2023	As at March 31, 2022
Equity and liabilities				
IV Equity				
(a) Equity share capital	19	F194	1,221.24	1,221.21
(b) Other equity	21	F198	1,01,860.86	1,13,221.83
Equity attributable to owners of the Company			**1,03,082.10**	**1,14,443.04**
Non-controlling interests			2,093.11	2,655.42
Total equity			**1,05,175.21**	**1,17,098.46**
V Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	23	F206	51,446.33	44,764.07
(ii) Lease Liabilities			5,811.08	5,696.46
(iii) Derivative liabilities			-	10.35
(iv) Other financial liabilities	24	F212	1,871.51	989.57
(b) Provisions	25	F213	4,775.84	4,825.98
(c) Retirement benefit obligations	11	F185	2,931.37	3,413.71
(d) Deferred income	26	F215	132.36	137.16
(e) Deferred tax liabilities	12	F186	14,115.64	12,325.78
(f) Other liabilities	27	F216	4,467.27	5,596.06
Total non-current liabilities			**85,551.40**	**77,759.14**
VI Current liabilities				
(a) Financial liabilities				
(i) Borrowings	23	F206	26,571.37	24,064.61
(ii) Lease Liabilities			1,064.27	1,036.21
(iii) Trade payables	28	F217		
(a) Total outstanding dues of micro and small enterprises			1,170.33	897.50
(b) Total outstanding dues of creditors other than micro and small enterprises			36,662.21	35,867.37
(iv) Derivative liabilities			1,630.53	196.91
(v) Other financial liabilities	24	F212	9,590.21	8,381.41
(b) Provisions	25	F213	3,882.73	2,768.49
(c) Retirement benefit obligations	11	F185	162.47	158.22
(d) Deferred income	26	F215	91.93	130.45
(e) Current tax liabilities			1,923.98	1,382.70
(f) Other liabilities	27	F216	14,545.10	15,513.02
Total current liabilities			**97,295.13**	**90,396.89**
VII Liabilities held for sale	18	F193	**-**	**191.11**
Total equity and liabilities			**2,88,021.74**	**2,85,445.60**
Notes forming part of the consolidated financial statements	1-54			

In terms of our report attached

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

sd/-
Subramanian Vivek
Partner
Membership Number 100332

Mumbai, May 2, 2023

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

sd/-
Noel Naval Tata
Vice-Chairman
DIN: 00024713

sd/-
O. P. Bhatt
Independent Director
DIN: 00548091

sd/-
Deepak Kapoor
Independent Director
DIN: 00162957

sd/-
Farida Khambata
Independent Director
DIN: 06954123

sd/-
V. K. Sharma
Independent Director
DIN: 02449088

sd/-
Bharti Gupta Ramola
Independent Director
DIN: 00356188

sd/-
Saurabh Agrawal
Non-Executive Director
DIN: 02144558

sd/-
T. V. Narendran
Chief Executive Officer & Managing Director
DIN: 03083605

sd/-
Koushik Chatterjee
Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
Parvatheesam Kanchinadham
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2023

(₹ crore)

		Note	Page	Year ended March 31, 2023	Year ended March 31, 2022
I	Revenue from operations	29	F218	2,43,352.69	2,43,959.17
II	Other income	30	F219	1,037.48	784.89
III	**Total income**			**2,44,390.17**	**2,44,744.06**
IV	**Expenses:**				
	(a) Cost of materials consumed			1,01,483.08	75,763.70
	(b) Purchases of stock-in-trade			15,114.11	15,312.91
	(c) Changes in inventories of finished and semi-finished goods, stock-in- trade and work-in-progress			(3,358.89)	(7,597.87)
	(d) Employee benefits expense	31	F219	22,419.32	23,264.10
	(e) Finance costs	32	F220	6,298.70	5,462.20
	(f) Depreciation and amortisation expense	33	F220	9,335.20	9,100.87
	(g) Other expenses	34	F220	80,518.87	76,616.28
				2,31,810.39	**1,97,922.19**
	Less: Expenditure (other than finance cost) transferred to capital account			5,123.96	2,889.90
	Total expenses			**2,26,686.43**	**1,95,032.29**
V	Share of profit/(loss) of joint ventures and associates			418.12	649.16
VI	**Profit/(loss) before exceptional items and tax (III-IV+V)**			**18,121.86**	**50,360.93**
VII	**Exceptional items:**	35	F221		
	(a) Profit on sale of subsidiaries and non-current investments			66.86	724.84
	(b) Profit on sale of non current assets			-	30.83
	(c) Provision for impairment of investments/ doubtful advances (net)			83.68	(99.74)
	(d) Provision for impairment of non-current assets (net)			25.37	(252.68)
	(e) Employee separation compensation			(91.94)	(330.81)
	(f) Restructuring and other provisions			(1.70)	(256.24)
	(g) Gain/(loss) on non-current investments classified as fair value through profit and loss (net)			30.99	49.74
	Total exceptional items			**113.26**	**(134.06)**
VIII	**Profit/(loss) before tax (VI+VII)**			**18,235.12**	**50,226.87**
IX	**Tax expense:**	12	F186		
	(a) Current tax			5,361.33	7,049.88
	(b) Deferred tax			4,798.44	1,427.67
	Total tax expense			**10,159.77**	**8,477.55**
X	**Profit/(loss) for the year (VIII-IX)**			**8,075.35**	**41,749.32**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (CONTD.)

for the year ended March 31, 2023

(₹ crore)

	Note	Page	Year ended March 31, 2023	Year ended March 31, 2022
XI Other comprehensive income/(loss)				
A. (i) Items that will not be reclassified subsequently to profit and loss:				
(a) Remeasurement gain/(loss) on post-employment defined benefit plans			(13,310.57)	486.03
(b) Fair value changes of investments in equity shares			(219.55)	684.07
(c) Share of equity accounted investees			0.47	0.85
(ii) Income tax on items that will not be reclassified subsesquently to profit and loss			3,353.56	(203.02)
B. (i) Items that will be reclassified subsequently to profit and loss :				
(a) Foreign currency translation differences			(2,057.74)	(369.99)
(b) Fair value changes of cash flow hedges			(2,129.94)	930.65
(c) Share of equity accounted investees			12.28	(29.36)
(ii) Income tax on items that will be reclassified subsesquently to profit and loss			502.42	(193.81)
Total other comprehensive income/(loss) for the year			**(13,849.07)**	**1,305.42**
XII Total comprehensive income/(loss) for the year (X+XI)			**(5,773.72)**	**43,054.74**
XIII Profit/(loss) for the year attributable to:				
Owners of the Company			8,760.40	40,153.93
Non-controlling interests			(685.05)	1,595.39
			8,075.35	**41,749.32**
XIV Total comprehensive income for the year attributable to:				
Owners of the Company			(5,107.74)	41,468.40
Non-controlling interests			(665.98)	1,586.34
			(5,773.72)	**43,054.74**
XV Earnings per share	36	F222		
Basic (₹)			7.17	33.24
Diluted(₹)			7.17	33.21
Notes forming part of the consolidated financial statements	1-54			

In terms of our report attached

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

sd/-
Subramanian Vivek
Partner
Membership Number 100332

Mumbai, May 2, 2023

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

sd/-
Noel Naval Tata
Vice-Chairman
DIN: 00024713

sd/-
O. P. Bhatt
Independent Director
DIN: 00548091

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Deepak Kapoor
Independent Director
DIN: 00162957

sd/-
Farida Khambata
Independent Director
DIN: 06954123

sd/-
V. K. Sharma
Independent Director
DIN: 02449088

sd/-
Bharti Gupta Ramola
Independent Director
DIN: 00356188

sd/-
Saurabh Agrawal
Non-Executive Director
DIN: 02144558

sd/-
T. V. Narendran
Chief Executive Officer & Managing Director
DIN: 03083605

sd/-
Koushik Chatterjee
Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
Parvatheesam Kanchinadham
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2023

A. Equity share capital

(₹ crore)

Balance as at April 1, 2022	Changes during the year	Balance as at March 31, 2023
1,221.21	0.03	**1,221.24**

(₹ crore)

Balance as at April 1, 2021	Changes during the year	Balance as at March 31, 2022
1,197.61	23.60	**1,221.21**

B. Hybrid perpetual securities

(₹ crore)

Balance as at April 1, 2022	Changes during the year	Balance as at March 31, 2023
-	-	**-**

(₹ crore)

Balance as at April 1, 2021	Changes during the year	Balance as at March 31, 2022
775.00	(775.00)	**-**

C. Other equity

(₹ crore)

	Retained earnings [refer note 21A, page F198]	Items of other comprehensive income [refer note 21B, page F199]	Other consolidated reserves [refer note 21C, F200]	Share application money pending allotment [refer note 21D, F203]	Other equity attributable to the owners of the Company	Non-controlling interests	Total
Balance as at April 1, 2022	**55,647.79**	**9,111.05**	**48,462.99**	**-**	**1,13,221.83**	**2,655.42**	**1,15,877.25**
Profit / (loss) for the year	8,760.40	-	-	-	8,760.40	(685.05)	8,075.35
Other comprehensive income for the year	(9,981.60)	(3,886.54)	-	-	(13,868.14)	19.07	(13,849.07)
Total comprehensive income for the year	**(1,221.20)**	**(3,886.54)**	**-**	**-**	**(5,107.74)**	**(665.98)**	**(5,773.72)**
Received during the year	-	-	-	1.46	1.46	-	1.46
Subscription to final call on equity shares	-	-	1.44	(1.46)	(0.02)	-	(0.02)
Equity issue expenses written (off)/ back	-	-	(0.09)	-	(0.09)	-	(0.09)
Dividend(i)	(6,227.15)	-	-	-	(6,227.15)	(65.48)	(6,292.63)
Transfers within equity	(4.42)	-	4.42	-	-	-	-
Adjustment for changes in ownership interests	(28.70)	-	-	-	(28.70)	168.77	140.07
Other movements within equity	-	-	1.27	-	1.27	0.38	1.65
Balance as at March 31, 2023	**48,166.32**	**5,224.51**	**48,470.03**	**-**	**1,01,860.86**	**2,093.11**	**1,03,953.97**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.)

for the year ended March 31, 2023

(₹ crore)

	Retained earnings [refer note 21A, page F198]	Items of other comprehensive income [refer note 21B, page F199]	Other consolidated reserves [refer note 21C, F200]	Share application money pending allotment [refer note 21D, F203]	Other equity attributable to the owners of the Company	Non-controlling interests	Total
Balance as at April 1, 2021	**16,476.70**	**8,172.96**	**47,612.72**	**3.78**	**72,266.16**	**3,269.68**	**75,535.84**
Profit / (loss) for the year	40,153.93	-	-	-	40,153.93	1,595.39	41,749.32
Other comprehensive income for the year	366.39	948.08	-	-	1,314.47	(9.05)	1,305.42
Total comprehensive income for the year	**40,520.32**	**948.08**	**-**	**-**	**41,468.40**	**1,586.34**	**43,054.74**
Received during the year	-	-	-	326.85	326.85	-	326.85
Subscription to final call on equity shares	-	-	324.90	(330.27)	(5.37)	-	(5.37)
Issue of Ordinary Shares	-	-	0.35	(0.36)	(0.01)	-	(0.01)
Equity issue expenses written (off)/ back	-	-	(1.12)	-	(1.12)	-	(1.12)
Dividend(i)	(3,004.16)	-	-	-	(3,004.16)	(15.95)	(3,020.11)
Distribution on hybrid perpetual securities	(1.46)	-	-	-	(1.46)	-	(1.46)
Tax on distribution on hybrid perpetual securities	0.37	-	-	-	0.37	-	0.37
Transfers within equity	8.97	(9.99)	1.02	-	-	-	-
Additions relating to acquisitions	-	-	-	-	-	10.62	10.62
Adjustment for changes in ownership interests	1,647.05	-	525.12	-	2,172.17	(2,195.54)	(23.37)
Other movements	-	-	-	-	-	0.27	0.27
Balance as at March 31, 2022	**55,647.79**	**9,111.05**	**48,462.99**	**-**	**1,13,221.83**	**2,655.42**	**1,15,877.25**

(i) Dividend paid during the year ended March 31, 2023 is ₹**51.00** per Ordinary share (face value ₹10 each, fully paid-up) and ₹**12.75** per Ordinary Share (face value ₹10 each, partly paid-up ₹2.504 per share) (March 31, 2022: ₹25.00 per Ordinary Share of face value ₹10 each, fully paid-up and ₹6.25 per Ordinary Share of face value ₹10 each, partly paid-up ₹2.504 per share). Further, dividend amounting to ₹4.16 crore pertaining to those shares allotted pursuant to the composite scheme of amalgamation of Bamnipal Steel Limited and Tata Steel BSL Limited into and with the Company but pending legal proceedings or rejected during corporate actions has been paid subsequently without depositing the amount to a separate bank account.

During the year ended March 31, 2023, Tata Steel Downstream Products Limited, a wholly-owned subsidiary of the Company, declared and paid divided in compliance with Section 123 of the Act, except for dividend amounting to ₹100.00 crore, which has been paid subsequently without depositing the amount to a separate bank account. These are eliminated in the consolidated financial statements.

D. Notes forming part of the consolidated financial statements — Note 1-54

In terms of our report attached

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

sd/-
Subramanian Vivek
Partner
Membership Number 100332

Mumbai, May 2, 2023

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

sd/-
Noel Naval Tata
Vice-Chairman
DIN: 00024713

sd/-
O. P. Bhatt
Independent Director
DIN: 00548091

sd/-
Deepak Kapoor
Independent Director
DIN: 00162957

sd/-
Farida Khambata
Independent Director
DIN: 06954123

sd/-
V. K. Sharma
Independent Director
DIN: 02449088

sd/-
Bharti Gupta Ramola
Independent Director
DIN: 00356188

sd/-
Saurabh Agrawal
Non-Executive Director
DIN: 02144558

sd/-
T. V. Narendran
Chief Executive Officer & Managing Director
DIN: 03083605

sd/-
Koushik Chatterjee
Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
Parvatheesam Kanchinadham
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2023

(₹ crore)

	Year ended March 31, 2023		Year ended March 31, 2022	
A. Cash flows from operating activities:				
Profit/(loss) before tax		**18,235.12**		**50,226.87**
Adjustments for:				
Depreciation and amortisation expense	9,335.20		9,100.87	
Dividend income	(39.66)		(35.30)	
(Gain)/Loss on sale of non-current investments	(0.88)		(0.22)	
(Gain)/loss on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off)	43.57		(95.33)	
Exceptional (income)/expenses	(113.26)		134.06	
(Gain)/loss on cancellation of forwards, swaps and options	0.96		(39.05)	
Interest income and income from current investments	(640.12)		(445.26)	
Finance costs	6,298.70		5,462.20	
Foreign exchange (gain)/loss	(1,793.96)		1,579.15	
Share of profit or loss of joint ventures and associates	(418.12)		(649.16)	
Other non-cash items	0.79		661.56	
		12,673.22		**15,673.52**
Operating profit before changes in non-current/current assets and liabilities		**30,908.34**		**65,900.39**
Adjustments for:				
Non-current/current financial and other assets	3,393.94		(6,220.09)	
Inventories	(4,031.37)		(16,916.83)	
Non-current/current financial and other liabilities/provisions	(3,069.07)		13,519.22	
		(3,706.50)		(9,617.70)
Cash generated from operations		**27,201.84**		**56,282.69**
Income taxes paid (net of refund)		(5,518.76)		(11,901.70)
Net cash from/(used in) operating activities		**21,683.08**		**44,380.99**
B. Cash flows from investing activities:				
Purchase of capital assets	(14,142.49)		(10,522.20)	
Sale of capital assets	327.70		569.48	
Purchase of non-current investments	(326.27)		(48.70)	
Advance against equity paid	-		(1,210.00)	
Sale of non-current investments	1.71		62.56	
(Purchase)/sale of current investments (net)	5,188.84		(1,104.05)	
Loans given	(20.93)		-	
Repayment of loans given	102.48		(80.97)	
Principal receipts under sublease	2.95		17.68	
Fixed/restricted deposits with banks (placed)/realised (net)	23.63		(18.26)	
Interest received	248.08		137.38	
Dividend received from associates and joint ventures	277.30		126.19	
Dividend received from others	39.68		35.31	
Acquisition of subsidiaries/undertakings[i]	(10,568.95)		(53.23)	
Sale of subsidiaries/undertakings[ii]	166.43		1,207.58	
Net cash from/(used in) investing activities		**(18,679.84)**		**(10,881.23)**

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)

for the year ended March 31, 2023

(₹ crore)

	Year ended March 31, 2023		Year ended March 31, 2022	
C. Cash flows from financing activities:				
Proceeds from issue of equity shares (net of issue expenses)	1.37		325.74	
Proceeds from long-term borrowings (net of issue expenses)	16,768.65		906.66	
Repayment of long-term borrowings	(4,605.68)		(26,359.60)	
Proceeds/(repayments) of short-term borrowings (net)	(5,620.41)		11,532.27	
Payment of lease obligations	(1,114.43)		(1,310.07)	
Amount received/(paid) on utilisation/cancellation of derivatives	2.16		29.90	
Repayment of hybrid perpetual securities	-		(775.00)	
Distribution on hybrid perpetual securities	-		(44.20)	
Interest paid	(6,119.72)		(4,686.67)	
Dividend paid	(6,292.63)		(3,020.12)	
Net cash from/(used in) financing activities		**(6,980.69)**		**(23,401.09)**
Net increase/(decrease) in cash or cash equivalents		**(3,977.45)**		**10,098.67**
Opening cash and cash equivalents (refer note no 16, page F192)[(iii)]		**15,606.96**		**5,532.08**
Effect of exchange rate on translation of foreign currency cash and cash equivalents		500.39		(23.79)
Closing cash and cash equivalents (refer note no 16, page F192)[(iii)]		**12,129.90**		**15,606.96**

(i) Includes ₹**12.83 crore** (2021-22: ₹54.18 crore) paid in respect of deferred consideration on acquisition of subsidiary.

(ii) Includes ₹**50.69** crore (2021-22: Nil) received in respect of deferred consideration on disposal of an undertaking.

(iii) Opening cash and cash equivalents includes ₹**2.28** crore (2021-22: Nil) and closing cash and cash equivalents includes **Nil** (2021-22: ₹2.28 crore) in respect of subsidiaries classified as held for sale.

(iv) Significant non-cash movements in borrowing during the year include:

(a) addition on account of subsidiaries acquired during the year ₹**4.09** crore (2021-22: ₹0.87 crore).

(b) reduction on account of subsidiaries disposed off and liquidated **Nil** (2021-22: ₹149.60 crore).

(c) exchange loss (including translation) ₹**2,591.08** crore (2021-22: ₹897.63 crore).

(d) amortisation/effective interest rate adjustments of upfront fees ₹**168.03** crore (2021-22: ₹1,156.35 crore).

(e) adjustment to lease obligations, increase ₹**1,148.82** crore (2021-22 : ₹385.42 crore).

D. Notes forming part of the consolidated financial statements **Note 1-54**

In terms of our report attached

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

sd/-
Subramanian Vivek
Partner
Membership Number 100332

Mumbai, May 2, 2023

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

sd/-
Noel Naval Tata
Vice-Chairman
DIN: 00024713

sd/-
O. P. Bhatt
Independent Director
DIN: 00548091

sd/-
Deepak Kapoor
Independent Director
DIN: 00162957

sd/-
Farida Khambata
Independent Director
DIN: 06954123

sd/-
V. K. Sharma
Independent Director
DIN: 02449088

sd/-
Bharti Gupta Ramola
Independent Director
DIN: 00356188

sd/-
Saurabh Agrawal
Non-Executive Director
DIN: 02144558

sd/-
T. V. Narendran
Chief Executive Officer & Managing Director
DIN: 03083605

sd/-
Koushik Chatterjee
Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
Parvatheesam Kanchinadham
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921

NOTES

forming part of the consolidated financial statements

1. Company Information

Tata Steel Limited ("the Company") is a public limited Company incorporated in India with its registered office in Bombay House 24, Homi Modi Street Fort, Mumbai-400 001, Maharashtra, India. The Company is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The Company and its subsidiaries (collectively referred to as 'the Group') have presence across the entire value chain of steel manufacturing from mining and processing iron ore and coal to producing and distributing finished products. The Group offers a broad range of steel products including a portfolio of high value-added downstream products such as hot rolled, cold rolled, coated steel, rebars, wire rods, tubes and wires.

The consolidated financial statements as at March 31, 2023 present the financial position of the Group as well as its interests in associate companies and joint arrangements. The list of entities consolidated is provided in note 54, page F267.

The functional and presentation currency of the Company and the presentation currency of the Group is Indian Rupee ("₹").

As on March 31, 2023, Tata Sons Private Limited owns 32.44 % of the Ordinary Shares of the Company and has the ability to influence the Group's operations.

The financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorised for issue on May 2, 2023.

2. Significant accounting policies

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

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act.

(b) Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair value by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

(c) Use of estimates and critical accounting judgements

In the preparation of the consolidated financial statements, the Group makes judgements in the application of accounting policies; and estimates and assumptions which affects carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key source of estimation of uncertainty at the date of consolidated financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment, right-of-use assets and intangible assets, and expected credit loss for financial instruments carried at amortised cost (detailed in note 2(r), page F156), valuation of deferred tax assets, provisions and contingent liabilities, fair value measurements of financial instruments, retirement benefit obligations and non-current assets classified as held for sale as discussed below.

Impairment

The Group estimates the value in use of the cash generating unit (CGU) based on future cash flows after considering current economic conditions and trends, estimated future operating results and growth rates and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows

NOTES

forming part of the consolidated financial statements

2. Significant accounting policies (Contd.)

are discounted using a suitable discount rate in order to calculate the present value. Further details of the Group's impairment review and key assumptions are set out in note 3, page F163, note 4, page F169, note 5, page F172 and note 6, page F174.

Useful lives of property, plant and equipment, right-of-use assets and intangible assets

The Group reviews the useful life of property, plant and equipment, right-of-use assets and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods. The policy has been detailed in note 2(n), page F153.

Valuation of deferred tax assets

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been detailed in note 2(y), page F160 and its further information are set out in note 12, page F186.

Provisions and contingent liabilities

A provision is recognised when the Group has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Further details are set out in note 25, page F213 and note 38(A), page F235.

Fair value measurements of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair 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. Further details are set out in note 43, page F249.

Retirement benefit obligations and assets

The Group's retirement benefit obligations are subject to a number of assumptions including discount rates, inflation, salary growth and mortality rate. Significant assumptions are required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Group's balance sheet and the consolidated statement of profit and loss. The Group sets these assumptions based on previous experience and third party actuarial advice. Further details on the Group's retirement benefit obligations, including key assumptions are set out in note 37, page F223.

Non-current assets held for sale

The recognition of non-current assets (or disposal groups) as held for sale is dependent upon whether its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Significant judgement is required to assess whether the sale of the assets (or disposal group) is highly probable.

Allocation of consideration over the fair value of assets and liabilities acquired in a business combination

Assets and liabilities acquired pursuant to business combination are stated at the fair values determined as of the date of acquisition. The carrying values of assets acquired are determined based on estimate of a valuation carried out by independent professional valuers appointed by the Group. The values have been assessed based on the technical estimates of useful lives of tangible assets and benefits expected from the use of intangible assets. Other assets and liabilities were recorded at values that were expected to be realised or settled respectively.

(d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. It also includes the Group's share of profits, net assets and retained post acquisition reserves of joint arrangements and associates that are consolidated using the equity or proportionate method of consolidation, as applicable. Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the

NOTES

forming part of the consolidated financial statements

2. Significant accounting policies (Contd.)

ability to affect those returns through its power to direct the relevant activities of the entity.

The results of subsidiaries, joint arrangements and associates acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Wherever necessary, adjustments are made to the financial statements of subsidiaries, joint arrangements and associates to bring their accounting policies in line with those used by other members of the Group.

Intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance.

(e) Business combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets transferred, liabilities incurred by the Group to the former owners of the acquiree and equity interests issued by the Group in exchange for control of the acquiree.

Acquisition related costs are recognised in the consolidated statement of profit and loss.

Goodwill arising on acquisition is recognised as an asset and measured at cost, being the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised, as applicable. Where the fair value of the identifiable assets and liabilities exceed the cost of acquisition, after re-assessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve on consolidation.

Once control has been achieved, any subsequent acquisitions where the Group does not originally hold hundred percent interest in a subsidiary are treated as an acquisition of shares from non-controlling shareholders. The identifiable net assets are not subject to further fair value adjustments and the difference between the cost of acquisition of the non-controlling interest and the net book value of the additional interest acquired is adjusted in equity.

Business combinations arising from transfer of interests in entities that are under common control are accounted for using the pooling of interest method. The difference between any consideration transferred and the aggregate historical carrying values of assets and liabilities of the acquired entity are recognised in shareholders' equity.

(f) Goodwill

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash- generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

NOTES

forming part of the consolidated financial statements

2. Significant accounting policies (Contd.)

(g) Investment in associates

Associates are those enterprises over which the Group has significant influence, but does not have control or joint control. Investments in associates are accounted for using the equity method and are initially recognised at cost from the date significant influence commences until the date that significant influence ceases. Subsequent changes in the carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate and impairment charges, if any.

When the Group's share of losses exceeds the carrying value of the associate, the carrying value is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of associates are modified to confirm to the Group's accounting policies.

(h) Interest in joint arrangements

A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity where the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control.

Where Group entity undertakes its activities under joint arrangements as joint operations, the Group's share of jointly controlled assets and any liabilities incurred jointly with other parties are recognised in its financial statements and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in joint operations are accounted for on the accrual basis. Income from the sale or use of the Group's share of the output of joint operations, and its share of joint arrangements expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to the Group and their amount can be measured reliably.

Joint arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as joint ventures. The Group reports its interests in joint ventures using the equity method of accounting whereby an interest in joint venture is initially recorded at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the joint venture. The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture.

When the Group's share of losses exceeds the carrying value of the joint venture, the carrying value is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint venture, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of joint ventures are modified to conform to the Group's accounting policies.

(i) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the consolidated statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment is stated at cost or deemed cost applied on transition to Ind AS, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses are capitalised. Borrowing costs incurred

NOTES

forming part of the consolidated financial statements

2. Significant accounting policies (Contd.)

during the period of construction is capitalised as part of cost of qualifying asset.

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

(j) Exploration for and evaluation of mineral resources

Expenditures associated with search for specific mineral resources are recognised as exploration and evaluation assets. The following expenditure comprises cost of exploration and evaluation assets:

- obtaining of the rights to explore and evaluate mineral reserves and resources including costs directly related to this acquisition
- researching and analysing existing exploration data
- conducting geological studies, exploratory drilling and sampling
- examining and testing extraction and treatment methods
- compiling pre-feasibility and feasibility studies
- activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

Administration and other overhead costs are charged to the cost of exploration and evaluation assets only if directly related to an exploration and evaluation project.

If a project does not prove viable, all irrecoverable exploration and evaluation expenditure associated with the project net of any related impairment allowances is written off to the consolidated statement of profit and loss.

The Group measures its exploration and evaluation assets at cost and classifies as property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that a tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

As the asset is not available for use, it is not depreciated. All exploration and evaluation assets are monitored for indications of impairment. An exploration and evaluation asset is no longer classified as such when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable and the development of the deposit is sanctioned by the management. The carrying value of such exploration and evaluation asset is reclassified to mining assets.

(k) Development expenditure for mineral reserves

Development is the establishment of access to mineral reserves and other preparations for commercial production. Development activities often continue during production and include:

- sinking shafts and underground drifts (often called mine development)
- making permanent excavations
- developing passageways and rooms or galleries
- building roads and tunnels and
- advance removal of overburden and waste rock.

Development (or construction) also includes the installation of infrastructure (e.g., roads, utilities and housing), machinery, equipment and facilities.

Development expenditure is capitalised and presented as part of mining assets. No depreciation is charged on the development expenditure before the start of commercial production.

(l) Provision for restoration and environmental costs

The Group has liabilities related to restoration of soil and other related works, which are due upon the closure of certain of its mining sites.

Such liabilities are estimated case-by-case based on available information, taking into account applicable local legal requirements. The estimation is made using existing technology, at current prices, and discounted using an appropriate discount rate where the effect of time value of money is material. Future restoration and environmental costs, discounted to net present value, are capitalised and the corresponding restoration liability is raised as soon as the obligation to incur such costs arises. Future restoration and environmental costs are capitalised in property, plant

NOTES

forming part of the consolidated financial statements

2. Significant accounting policies (Contd.)

and equipment or mining assets as appropriate and are depreciated over the life of the related asset. The effect of time value of money on the restoration and environmental costs liability is recognised in the consolidated statement of profit and loss.

(m) Intangible assets

Patents, trademarks and software costs are included in the consolidated balance sheet as intangible assets when it is probable that associated future economic benefits would flow to the Group. In this case they are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives. All other costs on patents, trademarks and software are expensed in the consolidated statement of profit and loss as and when incurred.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Costs incurred on individual development projects are recognised as intangible assets from the date when all of the following conditions are met:

(i) completion of the development is technically feasible.

(ii) it is the intention to complete the intangible asset and use or sell it.

(iii) ability to use or sell the intangible asset.

(iv) it is clear that the intangible asset will generate probable future economic benefits.

(v) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available.

(vi) it is possible to reliably measure the expenditure attributable to the intangible asset during its development.

Recognition of costs as an asset is ceased when the project is complete and available for its intended use, or if these criteria are no longer applicable.

Where development activities do not meet the conditions for recognition as an asset, any associated expenditure is treated as an expense in the period in which it is incurred.

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

Subsequent to initial recognition, intangible assets with definite useful lives acquired in a business combination are reported at cost or deemed cost applied on transition to Ind AS, less accumulated amortisation and accumulated impairment losses.

(n) Depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets

Depreciation or amortisation is provided so as to write off, on a straight-line basis, the cost/deemed cost of property, plant and equipment, right-of-use assets and intangible assets, including right-of-use assets to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of right-of-use assets, over the lease period, if shorter. The estimated useful lives of assets, residual values and depreciation method are reviewed regularly and, when necessary, revised.

Depreciation on assets under construction commences only when the assets are ready for their intended use.

The estimated useful lives for the main categories of property, plant and equipment and other intangible assets are:

	Estimated useful life (years)
Freehold and long leasehold buildings	upto 60 years*
Roads	5 to 10 years
Plant and machinery	upto 40 years*
Furniture, fixture and office equipments	3 to 25 years
Vehicles and aircraft	4 to 20 years
Railway sidings	upto 35 years*
Assets covered under the Electricity Act (life as prescribed under the Electricity Act)	3 to 38 years
Patents and trademarks	4 years
Product and process development costs	5 years
Computer software	upto 8 years
Other assets	1 to 15 years

Mining assets are amortised over the useful life of the mine or lease period whichever is lower.

Major furnace relining expenses are depreciated over a period of 10 years (average expected life).

NOTES

forming part of the consolidated financial statements

2. Significant accounting policies (Contd.)

Freehold land is not depreciated.

* For these class of assets, based on internal assessment and independent technical evaluation carried out by chartered engineers, the Company and some of its subsidiaries believe that the useful lives as given above best represent the period over which such Company expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

(o) Impairment

At each balance sheet date, the Group reviews the carrying value of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised in the consolidated statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the consolidated statement of profit and loss immediately.

(p) Leases

The Group determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to control the use of that asset to the Group in return for payment.

The Group as lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that such options would be exercised.

The right-of-use assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any, and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the consolidated statement of profit and loss.

Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying

NOTES

forming part of the consolidated financial statements

2. Significant accounting policies (Contd.)

amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Group recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in the consolidated statement of profit and loss.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the consolidated statement of profit and loss in the period in which the events or conditions which trigger those payments occur.

Payment made towards leases for which non-cancellable term is 12 months or lesser (short-term leases) and low value leases are recognised in the statement of Profit and Loss as rental expenses over the tenor of such leases.

In a sale and lease back transaction, the Group measures right-of-use asset arising from the leaseback as the proportion of the previous carrying amount of the asset that relates to the right of use retained. The gain or loss that the Group recognises in the statement of profit and loss is limited to the proportion of the total gain or loss that relates to the rights transferred to the buyer.

The Group as lessor

(i) Operating lease – Rental income from operating leases is recognised in the consolidated statement of profit and loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight-line basis over the lease term.

(ii) Finance lease – When assets are leased out under a finance lease, the present value of minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of receivable is recognised as unearned finance income.

Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

(q) Stripping costs

The Group separates two different types of stripping costs that are incurred in surface mining activity:

- developmental stripping costs and
- production stripping costs

Developmental stripping costs which are incurred in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets.

Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

A mine can operate several open pits that are regarded as separate operations for the purpose of mine planning and production. In this case, stripping costs are accounted for separately, by reference to the ore extracted from each separate pit. If, however, the pits are highly integrated for the purpose of mine planning and production, stripping costs are aggregated too.

The determination of whether multiple pit mines are considered separate or integrated operations depends on each mine's specific circumstances. The following factors normally point towards the stripping costs for the individual pits being accounted for separately:

- mining of the second and subsequent pits is conducted consecutively with that of the first pit, rather than concurrently
- separate investment decisions are made to develop each pit, rather than a single investment decision being made at the outset
- the pits are operated as separate units in terms of mine planning and the sequencing of overburden and ore mining, rather than as an integrated unit
- expenditures for additional infrastructure to support the second and subsequent pits are relatively large
- the pits extract ore from separate and distinct ore bodies, rather than from a single ore body.

NOTES

forming part of the consolidated financial statements

2. Significant accounting policies (Contd.)

The relative importance of each factor is considered by the management to determine whether, the stripping costs should be attributed to the individual pit or to the combined output from the several pits.

Production stripping costs are incurred to extract the ore in the form of inventories and/or to improve access to an additional component of an ore body or deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realised in the form of inventories.

The Group recognises a stripping activity asset in the production phase if, and only if, all of the following are met:

- it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the Group
- the Group can identify the component of the ore body for which access has been improved and
- the costs relating to the improved access to that component can be measured reliably.

Such costs are presented within mining assets. After initial recognition, stripping activity assets are carried at cost/deemed cost, less accumulated amortisation and impairment. The expected useful life of the identified component of the ore body is used to depreciate or amortise the stripping asset.

(r) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the consolidated statement of profit and loss. Trade Receivables that do not contain a significant financing component are measured at transaction price.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(I) Financial assets

Cash and bank balances

Cash and bank balances consist of:

(i) **Cash and cash equivalents** - which includes cash on hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than three months. These balances with banks are unrestricted for withdrawal and usage.

(ii) **Other bank balances** - which include balances and deposits with banks that are restricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value

Financial assets are measured at fair value through other comprehensive income if such financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell such financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group in respect of certain equity investments (other than in associates and joint ventures) which are not held for trading has made an irrevocable election

NOTES

forming part of the consolidated financial statements

2. Significant accounting policies (Contd.)

to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Group on an instrument by instrument basis at the time of initial recognition of such equity investments. These investments are held for medium or long-term strategic purpose. The Group has chosen to designate these investments in equity instruments as fair value through other comprehensive income as the management believes this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the consolidated statement of profit and loss.

Financial assets not measured at amortised cost or at fair value through other comprehensive income are carried at fair value through profit and loss.

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable.

Dividend income

Dividend income from investments is recognised when the right to receive payment has been established.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

The Group recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction.

For financial assets (apart from trade receivables that do not constitute of financing transaction) whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk of the financial asset has significantly increased since initial recognition.

De-recognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a borrowing for the proceeds received.

(II) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the consolidated statement of profit and loss.

NOTES

forming part of the consolidated financial statements

2. Significant accounting policies (Contd.)

De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

Derivative financial instruments and hedge accounting

In the ordinary course of business, the Group uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange, base metal prices and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts, forward rate agreements, cross currency swaps, interest rate swaps and collars. The instruments are employed as hedges of transactions included in the financial statements or for highly probable forecast transactions/firm contractual commitments. These derivatives contracts do not generally extend beyond six months, except for certain currency swaps and interest rate derivatives.

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

The Group adopts hedge accounting for forward foreign exchange, interest rate and commodity contracts wherever possible. At the inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item and transaction and nature of the risk being hedged. At inception each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the consolidated statement of profit and loss.

When hedge accounting is applied:

- for fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognised in the consolidated statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.
- for cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and the ineffective portion is recognised in the consolidated statement of profit and loss. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the consolidated statement of profit and loss in the same period in which the hedged item affects the consolidated statement of profit and loss.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the consolidated statement of profit and loss as and when they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the consolidated statement of profit and loss for the period.

(s) Employee benefits

Defined contribution plans

Contributions under defined contribution plans are recognised as expense for the period in which the employee has rendered service. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

2. Significant accounting policies (Contd.)

Defined benefit plans

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each year-end balance sheet date. Remeasurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) are recognised as an expense within employee costs.

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

The retirement benefit obligations recognised in the consolidated balance sheet represents the present value of the defined benefit obligations as reduced by the fair value of plan assets.

Compensated absences

Liabilities recognised in respect of other long-term employee benefits such as annual leave and sick leave are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date using the projected unit credit method with actuarial valuation being carried out at each year-end balance sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation.

(t) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is ascertained on a weighted average basis. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

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

(u) Provisions

Provisions are recognised in the consolidated balance sheet when the Group has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the time value of money is material, provisions are measured on a discounted basis.

Constructive obligation is an obligation that derives from an entity's actions where:

(i) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and

(ii) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge such responsibilities.

(v) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

NOTES

forming part of the consolidated financial statements

2. Significant accounting policies (Contd.)

(w) Government grants

Government grants are recognised at its fair value, where there is a reasonable assurance that such grants will be received and compliance with the conditions attached therewith have been met.

Government grants related to expenditure on property, plant and equipment are credited to the consolidated statement of profit and loss over the useful lives of qualifying assets or other systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Grants received less amounts credited to the consolidated statement of profit and loss at the reporting date are included in the consolidated balance sheet as deferred income.

(x) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

Assets and disposal groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, or disposal group, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. The Group must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, then it is treated as a discontinued operation. The post-tax profit or loss of the discontinued operation together with the gain or loss recognised on its disposal are disclosed as a single amount in the consolidated statement of profit and loss, with all prior periods being presented on this basis.

(y) Income taxes

Tax expense for the year comprises of current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and they are in the same taxable entity, or a Group of taxable entities where the tax losses of one entity are used to offset the taxable profits of another and there are legally

NOTES
forming part of the consolidated financial statements

2. Significant accounting policies (Contd.)

enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the consolidated statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the consolidated balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(z) Revenue

The Group manufactures and sells a range of steel and other products.

Sale of products

Revenue from sale of products is recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, the risks of loss has been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied. Sale of products include related ancillary services, if any.

Goods are often sold with volume and price discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume and price discounts. Accumulated experience is used to estimate and provide for the discounts, using the most likely method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are generally made with a credit term of 30-90 days, which is consistent with market practice. Any obligation to provide a refund is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group does not adjust the transaction prices for any time value of money in case of contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one year.

Sale of power

Revenue from sale of power is recognised when the services are provided to the customer based on approved tariff rates established by the respective regulatory authorities. The Group doesn't recognise revenue and an asset for cost incurred in the past that will be recovered.

(aa) Foreign currency transactions and translations

The consolidated financial statements of the Group are presented in Indian Rupee ("₹"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the consolidated statement of profit and loss for the period.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Company's foreign subsidiaries, associates and joint ventures are expressed in "₹" using exchange rates prevailing at the

NOTES

forming part of the consolidated financial statements

2. Significant accounting policies (Contd.)

end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity. On the disposal of a foreign operation, all of the accumulated exchange differences in respect of that operation attributable to the Company are reclassified to the consolidated statement of profit and loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(ab) Borrowing costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is recognised in the consolidated statement of profit and loss.

Discounts or premiums and expenses on the issue of debt securities are amortised over the term of the related securities and included within borrowing costs. Premiums payable on early redemptions of debt securities, in lieu of future finance costs, are recognised as borrowing costs.

All other borrowing costs are recognised as expenses in the period in which it is incurred.

(ac) Earnings per share

Basic earnings per share is computed by dividing the consolidated profit or loss for the year attributable to equity holders by the weighted average number of shares outstanding during the year. Partly paid-up shares are included as fully paid equivalents according to the fraction paid-up.

Diluted earnings per share is computed using the weighted average number of shares and dilutive potential shares except where the result would be anti-dilutive.

(ad) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") has notified the following new amendments to Ind AS which the Group has not applied as they are effective for annual periods beginning on or after April 1, 2023.

Amendment to Ind AS 1 "Presentation of Financial Instruments"

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information is material if, together with other information can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

Amendment to Ind AS 12 "Income Taxes"

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

Amendment to Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities use measurement techniques and inputs to develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

NOTES

forming part of the consolidated financial statements

3. Property, plant and equipment

[Item No. I(a), Page F140]

(₹ crore)

	Land including roads	Buildings	Plant and machinery	Furniture, fixtures and office equipments (FFOE)	Vehicles	Railway sidings	Total
Cost/deemed cost as at April 1, 2022	18,308.82	25,353.77	1,44,092.44	976.93	441.68	1,775.11	1,90,948.75
Addition relating to acquisitions	50.15	319.92	2,499.20	0.71	0.35	30.14	2,900.47
Additions	65.12	511.64	5,787.12	127.85	5.67	0.40	6,497.80
Disposals	(79.15)	(42.70)	(1,697.70)	(20.49)	(17.63)	(0.04)	(1,857.71)
Disposal of group undertakings	-	(20.58)	-	-	-	-	(20.58)
Classified as held for sale	-	-	(13.11)	-	-	-	(13.11)
Other re-classifications	(3.62)	(35.50)	117.17	10.25	1.05	-	89.35
Exchange differences on consolidation	182.66	478.91	2,891.99	0.49	0.57	35.62	3,590.24
Cost/deemed cost as at March 31, 2023	**18,523.98**	**26,565.46**	**1,53,677.11**	**1,095.74**	**431.69**	**1,841.23**	**2,02,135.21**
Accumulated impairment as at April 1, 2022	301.63	335.18	5,884.67	4.37	1.13	18.96	6,545.94
Additions relating to acquisitions	-	-	0.13	0.01	-	-	0.14
Charge for the year	(7.19)	(39.76)	37.69	-	-	-	(9.26)
Disposals	-	(0.25)	(307.30)	(0.01)	-	-	(307.56)
Other re-classifications	(262.28)	(17.46)	0.04	0.03	-	-	(279.67)
Exchange differences on consolidation	(2.32)	11.77	148.72	0.10	-	0.42	158.69
Accumulated impairment as at March 31, 2023	**29.84**	**289.48**	**5,763.95**	**4.50**	**1.13**	**19.38**	**6,108.28**
Accumulated depreciation as at April 1, 2022	965.87	7,600.38	58,135.12	754.95	245.07	534.96	68,236.35
Additions relating to acquisitions	-	-	0.15	0.06	-	-	0.21
Charge for the year	87.63	924.90	6,691.10	100.21	26.90	84.47	7,915.21
Disposals	-	(31.71)	(1,115.17)	(21.22)	(16.10)	(0.02)	(1,184.22)
Classified as held for sale	-	-	(4.88)	-	-	-	(4.88)
Other re-classifications	259.36	5.86	20.84	7.06	(0.13)	-	292.99
Exchange differences on consolidation	14.20	284.49	1,760.27	(1.40)	0.29	16.68	2,074.53
Accumulated depreciation as at March 31, 2023	**1,327.06**	**8,783.92**	**65,487.43**	**839.66**	**256.03**	**636.09**	**77,330.19**
Total accumulated depreciation and impairment as at March 31, 2023	**1,356.90**	**9,073.40**	**71,251.38**	**844.16**	**257.16**	**655.47**	**83,438.47**
Net carrying value as at April 1, 2022	17,041.32	17,418.21	80,072.65	217.61	195.48	1,221.19	1,16,166.46
Net carrying value as at March 31, 2023	**17,167.08**	**17,492.06**	**82,425.73**	**251.58**	**174.53**	**1,185.76**	**1,18,696.74**

NOTES

forming part of the consolidated financial statements

3. Property, plant and equipment (Contd.)

[Item No. I(a), Page F140]

(₹ crore)

	Land including roads	Buildings	Plant and machinery	Furniture, fixtures and office equipments (FFOE)	Vehicles	Railway sidings	Total
Cost/deemed cost as at April 1, 2021	18,004.07	24,605.59	1,47,042.54	1,032.77	474.26	1,342.14	1,92,501.37
Addition relating to acquisitions	-	36.43	16.97	6.68	0.09	-	60.17
Additions	68.45	1,185.08	5,863.19	90.83	7.45	82.53	7,297.53
Disposals	(122.38)	(159.43)	(1,328.35)	(72.73)	(34.77)	-	(1,717.66)
Disposal of group undertakings	-	(26.81)	(509.25)	(82.68)	(8.37)	-	(627.11)
Classified as held for sale	(2.83)	(57.71)	(307.10)	(3.99)	(1.80)	-	(373.43)
Other re-classifications	399.03	(196.09)	(6,058.16)	(0.05)	4.64	347.27	(5,503.36)
Exchange differences on consolidation	(37.52)	(33.29)	(627.40)	6.10	0.18	3.17	(688.76)
Cost/deemed cost as at March 31, 2022	**18,308.82**	**25,353.77**	**1,44,092.44**	**976.93**	**441.68**	**1,775.11**	**1,90,948.75**
Accumulated impairment as at April 1, 2021	324.36	299.15	9,811.02	19.17	1.19	19.19	10,474.08
Charge for the year	0.85	19.41	52.81	1.14	-	-	74.21
Disposals	(0.15)	(0.11)	(6.16)	-	-	-	(6.42)
Disposal of group undertakings	-	-	(6.10)	-	-	-	(6.10)
Classified as held for sale	(4.14)	(12.37)	(93.32)	(0.05)	(0.06)	-	(109.94)
Other re-classifications	(15.21)	34.32	(3,861.56)	(15.82)	-	-	(3,858.27)
Exchange differences on consolidation	(4.08)	(5.22)	(12.02)	(0.07)	-	(0.23)	(21.62)
Accumulated impairment as at March 31, 2022	**301.63**	**335.18**	**5,884.67**	**4.37**	**1.13**	**18.96**	**6,545.94**
Accumulated depreciation as at April 1, 2021	879.69	6,989.73	53,806.21	768.02	249.25	330.89	63,023.79
Additions relating to acquisitions	-	5.55	4.36	3.25	0.06	-	13.22
Charge for the year	93.13	912.54	6,526.49	112.65	31.71	55.09	7,731.61
Disposals	(71.93)	(138.29)	(1,090.42)	(68.12)	(31.13)	-	(1,399.89)
Disposal of group undertakings	-	(20.58)	(294.35)	(75.50)	(7.96)	-	(398.38)
Classified as held for sale	1.31	(45.34)	(208.14)	(3.95)	(1.74)	-	(257.86)
Other re-classifications	60.38	(61.07)	(140.02)	11.67	4.64	147.76	23.36
Exchange differences on consolidation	3.29	(42.16)	(469.01)	6.93	0.24	1.22	(499.49)
Accumulated depreciation as at March 31, 2022	**965.87**	**7,600.38**	**58,135.12**	**754.95**	**245.07**	**534.96**	**68,236.35**
Total accumulated depreciation and impairment as at March 31, 2022	**1,267.50**	**7,935.56**	**64,019.79**	**759.32**	**246.20**	**553.92**	**74,782.29**
Net carrying value as at April 1, 2021	16,800.02	17,316.71	83,425.31	245.58	223.82	992.06	1,19,003.50
Net carrying value as on March 31, 2022	**17,041.32**	**17,418.21**	**80,072.65**	**217.61**	**195.48**	**1,221.19**	**1,16,166.46**

NOTES

forming part of the consolidated financial statements

3. Property, plant and equipment (Contd.)

[Item No. I(a), Page F140]

(i) Net carrying value of furniture, fixtures and office equipment comprises of:

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Furniture and fixtures		
Cost/deemed cost	259.91	218.83
Accumulated depreciation and impairment	198.83	169.19
	61.08	**49.64**
Office equipments		
Cost/deemed cost	835.83	758.10
Accumulated depreciation and impairment	645.33	590.13
	190.50	**167.97**
	251.58	**217.61**

(ii) ₹**291.06** crore (2021-22: ₹179.24 crore) of borrowing costs has been capitalised during the year on qualifying assets under construction. The capitalisation rate ranges between **2.47**% to **9.46**% (2021-22: 2.88% to 9.71%).

(iii) During the year ended March 31, 2023, the Group considered indicators of impairment for its cash generating units ('CGUs') within the steel, mining and other business operations, such as decline in operational performance, changes in the outlook of future profitability among other potential indicators. In respect of CGUs where indicators of impairment were identified, the Group estimated the recoverable amount based on the value in use.

The outcome of the test as on March 31, 2023 resulted in the Group recognising a net impairment reversal of ₹**34.41** crore (2021-22: net impairment charge ₹137.42 crore) for property, plant and equipment including capital work-in-progress. The impairment reversal (net of charge) for the year is contained within the Indian, European operations and Southeast Asian Operations.

Within the European Operations wherever impairment triggers existed the recoverable amount of all relevant CGUs have been assessed with respect to their value in use or fair value less costs of disposal, whichever is higher. The fair value less costs of disposal methodology included assumptions with respect to capital expenditure regarding the amounts necessary to pursue the decarbonisation as well as an assumption of a government grant in relation to the total capital expenditure required for decarbonisation.

Considering above and consistent with annual test for impairment of goodwill as at March 31, 2023, property, plant and equipment within the Group's European businesses were also tested for impairment at that date where indicators of impairment existed. The outcome of this test indicated that the value in use of the Group's certain CGUs against which property, plant and equipment is included, using a discount rate of **10.60%** p.a. (2021-22: 8.40% p.a.), except in Tata Steel UK Limited ("TSUK")where a discount rate of **9.90%** (2021- 22: 9.30%) was used, was higher than their carrying value. For the value in use model a **Nil** growth rate (March 31, 2022: Nil) is used to extrapolate the cash flow projections beyond the three-year period of the financial budgets up until the fifteenth year, at which point a **2.00%** (except in TSUK where a growth rate of **1.70%** is used) growth rate is used on future cashflows into perpetuity. Within one of the business, value in use was sufficiently greater than it's carrying value due to prior impairment. Accordingly, an impairment reversal of ₹**89.69** crore (2021-22: Nil) has been recognised in relation to such business and the amount is included within exceptional items in the consolidated statement of profit and loss. With respect to one of the businesses within European operations an impairment charge of ₹**77.83** crore (2021-22: ₹137.28 crore) has been recognised. Out of the total impairment charge, ₹**53.17** crore (2021-22: ₹44.03 crore) is included in exceptional items and ₹**24.66** crore (2021-22: ₹93.25 crore) is included within other expenses in the consolidated statement of profit and loss.

NOTES

forming part of the consolidated financial statements

3. Property, plant and equipment (Contd.)

[Item No. I(b), Page F140]

During the year ended March 31, 2023, the Group has recognised an impairment charge of ₹**0.22** crore (2021-22: ₹0.14 crore) within the South-east Asia operations. The impairment charge was included within other expenses in the consolidated statement of profit and loss.

Within the Indian operations, the Group has recognised an impairment reversal of ₹**22.77** crore (2021-22: Nil) in respect of expenditure incurred at one of its mining sites. The impairment reversed is included within other expenses in the consolidated statement of profit and loss.

The Group has conducted sensitivity analysis on the impairment tests of the carrying value in respect of Group's CGUs and property, plant and equipment including sensitivity in respect of discount rate. The management believes that no reasonably possible change in any of the key assumptions used in the value in use calculations would cause the carrying value of property, plant and equipment in any CGU to materially exceed its value in use, other than in respect of the remaining property, plant and equipment at the Strip Products UK business which had a carrying value as at March 31, 2023 of ₹**6,029.64** crore (March 31, 2022: ₹5,214.15 crore) and overseas Canadian mining business which had a carrying value as at March 31, 2023 of ₹**3,597.15** crore (March 31, 2022: ₹3,537.87 crore). For the mining operations in Canada, the value in use is dependent on improvement in commodity prices and realisation of cost savings in operation. A reasonably possible change in any of these key assumptions would increase the likelihood of impairment losses in the future.

(iv) During the year ended March 31,2022 other re-classifications (net of depreciation and impairment) mainly represents ₹2,035.12 crore from tangible assets to intangible assets pertaining to the Group's overseas mining operations.

(v) The details of property, plant and equipment pledged against borrowings is presented in note 23, page F206.

(vi) Additions to capital work-in-progress during the year is ₹**13,262.03** crore (2021-22 ₹9,660.98 crore).

(vii) Ageing of capital work-in-progress is as below:

As at March 31, 2023

(₹ crore)

	Amount in capital work in progress for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	12,792.10	6,059.19	4,371.97	6,793.78	30,017.04
Projects temporarily suspended	2.26	0.02	1.63	286.95	290.86
Total	**12,794.36**	**6,059.21**	**4,373.60**	**7,080.73**	**30,307.90**

As at March 31, 2022

(₹ crore)

	Amount in capital work in progress for period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	8,036.69	3,798.50	3,496.80	5,615.90	20,947.89
Projects temporarily suspended	22.53	1.68	13.40	242.12	279.73
Total	**8,059.22**	**3,800.18**	**3,510.20**	**5,858.02**	**21,227.62**

NOTES
forming part of the consolidated financial statements

3. Property, plant and equipment (Contd.)
[Item No. I(b), Page F140]

(viii) The expected completion of amounts lying in capital work in progress which are delayed are as below:

As at March 31, 2023

(₹ crore)

	Amount in capital work in progress to be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress:				
Tata Steel India:				
Growth projects	9,527.37	7,024.02	97.75	67.81
Raw material augmentation	489.92	1,153.85	-	-
Environment, safety and compliance	303.00	404.82	-	-
Sustenance projects	1,371.00	63.85	1.66	24.03
	11,691.29	**8,646.54**	**99.41**	**91.84**
Tata Steel Europe:				
Environment, safety and compliance	162.42	70.29	-	-
Sustenance projects	2,433.23	-	-	-
	2,595.65	**70.29**	**-**	**-**
Tata Steel Long Products:				
Environment, safety and compliance	5.60	-	-	-
Sustenance projects	17.81	121.57	-	-
	23.41	**121.57**	**-**	**-**
The Tinplate Company of India:				
Environment, safety and compliance	2.76	-	-	-
Sustenance projects	17.36	-	-	-
	20.12	**-**	**-**	**-**
Tata Metaliks:				
Growth projects	41.28	-	-	-
	41.28	**-**	**-**	**-**
	14,371.75	**8,838.40**	**99.41**	**91.84**
Projects temporarily suspended:				
Tata Steel Europe:				
Environment, safety and compliance	41.57	19.39	-	-
Sustenance projects	185.67	0.02	-	5.90
	227.24	**19.41**	**-**	**5.90**

NOTES

forming part of the consolidated financial statements

3. Property, plant and equipment (Contd.)

[Item No. I(b), Page F140]

As at March 31, 2022

(₹ crore)

	Amount in capital work in progress to be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress:				
Tata Steel India:				
Growth projects	1,635.23	4,765.14	4,365.64	-
Raw material augmentation	817.34	-	87.79	348.80
Environment, safety and compliance	102.55	-	625.64	-
Sustenance projects	626.39	429.36	10.37	42.93
	3,181.51	**5,194.50**	**5,089.44**	**391.73**
Tata Steel Europe:				
Growth projects	1,327.55	9.58	-	-
Environment, safety and compliance	775.54	-	-	-
Sustenance projects	1,895.77	38.83	-	-
	3,998.86	**48.41**	**-**	**-**
Tata Steel Long Products:				
Sustenance projects	0.64	-	-	-
	0.64	**-**	**-**	**-**
The Tinplate Company of India:				
Environment, safety and compliance	1.79	-	-	-
Sustenance projects	24.83	-	-	-
	26.62	**-**	**-**	**-**
Tata Metaliks:				
Growth projects	176.79	-	-	-
	176.79	**-**	**-**	**-**
	7,384.42	**5,242.91**	**5,089.44**	**391.73**
Projects temporarily suspended:				
Tata Steel Europe:				
Environment, safety and compliance	-	-	18.48	-
Sustenance projects	22.22	-	-	4.30
	22.22	**-**	**18.48**	**4.30**

As part of its strategy to continue to grow in the Indian market, the Company acquired Tata Steel BSL Limited (TSBSL) with ~5 MTPA steel making capacity in May 2018, under a bid process triggered by TSBSL's insolvency. Post-acquisition, the Group's net debt at a consolidated level had increased considerably.

Given the Group's strategic priority to deleverage balance sheet consequent to increase in net debt levels ahead of incurring further planned investments in organic growth projects, capital expenditure during last few years have been lower than the original phasing of spend approved by the Board of Directors of the Company. This was further exacerbated by the onset of the COVID19 pandemic towards the close of financial year 2020, wherein business & supply chain disruptions, health and safety concerns across the globe coupled with travel restrictions globally impacted the pace of project execution over the last 2-3 years.

Following the rebalancing of capital structure post significant reduction in the debt levels and the Company attaining an investment grade credit rating, the capital allocation for organic growth projects has been increased and the Group expects to commission these facilities in line with their revised completion schedules.

NOTES

forming part of the consolidated financial statements

4. Right-of-use assets

[Item No. I(c), Page F140]

(₹ crore)

	Right-of-use land	Right-of-use buildings	Right-of-use plant and machinery	Right-of-use furniture, fixtures and office equipments	Right-of-use vehicles	Right-of-use railway sidings	Total
Cost as at April 1, 2022	2,461.37	2,234.51	8,661.61	13.86	244.42	5.26	13,621.03
Addition relating to acquisitions	688.96	-	-	-	-	-	688.96
Additions	16.48	134.52	906.61	0.89	106.40	-	1,164.90
Disposals	-	(93.00)	(150.83)	(0.39)	(44.86)	(5.26)	(294.34)
Other re-classifications	(0.03)	(0.84)	(88.35)	-	0.71	-	(88.51)
Exchange differences on consolidation	9.88	62.95	127.73	0.62	10.16	-	211.34
Cost as at March 31, 2023	**3,176.66**	**2,338.14**	**9,456.77**	**14.98**	**316.83**	**-**	**15,303.38**
Accumulated impairment as at April 1, 2022	-	60.27	0.06	0.23	6.81	-	67.37
Charge for the year	-	5.51	-	-	-	-	5.51
Other re-classifications	-	-	1.61	-	-	-	1.61
Exchange differences on consolidation	-	2.55	0.17	0.02	0.43	-	3.17
Accumulated impairment as at March 31, 2023	**-**	**68.33**	**1.84**	**0.25**	**7.24**	**-**	**77.66**
Accumulated depreciation as at April 1, 2022	250.76	794.36	4,034.74	3.56	127.46	5.08	5,215.96
Charge for the year	57.48	149.44	731.78	0.45	60.27	0.18	999.60
Disposals	-	(80.01)	(141.96)	(0.39)	(42.22)	(5.26)	(269.84)
Other re-classifications	-	33.14	(79.84)	-	0.71	-	(45.99)
Exchange differences on consolidation	1.21	27.92	68.68	0.01	5.65	-	103.47
Accumulated depreciation as at March 31, 2023	**309.45**	**924.85**	**4,613.40**	**3.63**	**151.87**	**-**	**6,003.20**
Total accumulated depreciation and impairment as at March 31, 2023	**309.45**	**993.18**	**4,615.24**	**3.88**	**159.11**	**-**	**6,080.86**
Net carrying value as at April 1, 2022	2,210.61	1,379.88	4,626.81	10.07	110.15	0.18	8,337.70
Net carrying value as at March 31, 2023	**2,867.21**	**1,344.96**	**4,841.53**	**11.10**	**157.72**	**-**	**9,222.52**

NOTES

forming part of the consolidated financial statements

4. Right-of-use assets (Contd.)

[Item No. I(c), Page F140]

(₹ crore)

	Right-of-use land	Right-of-use buildings	Right-of-use plant and machinery	Right-of-use furniture, fixtures and office equipments	Right-of-use vehicles	Right-of-use railway sidings	Total
Cost as at April 1, 2021	2,652.24	2,222.73	8,553.14	14.41	206.42	329.28	13,978.22
Addition relating to acquisitions	2.63	0.60	-	-	-	-	3.23
Additions	5.15	78.01	227.81	0.04	70.26	-	381.27
Disposals	(3.61)	(56.14)	(101.01)	(0.33)	(25.56)	(12.13)	(198.78)
Disposal of group undertakings	(177.61)	(17.33)	-	-	(3.75)	-	(198.69)
Other re-classifications	(15.62)	35.15	-	-	-	(316.98)	(297.45)
Exchange differences on consolidation	(1.81)	(28.51)	(18.33)	(0.26)	(2.95)	5.09	(46.77)
Cost as at March 31, 2022	**2,461.37**	**2,234.51**	**8,661.61**	**13.86**	**244.42**	**5.26**	**13,621.03**
Accumulated impairment as at April	-	69.58	-	0.24	4.11	-	73.93
Charge for the year	-	-	(1.72)	-	2.85	-	1.13
Other re-classifications	-	(8.49)	1.81	-	-	-	(6.68)
Exchange differences on consolidation	-	(0.82)	(0.03)	(0.01)	(0.15)	-	(1.01)
Accumulated impairment as at March 31, 2022	**-**	**60.27**	**0.06**	**0.23**	**6.81**	**-**	**67.37**
Accumulated depreciation as at April 1, 2021	226.96	597.30	3,405.37	2.87	93.87	126.97	4,453.34
Addition relating to acquisitions	0.12	-	-	-	-	-	0.12
Charge for the year	57.16	220.39	739.65	1.06	60.88	23.49	1,102.63
Disposals	(1.02)	(37.53)	(100.97)	(0.33)	(23.37)	(12.13)	(175.35)
Disposal of group undertakings	(41.50)	(12.67)	-	-	(1.94)	-	(56.11)
Other re-classifications	8.81	37.83	(1.81)	-	-	(135.08)	(90.25)
Exchange differences on consolidation	0.23	(10.96)	(7.50)	(0.04)	(1.98)	1.83	(18.42)
Accumulated depreciation as at March 31, 2022	**250.76**	**794.36**	**4,034.74**	**3.56**	**127.46**	**5.08**	**5,215.96**
Total accumulated depreciation and impairment as at March 31, 2022	**250.76**	**854.63**	**4,034.80**	**3.79**	**134.27**	**5.08**	**5,283.33**
Net carrying value as at April 1, 2021	2,425.28	1,555.85	5,147.77	11.30	108.44	202.31	9,450.95
Net carrying value as on March 31, 2022	**2,210.61**	**1,379.88**	**4,626.81**	**10.07**	**110.15**	**0.18**	**8,337.70**

NOTES

forming part of the consolidated financial statements

4. Right-of-use assets (Contd.)

[Item No. I(c), Page F140]

(i) During the year ended March 31, 2023, the Group recognised an impairment of ₹**5.51** crore (2021-22: ₹1.13 crore) against right-of-use assets contained within European operations. The impairment charge is included within other expenses in the consolidated statement of profit and loss.

(ii) The Group's significant leasing arrangements relate to assets specifically set up for dedicated use by the Group under long-term arrangements and time charter of vessels. Other leases include land, office space, equipment, vehicles and some IT equipment.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Extension and termination options are included in some property and equipment leases. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Majority of the extension and termination options held are exercisable based on mutual agreement of the Group and the lessors.

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right- of- use asset and a lease liability. Payments made for short term leases and leases of low value are expensed on a straight-line basis over the lease term.

Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of sales) are excluded from the initial measurement of the lease liability and asset.

For leases recognised under long-term arrangements involving use of a dedicated asset, non-lease components are excluded based on the underlying contractual terms and conditions. A change in the allocation assumptions may have an impact on the measurement of lease liabilities and the related right-of-use assets.

During the year ended March 31, 2023, the Group has recognised the following in the consolidated statement of profit and loss:

(i) expense in respect of short-term leases and leases of low- value assets ₹**32.29** crore (2021-22: ₹25.95 crore) and ₹**30.57** crore (2021-22: ₹11.17 crore) respectively.

(ii) expense in respect of variable lease payments not included in the measurement of lease liabilities ₹**1,062.45** crore (2021-22: ₹804.01 crore).

(iii) income in respect of sub leases of right-of-use assets ₹**48.70** crore (2021-22: ₹20.10 crore).

During the year ended March 31, 2023, total cash outflow in respect of leases amounted to ₹**2,777.04** crore (2021-22: ₹2,751.64 crore).

As at March 31, 2023, commitments for leases not yet commenced was ₹**214.35** crore (March 31, 2022: ₹231.82 crore).

NOTES
forming part of the consolidated financial statements

5. Goodwill
[Item No. I(d), Page F140]

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Cost as at beginning of the year	5,899.55	5,950.91
Addition relating to acquisitions	1,202.96	14.17
Exchange differences on consolidation	121.31	(65.53)
Cost as at end of the year	**7,223.82**	**5,899.55**
Impairment as at beginning of the year	1,588.35	1,606.22
Charge for the year	0.77	-
Exchange differences on consolidation	33.05	(17.87)
Impairment as at end of the year	**1,622.17**	**1,588.35**
Net book value as at beginning of the year	**4,311.20**	**4,344.69**
Net book value as at end of the year	**5,601.65**	**4,311.20**

(i) The carrying value of goodwill predominantly relates to the goodwill that arose on the acquisition of erstwhile Corus Group Plc. and has been tested in the current year against the recoverable amount of the Business Unit IJmuiden cash generating unit (CGU) and in the prior year against the recoverable amount of Strip Products Mainland Europe cash generating unit (CGU) by the Group. This goodwill relates to expected synergies from combining Corus' activities with those of the Group and to assets, which could not be recognised as separately identifiable intangible assets. The goodwill is tested annually for impairment or more frequently if there are any indications that the goodwill may be impaired.

The recoverable amount of Business Unit IJmuiden CGU has been determined from a value in use calculation. The calculation uses cash flow forecasts based on the most recently approved financial budgets and strategic forecasts which cover a period of three years and future projections taking the analysis out to perpetuity based on a steady state, sustainable cash flow reflecting average steel industry conditions between successive peaks and troughs of profitability. Key assumptions for the value in use calculation are those regarding expected changes to selling prices, raw material costs, steel demand in European Union, energy costs, exchange rates, and a discount rate of **10.60%** p.a. (March 31, 2022: 8.40% p.a.). Changes in selling prices, raw material costs, exchange rates and steel demand in European Union are based on expectations of future changes in the steel market based on external market sources. In preparing the value in use calculation Tata Steel Europe ("TSE") has considered the effect that climate related risks may have on its future cash flow generation. Included within the cash flow forecasts are estimates for costs of compliance under the EU Emissions Trading Scheme based on the TSE's estimated shortfall between free allowances under the scheme and actual emissions. The forecasts also consider the ability of the TSE to fully mitigate these costs, primarily through the successful introduction of a CO_2 surcharge which has reduced uncertainty in regards to fluctuation in CO_2 costs on the profitability of TSE over the 3 year plan period.

NOTES

forming part of the consolidated financial statements

5. Goodwill (Contd.)

[Item No. I(d), Page F140]

The recoverable amount of Business Unit IJmuiden CGU has been determined from fair value less costs of disposal calculation considering the impact of decarbonisation route. The calculation involves estimating future cash flows that TSE expects to derive from the CGU using the three-year Annual Plan for the period financial year 2024-2026 and, for the period financial year 2026-27 onwards, using the full route decarbonisation model. The model included assumptions with respect to capital expenditure regarding the amounts necessary to pursue the decarbonisation as well as an assumption of a government grant in relation to the total capital expenditure required for decarbonisation. The cash flows are adjusted for improvement initiatives and EBITDA improvement on account of the capital expenditure.

For the model, a **Nil** growth rate (March 31, 2022: Nil) is used to extrapolate the cash flow projections beyond the three-year period of the financial budgets up until terminal year at which point a **2.00%** (2021-22: 1.80%) growth rate is used on future cashflows into perpetuity. The pre-tax discount rate is derived from TSE's weighted average cost of capital (WACC) and the WACCs of its main European steel competitors. The outcome of the Group's goodwill impairment as at March 31, 2023 for BU Ijmuiden CGU resulted in no impairment of goodwill (2021-22: Nil).

The management believes that no reasonably possible change in any of the key assumptions used in the value in use calculation would cause the carrying value of the CGU to materially exceed its recoverable value.

(ii) The carrying value of goodwill ₹**1,195.69** crore relate to the goodwill on the acquisition of Neelachal Ispat Nigam Limited ("NINL") through Tata Steel Long Products Limited, a non-wholly subsidiary of the Company. The recoverable value of NINL has been assessed based on higher of fair value less costs to sell and value in use for the underlying businesses.

The fair value less costs to sell model uses cash flow forecasts based on the most recently approved financial plan for financial year 2023-24. Beyond financial year 2023-24, the cash flow forecasts is based on strategic forecasts which cover a period i.e. estimated time to extract the total usable mineral reserves for mining business 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 1.10 MTPA to 4.56 MTPA by financial year 2028-29 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 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 outcome of the impairment assessment as on March 31, 2023 has not resulted in any impairment of goodwill.

The Group has conducted sensitivity analysis including discount rate on the impairment assessment of goodwill. The Group believes that no reasonably possible change in any of the key assumptions used in the model would cause the carrying value of goodwill to materially exceed its recoverable value. Detailed disclosure in respect of the acquisition is given in note 41, page F243.

NOTES

forming part of the consolidated financial statements

6. Other intangible assets

[Item No. I(e), Page F140]

(₹ crore)

	Patents and trademarks	Development costs	Software costs	Mining assets	Other intangible assets	Total
Cost/deemed cost as at April 1, 2022	29.49	299.49	1,147.92	9,126.95	678.58	11,282.43
Addition relating to acquisitions	-	-	-	8,612.00	-	8,612.00
Additions	0.03	-	173.03	35.77	16.45	225.28
Disposals	-	-	(19.49)	-	-	(19.49)
Other re-classifications	-	-	16.92	-	(1.90)	15.02
Exchange differences on consolidation	0.47	18.35	53.34	544.61	0.14	616.91
Cost/deemed cost as at March 31, 2023	**29.99**	**317.84**	**1,371.72**	**18,319.33**	**693.27**	**20,732.15**
Accumulated impairment as at April 1, 2022	12.34	8.76	40.97	4,042.60	30.65	4,135.32
Disposals	-	-	(7.95)	-	-	(7.95)
Exchange differences on consolidation	0.27	0.19	(0.77)	332.38	-	332.07
Accumulated impairment as at March 31, 2023	**12.61**	**8.95**	**32.25**	**4,374.98**	**30.65**	**4,459.44**
Accumulated amortisation as at April 1, 2022	9.82	290.69	745.83	1,511.15	117.15	2,674.64
Charge for the year	0.64	0.04	81.02	342.66	3.10	427.46
Disposals	-	-	(11.53)	-	-	(11.53)
Other re-classifications	-	-	12.44	-	2.06	14.50
Exchange differences on consolidation	0.03	18.16	31.43	17.34	0.13	67.09
Accumulated amortisation as at March 31, 2023	**10.49**	**308.89**	**859.19**	**1,871.15**	**122.44**	**3,172.16**
Total accumulated amortisation and impairment as at March 31, 2023	**23.10**	**317.84**	**891.44**	**6,246.13**	**153.09**	**7,631.60**
Net carrying value as at April 1, 2022	7.33	0.04	361.12	3,573.20	530.78	4,472.47
Net carrying value as at March 31, 2023	**6.89**	**-**	**480.28**	**12,073.20**	**540.18**	**13,100.55**

NOTES

forming part of the consolidated financial statements

6. Other intangible assets (Contd.)

[Item No. I(e), Page F140]

(₹ crore)

	Patents and trademarks	Development costs	Software costs	Mining assets	Other intangible assets	Total
Cost/deemed cost as at April 1, 2021	33.07	305.18	1,042.06	3,209.80	918.65	5,508.76
Additions relating to acquisitions	-	-	0.06	-	-	0.06
Additions	0.01	-	62.56	33.61	-	96.18
Disposals	-	-	(0.93)	(87.10)	(234.96)	(322.99)
Classified as held for sale	(3.29)	-	(5.28)	-	-	(8.57)
Other re-classifications	-	-	61.06	5,833.90	(6.35)	5,888.61
Exchange differences on consolidation	(0.30)	(5.69)	(11.61)	136.74	1.24	120.38
Cost/deemed cost as at March 31, 2022	**29.49**	**299.49**	**1,147.92**	**9,126.95**	**678.58**	**11,282.43**
Accumulated impairment as at April 1, 2021	12.48	8.86	27.58	138.79	30.65	218.36
Charge for the year	-	-	13.71	-	-	13.71
Disposals	-	-	(0.07)	(36.48)	-	(36.55)
Other re-classifications	-	-	-	3,863.14	-	3,863.14
Exchange differences on consolidation	(0.14)	(0.10)	(0.25)	77.15	-	76.66
Accumulated impairment as at March 31, 2022	**12.34**	**8.76**	**40.97**	**4,042.60**	**30.65**	**4,135.32**
Accumulated amortisation as at April 1, 2021	12.51	296.21	616.44	1,271.51	117.69	2,314.36
Additions relating to acquisitions	-	-	0.04	-	-	0.04
Charge for the year	0.66	0.06	85.64	186.93	2.35	275.64
Disposals	-	-	(0.70)	(50.62)	-	(51.32)
Classified as held for sale	(3.29)	-	(5.28)	-	-	(8.57)
Other re-classifications	-	-	55.46	99.88	(2.89)	152.45
Exchange differences on consolidation	(0.06)	(5.58)	(5.77)	3.45	-	(7.96)
Accumulated amortisation as at March 31, 2022	**9.82**	**290.69**	**745.83**	**1,511.15**	**117.15**	**2,674.64**
Total accumulated amortisation and impairment as at March 31, 2022	**22.16**	**299.45**	**786.80**	**5,553.75**	**147.80**	**6,809.96**
Net carrying value as on April 1, 2021	8.08	0.11	398.04	1,799.50	770.31	2,976.04
Net carrying value as on March 31, 2022	**7.33**	**0.04**	**361.12**	**3,573.20**	**530.78**	**4,472.47**

(i) Mining assets represent expenditure incurred in relation to acquisition of mines, mine development expenditure post establishment of technical and commercial feasibility and restoration obligations as per applicable regulations.

(ii) During the year ended March 31, 2023, the Group recognised net impairment charge of **Nil** (2021-22: ₹13.71 crore) in respect of intangible assets in its European operations. The impairment recognised is included within exceptional items in the consolidated statement of profit and loss.

NOTES

forming part of the consolidated financial statements

6. Other intangible assets (Contd.)

[Item No. I(f), Page F140]

(iii) Ageing of intangible assets under development is as below:

As at March 31, 2023

(₹ crore)

	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	226.14	274.38	72.35	332.25	905.12
Total	**226.14**	**274.38**	**72.35**	**332.25**	**905.12**

As at March 31, 2022

(₹ crore)

	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	38.26	300.06	134.32	345.29	817.93
Total	**38.26**	**300.06**	**134.32**	**345.29**	**817.93**

(iv) The expected completion of the amounts lying in intangible assets under development which are delayed are as below:

As at March 31, 2023

(₹ crore)

	Amount of intangible assets under development to be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress:				
Tata Steel India:				
Sustenance projects	103.51	33.07	7.32	3.34
	103.51	**33.07**	**7.32**	**3.34**
Tata Steel Europe:				
Growth projects	-	44.70	44.70	48.56
Sustenance projects	26.18	-	-	-
	26.18	**44.70**	**44.70**	**48.56**
	129.69	**77.77**	**52.02**	**51.90**

As at March 31, 2022

(₹ crore)

	Amount of intangible assets under development to be completed in			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Projects in progress:				
Tata Steel India:				
Sustenance projects	96.14	5.31	34.92	2.06
	96.14	**5.31**	**34.92**	**2.06**
Tata Steel Europe:				
Growth projects	-	74.81	86.62	215.69
Sustenance projects	24.65	-	-	-
	24.65	**74.81**	**86.62**	**215.69**
	120.79	**80.12**	**121.54**	**217.75**

NOTES

forming part of the consolidated financial statements

7. Equity accounted investments

[Item No. I(h), Page F140]

(a) Investment in associates:

(i) The Group has no material associates as at March 31, 2023. The aggregate summarised financial information in respect of the Group's immaterial associates accounted for using the equity method is as below:

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Carrying value of Group's interest in associates*	**251.72**	**210.89**

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Group's share in profit/(loss) for the year of associates*	7.65	43.67
Group's share in total comprehensive income for the year of associates	**7.65**	**43.67**

(ii) Fair value of investments in equity accounted associates for which published price quotation is available, which is a Level 1 input as at March 31, 2023 is ₹**60.16** crore (March 31, 2022: ₹50.44 crore). The carrying value of such investments is **Nil** (March 31, 2022: Nil) as the Group's share of losses in such associates exceeds the cost of investments made.

(iii) Share of unrecognised loss in respect of equity accounted associates amounted to **Nil** crore for the year ended March 31, 2023 (2021-22: ₹11.90 crore). Cumulative share of unrecognised losses in respect of equity accounted associates as at March 31, 2023 amounted to ₹**144.24** crore (March 31, 2022: ₹185.13 crore).

(b) Investment in joint ventures:

(i) The Group holds more than 50% of the equity share capital in TM International Logistics Limited and Jamshedpur Continuous Annealing & Processing Company Private Limited. However, decisions in respect of activities which significantly affect the risks and rewards of these businesses, require a unanimous consent of all the shareholders. These entities have therefore been considered as joint ventures.

(ii) The Group has no material joint ventures as at March 31, 2023. The aggregate summarised financial information in respect of the Group's immaterial joint ventures accounted for using the equity method is as below.

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Carrying value of Group's interest in joint ventures*	**2,981.61**	**2,750.76**

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Group's share in profit/(loss) for the year of joint ventures*	410.47	605.49
Group's share in other comprehensive income for the year of joint ventures	12.75	(28.51)
Group's share in total comprehensive income for the year of joint ventures	**423.22**	**576.98**

NOTES
forming part of the consolidated financial statements

7. Equity accounted investments (Contd.)
[Item No. I(h), Page F140]

(iii) Share of unrecognised losses in respect of equity accounted joint ventures amounted to ₹**96.09** crore for the year ended March 31, 2023 (2021-22: ₹0.14 crore). Cumulative share of unrecognised losses in respect of equity accounted joint ventures as at March 31, 2023 amounted to ₹**1,184.95** crore. (March 31, 2022: ₹1,018.87 crore).

(iv) During the year ended March 31, 2022, the Group has recognised an impairment of ₹0.39 crore in respect of its equity accounted joint ventures.

(c) Summary of carrying value of Group's interest in equity accounted investees:

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Carrying value of immaterial associates	251.72	210.89
Carrying value of immaterial joint ventures	2,981.61	2,750.76
	3,233.33	**2,961.65**

(d) Summary of Group's share in profit/(loss) for the year of equity accounted investees:

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Share of profit/(loss) of immaterial associates	7.65	43.67
Share of profit/(loss) of immaterial joint ventures	410.47	605.49
	418.12	**649.16**

(e) Summary of Group's share in other comprehensive income for the year of equity accounted investees:

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Share of other comprehensive income of immaterial joint ventures	12.75	(28.51)
	12.75	**(28.51)**

*Group's share in net assets and profit/(loss) of equity accounted investees has been determined after giving effect for subsequent amortisation/ depreciation and other adjustments arising on account of fair value adjustments made to the identifiable net assets of the equity accounted investees as at the date of acquisition and other adjustment e.g. unrealised profits on inventories etc., arising under the equity method of accounting.

NOTES

forming part of the consolidated financial statements

8. Investments

[Item No. I(i)(i) and II(b)(i), Page F140]

A. Non-current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Investments carried at amortised cost:		
Investment in government or trust securities	17.01	15.60
	17.01	**15.60**
(b) Investments carried at fair value through other comprehensive income:		
Investment in equity shares#	1,370.36	1,583.93
	1,370.36	**1,583.93**
(c) Investments carried at fair value through profit and loss:		
Investment in preference shares	85.48	13.72
Investment in equity shares	74.07	40.53
	159.55	**54.25**
	1,546.92	**1,653.78**

B. Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Investments carried at fair value through profit and loss:		
Investment in mutual funds - Quoted	0.09	0.09
Investment in mutual funds - Unquoted	3,629.97	8,524.33
	3,630.06	**8,524.42**

(i) Carrying value and market value of quoted and unquoted investments is as below:

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Investments in quoted instruments:		
Aggregate carrying value	995.64	1189.07
Aggregate market value	995.64	1189.07
(b) Investments in unquoted instruments:		
Aggregate carrying value	4,181.34	8,989.13

NOTES

forming part of the consolidated financial statements

8. Investments (Contd.)

[Item No. I(i)(i) and II(b)(i), Page F140]

(ii) During the year ended March 31,2022 cumulative gain on de-recognition of investments which were carried at fair value through other comprehensive income amounted to ₹9.99 crore. Fair value of such investments as on the date of de-recognition was ₹9.99 crore.

(iii) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, 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 / entities identified in any manner whatsoever by or on behalf of the Group ('ultimate beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than investments made by the Company for ₹**645.06** crore (March 31, 2022: Nil) in Tata Steel Mining Limited, ₹**10.00** crore (March 31, 2022: Nil) in Tata Steel Downstream Products Limited, ₹**54.69** crore (March 31, 2022: Nil) in Tata Steel Advanced Materials Limited and ₹**68.00** crore (March 31, 2022: Nil) in Tata Steel Utilities and Infrastructure Services Limited during the year ended on March 31, 2023 and as set out in note 9(iv), page F182, in the ordinary course of business and in keeping with the applicable regulatory requirements for onward funding to certain subsidiaries of the Company towards meeting their business requirements. Accordingly, no further disclosures, in this regard, are required. The aforesaid investments and loans have been eliminated in the consolidated financial statements.

(iv) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall 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 other than funds received by subsidiary companies as set out in note 8(iii), page F180 and note 9(iv), page F182, and other than investment of ₹**12,700.00** crore (March 31, 2022: Nil) by Tata Steel Long Products Limited ("TSLP") during the year towards acquisition of Neelachal Ispat Nigam Limited ("NINL")/subscription to shares of NINL out of funds received through issuance of non-convertible preference shares by TSLP to the Company, in the ordinary course of business and in keeping with the applicable regulatory requirements for onward funding to certain subsidiaries of the Company towards meeting their business requirements. Accordingly, no further disclosures, in this regard, are required. The aforesaid investments and loans have been eliminated in the consolidated financial statements.

includes unquoted equity instruments for which cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

NOTES

forming part of the consolidated financial statements

9. Loans

[Item No. I(i)(ii) and II(b)(v), Page F140]

A. Non-current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Loans to related parties		
Considered good- Unsecured	8.29	8.12
Credit impaired	210.82	206.31
Less: Allowance for credit losses	210.82	206.31
	8.29	**8.12**
(b) Other loans		
Considered good- Unsecured	56.45	64.32
Credit impaired	1,621.61	1,571.79
Less: Allowance for credit losses	1,621.61	1,571.79
	56.45	**64.32**
	64.74	**72.44**

B. Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Loans to related parties		
Considered good- Unsecured	-	-
Credit impaired	986.95	1,010.60
Less: Allowance for credit losses	986.95	1,010.60
	-	**-**
(b) Other loans		
Considered good- Unsecured	1.84	5.84
Credit impaired	2.01	9.60
Less: Allowance for credit losses	2.01	9.60
	1.84	**5.84**
	1.84	**5.84**

(i) Non-current loans to related parties represents loan given to joint ventures ₹**210.82** crore (March 31, 2022: ₹206.31 crore) and associates ₹**8.29** crore (March 31, 2022: ₹8.12 crore). Out of loans given to joint ventures, ₹**210.82** crore (March 31, 2022: ₹206.31 crore) is impaired.

(ii) Current loans to related parties represent loans/advances given to joint ventures ₹**986.95** crore (March 31, 2022: ₹910.60 crore) and associates **Nil** (March 31, 2022: ₹100.00 crore) out of which ₹**986.95** crore (March 31, 2022: ₹910.60 crore) and **Nil** (March 31, 2022: ₹100.00 crore) is impaired respectively.

NOTES
forming part of the consolidated financial statements

9. Loans (Contd.)

[Item No. I(i)(ii) and II(b)(v), Page F140]

(iii) Other loans includes loans given to employees.

(iv) The Group has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, 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 / entities identified in any manner whatsoever by or on behalf of the Group ('ultimate beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than loans advanced by the Company aggregating **Nil** (March 31, 2022: ₹23,029.77 crore) and roll over of loan of ₹**1,643.45** crore (March 31, 2022: ₹1,515.60 crore) given during the year to T Steel Holdings Pte. Ltd., a subsidiary and an investment company of the Company and as set out in note 8(iii), page F180, in the ordinary course of business and in keeping with the applicable regulatory requirements for onward funding to certain overseas subsidiaries of the Company towards meeting their business requirements and /or loan prepayments. Accordingly, no further disclosures, in this regard, are required. The aforesaid investments and loans have been eliminated in the consolidated financial statements.

(v) The Group has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding party") with the understanding (whether recorded in writing or otherwise) that the Group shall 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 other than funds received by subsidiary companies as set out on note 8(iii), page F180, and note 9(iv), page F182, in the ordinary course of business and in keeping with the applicable regulatory requirements for onward funding to certain overseas subsidiaries of the Company towards meeting their business requirements and/or loan prepayments. Accordingly, no further disclosures, in this regard, are required. The aforesaid investments and loans have been eliminated in the consolidated financial statements.

NOTES

forming part of the consolidated financial statements

10. Other financial assets

[Item No. I(i)(iv) and II(b)(vii), Page F140]

A. Non-current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Security deposits		
Considered good- Unsecured	277.25	263.63
Credit impaired	99.31	88.58
Less: Allowance for credit losses	99.31	88.58
	277.25	**263.63**
(b) Interest accrued on deposits, loans and advances		
Considered good- Unsecured	1.97	1.21
Credit impaired	0.27	0.27
Less: Allowance for credit losses	0.27	0.27
	1.97	**1.21**
(c) Earmarked balances with banks	**84.12**	**89.23**
(d) Other balances with banks	**11.97**	-
(e) Others		
Considered good- Unsecured	135.57	88.57
Credit impaired	15.71	15.71
Less: Allowance for credit losses	15.71	15.71
	135.57	**88.57**
	510.88	**442.64**

NOTES
forming part of the consolidated financial statements

10. Other financial assets (Contd.)
[Item No. I(i)(iv) and II(b)(vii), Page F140]

B. Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Security deposits		
Considered good- Unsecured	58.03	32.74
Credit impaired	0.23	0.23
Less: Allowance for credit losses	0.23	0.23
	58.03	**32.74**
(b) Interest accrued on deposits and loans		
Considered good- Unsecured	34.91	28.77
Credit impaired	2.24	-
Less: Allowance for credit losses	2.24	-
	34.91	**28.77**
(c) Others		
Considered good- Unsecured	1,342.57	1,950.11
Credit impaired	206.41	144.51
Less: Allowance for credit losses	206.41	144.51
	1,342.57	**1,950.11**
	1,435.51	**2,011.62**

(i) Security deposits are primarily in relation to public utility services and rental agreements. It includes deposit with Tata Sons Private Limited ₹**11.25** crore (March 31, 2022: ₹1.25 crore).

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

(iii) Other non-current balances with banks represent bank deposits not due for realisation within 12 months from the balance sheet date.

(iv) Current other financial assets include amount receivable from post-employment benefit funds ₹**137.98** crore (March 31, 2022: ₹171.30 crore) on account of retirement benefit obligations paid by the Group directly.

(v) By judgement of September 24, 2014, the Hon'ble Supreme Court cancelled allocation of 214 coal blocks including Radhikapur (East) Coal Block ("RECB") which was allotted on February 7, 2006 to Tata Steel Long Products Limited ("TSLP"), a non-wholly owned subsidiary of the Company. As at March 31, 2023, current other financial assets includes ₹**178.81** crore (March 31, 2022: ₹178.81 crore) pertaining to expense incurred by TSLP on RECB, prior to its de-allocation. Pursuant to the judgement of the Hon'ble Supreme Court, Government of India promulgated Coal Mines (Special Provision) Act, 2015 for fresh allocation of the coal mines through auction. In terms of the Act, the prior allottee would be compensated for expenses incurred towards land and mine infrastructure.

The validity of the Coal Mines (Special Provision) Act, 2015 has been challenged by Federation of Indian Mineral Industries ("FIMI") in 2019 before the Hon'ble Supreme Court to the extent that the Act does not provide grant of just, fair and equitable compensation in a time bound manner to the prior allotees of the coal blocks. After much follow-up with the relevant authorities for recovery of compensation, TSLP has filed an Interlocutory Application on December 15, 2022 before the Hon'ble Supreme Court in the pending writ of FIMI seeking to expedite disbursement of the compensation. Based on assessment of the matter by TSLP including evidence supporting the expenditure and claim and external legal opinion obtained by TSLP, the aforesaid amount is considered good and fully recoverable.

NOTES

forming part of the consolidated financial statements

11. Retirement benefit assets and obligations

[Item No. I(j) and II(c), V(c) and VI(c), Page F140 and F141]

(I) Retirement benefit assets

A. Non-current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Pension	6,989.59	20,397.42
(b) Retiring gratuities	1.24	0.54
	6,990.83	**20,397.96**

B. Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Retiring gratuities	-	**1.25**

(II) Retirement benefit obligations

A. Non-current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Pension	674.49	839.72
(b) Retiring gratuities	327.08	421.80
(c) Post-retirement medical benefits	1,448.80	1,642.78
(d) Other defined benefits	481.00	509.41
	2,931.37	**3,413.71**

B. Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Pension	11.52	11.09
(b) Retiring gratuities	20.17	13.00
(c) Post-retirement medical benefits	89.02	98.21
(d) Other defined benefits	41.76	35.92
	162.47	**158.22**

(i) Detailed disclosure in respect of post-retirement defined benefit schemes is provided in note 37, page F223.

(ii) Other defined benefits include post-retirement lumpsum benefits, long service awards, packing and transportation, farewell gifts etc.

NOTES
forming part of the consolidated financial statements

12. Income taxes

[Item No. I(l), V(e) and IX, Page F140, F141 and F142]

A. Income tax expenses/(benefit)

Indian companies are subject to income tax in India on the basis of their standalone financial statements. Indian companies can claim tax exemptions/deductions under specific sections of the Income-tax Act, 1961 subject to fulfilment of prescribed conditions as may be applicable. The Company and some of its Indian subsidiaries during the year ended March 31, 2020 had opted for the new tax regime under Section 115BAA of the Act, which provides a domestic company with an option to pay tax at a rate of 22% (effective rate of 25.168%). The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions.

As per the tax laws, business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

Apart from India, major tax jurisdictions for the Group include Singapore, United Kingdom and Netherlands. The number of years that are subject to tax assessments varies depending on the tax jurisdiction.

The reconciliation of estimated income tax to income tax expense is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Profit/(loss) before tax	**18,235.12**	**50,226.87**
Income tax expense at tax rates applicable to individual entities	**4,766.68**	**12,764.69**
(a) Additional tax benefit for capital investment including research and development expenditures	-	(0.02)
(b) Income exempt from tax/items not deductible	720.15	575.59
(c) Undistributed earning of subsidiaries, joint ventures and equity accounted investees	42.23	54.95
(d) Deferred tax assets not recognised because realisation is not probable	3,867.24	436.77
(e) Adjustments to taxes in respect of prior periods	11.58	(22.84)
(f) Utilisation/credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits	(133.54)	(5,166.91)
(g) Impact of changes in tax rates[i]	885.43	(164.69)
Tax expense as reported	**10,159.77**	**8,477.55**

(i) Changes in tax rates primarily represented re-measurement of deferred tax balances expected to reverse in future periods based on the revised applicable tax rate by the Company and some of its Indian subsidiaries as per option permitted under the new tax regime.

NOTES

forming part of the consolidated financial statements

12. Income taxes (Contd.)

[Item No. I(l), V(e) and IX, Page F140, F141 and F142]

B. Deferred tax assets/(liabilities)

(i) Components of deferred tax assets and liabilities as at March 31, 2023 is as below:

(₹ crore)

	Balance as at April 1, 2022	Recognised/ (reversed) in profit and loss during the year	Recognised/ (reversed) in other comprehensive Income during the year	Addition relating to acquisitions during the year	Other movements during the year	Exchange differences on consolidation during the year	Balance as at March 31, 2023
Deferred tax assets:							
Tax-loss carry forwards	4,117.59	(3,363.50)	-	1,385.51	-	(47.59)	2,092.01
Expenses allowable for tax purposes when paid/ written off	4,587.69	(613.22)	-	-	(1.26)	2.18	3,975.39
Others	(516.15)	(428.51)	529.16	(46.89)	(0.23)	45.88	(416.74)
	8,189.13	**(4,405.23)**	**529.16**	**1,338.62**	**(1.49)**	**0.47**	**5,650.66**
Deferred tax liabilities:							
Property, plant and equipment and Intangible assets	12,729.88	176.08	-	2,712.52	-	(18.16)	15,600.32
Retirement benefit assets/ obligations	4,770.08	135.66	(3,389.01)	-	(1.50)	(49.63)	1,465.60
Others	(8.98)	81.47	-	-	-	1.94	74.43
	17,490.98	**393.21**	**(3,389.01)**	**2,712.52**	**(1.50)**	**(65.85)**	**17,140.35**
Net deferred tax assets/(liabilities)	**(9,301.85)**	**(4,798.44)**	**3,918.17**	**(1,373.90)**	**0.01**	**66.32**	**(11,489.69)**
Disclosed as:							
Deferred tax assets	**3,023.93**						**2,625.96**
Deferred tax liabilities	**12,325.78**						**14,115.64**
	(9,301.85)						**(11,489.68)**

NOTES

forming part of the consolidated financial statements

12. Income taxes (Contd.)

[Item No. I(l), V(e) and IX, Page F140, F141 and F142]

Components of deferred tax assets and liabilities as at March 31, 2022 is as below:

(₹ crore)

	Balance as at April 1, 2021	Recognised/ (reversed) in profit and loss during the year	Recognised/ (reversed) in other comprehensive Income during the year	Addition relating to acquisitions during the year	Disposal of group undertakings during the year	Other movements during the year	Exchange differences on consolidation during the year	Balance as at March 31, 2022
Deferred tax assets:								
Tax-loss carry forwards	5,620.67	(1,601.38)	-	-	(57.37)	216.02	(60.35)	4,117.59
Expenses allowable for tax purposes when paid/ written off	2,912.83	1,188.15	(1.63)	-	496.55	5.51	(13.72)	4,587.69
Others	73.03	(154.15)	(265.29)	-	(113.53)	(51.03)	(5.18)	(516.15)
	8,606.53	**(567.38)**	**(266.92)**	**-**	**325.65**	**170.50**	**(79.25)**	**8,189.13**
Deferred tax liabilities:								
Property, plant and equipment and Intangible assets	12,713.14	(296.78)	-	0.52	307.88	(23.67)	28.79	12,729.88
Retirement benefit assets/ obligations	3,551.90	1,169.12	127.20	-	(5.85)	(3.31)	(68.98)	4,770.08
Others	4.89	(12.05)	-	-	(0.79)	(0.28)	(0.75)	(8.98)
	16,269.93	**860.29**	**127.20**	**0.52**	**301.24**	**(27.26)**	**(40.94)**	**17,490.98**
Net deferred tax assets/ (liabilities)	**(7,663.40)**	**(1,427.67)**	**(394.12)**	**(0.52)**	**24.41**	**197.76**	**(38.31)**	**(9,301.85)**
Disclosed as:								
Deferred tax assets	**1,578.02**							**3,023.93**
Deferred tax liabilities	**9,241.42**							**12,325.78**
	(7,663.40)							**(9,301.85)**

(ii) Deferred tax assets have been recognised based on an evaluation of whether it is probable that taxable profits will be earned in future accounting periods considering all the available evidences, including approved budgets and forecasts by the Board of the respective entities.

(iii) Deferred tax assets have not been recognised in respect of tax losses of ₹**59,164.54** crore (March 31, 2022: ₹38,028.10 crore) as its recovery is not considered probable in the foreseeable future. Such losses primarily relate to the Group's European operations.

(iv) Tax losses in respect of which deferred tax asset has not been recognised, expire unutilised based on the year of origination as below:

(₹ crore)

	As at March 31, 2023
Within five years	1,828.04
Later than five years but less than ten years	1,412.87
Later than ten years but less than twenty years	3,764.85
No expiry	52,158.78
	59,164.54

NOTES

forming part of the consolidated financial statements

12. Income taxes (Contd.)

[Item No. I(l), V(e) and IX, Page F140, F141 and F142]

(v) Unused tax credits and other deductible temporary differences in respect of which deferred tax asset has not been recognised, expire unutilised based on the year of origination as below:

(₹ crore)

	As at March 31, 2023
Later than five years but less than ten years	0.59
Later than ten years but less than twenty years	417.04
No expiry	9,248.57
	9,666.20

(vi) As at March 31, 2023, aggregate amount of temporary difference associated with undistributed earnings of subsidiaries for which deferred tax liability has not been recognised is ₹**7,422.64** crore (March 31, 2022: ₹8,142.58 crore). No liability has been recognised in respect of such difference because the Group is in a position to control the timing of reversal of the temporary difference and it is probable that such difference will not reverse in the foreseeable future.

13. Other assets

[Item No. I(m) and II(e), Page F140]

A. Non-current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Capital advances		
Considered good- Unsecured	1,383.24	1,332.98
Considered doubtful- Unsecured	106.23	129.46
Less: Provision for doubtful advances	106.23	129.46
	1,383.24	**1,332.98**
(b) Advance with public bodies		
Considered good - Unsecured	2,053.93	2,070.56
Considered doubtful- Unsecured	328.37	333.67
Less: Provision for doubtful advances	328.37	333.67
	2,053.93	**2,070.56**
(c) Prepaid lease payments for operating leases	**0.28**	**0.32**
(d) Capital advances to related parties		
Considered good - Unsecured	**101.65**	**33.58**
(e) Others		
Considered good - Unsecured	237.53	252.61
Considered doubtful- Unsecured	46.53	46.56
Less: Provision for doubtful advances	46.53	46.56
	237.53	**252.61**
	3,776.63	**3,690.05**

NOTES
forming part of the consolidated financial statements

13. Other assets (Contd.)
[Item No. I(m) and II(e), Page F140]

B. Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Advance with public bodies		
Considered good - Unsecured	3,473.54	2,221.69
Considered doubtful - Unsecured	23.87	3.63
Less: Provision for doubtful advances	23.87	3.63
	3,473.54	**2,221.69**
(b) Advances to related parties		
Considered good- Unsecured	**195.64**	**46.04**
(c) Others		
Considered good - Unsecured	1,160.57	1,241.09
Considered doubtful - Unsecured	172.52	123.54
Less: Provision for doubtful advances	172.52	123.54
	1,160.57	**1,241.09**
	4,829.75	**3,508.82**

(i) Advances with public bodies primarily relate to input credit entitlements and amounts paid under protest in respect of demands and claims from regulatory authorities.

(ii) Others include advances against supply of goods/services and advances paid to employees.

14. Inventories
[Item No. II(a), Page F140]

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Raw materials	20,794.92	20,440.84
(b) Work-in-progress	9,438.64	6,602.37
(c) Finished and semi-finished goods	17,397.35	16,075.72
(d) Stock-in-trade	91.28	55.47
(e) Stores and spares	6,693.14	5,649.99
	54,415.33	**48,824.39**
Included above, goods-in-transit:		
(i) Raw materials	4,472.92	3,084.51
(ii) Finished and semi-finished goods	432.06	259.10
(iii) Stock-in-trade	0.69	1.57
(iv) Stores and spares	130.13	148.97
	5,035.80	**3,494.15**

(i) Value of inventories above is stated after provisions (net of reversal) for slow-moving and obsolete items and write-downs to net realisable value ₹**1,995.71** crore (March 31, 2022 : ₹1,168.40 crore).

(ii) The cost of inventories recognised as an expense (net of reversal) includes ₹**128.83** crore (March 31, 2022: ₹561.49 crore) in respect of write-down of inventory to net realisable value.

NOTES

forming part of the consolidated financial statements

15. Trade receivables

[Item No. II(b)(ii), Page F140]

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Considered good- Unsecured	8,291.26	12,340.62
Credit impaired	720.90	170.35
	9,012.16	**12,510.97**
Less: Allowance for credit losses	754.92	264.54
	8,257.24	**12,246.43**

In determining allowance for credit losses of trade receivables, the Group has used the practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of receivables that are due and the rates used in provision matrix.

(i) Movement in allowance for credit losses of receivables is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	264.54	359.50
Charge/(released) during the year	32.43	36.59
Utilised during the year	(5.48)	(182.11)
Addition relating to acquisitions	463.32	0.72
Disposal of group undertakings	-	40.14
Classified as held for sale	-	10.98
Exchange differences on consolidation	0.11	(1.28)
Balance at the end of the year	**754.92**	**264.54**

(ii) Ageing of trade receivable and credit risk arising therefrom is as below :

As at March 31, 2023

(₹ crore)

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - considered good	7,181.12	774.29	159.91	41.41	10.25	50.37	8,217.35
Undisputed - credit impaired	-	0.67	2.91	1.60	2.77	496.10#	504.05
Disputed - considered good	-	-	-	-	-	6.58	6.58
Disputed - credit impaired	3.29	1.62	29.11	-	-	129.46	163.48
	7,184.41	**776.58**	**191.93**	**43.01**	**13.02**	**682.51**	**8,891.46**
Less: Allowance for credit losses	12.36	53.90	47.69	9.47	6.37	625.13	754.92
	7,172.05	**722.68**	**144.24**	**33.54**	**6.65**	**57.38**	**8,136.54**
Add: Unbilled trade receivables							120.70
Total trade receivables							**8,257.24**

includes ₹463.32 crore with respect to receivables in a subsidiary acquired during the year. The same is fully provided for.

NOTES

forming part of the consolidated financial statements

15. Trade receivables (Contd.)

[Item No. II(b)(ii), Page F140]

As at March 31, 2022

(₹ crore)

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - considered good	10,243.54	1,573.46	233.47	68.31	23.90	36.82	12,179.50
Undisputed - credit impaired	-	3.00	0.57	2.24	1.60	34.92	42.33
Disputed - considered good	-	24.84	7.95	1.93	0.29	22.80	57.81
Disputed - credit impaired	-	-	-	-	0.13	127.89	128.02
	10,243.54	**1,601.30**	**241.99**	**72.48**	**25.92**	**222.43**	**12,407.66**
Less: Allowance for credit losses	11.67	23.76	26.67	15.49	7.37	179.58	264.54
	10,231.87	**1,577.54**	**215.32**	**56.99**	**18.55**	**42.85**	**12,143.12**
Add: Unbilled trade receivables							103.31
Total trade receivables							**12,246.43**

(iii) The Group considers its maximum exposure to credit risk with respect to customers as at March 31, 2023 to be ₹**4,694.54** crore (March 31, 2022 : ₹5,441.98 crore), which is the carrying value of trade receivables after allowance for credit losses and considering insurance cover. The Group had insurance cover as at March 31,2023 ₹**3,562.70** crore (March 31, 2022: ₹6,804.45 crore).

The Group's exposure to customers is diversified and there is no concentration of credit risk with respect to any particular customer.

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

16. Cash and cash equivalents

[Item No. II(b)(iii), Page F140]

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Cash on hand	1.93	1.39
(b) Cheques, drafts on hand	0.50	0.75
(c) Remittances-in-transit	36.05	47.10
(d) Unrestricted balances with banks	12,091.42	15,555.44
	12,129.90	**15,604.68**

(i) Currency profile of cash and cash equivalents is as below:

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
INR	2,025.74	8,505.32
GBP	391.93	948.96
EURO	6,929.92	4,209.66
USD	915.16	1,269.61
Others	1,867.15	671.13
	12,129.90	**15,604.68**

INR-Indian Rupees, GBP- Great Britain Pound, USD-United States Dollars. Others primarily include SGD-Singapore Dollars, CAD-Canadian Dollars and THB- Thai Baht.

NOTES

forming part of the consolidated financial statements

17. Other balances with banks

[Item No. II(b)(iv), Page F140]

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Earmarked balances with banks	1,227.36	294.25
	1,227.36	**294.25**

(i) Currency profile of earmarked balances with banks is as below:

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
INR	1,226.50	294.25
Others	0.86	-
	1,227.36	**294.25**

INR-Indian rupees.

(ii) Earmarked balances with banks primarily include:

(a) balances of the Company held for unpaid dividends ₹**84.45** crore (March 31, 2022: ₹68.82 crore), bank guarantee and margin money ₹**48.01** crore (March 31, 2022: ₹41.50 crore).

(b) fixed deposits of ₹**911.17** crore (March 31, 2022: Nil) represents the earmarked balance for the amount held back against the consideration payable for acquisition of Neelachal Ispat Nigam Limited.

18. Assets and liabilities held for sale

[Item No. III and VII, Page F140 and F141]

(i) Within Thailand businesses, certain property, plant and equipment has been classified as held for sale as the Group no longer expect to recover the carrying value of such assets through continuing use. As at March 31, 2023, the carrying value of such assets is ₹**51.17** crore (March 31, 2022: ₹59.74 crore). The Group has also recognised an impairment charge of ₹**11.15** crore (March 31, 2022: ₹18.46 crore) in respect of these assets which is included within exceptional items in the consolidated statement of profit and loss. The Group expects to dispose such property, plant and equipment within 12 months.

(ii) Within the Indian operations, certain property, plant and equipment has been classified as held for sale as the Group no longer expects to recover the carrying value of such assets through continuing use. As at March 31, 2023, the carrying value of such assets is ₹**8.23** crore (March 31, 2022: ₹0.03 crore) which the Group expects to dispose within the next 12 months.

(iii) On April 1, 2022, the Group completed the sale of its wholly-owned indirect subsidiary Tata Steel France Bâtiments et Systèmes SAS. As on March 31, 2022, the Group classified the assets and liabilities within such business as held for sale. Following this classification, a write down of ₹95.10 crore was recognised to reduce the carrying amount of the assets in the disposal group to their fair value less costs to sell. The impairment has been included within exceptional items in the consolidated statement of profit and loss. As on March 31, 2022 the carrying value of assets held for sale was ₹240.77 crore and liabilities held for sale was ₹191.11 crore.

NOTES
forming part of the consolidated financial statements

19. Equity share capital
[Item No. IV(a), Page F141]

(₹ crore)

		As at March 31, 2023	As at March 31, 2022
Authorised:			
17,50,00,00,000	Ordinary Shares of ₹1 each	1,750.00	1,750.00
	(March 31, 2022 : 1,75,00,00,000 Ordinary Shares of ₹10 each)		
35,00,00,000	'A' Ordinary Shares of ₹10 each*	350.00	350.00
	(March 31, 2022 : 35,00,00,000 'A' Ordinary Shares of ₹10 each)		
2,50,00,000	Cumulative Redeemable Preference Shares of ₹100 each*	250.00	250.00
	(March 31, 2022: 2,50,00,000 Shares of ₹100 each)		
60,00,00,000	Cumulative Convertible Preference Shares of ₹100 each*	6,000.00	6,000.00
	(March 31, 2022: 60,00,00,000 Shares of ₹100 each)		
		8,350.00	**8,350.00**
Issued:			
12,23,44,16,550	Ordinary Shares of ₹1 each	1,223.44	1,223.22
	(March 31, 2022: 1,22,32,18,367 Ordinary Shares of ₹10 each)		
-	Ordinary Shares of ₹1 each (partly paid-up, ₹0.2504 each paid-up)	-	0.22
	(March 31, 2022: 2,23,288 Ordinary Shares of ₹10 each, ₹2.504 each paid-up)		
		1,223.44	**1,223.44**
Subscribed and paid-up:			
12,20,98,53,070**	Ordinary Shares of ₹1 each fully paid-up	1,220.99	1,220.96
	(March 31, 2022: 1,22,09,53,649 Ordinary Shares of ₹10 each)		
-	Ordinary Shares of ₹1 each (partly paid-up, ₹0.2504 each paid-up)	-	0.05
	(March 31, 2022: 2,23,288 Ordinary Shares of ₹10 each, ₹2.504 each paid-up)		
	Amount paid-up on 58,11,460 Ordinary Shares of ₹1 each forfeited	0.25	0.20
	(March 31, 2022: 3,89,516 Ordinary Shares of ₹10 each)		
		1,221.24	**1,221.21**

* 'A' Ordinary Shares and Preference Shares included within the authorised share capital are for disclosure purposes and have not yet been issued by the Company as on March 31, 2023.

** Includes 4,370 equity shares of ₹1 each, on which first and final call money has been received and the equity shares have been converted to fully paid-up equity shares but are pending final listing and trading approval under the ISIN INE081A01020 (for fully paid shares), and hence, continue to be listed under the ISIN IN9081A01010 (for partly paid shares) as on March 31, 2023.

(i) Subscribed and paid-up capital excludes **1,16,83,930** (March 31, 2022: 11,68,393 Ordinary Shares of face value ₹10 each) Ordinary Shares of face value ₹1 each fully paid-up, held by Rujuvalika Investments Limited, wholly-owned subsidiary of the Company.

NOTES

forming part of the consolidated financial statements

19. Equity share capital (Contd.)

[Item No. IV(a), Page F141]

(ii) Details of movement in subscribed and paid-up share capital is as below:

	Year ended March 31, 2023		Year ended March 31, 2022	
	No. of shares of ₹1 each unless otherwise stated	₹ crore	No. of shares of ₹10 each unless otherwise stated	₹ crore
Ordinary Shares				
Balance at the beginning of the year (face value of ₹10 each)	1,22,11,76,937	1,221.01	1,20,29,45,106	1,197.41
Sub-division of 1 share of face value ₹10/- each into 10 share of face value ₹1/- each effective July 29, 2022 (Increase in shares on account of sub-division)[(a)]	10,99,05,92,433	-	Not Applicable	
Fully paid-up shares allotted during the year	-	-	1,82,31,167	18.23
Partly paid-up shares allotted during the year	-	-	664	0.00*
Partly paid-up shares converted to fully paid-up shares during the year[(b)]	-	0.03	-	5.37
Shares forfeited during the year[(c)]	(19,16,300)	(0.05)	-	-
Balance at the end of the year	**12,20,98,53,070**	**1,220.99**	**1,22,11,76,937**	**1,221.01**

* Represents value less than ₹0.01 crore.

(a) The Shareholders of the Company, at the 115th Annual General Meeting held on June 28, 2022, had approved the sub-division of one equity share of face value ₹10 each (fully paid-up and partly paid-up) into 10 equity share of face value ₹1 each. The record date for the said sub-division was set at July 29, 2022.

(b) During the year ended March 31, 2023, the Company has sent Reminder-cum-Forfeiture Notice to the holders of partly paid-up equity shares on which the first and final call money was unpaid. The Company has converted **3,16,580** partly paid-up shares of face value ₹1 each into fully paid-up shares.

(c) The Board of Directors at its meeting held on March 27, 2023 approved the forfeiture of **19,16,300** partly paid-up shares of face value of ₹1 each on which the call money of ₹0.7496 remains unpaid. (Considering 1,91,630 partly paid-up shares of face value of ₹10 each sub-divided into 19,16,300 partly paid-up shares of ₹1 each).

(iii) As at March 31, 2023, **29,27,850** Ordinary Shares of face value ₹1 each (March 31, 2022: 2,92,785 Ordinary Shares of face value ₹10 each) are kept in abeyance in respect of Rights Issue of 2007.

As at March 31, 2023, **11,99,650** fully paid Ordinary Shares of face value ₹1 each (March 31, 2022: 1,19,965 fully paid-up Ordinary Shares of face value ₹10 each) are kept in abeyance in respect of Rights Issue of 2018.

As at March 31, 2023, **5,98,280** Ordinary Shares of face value ₹1 each (March 31, 2022: 59,828 partly paid-up Ordinary shares of face value ₹10 each) are kept in abeyance in respect of Rights Issue of 2018.

NOTES

forming part of the consolidated financial statements

19. Equity share capital (Contd.)

[Item No. IV(a), Page F141]

(iv) Proceeds from subscription to the first and final call on partly paid-up shares for Rights Issue of 2018, made during the year ended March 31, 2023 and March 31, 2022 have been utilised in the following manner:

(₹ crore)

	Utilised in FY 2021-22	Unutilised in FY 2021-22	Utilised in FY 2022-23*
Repayments of loan	53.27	-	4.18
Expenses towards general corporate purpose	807.43	2.72	-
Issue expense	1.12	-	-
	861.82	**2.72**	**4.18**

* includes proceeds of ₹1.46 crore from right issue during the year

(v) Details of Shareholders holding more than 5% shares in the Company are as below:

	As at March 31, 2023		As at March 31, 2022	
	No. of Ordinary Shares (face value of ₹1 each)	% held	No. of Ordinary Shares (face value of ₹10 each)	% held
Name of shareholders				
(a) Tata Sons Private Limited	3,96,50,81,420	32.44	39,65,08,142	32.46
(b) Life Insurance Corporation of India	73,24,32,080	5.99	7,90,89,965	6.47

(vi) Details of promoters' shareholding percentage in the Company are as below:

	As at March 31, 2023		As at March 31, 2022	
	No. of Ordinary Shares (face value of ₹1 each)	% held	No. of Ordinary Shares (face value of ₹10 each)	% held
Name of shareholders				
(a) Tata Sons Private Limited#	3,96,50,81,420	32.44	39,65,08,142	32.46
Name of promoter group				
(a) Tata Motors Limited	5,49,62,950	0.45	54,96,295	0.45
(b) Tata Investment Corporation Limited	4,19,84,940	0.34	41,98,494	0.34
(c) Tata Chemicals Ltd	3,09,00,510	0.25	30,90,051	0.25
(d) Ewart Investments Limited	2,22,59,750	0.18	22,25,975	0.18
(e) Rujuvalika Investments Limited*	1,16,83,930	0.10	11,68,393	0.10
(f) Tata Industries Limited	1,04,25,450	0.09	10,42,545	0.09
(g) Tata Motors Finance Limited	60,95,110	0.05	6,09,511	0.05
(h) Tata Capital Ltd	1,67,400	0.00	16,740	0.00
(i) Titan Company Limited	25,110	0.00	2,511	0.00
(j) Tata Capital Financial Services Limited	8,210	0.00	821	0.00
(k) Sir Dorabji Tata Trust^	-	-	-	-
(l) Sir Ratan Tata Trust^	-	-	-	-

Change in percentage shareholding is on account of completion of corporate action and listing of 81,52,840 fully paid-up equity shares which were pending due to legal proceedings / credit rejections from Central Depository Services (India) Limited, to the eligible shareholders of Tata Steel BSL Limited ("TSBSL"). These equity shares were allotted on November 23, 2021, pursuant to the composite scheme of amalgamation of Bamnipal Steel Limited and TSBSL into and with the Company. Further, the Board of Directors at their meeting held on March 27, 2023 approved the forfeiture of 19,16,300 partly paid-up equity shares on which the first and final call money remained outstanding.

* 1,16,83,930 Ordinary Shares held by Rujuvalika Investments Limited (a wholly owned subsidiary of the Company), do not carry any voting rights.

^ During the year ended March 31, 2019, Sir Doarabji Tata Trust and Sir Ratan Tata Trust had sold their entire holdings in the Company.

NOTES

forming part of the consolidated financial statements

19. Equity share capital (Contd.)

[Item No. IV(a), Page F141]

(vii) **8,79,53,750** shares (March 31, 2022: 96,95,642 shares of face value ₹10 each) of face value of ₹1 per share represent the shares underlying GDRs which were issued during 1994 and 2009. Each GDR represents one underlying Ordinary Share.

(viii) The rights, powers and preferences relating to each class of share capital and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The principal rights are as follows:

A. Ordinary Shares of ₹1 each

(a) In respect of every Ordinary Share (whether fully paid or partly paid), voting right and dividend shall be in the same proportion as the capital paid-up on such Ordinary Share bears to the total paid-up Ordinary Capital of the Company.

(b) 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.

(c) In the event of liquidation, the shareholders of Ordinary Shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

B. 'A' Ordinary Shares of ₹10 each

(a) (i) The holders of 'A' Ordinary Shares shall be entitled to such rights of voting and/or dividend and such other rights as per the terms of the issue of such shares, provided always that:

- in the case where a resolution is put to vote on a poll, such differential voting entitlement (excluding fractions, if any) will be applicable to holders of 'A' Ordinary Shares.
- in the case where a resolution is put to vote in the meeting and is to be decided on a show of hands, the holders of 'A' Ordinary Shares shall be entitled to the same number of votes as available to holders of Ordinary Shares.

(ii) The holders of Ordinary Shares and the holders of 'A' Ordinary Shares shall vote as a single class with respect to all matters submitted for voting by shareholders of the Company and shall exercise such votes in proportion to the voting rights attached to such shares including in relation to any scheme under Sections 391 to 394 of the Companies Act, 1956.

(b) The holders of 'A' Ordinary Shares shall be entitled to dividend on each 'A' Ordinary Share which may be equal to or higher than the amount per Ordinary Share declared by the Board for each Ordinary Share, and as may be specified at the time of the issue. Different series of 'A' Ordinary Shares may carry different entitlements to dividend to the extent permitted under applicable law and as prescribed under the terms applicable to such issue.

C. Preference Shares

The Company has two classes of preference shares i.e. Cumulative Redeemable Preference Shares (CRPS) of ₹100 per share and Cumulative Convertible Preference Shares (CCPS) of ₹100 per share.

(a) Such shares shall confer on the holders thereof, the right to a fixed preferential dividend from the date of allotment, at a rate as may be determined by the Board at the time of the issue, on the capital for the time being paid-up or credited as paid-up thereon.

(b) Such shares shall rank for capital and dividend (including all dividend undeclared upto the commencement of winding up) and for repayment of capital in a winding up, pari passu inter se and in priority to the Ordinary Shares of the Company, but shall not confer any further or other right to participate either in profits or assets. However, in case of CCPS, such preferential rights shall automatically cease on conversion of these shares into Ordinary Shares.

(c) The holders of such shares shall have the right to receive all notices of general meetings of the Company but shall not confer on the holders thereof the right to vote at any meetings of the Company save to the extent and in the manner provided in the Companies Act, 1956, or any re-enactment thereof.

(d) CCPS shall be converted into Ordinary Shares as per the terms, determined by the Board at the time of issue; as and when converted, such Ordinary Shares shall rank pari passu with the then existing Ordinary Shares of the Company in all respects.

NOTES

forming part of the consolidated financial statements

20. Hybrid perpetual securities

The details of movement in hybrid perpetual securities is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	-	775.00
Repayments during the year	-	(775.00)
Balance at the end of the year	**-**	**-**

The Company had issued hybrid perpetual securities of ₹775.00 crore in May 2011. These securities were perpetual in nature with no maturity or redemption and callable only at the option of the Company. The distribution on these securities are 11.50% p.a. with a step up provision if the securities were not called after 10 years. The distribution on the securities may have been deferred at the option of the Company if, in the six months preceding the relevant distribution payment date, the Company had not made payment on, or repurchased or redeemed, any securities ranking pari passu with, or junior to the instrument. As these securities were perpetual in nature and the Company did not have any redemption obligation, these were classified as equity.

During the year ended March 31, 2022, the Company had exercised its call option and redeemed the perpetual securities worth ₹775.00 crore issued during May 2011.

21. Other equity

[Item No. IV(b), Page F141]

A. Retained earnings

The details of movement in retained earnings is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	55,647.79	16,476.70
Profit for the year	8,760.40	40,153.93
Remeasurement of post-employment defined employee benefit plans	(13,304.45)	490.45
Tax on remeasurement of post-employment defined employee benefit plans	3,322.85	(124.06)
Dividend	(6,227.15)	(3,004.16)
Distribution on hybrid perpetual securities[(i)]	-	(1.46)
Tax on distribution on hybrid perpetual securities	-	0.37
Transfers within equity[(ii)]	(4.42)	8.97
Adjustment for changes in ownership interests	(28.70)	1,647.05
Balance at the end of the year	**48,166.32**	**55,647.79**

(i) During the year ended March 31, 2022, ₹8.30 crore post exercise of the call option on hybrid perpetual securities had been recognised in the consolidated statement of profit & loss.

(ii) During the year ended March 31, 2022, the amount represents gain/(loss) on sale of investments carried at fair value through other comprehensive income reclassified from investment revaluation reserve.

NOTES
forming part of the consolidated financial statements

21. Other equity (Contd.)

[Item No. IV(b), Page F141]

B. Items of other comprehensive income

(a) Cash flow hedge reserve

The cumulative effective portion of gain or losses arising from changes in fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the consolidated statement of profit and loss when the hedged item affects the profit or loss or are included as an adjustment to the cost of the related non-financial hedged item.

The Group has designated certain foreign currency forward contracts, commodity contracts, interest rate swaps and collar as cash flow hedges in respect of foreign exchange, commodity price and interest rate risks.

The details of movement in cash flow hedge reserve is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	815.26	113.32
Other comprehensive income recognised during the year	(1,646.17)	701.94
Balance at the end of the year	**(830.91)**	**815.26**

(i) The details of other comprehensive income recognised during the year is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Fair value changes recognised during the year	(1,436.99)	1,395.47
Fair value changes reclassified to the consolidated statement of profit and loss/cost of hedged items	(711.60)	(499.72)
Tax impact on above	502.42	(193.81)
	(1,646.17)	**701.94**

During the year, ineffective portion of cash flow hedges recognised in the statement of profit and loss amounted to **Nil** (2021-22: Nil).

(ii) The amount recognised in cash flow hedge reserve (net of tax) is expected to impact the consolidated statement of profit and loss as below:

- within the next one year: loss of ₹**903.26** crore (2021-22 : gain ₹793.15 crore)
- later than one year: gain of ₹**72.36** crore (2021-22: ₹22.11 crore)

NOTES
forming part of the consolidated financial statements

21. Other equity (Contd.)

[Item No. IV(b), Page F141]

(b) Investment revaluation reserve

Cumulative gains and losses arising on fair value changes of equity investments measured at fair value through other comprehensive income are recognised in investment revaluation reserve. The reserve balance represents such changes recognised net of amounts reclassified to retained earnings on disposal of such investments.

The details of movement in investment revaluation reserve is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	896.78	306.60
Other comprehensive income recognised during the year	(213.92)	679.13
Tax impact on above	30.71	(78.96)
Transfers within equity	-	(9.99)
Balance at the end of the year	**713.57**	**896.78**

(c) Foreign currency translation reserve

Exchange differences arising on translation of assets, liabilities, income and expenses of the Group's foreign subsidiaries, associates and joint ventures are recognised in other comprehensive income and accumulated separately in foreign currency translation reserve. The amounts recognised are transferred to the consolidated statement of profit and loss on disposal of the related foreign subsidiaries, associates and joint ventures.

The details of movement in foreign currency translation reserve is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	7,399.01	7,753.04
Other comprehensive income recognised during the year	(2,057.16)	(354.03)
Balance at the end of the year	**5,341.85**	**7,399.01**

C. Other reserves

(a) Securities premium

Securities premium is used to record premium received on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

The details of movement in securities premium is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	31,286.73	30,962.60
Received/ transfer on issue of Ordinary Shares during the year	1.44	325.25
Equity issue expenses written (off)/ back during the year	(0.09)	(1.12)
Balance at the end of the year	**31,288.08**	**31,286.73**

NOTES

forming part of the consolidated financial statements

21. Other equity (Contd.)

[Item No. IV(b), Page F141]

(b) Debenture redemption reserve

The provisions of the Companies Act, 2013 read with related rules required a company issuing debentures to create Debenture Redemption Reserve (DRR) of 25% of the value of debentures issued, either through a public issue or on a private placement basis, out of the profits of the company available for payment of dividend. The amounts credited to the DRR can be utilised by the company only to redeem debentures.

As per the recent amendment in the Companies (Share Capital and Debentures) Rules, 2014, a listed company issuing privately placed debentures on or after August 16, 2019, is not required to maintain additional amount in the DRR. Accordingly, the existing balance in the DRR shall be maintained to be utilised for redemption of existing debentures issued by the company on or before August 16, 2019.

The details of movement in debenture redemption reserve is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	2,046.00	2,046.00
Balance at the end of the year	**2,046.00**	**2,046.00**

(c) General reserve

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013 the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.

The details of movement in general reserve is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	12,181.16	12,181.16
Balance at the end of the year	**12,181.16**	**12,181.16**

(d) Capital redemption reserve

The Companies Act, 2013 requires that when a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account. The reserve is utilised in accordance with the provision of Section 69 of the Companies Act, 2013.

The details of movement in capital redemption reserve is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	133.11	133.11
Balance at the end of the year	**133.11**	**133.11**

NOTES
forming part of the consolidated financial statements

21. Other equity (Contd.)

[Item No. IV(b), Page F141]

(e) Special reserve

Special reserve represents reserve created by certain Indian subsidiaries of the Company pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act") and other related applicable regulations. Under the RBI Act, a non-banking finance company is required to transfer an amount not less than 20% of its net profit to a reserve fund before declaring any dividend. Appropriation from this reserve fund is permitted only for the purposes specified by the RBI.

The details of movement in special reserve is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	11.22	10.48
Transfers within equity	1.20	0.74
Balance at the end of the year	**12.42**	**11.22**

(f) Capital reserve on consolidation

The excess of fair value of net assets acquired over consideration paid in a business combination is recognised as capital reserve on consolidation. The reserve is not available for distribution.

The details of movement in capital reserve on consolidation is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	784.28	2,020.62
Adjustment for changes in ownership interest	-	(1,236.34)
Balance at the end of the year	**784.28**	**784.28**

(g) Capital reserve

The excess of fair value of net assets acquired over consideration paid in a common control transaction is recognised as capital reserve. The details of movement in capital reserve on consolidation is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	1,833.50	72.04
Adjustment for changes in ownership interest[i]	1.27	1,761.46
Balance at the end of the year	**1,834.77**	**1,833.50**

(i) During the year ended March 31, 2022 the amount comprised of release of Capital Reserve on consolidation and the difference between the non controlling interest till the date of Order and the fair value of consideration in form of equity shares issued to other shareholders relating to erstwhile Tata Steel BSL Limited on account of merger with the Company.

NOTES
forming part of the consolidated financial statements

21. Other equity (Contd.)

[Item No. IV(b), Page F141]

(h) Others

Others primarily represent amounts appropriated out of the statement of profit or loss for unforeseen contingencies. Such appropriation are free in nature.

The details of movement in others is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	186.99	186.71
Transfers within equity	3.22	0.28
Balance at the end of the year	**190.21**	**186.99**

D. Share application money pending allotment

The details of movement in share application money pending allotment is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	-	3.78
Received during the year	1.46	326.85
Allotted during the year	(1.46)	(330.63)
Balance at the end of the year	**-**	**-**

22. Non-controlling interests

Non-controlling interests represent proportionate share held by minority shareholders in the net assets of subsidiaries which are not wholly owned by the Company.

The balance of non-controlling interests as at the end of the year is as below:

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Non-controlling interests	2,093.11	2,655.42

(i) The Company, through its wholly owned subsidiary, T S Global Holdings Pte. Ltd. via TSMUK Limited holds **82.00%** (March 31, 2022: 82.00%) equity stake in Tata Steel Minerals Canada Limited.

(ii) The Company holds as at March 31, 2023, **74.91%** (March 31, 2022: 74.91%) equity stake in Tata Steel Long Products Limited.

NOTES
forming part of the consolidated financial statements

22. Non-controlling interests (Contd.)

The table below provides information in respect of subsidiaries where material non-controlling interest exists:

(₹ crore)

Name of Subsidiary	Country of incorporation and operation	% of non-controlling interests as at March 31, 2023	% of non-controlling interests as at March 31, 2022	Profit/(loss) attributable to non-controlling interests for the year ended March 31, 2023	Profit/(loss) attributable to non-controlling interests for the year ended March 31, 2022	Non- controlling interests as at March 31, 2023	Non- controlling interests as at March 31, 2022
Tata Steel Minerals Canada Limited	Canada	18.00%	18.00%	(195.46)	(122.55)	(194.99)	6.80
Tata Steel Long Products Limited	India	25.09%	25.09%	(597.02)	158.44	353.90	803.24

The tables below provides summarised information in respect of consolidated balance sheet as at March 31, 2023, consolidated statement of profit and loss and consolidated statement of cash flows for the year ended March 31, 2023, in respect of the above-mentioned entities:

Summarised balance sheet information

(₹ crore)

Particulars	Tata Steel Minerals Canada Limited		Tata Steel Long Products Limited	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Non-current assets	6,173.42	6,060.86	16,899.45	5,423.50
Current assets	875.91	789.09	5,307.54	14,373.89
Total assets (A)	**7,049.33**	**6,849.95**	**22,206.99**	**19,797.39**
Non-current liabilities	6,294.16	5,837.50	16,999.21	13,667.82
Current liabilities	1,975.34	1,111.60	3,834.62	2,940.98
Total liabilities (B)	**8,269.50**	**6,949.10**	**20,833.83**	**16,608.80**
Net assets (A-B)	**(1,220.17)**	**(99.15)**	**1,373.16**	**3,188.59**

NOTES

forming part of the consolidated financial statements

22. Non-controlling interests (Contd.)

Summarised profit and loss information

(₹ crore)

Particulars	Tata Steel Minerals Canada Limited		Tata Steel Long Products Limited	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Total income	648.78	739.47	8,991.78	6,923.69
Profit/(loss) for the year	(1,086.09)	(815.05)	(2,303.85)	629.62
Total comprehensive income for the year	(1,121.02)	(805.48)	(2,310.37)	631.81

Summarised cash flow information

(₹ crore)

Particulars	Tata Steel Minerals Canada Limited		Tata Steel Long Products Limited	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Net cash from/(used in) operating activities	(655.31)	(610.76)	(1,617.87)	1,761.01
Net cash from/(used in) investing activities	(44.32)	97.87	(2,941.91)	(9,404.79)
Net cash from/(used in) financing activities	710.52	524.41	136.96	11,923.29
Effect of exchange rate on cash and cash equivalents	2.55	0.77	-	-
Cash and cash equivalents at the beginning of the year	27.07	14.78	4,558.91	279.40
Cash and cash equivalents at the end of the year	40.51	27.07	136.09	4,558.91

NOTES

forming part of the consolidated financial statements

23. Borrowings

[Item No. V(a)(i) and VI(a)(i), Page F141]

A. Non-current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Secured		
(i) Loan from Joint Plant Committee - Steel Development Fund	2,751.17	2,714.29
(ii) Term loans from banks/financial institutions	3,371.74	4,632.20
(iii) Other loans	282.40	283.05
	6,405.31	**7,629.54**
(b) Unsecured		
(i) Bonds and non-convertible debentures	26,520.88	29,953.67
(ii) Term loans from banks/financial institutions	18,512.21	7,173.33
(iii) Deferred payment liabilities	7.84	7.44
(iv) Other loans	0.09	0.09
	45,041.02	**37,134.53**
	51,446.33	**44,764.07**

B. Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Secured		
(i) Loans from banks/financial institutions	2,202.00	1,652.26
(ii) Repayable on demand from banks/financial institutions	1,003.45	165.88
(iii) Current maturities of long-term borrowings	-	21.83
(iv) Other Loans	70.60	69.50
	3,276.05	**1,909.47**
(b) Unsecured		
(i) Loans from banks/financial institutions	12,669.19	14,801.52
(ii) Current maturities of long-term borrowings	10,612.53	2,855.74
(iii) Commercial papers	-	4,328.07
(iv) Other loans	13.60	169.81
	23,295.32	**22,155.14**
	26,571.37	**24,064.61**

(i) As at March 31, 2023, ₹**9,681.36** crore (March 31, 2022 : ₹9,539.01 crore) of the total outstanding borrowings were secured by a charge on property, plant and equipment, inventories, receivables and other current assets.

NOTES

forming part of the consolidated financial statements

23. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page F141]

(ii) The security details of major borrowings as at March 31, 2023 are as below:

(a) Loan from Joint Plant Committee-Steel Development Fund

It is secured by mortgages on, all present and future immovable properties wherever situated and hypothecation of movable assets, excluding land and building mortgaged in favour of Government of India under the deed of mortgage dated April 13, 1967 and in favour of Government of Bihar under two deeds of mortgage dated May 11, 1963, immovable properties and movable assets of the Tubes Division, Bearings Division, Ferro Alloys Division and Cold Rolling Complex (West) at Tarapur and all investments and book debts of the Company subject to the prior charges created and/or to be created in favour of the bankers for securing borrowing for the working capital requirement and charges created and/or to be created on specific items of machinery and equipment procured/to be procured under deferred payment schemes/bill re-discounting schemes/asset credit schemes.

The loan is repayable in 16 equal semi-annual instalments after completion of four years from the date of the tranche.

The Company filed a writ petition before the High Court at Calcutta in February 2006 claiming waiver of the outstanding loan and interest and refund of the balance lying with Steel Development Fund (SDF). The Writ Petition was decided by judgment dated August 3, 2022. By the judgment, the High Court declared that the corpus of SDF can only be utilised for the benefit of the main steel producers. However, the waiver of loan as sought by the Company was not allowed. Hence, against the judgment the Company filed an appeal in the High Court.

The appeal has been decided on January 3, 2023. By the final order, High Court has directed the Company to submit a fresh representation to Union of India and fixed a time of three months for Union of India to take a decision on the representation. The Company has submitted the representation on March 28, 2023.

The loan includes funded interest ₹**1,111.84** crore (March 31, 2022: ₹1,074.96 crore).

It includes ₹**1,639.33** crore (March 31, 2022: ₹1,639.33 crore) representing repayments and interest on earlier loans for which applications of funding are awaiting sanction.

(b) Loans from banks/financial institutions

The borrowings in Tata Steel Europe relate to the senior facility arrangement (SFA) which was refinanced in October 2022. The SFA is secured against the assets and shares of Tata Steel UK Limited and the shares of Tata Steel Netherlands Holdings BV(TSNH). The SFA contains a financial covenant which sets an annual maximum capital expenditure at TSNH and contains covenants for cash flow to debt service and debt tangible net worth calculated at the Company level. During the year ended March 31, 2023 Tata Steel Europe made early repayments of EURO 168 million in October 2022 against Facility B. During the year ended March 31, 2022 Tata Steel Europe made early repayments of EURO 565 million in June 2021 (EURO 410 million full repayment of Facility A and EURO 155 million part repayment of Facility B) and EURO 715 million in October 2021 (part repayment against Facility B) The SFA at March 31, 2023 comprises of the following term loan:

Facility B: EURO **302** million bullet term loan facility equivalent to ₹**2,696.52** crore (March 31, 2022: EURO 470 million equivalent to ₹3,953.08 crore), repayable in February 2026.

NOTES
forming part of the consolidated financial statements

23. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page F141]

(iii) The Company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities, which are in agreement with the books of account other than those as set out below.

(₹ crore)

Name of the Bank	Aggregate working capital limits sanctioned	Amount utilised during the quarter	Quarter ended	Amount disclosed as per quarterly return / statement	Amount as per books of account	Difference	Reason for variance*
State bank of India and consortium of banks#	**2,000.00**	-	**December 31, 2022**	**12,594.47**	**12,572.90**	**21.57**	Primarily inclusion of certain liabilities not forming part of creditors for goods.

(₹ crore)

Name of the Bank	Aggregate working capital limits sanctioned	Amount utilised during the quarter	Quarter ended	Amount disclosed as per quarterly return / statement	Amount as per books of account	Difference	Reason for variance*
State bank of India and consortium of banks#	2,000.00	-	June 30, 2021	6,973.00	6,409.24	563.76	Primarily inclusion of certain liabilities not forming part of creditors for goods.
	2,000.00	-	September 30, 2021	6,281.30	5,754.56	526.74	
	2,000.00	-	December 31, 2021	14,533.00	14,007.35	525.65	
	2,000.00	-	March 31, 2022	16,857.04	16,332.53	524.51	

* The above differences represents balance of creditors as at each reporting date.

Pari-passu charge is created on the Company's entire current assets namely stock of raw materials, finished goods, stocks-in-process, consumables stores and spares and book debts at its plant sites or anywhere else, in favour of the bank, by way of hypothecation.

(iv) The details of major unsecured borrowings as at March 31, 2023 are as below:

(a) Bonds and debentures

(I) Non-convertible Debentures:

The details of debentures issued/redeemed by the Company are as below:

(i) 7.76% p.a. interest bearing 15,000 debentures of face value ₹10,00,000 each are redeemable at par on September 20, 2032.

(ii) 9.84% p.a. interest bearing 43,150 debentures of face value ₹10,00,000 each are redeemable at par in 4 equal annual instalments commencing from February 28, 2031.

(iii) 8.03% p.a. interest bearing 2,15,000 debentures of face value ₹1,00,000 each are redeemable at par on February 25, 2028.

(iv) 7.50% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par on September 20, 2027.

(v) 8.15% p.a. interest bearing 10,000 debentures of face value ₹10,00,000 each are redeemable at par on October 1, 2026.

(vi) 7.70% p.a. interest bearing 6,700 debentures of face value ₹10,00,000 each are redeemable at par on March 13, 2025.

(vii) 7.95% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par on October 30, 2023.

(viii) Repo rate plus 4.08% p.a. interest bearing 4,000 debentures of face value ₹10,00,000 each are redeemable at par on June 2, 2023.

(ix) 8.25% p.a. interest bearing 10,000 debentures of face value ₹10,00,000 each are redeemable at par on May 19, 2023.

NOTES

forming part of the consolidated financial statements

23. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page F141]

(x) Repo rate plus 3.45% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par on April 28, 2023.

(xi) Repo rate plus 3.30% p.a. interest bearing 10,000 debentures of face value ₹10,00,000 each are redeemable at par on April 27, 2023.

(xii) 7.85% p.a. interest bearing 5,100 debentures of face value ₹10,00,000 each are redeemable at par on April 21, 2023.

(xiii) 7.85% p.a. interest bearing 10,250 debentures of face value ₹10,00,000 each are redeemable at par on April 17, 2023.

(xiv) 2.00% p.a. interest bearing 15,000 debentures of face value ₹10,00,000 each has been redeemed at a premium of 85.03% of the face value during the year.

(II) Bonds

ABJA Investment Company Pte. Ltd. a wholly owned subsidiary of the Company has issued non-convertible bonds that are listed on the Singapore Stock Exchange and Frankfurt Stock Exchange. Details of the bonds outstanding at the end of the reporting period is as below:

Sl. No.	Issued on	Currency	Initial principal due (in millions)	Outstanding principal (in millions)		Interest rate	Redeemable on
				As at March 31, 2023	As at March 31, 2022		
1	January 2018	USD	1,000	1,000	1,000	5.45%	January 2028
2	July 2014	USD	1,000	1,000	1,000	5.95%	July 2024
3	January 2018	USD	300	300	300	4.45%	July 2023
4	May 2013	SGD	300	300	300	4.95%	May 2023

(b) Term loans from banks/financial institutions

(I) The Details of loans from banks and financial institutions availed/repaid by the Company are as below:

(i) Rupee loan amounting ₹**1,320.00** crore (March 31, 2022: ₹1,320.00 crore) is repayable in 3 semi-annual instalments, the next instalment is due on August 31, 2029.

(ii) Rupee loan amounting ₹**1,000.00** crore (March 31, 2022: Nil) is repayable on August 30, 2029.

(iii) Rupee loan amounting ₹**500.00** crore (March 31, 2022: Nil) is repayable on December 11, 2027

(iv) Rupee loan amounting ₹**100.00** crore (March 31, 2022: Nil) is repayable on December 8, 2027.

(v) Rupee loan amounting ₹**400.00** crore (March 31, 2022: Nil) is repayable on September 14, 2027.

(vi) Rupee loan amounting ₹**595.00** crore (March 31, 2022: ₹595.00 crore) is repayable in 4 semi-annual instalments, the next instalment is due on October 16, 2026.

(vii) Rupee loan amounting ₹**700.00** crore (March 31, 2022: Nil) is repayable in 8 annual instalments, the next instalment is due on August 11, 2025.

(viii) Rupee loan amounting ₹**520.00** crore (March 31, 2022: ₹520.00 crore) is repayable in 5 semi-annual instalments, the next instalment is due on June 30, 2025.

(ix) Rupee loan amounting ₹**500.00** crore (March 31, 2022: Nil) is repayable on June 24, 2024.

(x) Rupee loan amounting ₹**500.00** crore (March 31, 2022: Nil) is repayable on June 22, 2024.

(xi) Rupee loan amounting ₹**500.00** crore (March 31, 2022: Nil) is repayable on June 17, 2024.

NOTES

forming part of the consolidated financial statements

23. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page F141]

(xii) Rupee loan amounting ₹**926.24** crore (March 31, 2022: ₹930.42 crore) is repayable in 14 semi-annual instalments, the next instalment is due on November 15, 2023.

(xiii) Rupee loan amounting ₹**300.00** crore (March 31, 2022: Nil) is repayable in 5 annual instalments, the next instalment is due on September 30, 2023.

(xiv) Rupee loan amounting ₹**396.00** crore (March 31, 2022: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on September 30, 2023.

(xv) Rupee loan amounting ₹**700.00** crore (March 31, 2022: Nil) is repayable in 5 annual instalments, the next instalment is due on September 30, 2023.

(xvi) Rupee loan amounting ₹**594.00** crore (March 31, 2022: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on September 30, 2023.

(xvii) Rupee loan amounting ₹**495.00** crore (March 31, 2022: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on September 30, 2023.

(xviii) Rupee loan amounting to ₹**990.00** crore (March 31,2022: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on September 30, 2023.

(xix) USD 440 million equivalent to ₹**3,616.03** crore (March 31, 2022: USD 440.00 million equivalent to ₹3,335.09 crore) loan is repayable in 3 equal annual instalments commencing from September 11, 2023.

(xx) Rupee loan amounting ₹**495.00** crore (March 31, 2022: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on September 7, 2023.

(xxi) Rupee loan amounting ₹**198.00** crore (March 31, 2022: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on September 1, 2023.

(xxii) Rupee loan amounting ₹**544.50** crore (March 31, 2022: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on September 1, 2023.

(xxiii) Rupee loan amounting ₹**990.00** crore (March 31, 2022: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on June 30, 2023.

(xxiv) Rupee loan amounting ₹**1,500.00** crore (March 31, 2022: Nil) is repayable in 20 semi-annual instalments, the next instalment is due on June 30, 2023.

(xxv) Rupee loan amounting ₹**500.00** crore (March 31, 2022: Nil) is repayable in 20 semi-annual instalments, the next instalment is due on June 30, 2023.

(xxvi) Rupee loan amounting ₹**500.00** crore (March 31, 2022: Nil) is repayable in 20 semi-annual instalments, the next instalment is due on June 30, 2023.

(xxvii) Euro 9.55 million equivalent to ₹80.37 crore as on March 31, 2022 due for repayment on April 30, 2022, had been fully repaid during the year.

(II) Short-term finance ₹**4,161.30** crore (March 31, 2022: ₹7,456.75 crore) with maturity less than a year.

(c) Commercial papers raised by the Group are short-term in nature ranging between eleven days to six months.

NOTES
forming part of the consolidated financial statements

23. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page F141]

(v) Currency and interest exposure of borrowings including current maturities is as below:

(₹ crore)

	As at March 31, 2023			As at March 31, 2022		
	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
INR	14,516.56	20,754.85	35,271.41	16,163.76	13,874.65	30,038.41
GBP	9.43	4,052.81	4,062.24	9.72	2,473.62	2,483.34
EURO	18.04	2,609.71	2,627.75	91.03	4,206.64	4,297.67
USD	23,021.33	10,251.21	33,272.54	24,835.44	4,563.38	29,398.82
Others	2,783.76	-	2,783.76	2,577.25	33.19	2,610.44
Total	**40,349.12**	**37,668.58**	**78,017.70**	**43,677.20**	**25,151.48**	**68,828.68**

INR-Indian Rupees, GBP- Great Britain Pound, USD-United States Dollars.

(a) Others primarily include SGD-Singapore Dollars, CAD- Canadian Dollars and THB- Thai Baht.

(b) Majority of floating rate borrowings are bank borrowings bearing interest rates based on LIBOR, EURIBOR or local official rates. Of the total floating rate borrowings, as at March 31, 2023, ₹**3,616.03** crore (March 31, 2022: ₹3,335.09 crore) has been hedged using cross currency swaps and interest rate swaps, with contracts covering a period of more than one year.

(vi) Maturity profile of borrowings including current maturities is as below:

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Not later than one year or on demand	26,568.65	24,065.72
Later than one year but not two years	12,383.99	10,112.51
Later than two years but not three years	4,380.15	10,018.87
Later than three years but not four years	2,084.30	5,412.57
Later than four years but not five years	13,602.63	1,923.87
More than five years	19,486.10	17,921.06
	78,505.82	**69,454.61**
Less: Capitalisation of transaction costs	488.12	625.93
	78,017.70	**68,828.68**

(vii) Some of the Group's major financing arrangements include financial covenants, which require compliance to certain debt-equity ratios and debt coverage ratios by entities within the Group who have availed such borrowings. Additionally, certain negative covenants may limit the ability of entities within the Group to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach.

NOTES
forming part of the consolidated financial statements

24. Other financial liabilities

[Item No. V(a)(iv) and VI(a)(v), Page F141]

A. Non-current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Creditors for other liabilities	1,871.51	989.57
	1,871.51	**989.57**

B. Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Interest accrued but not due	1,115.29	860.10
(b) Unclaimed dividends	100.04	84.18
(c) Creditors for other liabilities	8,374.88	7,437.13
	9,590.21	**8,381.41**

(i) Non-current and current creditors for other liabilities include:

(a) creditors for capital supplies and services of ₹**4,595.93** crore (March 31, 2022: ₹3,732.92 crore).

(b) liability for employee family benefit scheme ₹**243.37** crore (March 31, 2022: ₹227.43 crore).

(c) liability for family protection scheme ₹**194.83** crore (March 31, 2022: ₹202.46 crore).

(d) rebate liabilities arising from volume and price discounts ₹**1,330.51** crore (March 31, 2022: ₹1,215.61 crore).

(e) consideration on acquisition of Neelachal Ispat Nigam Limited ("NINL") of ₹**911.17** crore (March 31, 2022: Nil) kept in escrow account pending resolution of the litigations. This amount has been included in the total consideration for acquisition of NINL and would be paid towards the litigations, if required, or be released to the sellers at the expiry of the specified period.

NOTES

forming part of the consolidated financial statements

25. Provisions

[Item No. V(b) and VI(b), Page F141]

A. Non-current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Employee benefits	3,012.44	3,150.54
(b) Insurance provisions	305.53	340.92
(c) Others	1,457.87	1,334.52
	4,775.84	**4,825.98**

B. Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Employee benefits	406.70	473.28
(b) Others	3,476.03	2,295.21
	3,882.73	**2,768.49**

(i) Non-current and current provision for employee benefits include provision for leave salaries ₹**1,441.71** crore (March 31, 2022: ₹1,377.85 crore) and provision for early separation, disability and other long-term employee benefits ₹**1,893.24** crore (March 31, 2022: ₹2,166.70 crore).

(ii) As per the leave policy of the Company and its Indian subsidiaries, an employee is entitled to be paid the accumulated leave balance on separation. The Company and its Indian subsidiaries present provision for leave salaries as current and non-current based on actuarial valuation considering estimates of availment of leave, separation of employee, etc.

(iii) Insurance provisions currently held by Tata Steel Europe, a wholly owned indirect subsidiary of the Group cover its historical liability risks, including those covered by its captive insurance company, Crucible Insurance Company Limited, in respect of its retrospective hearing impairment policy and those for which it is now responsible for under its current insurance arrangements. The provisions include a suitable amount in respect of its known outstanding claims and an appropriate amount in respect of liabilities that have been incurred but not yet reported. The provisions are subject to regular review and are adjusted as appropriate. The value of the final insurance settlements is uncertain and so is the timing of the expenditure.

(iv) Non-current and current other provisions primarily include:

(a) provision for compensatory afforestation, mine closure and rehabilitation obligations and other environmental remediation obligations ₹**3,407.85** crore (March 31, 2022: ₹2,964.73 crore). These amounts become payable upon closure of the mines/sites and are expected to be incurred over a period of 1 to 44 years.

(b) provision in respect of onerous leases contracts amounting to ₹**136.52** crore (March 31, 2022: ₹124.76 crore).

(c) provision for legal damages ₹**183.02** crore (March 31, 2022: Nil).

(d) provision for demand notices received against alleged shortfall in dispatch of Chromite ore from the mines within the Group's Indian mining operations ₹**818.01** crore. The demand notices have challenged before the Hon'ble High Court of Orissa and as per the court direction, an amount of ₹**218.50** crore has been paid under protest.

NOTES

forming part of the consolidated financial statements

25. Provisions (Contd.)

[Item No. V(b) and VI(b), Page F141]

(v) The details of movement in provision balances is as below:

Year ended March 31, 2023

(₹ crore)

	Insurance Provision	Provision for restoration and rehabilitation	Others	Total
Balance at the beginning of the year	340.92	2,964.73	665.00	3,970.65
Recognised/ (released) during the year [(i)]	70.48	1,245.49	261.12	1,577.09
Utilised during the year	(111.49)	(670.75)	(45.26)	(827.50)
Other re-classifications	-	(238.45)	619.17	380.72
Exchange differences on consolidation	5.62	106.83	26.02	138.47
Balance at the end of the year	**305.53**	**3,407.85**	**1,526.05**	**5,239.43**

Year ended March 31, 2022

(₹ crore)

	Insurance Provision	Provision for restoration and rehabilitation	Others	Total
Balance at the beginning of the year	573.39	4,790.84	537.22	5,901.45
Recognised/ (released) during the year [(i)]	(122.17)	1,318.28	272.04	1,468.15
Utilised during the year	(108.05)	(2,885.36)	(115.83)	(3,109.24)
Other re-classifications	-	(241.28)	(0.20)	(241.48)
Classified as held for sale	-	-	(23.45)	(23.45)
Exchange differences on consolidation	(2.25)	(17.75)	(4.78)	(24.78)
Balance at the end of the year	**340.92**	**2,964.73**	**665.00**	**3,970.65**

(i) Includes provisions capitalised in respect of restoration obligations.

NOTES

forming part of the consolidated financial statements

26. Deferred income

[Item No. V(d) and VI(d), Page F141]

A. Non-current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Grants relating to property, plant and equipment	21.34	27.27
(b) Revenue grants	9.90	11.91
(c) Others	101.12	97.98
	132.36	**137.16**

B. Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Grants relating to property, plant and equipment	72.13	56.24
(b) Revenue grants	3.59	-
(c) Others	16.21	74.21
	91.93	**130.45**

NOTES

forming part of the consolidated financial statements

27. Other liabilities

[Item No. V(f) and VI(f), Page F141]

A. Non-current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Advances received from customers	2,146.11	3,562.63
(b) Statutory dues	593.19	696.36
(c) Other credit balances	1,727.97	1,337.07
	4,467.27	**5,596.06**

B. Current

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Advances received from customers	3,365.70	3,216.40
(b) Employee recoveries and employer contributions	142.67	146.69
(c) Statutory dues	11,008.55	12,113.25
(d) Other credit balances	28.18	36.68
	14,545.10	**15,513.02**

(i) Non-current and current advance from customer includes an interest-bearing advance of ₹**3,811.90** crore (March 31, 2022: ₹4,972.83 crore) which would be adjusted over a period of 3 years against export of steel products. Amount of revenue recognised for the year ended March 31, 2023 in respect of such advances outstanding at the beginning of the year is ₹**1,543.07** crore (2021-22: ₹1,528.92 crore). Out of the amount outstanding ₹**1,665.79** crore (March 31, 2023: ₹1,410.20 crore) is expected to be adjusted by March 31, 2024 and the balance thereafter.

(ii) Statutory dues primarily relate to payables in respect of GST, excise duty, service tax, sales tax, electricity duty, water tax, VAT, deducted at source and royalties.

(iii) Other credit balances includes GST compensation cess and interest thereon amounting to ₹**1,678.33** crore (March 31, 2022: ₹1,274.11 crore).

NOTES
forming part of the consolidated financial statements

28. Trade payables

[Item No. VI(a)(iii), Page F141]

A. Total outstanding dues of micro and small enterprises

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Dues of micro and small enterprises	1,170.33	897.50
	1,170.33	**897.50**

B. Total outstanding dues of creditors other than micro and small enterprises

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
(a) Creditors for supplies and services	31,284.22	30,171.17
(b) Creditors for accrued wages and salaries	5,377.99	5,696.20
	36,662.21	**35,867.37**

(i) Ageing of trade payables is as below:

As at March 31, 2023

(₹ crore)

	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	
Undisputed dues - MSME	1,050.48	64.35	0.12	0.07	1.61	1,116.63
Undisputed dues - Others	24,072.39	3,448.39	178.51	87.03	42.97	27,829.29
Disputed dues - MSME	-	-	-	-	0.05	0.05
Disputed dues - Others	-	0.85	0.23	0.27	18.20	19.55
	25,122.87	**3,513.59**	**178.86**	**87.37**	**62.83**	**28,965.52**
Add : Unbilled dues*						8,867.02
Total trade payables						**37,832.54**

*Includes dues of micro, small and medium enterprises (MSME) of ₹**53.65** crore.

As at March 31, 2022

(₹ crore)

	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	
Undisputed dues - MSME	775.41	63.53	0.09	0.06	0.07	839.16
Undisputed dues - Others	24,496.25	4,602.37	168.84	52.57	76.44	29,396.47
Disputed dues - MSME	-	-	0.01	0.05	-	0.06
Disputed dues - Others	-	6.33	0.63	0.76	17.67	25.39
	25,271.66	**4,672.23**	**169.57**	**53.44**	**94.18**	**30,261.08**
Add : Unbilled dues*						6,503.79
Total trade payables						**36,764.87**

*Includes dues of micro, small and medium enterprises (MSME) of ₹58.28 crore.

NOTES

forming part of the consolidated financial statements

29. Revenue from operations

[Item No. I, Page F142]

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Sale of products	2,39,343.16	2,40,560.16
(b) Sale of power and water	1,924.04	1,717.97
(c) Income from services	369.05	48.74
(d) Other operating revenues(ii)	1,716.44	1,632.30
	2,43,352.69	**2,43,959.17**

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

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) India	1,29,385.23	1,19,729.67
(b) Outside India	1,12,251.02	1,22,597.20
	2,41,636.25	**2,42,326.87**

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Steel	2,28,055.95	2,26,461.69
(b) Power and water	1,924.04	1,717.97
(c) Others	11,656.26	14,147.21
	2,41,636.25	**2,42,326.87**

Revenue outside India includes Asia excluding India ₹**17,328.79** crore (2021-22: ₹27,784.29 crore), UK ₹**17,079.93** crore (2021-22: ₹20,096.84 crore) and other European countries ₹**59,742.10** crore (2021-22: ₹60,784.32 crore).

(ii) Other operating revenues include income from export and other incentives schemes.

(iii) There are no significant adjustment between the contracted price and revenue recognised.

NOTES

forming part of the consolidated financial statements

30. Other income

[Item No. II, Page F142]

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Dividend income	39.66	35.30
(b) Interest income	345.64	243.77
(c) Net gain/ (loss) on sale/ fair value changes of mutual funds	294.48	201.49
(d) Net gain/ (loss) on sale of non-current investments	0.88	0.22
(e) Gain/ (loss) on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/ written off)	(43.57)	95.33
(f) Gain/ (loss) on cancellation of forwards, swaps and options	261.24	34.20
(g) Other miscellaneous income	139.15	174.58
	1,037.48	**784.89**

(i) Dividend income includes income from investments carried at fair value through other comprehensive income of ₹**29.50** crore (2021- 22: ₹25.42 crore)

(ii) Interest income includes:

(a) income from financial assets carried at amortised cost of ₹**331.75** crore (2021-22: ₹198.80 crore).

(b) income from financial assets carried at fair value through profit and loss ₹**13.89** crore (2021-22: ₹44.97 crore).

31. Employee benefits expense

[Item No. IV(d), Page F142]

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Salaries and wages	18,471.69	19,239.94
(b) Contribution to provident and other funds	3,136.57	3,273.23
(c) Staff welfare expenses	811.06	750.93
	22,419.32	**23,264.10**

During the year ended March 31, 2023, the Company has recognised an amount of ₹**37.82** crore (2021-22: ₹40.52 crore) as remuneration to key managerial personnel. The details of such remuneration are as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Short-term employee benefits	32.88	34.67
(b) Post-employment benefits	4.88	5.85
(c) Other long-term employee benefits	0.06	-
	37.82	**40.52**

NOTES

forming part of the consolidated financial statements

32. Finance costs

[Item No. IV(e), Page F142]

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Interest expense on:		
(a) Bonds, debentures, bank borrowings and others	6,007.98	5,007.46
(b) Lease obligations	581.81	636.08
	6,589.79	**5,643.54**
Less: Interest capitalised	291.09	181.34
	6,298.70	**5,462.20**

33. Depreciation and amortisation expense

[Item No. IV(f), Page F142]

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Depreciation on tangible and amortisation of intangible assets	8,341.81	8,007.25
(b) Depreciation on right-of-use assets	1,000.47	1,102.63
Less: Transferred to capital accounts	0.87	1.01
Less: Amount released from grants received	6.21	8.00
	9,335.20	**9,100.87**

34. Other expenses

[Item No. IV(g), Page F142]

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Consumption of stores and spares	21,475.08	15,958.90
(b) Repairs to buildings	89.59	116.93
(c) Repairs to machinery	11,583.62	9,571.68
(d) Relining expenses	338.54	320.49
(e) Fuel oil consumed	1,466.98	1,057.18
(f) Purchase of power	8,059.93	6,971.11
(g) Conversion charges	3,092.10	2,866.06
(h) Freight and handling charges	12,647.96	12,138.61
(i) Rent	2,923.43	2,672.26
(j) Royalty	6,923.80	9,311.36
(k) Rates and taxes	1,971.35	2,517.24
(l) Insurance charges	696.47	480.66
(m) Commission, discounts and rebates	356.91	325.54
(n) Allowance for credit losses/ provision for advances	10.52	83.34
(o) Others	8,882.59	12,224.92
	80,518.87	**76,616.28**

NOTES

forming part of the consolidated financial statements

34. Other expenses (Contd.)

[Item No. IV(g), Page F142]

(i) Others include net foreign exchange gain ₹**1,657.81** crore (2021-22: loss ₹1,331.59 crore).

(ii) During the year ended March 31, 2023, the Company has recognised an amount of ₹**9.65** crore (2021-22: ₹9.76 crore) as payment to non-executive directors. The details are as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
(a) Short-term benefits	9.20	9.30
(b) Sitting fees	0.45	0.46
	9.65	**9.76**

(iii) Revenue expenditure charged to the consolidated statement of profit and loss in respect of research and development activities undertaken during the year is ₹**858.93** crore (2021-22: ₹783.36 crore).

35. Exceptional items

[Item No. VII, Page F142]

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

(a) Profit on sale of subsidiaries and non-current investments includes profit of ₹**66.86** crore on disposal of offshore subsidiaries forming part of the Group's European operations (20201-22: includes profit of ₹724.84 crore on disposal of offshore subsidiaries forming part of the Group's South East Asian operations).

(b) During the year ended March 31, 2022 profit on sale of non-current assets ₹30.83 crore represents profit on sale of land in one of the subsidiaries of the Group.

(c) Provision for impairment of investments/doubtful advances represents ₹**12.39** crore (2021-22: ₹100.00 crore represents impairment of advances to one of the associates of the Group and reversal of impairment of ₹0.26 crore recognised earlier in respect of a joint venture of the Group) impairment of advances to one of the associates of the Group and reversal of impairment of ₹**96.07** crore (2021-22: Nil) within the Group's European operations.

(d) Provision for impairment of non-current assets includes impairment recognised in respect of property, plant and equipment (including capital work-in-progress), right-of-use assets and other assets ₹**11.16** crore within the Group's South East Asian operations and reversal of provision of impairment of non-current assets ₹**36.53** crore within the Group's European operations (2021-22: ₹252.68 crore the impairment recognised was contained within European and South East Asian operations segments). The impairment recognised is shown within exceptional items in segment reporting and does not form part of segment results.

(e) Employee separation compensation ₹**91.94** crore (2021-22: ₹330.81 crore) relates to provisions recognised in respect of early separation of employee within Indian operations.

(f) Restructuring and other provisions ₹**1.70** crore results represents stamp duty and registration fees paid within the Group's Indian Operations (2021-22: ₹256.24 crore primarily include provision recognised for benefits payable to the dependents of employees who lost their lives due to COVID-19.)

(g) Gain/(loss) on non-current investments classified as fair value through profit and loss ₹**30.99** crore (2021-22: ₹49.74 crore) primarily represents gain on investments in preference shares held in an associate.

NOTES
forming part of the consolidated financial statements

36. Earnings per share

[Item No. XV, Page F143]

The following table reflects the profit/(loss) and shares data used in the computation of basic and diluted earnings per share.

(₹ crore)

		Year ended March 31, 2023	Year ended March 31, 2022
(a)	Profit for the year attributable to owners of the Company	8,760.40	40,153.93
	Less: Distribution on hybrid perpetual securities (net of tax)	-	1.09
	Profit attributable to Ordinary shareholders- for basic and diluted EPS	**8,760.40**	**40,152.84**
		Nos.	Nos.
(b)	Weighted average number of Ordinary shares for basic EPS	12,21,00,98,132	12,08,14,28,595
	Add: Adjustment for shares held in abeyance and un-called portion on partly paid-up shares	37,16,120	94,30,739
	Weighted average number of Ordinary shares and potential Ordinary shares for diluted EPS	**12,21,38,14,252**	**12,09,08,59,334**
(c)	Nominal value of Ordinary Share (₹)	1.00	1.00
(d)	Basic earnings per Ordinary Share (₹)	7.17	33.24
(e)	Diluted earnings per Ordinary Share (₹)	7.17	33.21

(i) The basic and diluted EPS for the prior year have been restated considering the face value of ₹1/- each in accordance with Ind AS 33 – "Earnings per Share" on account of sub-division of the Ordinary (equity) Shares of face value ₹10/- each into Ordinary (equity) Shares of face value of ₹1/- each (refer note 19(ii)(a), page F195).

NOTES

forming part of the consolidated financial statements

37. Employee benefits

A. Defined contribution plans

The Group participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Group at rates specified by the rules of those plans.The only amounts included in the consolidated balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Group are as below:

(a) Provident fund and pension

The Company and its Indian subsidiaries provide provident fund benefits for eligible employees as per applicable regulations wherein both employees and the Company/Indian subsidiaries make monthly contributions at a specified percentage of the eligible employees' salary. Contributions under such schemes are made either to a provident fund set up as an irrevocable trust by the Company/ Indian subsidiaries to manage the investments and distribute the amounts entitled to employees or to state managed funds.

Benefits provided under plans wherein contributions are made to state managed funds and the Company/ Indian subsidiaries do not have a future obligation to make good short fall if any, are treated as a defined contribution plan.

(b) Superannuation fund

The Company and some of its Indian subsidiaries have a superannuation plan for the benefit of its employees. Employees who are members of the superannuation plan are entitled to benefits depending on the years of service and salary drawn.

Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The Company and its Indian subsidiaries contribute up to 15% of the eligible employees' salary or ₹1,50,000, whichever is lower, to the trust every year. Such contributions are recognised as an expense as and when incurred. The Company and its Indian subsidiaries do not have any further obligations beyond this contribution.

The contributions recognised as an expense in the consolidated statement of profit and loss during the year on account of the above defined contribution plans amounted to ₹**1,611.21** crore (2021-22: ₹1,580.09 crore).

B. Defined benefit plans

The defined benefit plans operated by the Group are as below:

(a) Provident fund and pension

Provident fund benefits provided under plans wherein contributions are made to an irrevocable trust set up by the Company/Indian subsidiaries to manage the investments and distribute the amounts entitled to employees are treated as a defined benefit plan as the Company/Indian subsidiaries are obligated to provide the members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. A part of the Company's/Indian subsidiaries' contribution is transferred to Government administered pension fund. The contributions made by the Company/Indian subsidiaries and the shortfall of interest, if any, are recognised as an expense in the consolidated statement of profit and loss under employee benefits expense.

In accordance with an actuarial valuation of provident fund liabilities of Company and its Indian subsidiaries based on guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, other than the expenses recognised during the year in respect of two Indian subsidiaries ₹**2.43** crore (2021-22: reversal ₹1.46 crore), there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

NOTES
forming part of the consolidated financial statements

37. Employee benefits (Contd.)

Key assumptions used for actuarial valuation are as below:

	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate	7.10% - 7.50%	6.75% - 7.20%
Guaranteed rate of return	7.20% - 8.15%	8.10%
Expected rate of return on investment	8.10% - 8.15%	7.50% - 8.10%

(b) Retiring gratuity

The Company and its Indian subsidiaries have an obligation towards gratuity, a defined benefit retirement plan covering eligible employees as per The Payment of Gratuity Act, 1972. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company and its Indian subsidiaries make annual contributions to gratuity funds established as trusts or insurance companies. The Company and its Indian subsidiaries accounts for the liability for gratuity benefits payable in the future based on a year end actuarial valuation."

(c) Post-retirement medical benefits

Under this unfunded scheme, employees of the Company and some of its subsidiaries receive medical benefits subject to certain limits on amounts of benefits, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Company and its subsidiaries under an early separation scheme, on medical grounds or due to permanent disablement are also covered under the scheme. The Company and such subsidiaries account for the liability for post-retirement medical scheme based on a year-end actuarial valuation.

(d) Tata Steel Europe's pension plan

Tata Steel Europe (TSE), a wholly owned indirect subsidiary of the Company, operates a number of defined benefit pension and post- retirement schemes. The benefits offered by these schemes are largely based on pensionable pay and years of service at retirement. With the exception of certain unfunded arrangements, the assets of these schemes are held in administered funds that are legally separated from TSE. For those pension schemes set up under a trust, the trustees are required by law to act in the best interests of the schemes beneficiaries in accordance with the scheme rules and relevant pension legislation. The trustees are generally responsible for the investment policy with regard to the assets of the fund, after consulting with the sponsoring employer.

TSE accounts for all pension and post-retirement defined benefit arrangements using Ind AS 19 "Employee Benefits", with independent actuaries being used to calculate the costs, assets and liabilities to be recognised in relation to these schemes. The present value of the defined benefit obligation, the current service cost and past service costs are calculated by these actuaries using the Projected unit credit method. However, the ongoing funding arrangements of each scheme, in place to meet their long-term pension liabilities, are governed by the individual scheme documentation and national legislation. The accounting and disclosure requirements of Ind AS 19 "Employee benefits" do not affect these funding arrangements.

The British Steel Pension Scheme (BSPS) is the legacy defined benefit pension scheme in the UK and is closed to future accrual. The current Scheme is the successor to the old BSPS which entered a Pension Protection Fund (PPF) assessment period in March 2018. The Scheme currently has around 67,000 members of which 80% are pensioners with benefits in payment. The BSPS is sponsored by Tata Steel UK Limited (TSUK). Although TSUK has a legal obligation to fund any future deficit, a key condition of the new BSPS going forward was that it was sufficiently well funded to meet the scheme's modified liabilities on a self-sufficiency basis with a buffer to cover residual risks. With the assets that it holds, the Scheme is therefore well positioned to pay benefits securely on a low risk basis without recourse

NOTES

forming part of the consolidated financial statements

37. Employee benefits (Contd.)

to TSUK. Pension risks relating to the Scheme include economic risks (such as interest rate risk and inflation risk), demographic risks (for example members living longer than expected), legal risks (for example changes in legislation that may increase liabilities), and counterparty risk (relating to a counterparty to a derivative transaction or insurance contract defaulting on their obligations). TSUK has worked with the Trustee to develop and implement an Integrated Risk Management ('IRM') framework to manage these risks. The framework provides ongoing monitoring of the key investment, funding and covenant risks facing the scheme and tracks progress against the scheme's journey plan and target of insuring liabilities in full with one or more insurers. Measures taken by the Trustee to manage risk include the use of asset-liability matching techniques to protect funding levels relative to insurer pricing. However, the scheme's interest rate risk is hedged on a long-term funding basis linked to gilts whereas AA corporate bonds are implicit in the Ind AS 19 discount rate and so there is some mismatching risk to the TSE financial statements should yields on gilts and corporate bonds diverge.

The BSPS Trustee and Company have established a framework for dynamic de-risking as and when conditions are appropriate. The framework provides for the parties to agree to partial buy-in transactions with one or more insurers over a period of time. In relation to this, the scheme completed its first buy-in transaction in respect to a small portion of the overall liabilities during the year ended March 31, 2022. It has also completed two further buy-in transactions during the current year involving the purchase of annuities with an external insurer of the order of ₹21,378.10 crore and ₹20,406.37 crore in May 2022 and December 2022 respectively. Following the buy-ins the relevant annuity asset has been valued on an Ind AS 19 basis and the corresponding difference between the premium paid and the Ind AS 19 asset value has been treated as an asset loss through the Other Comprehensive Income. Following the completion of the transactions within the current year, around 60% of the liabilities of the scheme are now covered by insurance policies and it is envisaged that the remaining 40% of liabilities will be secured by a further insurance transaction in the early part of 2023-24.

TSUK retains the sole power to decide whether to proceed to wind-up the Scheme and buy-out liabilities. The Pensions Framework Agreement agreed as part of the RAA stipulates that this can only be achieved if the valuation of the Scheme on a "buyout" basis is either at or above 103%. The 3% excess above full funding would be applied for restoration of an element of member benefits foregone as part of the RAA.

During the year ended March 31, 2023 the Scheme entered a non-binding price lock arrangement covering the remaining un-insured liabilities which is expected to complete during the early part of 2023-24. Whilst the expected transaction is not reflected in the position as at March 31, 2023 the pricing within this agreement indicates that a funding level over 103% will be achieved and accordingly the company now considers it highly probable that the 103% increase will be granted once the expected transaction completes. As such an allowance of ₹1,830.25 crore has been included in the Ind AS 19 liability calculation representing the estimated value of this 103% benefit uplift as on March 31, 2023 (March 31, 2022: ₹Nil).

The BSPS holds an anti-embarrassment interest in TSUK agreed as part of the Regulated Apportionment Arrangement ("RAA") entered into in 2017. The anti-embarrassment interest was initially 33.33% at the time of the RAA but has since been diluted to less than 1% due to successive equity issuances by TSUK to its parent company Corus Group Limited. No value has been included in the BSPS's assets at March 31, 2023 (March 31, 2022: ₹Nil) for its interest in TSUK.

The Framework Agreement entered into as part of the RAA included provisions for a potential additional payment to pensioners with pre 1997 service if the 2021 Actuarial Valuation ('AV') results in an 'unexpected surplus' (calculated using assumptions set out in the Framework Agreement). Following

NOTES

forming part of the consolidated financial statements

37. Employee benefits (Contd.)

the conclusion of the 2021 AV it has been confirmed that the conditions for an increase have been met. The 2021 AV Increase was paid out as a restoration payment to members in October 2022. The AV 2021 allowance is therefore no longer included in the defined benefit obligation as at March 31, 2023 (March 31, 2022: ₹577.14 crore).

At March 31, 2023 the Scheme had an Ind AS 19 surplus of ₹**6,264.74** crore (March 31, 2022: ₹19,504.71 crore). In accordance with IFRIC 14, TSE has recognised 100% (2021-22: 100%) of the surplus as it has an unconditional right to a refund of the surplus. The Scheme is fully funded on a low-risk technical provisions ('TP') basis and as mentioned above, it is expected that the Scheme will be fully funded on an insurance basis in the early part of 2023-24.

For March 31, 2021 valuation was agreed between TSUK and the BSPS Trustee on January 21, 2022. This was a surplus of ₹5,002.76 crore on a TP (more prudent) basis equating to a funding ratio of 105%. The agreed Schedule of Contributions confirmed that neither ordinary nor deficit recovery contributions are due from the Company.

The weighted average duration of the scheme's liabilities at March 31, 2023 was **11** years (March 31, 2022: 13.5 years).

(e) Other defined benefits

Other benefits provided under unfunded schemes include pension payable to directors on their retirement, farewell gifts, post-retirement lumpsum benefit and reimbursement of packing and transportation charges to the employees based on their last drawn salary.

The defined benefit plans expose the Group to a number of actuarial risks as below:

(i) **Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields. If the return on plan asset is below this rate, it will create a plan deficit.

(ii) **Interest risk:** A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the value of plan's debt investments.

(iii) **Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

(iv) **Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(v) **Inflation risk:** Some of the Group's Pension obligations are linked to inflation, and higher inflation will lead to higher liabilities although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation.

NOTES

forming part of the consolidated financial statements

37. Employee benefits (Contd.)

C. Details of defined benefit obligations and plan assets:

(a) Retiring gratuity:

(i) The following table sets out the amounts recognised in the consolidated financial statements in respect of retiring gratuity:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Change in defined benefit obligations:		
Obligation at the beginning of the year	3,211.99	3,234.75
Addition relating to acquisitions	88.57	1.39
Current service cost	187.23	180.51
Past service cost	-	0.06
Interest cost	213.42	193.03
Benefits paid	(318.02)	(362.58)
Remeasurement (gain)/loss	27.62	(35.17)
Other re-classification	4.78	-
Obligation at the end of the year	**3,415.59**	**3,211.99**

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Change in plan assets:		
Fair value of plan assets at the beginning of the year	2,778.98	2,860.13
Addition relating to acquisitions	24.97	0.07
Interest income	198.39	176.29
Remeasurement gain/(loss) excluding amount included within employee benefit expense	(2.82)	8.13
Employers' contribution	387.36	96.21
Benefits paid	(317.30)	(361.85)
Fair value of plan assets at the end of the year	**3,069.58**	**2,778.98**

Amounts recognised in the consolidated balance sheet consist of:

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets	3,069.58	2,778.98
Present value of obligation	3,415.59	3,211.99
	(346.01)	**(433.01)**
Recognised as:		
Retirement benefit assets - Non-current	1.24	0.54
Retirement benefit assets - Current	-	1.25
Retirement benefit obligations - Non-current	(327.08)	(421.80)
Retirement benefit obligations - Current	(20.17)	(13.00)
	(346.01)	**(433.01)**

NOTES
forming part of the consolidated financial statements

37. Employee benefits (Contd.)

Expense/(gain) recognised in the consolidated statement of profit and loss consists of:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Employee benefits expense:		
Current service cost	187.23	180.51
Past service cost	-	0.06
Net interest expense	15.03	16.74
	202.26	**197.31**
Other comprehensive income:		
Return on plan assets excluding amount included in employee benefits expense	2.82	(8.13)
Actuarial (gain)/loss arising from changes in demographic assumptions	(0.30)	(0.62)
Actuarial (gain)/loss arising from changes in financial assumptions	(60.15)	(54.85)
Actuarial (gain)/loss arising from changes in experience adjustments	88.07	20.30
	30.44	**(43.30)**
Expense/(gain) recognised in the consolidated statement of profit and loss	**232.70**	**154.01**

(ii) Fair value of plan assets by category of investments is as below:

	As at March 31, 2023	As at March 31, 2022
Assets category (%)		
Quoted		
Equity instruments	2.01	1.03
Debt instruments	28.60	22.91
	30.61	**23.94**
Unquoted		
Debt instruments	0.47	0.42
Insurance products	67.02	73.42
Others	1.90	2.22
	69.39	**76.06**
	100.00	**100.00**

The Group's investment policy is driven by considerations of maximising returns while ensuring credit quality of debt instruments. The asset allocation for plan assets is determined based on prescribed investment criteria and is also subject to other exposure limitations. The Group evaluates the risks, transaction costs and liquidity for potential investments. To measure plan assets performance, the Group compares actual returns for each asset category with published benchmarks.

(iii) Key assumptions used in the measurement of retiring gratuity are as below:

	As at March 31, 2023	As at March 31, 2022
Discount rate	7.1 - 7.30%	6.50 - 7.35%
Rate of escalation in salary	5.00 - 10.50%	5.00 - 10.50%

(iv) Weighted average duration of the retiring gratuity obligation ranges between **6 to 23** years (March 31, 2022: 6 to 22 years).

(v) The Group expects to contribute ₹**338.99** crore to the plan during the financial year 2023-24.

NOTES

forming part of the consolidated financial statements

37. Employee benefits (Contd.)

(vi) The table below outlines the effect on retiring gratuity obligation in the event of a decrease/ increase of 1% in the assumptions used.

As at March 31, 2023

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹**250.50** crore, increase by ₹**289.37** crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹**278.97** crore, decrease by ₹**246.87** crore

As at March 31, 2022

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹242.61 crore, increase by ₹277.43 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Decrease by ₹268.23 crore, increase by ₹238.46 crore

The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

(b) Tata Steel Europe's Pension Plan

(i) The following table sets out the amounts recognised in the consolidated financial statements in respect of Tata Steel Europe's pension plans.

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Change in defined benefit obligations:		
Obligation at the beginning of the year	79,736.39	86,209.70
Current service cost	87.46	122.76
Past service cost	-	(10.14)
Interest cost	2,069.79	1,724.28
Remeasurement (gain)/loss	(14,978.57)	(2,511.03)
Benefits paid	(5,237.64)	(4,939.56)
Classified as held for sale	-	(10.14)
Exchange differences on consolidation	991.33	(849.48)
Obligation at the end of the year	**62,668.76**	**79,736.39**

NOTES
forming part of the consolidated financial statements

37. Employee benefits (Contd.)

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Change in plan assets:		
Fair value of plan assets at the beginning of the year	99,241.10	1,05,069.86
Interest income	2,584.81	2,119.85
Remeasurement gain/(loss)	(28,530.05)	(2,018.43)
Employer's contribution	87.46	71.00
Benefits paid	(5,218.20)	(4,919.28)
Effect of asset ceiling	(16.16)	-
Exchange differences on consolidation	784.54	(1,081.90)
Fair value of plan assets at the end of the year	**68,933.50**	**99,241.10**

Amounts recognised in the consolidated balance sheet consist of:

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets	68,933.50	99,241.10
Present value of obligation	62,668.76	79,736.39
	6,264.74	**19,504.71**
Recognised as:		
Retirement benefit assets - Non-current	6,989.59	20,397.42
Retirement benefit obligations - Current	(11.52)	(11.09)
Retirement benefit obligations - Non-current	(713.33)	(881.62)
	6,264.74	**19,504.71**

Expense/(gain) recognised in the consolidated statement of profit and loss consists of:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Employee benefits expense:		
Current service cost	87.46	122.76
Past service costs	-	(10.14)
Net interest expense/(income)	(515.02)	(395.57)
	(427.56)	**(282.95)**
Other comprehensive income:		
Return on plan assets excluding amount included in employee benefits expense	28,530.05	2,018.43
Effect of asset ceiling	16.16	-
Actuarial (gain)/loss arising from changes in demographic assumptions	(398.83)	2,847.76
Actuarial (gain)/loss arising from changes in financial assumptions	(14,807.29)	(5,028.17)
Actuarial (gain)/loss arising from changes in experience adjustments	227.55	(330.62)
	13,567.64	**(492.60)**
Expense/(gain) recognised in the consolidated statement of profit and loss	**13,140.08**	**(775.55)**

NOTES

forming part of the consolidated financial statements

37. Employee benefits (Contd.)

(ii) Fair value of plan assets by category of investments is as below:

	As at March 31, 2023	As at March 31, 2022
Assets category (%)		
Quoted		
(a) Equity - UK entities	-	0.20
(b) Equity - Non-UK entities	0.52	5.00
(c) Bonds - Fixed rate	28.38	65.00
(d) Bonds - Indexed linked	4.72	25.14
(e) Others	-	0.28
	33.62	**95.62**
Unquoted		
(a) Property	6.98	12.52
(b) Derivatives	0.10	(16.43)
(c) Others	59.30	8.29
	66.38	**4.38**
	100.00	**100.00**

(iii) Key assumptions used in the measurement of pension benefits are as below:

	As at March 31, 2023		As at March 31, 2022	
	BSPS	Others	BSPS	Others
Discount rate	4.87%	2.20-5.00 %	2.72%	0.50 - 4.00 %
Rate of escalation in salary	N.A.	1.5-3.0%	N.A.	1.00 - 2.00%
Inflation rate	2.91%	2.0-3.0%	3.07%	1.00 - 3.10%

Demographic assumptions are set having regard to the latest trends in life expectancy, plan experience and other relevant data, including externally published actuarial information within each national jurisdiction. The assumptions are reviewed and updated as necessary as part of the periodic actuarial funding valuations of the individual pension and post-retirement plans. For the BSPS the liability calculations as at March 31, 2023 use the Self-Administered Pension Schemes 3 (SAPS 3) base tables (2021-22: Self-Administered Pension Schemes 3 (SAPS 3) base tables), S3PMA_M/S3PFA/S3DFA with the 2020 CMI projections with a **1.25%** p.a. (2021-22: 1.25% p.a.) long-term trend applied from 2013 to 2021 (adjusted by a multiplier of **1.03** p.a. (2021-22: 1.03 p.a.) for males, **1.03** p.a. (2021-22: 1.03 p.a.) for females and **1.04** p.a. for female dependents (2021-22: 1.04 p.a.)). In addition, future mortality improvements are allowed for in line with the 2021 CMI Projections with a long-term improvement trend of 1% per annum and a smoothing parameter of 7.0. This indicates that today's 65 year old male member is expected to live on average to approximately **86** years (2021-22: 86 years) of age and a male member reaching age 65 in 15 years' time is then expected to live on average to **87** years (2021-22: 87) of age.

(iv) Weighted average duration of the pension obligations is **11** years (March 31, 2022: 13.5 years).

(v) The Group expects to contribute ₹**Nil** to the plan during the financial year 2023-24.

(vi) The table below outlines the effect on pension obligations in the event of a decrease/increase of 50 bps (2021-22: 10 bps) in the assumptions used.

NOTES
forming part of the consolidated financial statements

37. Employee benefits (Contd.)

As at March 31, 2023

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 50 bps, decrease by 50 bps	Decrease by **5.0%**, increase by **5.4%**
Rate of escalation in salary	Increase by 100 bps, decrease by 100 bps	Not applicable as pensionable earnings is capped
Inflation rate	Increase by 50 bps, decrease by 50 bps	Increase by **2.3%**, decrease by **2.4%**
Mortality rate	One year increase/decrease in life expectancy	Increase by **3.0%**, decrease by **3.0%**

As at March 31, 2022

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 10 bps, decrease by 10 bps	Decrease by 1.3%, increase by 1.3%
Rate of escalation in salary	Increase by 10 bps, decrease by 10 bps	Not applicable as pensionable earnings is capped
Inflation rate	Increase by 10 bps, decrease by 10 bps	Increase by 0.6%, decrease by 0.6%
Mortality rate	One year increase/decrease in life expectancy	Increase by 3.5%, decrease by 3.5%

The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlate.

(c) Post-retirement medical and other defined benefit plans

(i) The following table sets out the amounts recognised in the consolidated financial statements in respect of post-retirement medical and other defined benefit plans.

(₹ crore)

	Year ended March 31, 2023		Year ended March 31, 2022	
	Medical	Others	Medical	Others
Change in defined benefit obligation:				
Obligation at the beginning of the year	1,740.99	491.11	1,682.24	432.70
Current service cost	25.41	19.11	26.89	37.44
Interest cost	119.40	28.22	106.86	22.22
Remeasurement (gain)/loss				
(i) Actuarial (gain)/losses arising from changes in demographic assumptions	-	-	240.22	18.41
(ii) Actuarial (gain)/losses arising from changes in financial assumptions	(58.33)	(2.65)	(140.11)	(12.41)
(iii) Actuarial (gain)/losses arising from changes in experience adjustments	(217.67)	(8.86)	(96.21)	39.97
Benefits paid	(74.97)	(62.54)	(78.90)	(46.56)
Addition relating to acquistion	2.99	-	-	-
Obligations of companies disposed	-	-	-	(0.35)
Past service cost	-	-	-	2.86
Exchange differences on consolidation	-	5.72	-	(3.17)
Obligation at the end of the year	**1,537.82**	**470.11**	**1,740.99**	**491.11**

NOTES
forming part of the consolidated financial statements

37. Employee benefits (Contd.)

Amounts recognised in the consolidated balance sheet consist of:

(₹ crore)

	As at March 31, 2023		As at March 31, 2022	
	Medical	Others	Medical	Others
Present value of obligations	1,537.82	470.11	1,740.99	491.11
Recognised as:				
(a) Retirement benefit obligations - Current	89.02	27.95	98.21	23.60
(b) Retirement benefit obligations - Non-current	1,448.80	442.16	1,642.78	467.51
	1,537.82	**470.11**	**1,740.99**	**491.11**

Expense/(gain) recognised in the consolidated statement of profit and loss consists of:

(₹ crore)

	Year ended March 31, 2023		Year ended March 31, 2022	
	Medical	Others	Medical	Others
Employee benefits expense:				
Current service cost	25.41	19.11	26.89	37.44
Past service cost	-	-	-	2.86
Interest cost	119.40	28.22	106.86	22.22
	144.81	**47.33**	**133.75**	**62.52**
Other comprehensive income:				
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	240.22	18.41
Actuarial (gain)/loss arising from changes in financial assumption	(58.33)	(2.65)	(140.11)	(12.41)
Actuarial (gain)/loss arising from changes in experience adjustments	(217.67)	(8.86)	(96.21)	39.97
	(276.00)	**(11.51)**	**3.90**	**45.97**
Expense/(gain) recognised in the consolidated statement of profit and loss	**(131.19)**	**35.82**	**137.65**	**108.49**

(ii) Key assumptions used in the measurement of post-retirement medical and other defined benefits are as below:

	As at March 31, 2023		As at March 31, 2022	
	Medical	Others	Medical	Others
Discount rate	7.10 - 7.30%	2.33 -7.35%	6.80 - 7.10%	2.24 -7.35%
Rate of escalation in salary	N.A.	4.00 - 15.00%	N.A	3.50 - 15.00%
Inflation rate	5.00 - 8.00%	5.00 - 20.00%	5.00 - 20.00%	5.00 - 6.00%

(iii) Weighted average duration of post-retirement medical benefit obligations ranges between **7 to 24** years (March 31, 2022: 7 to 14 years). Weighted average duration of other defined benefit obligations ranges between **10 to 24** years (March 31, 2022: 6 to 24 years).

(iv) The table below outlines the effect on post-retirement medical benefit obligations in the event of a decrease/increase of 1% in the assumptions used:

NOTES
forming part of the consolidated financial statements

37. Employee benefits (Contd.)

As at March 31, 2023

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹**201.13** crore, increase by ₹**257.94** crore
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹**240.06** crore, decrease by ₹**191.32** crore

As at March 31, 2022

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹234.84 crore, increase by ₹302.77 crore
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹281.92 crore, decrease by ₹221.69 crore

(v) The table below outlines the effect on other defined benefit obligations in the event of a decrease/increase of 1% in the assumptions used:

As at March 31, 2023

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹**34.97** crore, increase by ₹**41.05** crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹**22.91** crore, decrease by ₹**19.21** crore
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹**14.10** crore, decrease by ₹**12.22** crore

As at March 31, 2022

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹37.87 crore, increase by ₹45.08 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹24.39 crore, decrease by ₹20.88 crore
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹15.13 crore, decrease by ₹12.97 crore

The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

NOTES

forming part of the consolidated financial statements

38. Contingencies and commitments

A. Contingencies

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an on-going basis, with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its consolidated financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the consolidated financial statements but does not record a liability in its accounts unless the loss becomes probable. The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

It is not practicable for the Group to estimate the timings of the cash outflows, if any, pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the same.

Litigations

The Group is involved in legal proceedings, both as plaintiff and as defendant. There are claims which the Group does not believe to be of a material nature, other than those described below.

Income tax

The Group has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowance of expenses, tax treatment of certain expenses claimed by the Group as deduction and the computation of, or eligibility of the Group's use of certain tax incentives or allowances.

Most of these disputes and/or disallowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years.

As at March 31, 2023, there are matters and/or disputes pending in appeal amounting to ₹**3,654.07** crore (March 31, 2022: ₹3,645.88 crore) which includes ₹**13.27** crore (March 31, 2022: ₹10.06 crore) in respect of equity accounted investees.

The details of significant demands are as below:

(a) Interest expenditure on loans taken by the Company for acquisition of a subsidiary has been disallowed in assessments with tax demand raised for ₹**1,641.64** crore (inclusive of interest) (March 31, 2022: ₹1,641.64 crore).

(b) Interest expenditure on "Hybrid Perpetual Securities" has been disallowed in assessments with tax demand raised for ₹**484.78** crore (inclusive of interest) (March 31, 2022: ₹484.78 crore)

In respect of above demands, the Company has deposited an amount of ₹**1,255.63** crore (March 31, 2022: ₹1,255.63 crore) as a precondition for obtaining stay. The Company expects to sustain its position on ultimate resolution of the said appeals.

Customs, excise duty, service tax and goods and service tax

As at March 31, 2023, there were pending litigations for various matters relating to customs, excise duty, service tax and GST involving demands of ₹**1,380.99** crore (March 31, 2022: ₹595.52 crore), which includes ₹**61.08** crore (March 31, 2022: ₹90.83 crore) in respect of equity accounted investees.

Sales tax /VAT

The total sales tax demands that are being contested by the Group amounted to ₹**929.41** crore (March 31, 2022: ₹912.85 crore), which includes ₹**71.96** crore (March 31, 2022: ₹40.74 crore) in respect of equity accounted investees. The detail of significant demand is as below:

(a) The Company stock transfers its goods manufactured at Jamshedpur works plant to its various depots/branches located outside the state of Jharkhand across the country and these goods are then sold to various customers outside the states from depots/branches. As per the erstwhile Central Sales Tax Act, 1956, these transfers of goods to depots/branches were made without payment of Central sales tax and F-Form was submitted in lieu of the stock-transfers made during the period of assessment. The value of these sales was also disclosed in the periodical returns filed as per the Jharkhand Vat Act, 2005. The Commercial Tax Department has raised demand of Central Sales tax by levying tax on the differences between value of sales outside the states and value of F-Form submitted for stock transfers. The tax amount involved for

NOTES

forming part of the consolidated financial statements

38. Contingencies and commitments (Contd.)

assessment years 2011-12, 2012-13, 2014-15, 2016-17 and 2017-18 as on March 31, 2023 is amounting to ₹**200.00** crore (March 31, 2022: ₹142.00 crore).

Other taxes, dues and claims

As at March 31, 2023, the Group is contingently liable for ₹**1,109.45** crore (March 31, 2022: ₹785.12 crore) pertaining to Tata Steel Europe for performance guarantees taken under various trade agreements and other taxes, dues and claims ₹**18,363.46** crore (March 31, 2022: ₹15,940.13 crore), which includes ₹**100.81** crore (March 31, 2022: ₹101.64 crore) in respect of equity accounted investees.

The details of significant demands are as below:

(a) Claim by a party arising out of conversion arrangement **Nil** (March 31, 2022: ₹195.79 crore). As on March 31, 2022, the Company had not acknowledged this claim and had instead filed a claim of ₹**141.23** crore (March 31, 2022: ₹141.23 crore) on the party. The matter has been settled in accordance with the terms of Settlement Agreement dated 31 October 2022 wherein TSL agreed to pay a sum of ₹42.36 crore to Indian Metal & Ferro Alloys Limited.

(b) The State Government of Odisha introduced "Orissa Rural Infrastructure and Socio Economic Development Act, 2004" with effect from February 2005 levying tax on mineral bearing land computed on the basis of value of minerals produced from the mineral bearing land. The Company had filed a writ petition in the Orissa High Court challenging the validity of the Act. The High Court held in December 2005 that the State does not have authority to levy tax on minerals. The State of Odisha filed an appeal in the Supreme Court against the order of the High Court and the case is pending in Supreme Court. The potential liability, as at March 31, 2023 is ₹**13,084.69** crore (March 31, 2022: ₹11,023.93 crore).

(c) The Company pays royalty on iron ore on the basis of quantity removed from the leased area at the rates based on notification issued by the Ministry of Mines, Government of India and the price published by Indian Bureau of Mines (IBM) on a monthly basis.

Demand of ₹411.08 crore has been raised by Deputy Director of Mines, Joda, claiming royalty at sized ore rates on despatches of ore fines. The Company has filed a revision petition on November 14, 2013 before the Mines Tribunal, Government of India, Ministry of Mines, New Delhi, challenging the legality and validity of the demand raised and also to grant refund of royalty excess paid by the Company. Mines tribunal vide its order dated November 13, 2014 has stayed the demand of royalty on iron ore for Joda east of ₹314.28 crore upto the period ending March 31, 2014. For the demand of ₹96.80 crore for April, 2014 to September, 2014, a separate revision application was filed before Mines Tribunal. The matter was heard by Mines Tribunal on July 14, 2015 and stay was granted on the total demand with directive to Government of Odisha not to take any coercive action for realisation of the demanded amount.

The Hon'ble High Court of Orissa, in a similar matter held the circulars based on which demands were raised to be valid. The Company has challenged the judgement of the High Court by a separate petition in the Hon'ble Supreme Court on April 29, 2016.

On July 16, 2019, the Company has filed rejoinders to the reply filed by State of Odisha against the revision petition. The State pressed for rejection of revision applications citing the judgment of the High Court. The Company represented before the authorities and explained that the judgment was passed under a particular set of facts and circumstances which cannot have blanket application on the Company considering the case of the Company is factually different. On August 7, 2019, the Mines Tribunal decided to await the outcome of Special leave petition pending before the Hon'ble Supreme Court and adjourned the matter.

RAs of TSL was listed on June 10, 2020 for virtual hearing. Hearing was adjourned to November 24, 2020. On November 24, 2020 our Counsel submitted that the present issue is pending before the Hon'ble Supreme Court of India in SLP (C) No. 7206 of 2016, M/s Mideast Integrated Steel Pvt. Ltd. Vs. State of Odisha & Ors. and hence, sought adjournment. State Counsel also agreed for the same.

On October 26, 2022, assessment order (for the period April, 2022 to September, 2022) was served, confirming that royalty will be paid for Calibrated Lump Ore and Fines at their respective prices published by IBM w.e.f. April, 2022.

Likely demand of royalty on fines at sized ore rates as on March 31, 2023, is ₹**2,696.58** crore (March 31, 2022: ₹2,859.97 crore).

NOTES

forming part of the consolidated financial statements

38. Contingencies and commitments (Contd.)

(d) Demand notices were originally issued by the Deputy Director of Mines, Odisha amounting to ₹3,827.29 crore for excess production over the quantity permitted under the mining plan, environment clearance or consent to operate, pertaining to 2000-01 to 2009-10. The demand notices have been raised under Section 21(5) of the Mines & Minerals (Development and Regulations) Act, 1957 (MMDR). The Company filed revision petitions before the Mines Tribunal against all such demand notices. Initially, a stay of demands was granted, later by order dated October 12, 2017, the issue has been remanded to the state for reconsideration of the demand in the light of Supreme Court judgement passed on August 2, 2017.

The Hon'ble Supreme Court pronounced its judgement in the Common Cause case on August 2, 2017 wherein it directed that compensation equivalent to the price of mineral extracted in excess of environment clearance or without forest clearance from the forest land be paid.

In pursuance to the Judgement of Hon'ble Supreme Court, demand/show cause notices amounting to ₹3,873.35 crore have been issued during 2017-18 by the Deputy Director of Mines, Odisha and the District Mining Office, Jharkhand.

In respect of the above demands:

- as directed by the Hon'ble Supreme Court, the Company has provided and paid for iron ore and manganese ore an amount of ₹614.41 crore during 2017-18 for production in excess of environment clearance to the Deputy Director of Mines, Odisha.
- the Company has provided and paid under protest an amount of ₹56.97 crore during 2017-18 for production in excess of environment clearance to the District Mining Office, Jharkhand.
- the Company has challenged the demands amounting to ₹132.91 crore in 2017-18 for production in excess of lower of mining plan and consent to operate limits raised by the Deputy Director of Mines, Odisha before the Mines Tribunal and obtained a stay on the matter. Mines Tribunal, Delhi vide order dated November 26, 2018 disposed of all the revision applications with a direction to remand it to the State Government to hear all such cases afresh and pass detailed order. On September 14, 2022, the Dy. Director of Mines, Govt. of Odisha issued a fresh demand against the Company in view of order of the State (Dept. of Steel & Mines) in Proceedings, dated September 8, 2022 directing payment of compensation amount towards unlawful production in the mines in violation of mining plan/ consent to operate limits being a valid demand to be realised from the Revisionist i.e. the Company. Appeal has also been filed against the same on November 3, 2022 with the Ministry of Mines. Demand amount of ₹**132.91** crore (March 31, 2022: ₹132.91 crore) is considered contingent.
- the Company has made a comprehensive submission before the Deputy Director of Mines, Odisha against show cause notices amounting to ₹694.02 crore received during 2017-18 for production in violation of mining plan, Environment Protection Act, 1986 and Water (Prevention & Control of Pollution) Act, 1981. A demand amounting to ₹234.74 crore has been received in April, 2018 from the Deputy Director of Mines, Odisha for production in excess of the Environmental Clearance. The Company had filed Revision Application before the Mines Tribunal, challenging the demand. In December 2021, Mines Tribunal upheld the revision petition and the matter was remanded back to the State Government for fresh consideration. The state has so far not initiated any action. Based on the evaluation of the facts and circumstances, the Company has assessed and concluded that the said show cause notice of ₹694.02 crore and demand of ₹234.74 crore has not been considered as contingent liability.
- the Company based on its internal assessment has provided an amount of ₹1,412.89 crore against demand notices amounting to ₹2,140.30 crore received from the District Mining Office, Jharkhand for producing more than environment clearance and the balance amount of ₹**727.41** crore (March 31, 2022: ₹727.41 crore) is considered contingent. The Company has however been granted a stay by the Revisional Authority, Ministry of Coal, Government of India against such demand notices.

(e) An agreement was executed between the Government of Odisha (GoO) and the Company in December, 1992 for drawal of water from Kundra Nalla for industrial consumption. In December 1993, the Tahsildar, Barbil issued a show-cause notice alleging that the Company has lifted more quantity of water than the sanctioned limit under the agreement and has also not installed water meter.

NOTES

forming part of the consolidated financial statements

38. Contingencies and commitments (Contd.)

While the proceedings in this regard were in progress, the Company had applied for allocation of fresh limits.

Over the years, there has also been a steep increase in the water charges against which the Company filed writ petitions before Hon'ble High Court of Orissa. In this regard, the Company received a demand of ₹183.46 crore for the period starting January 1996 to November 2020.

The writ petition filed in August 1997 was listed for hearing before the Full Bench of the Orissa High Court on May 17, 2019. SAIL, one of the petitioners, sought permission to withdraw its writ petition because the settlement was arrived with the State Government on the matter. The High Court allowed withdrawal of writ petition of SAIL and directed other parties to negotiate with the State Government. The Company has submitted its detailed representation to Principal Secretary, Water Resource Department, GoO on June 21, 2019, which is under consideration.

Later on February 6, 2023, Department of water resources, Odisha Government, issued an order, where the Company can opt for one time settlement scheme of long pending outstanding. Application under the scheme should be submitted to the Government within stipulated time i.e., within one month of issue of the order. Under this scheme, the Company should calculate outstanding demand as on March 2022 with 12% p.a. simple interest to be charged on arrear principal only. The payment made by the Company prior to March 31, 2022 shall be adjusted against the outstanding dues in the following order – interest, penalty and principal. In this regard, the Company has computed and provided amount of ₹37.00 crore as per the scheme in the books.

The potential exposure as on March 31, 2023 is **Nil** (March 31, 2022: ₹262.13 crore) is considered as contingent.

B. Commitments

(a) The Group has entered into various contracts with suppliers and contractors for the acquisition of plant and machinery, equipment and various civil contracts of capital nature amounting to ₹**14,928.64** crore, which includes ₹**140.68** crore in respect of equity accounted investees (March 31, 2022: ₹10,947.02 crore which includes ₹45.53 crore in respect of equity accounted investees). Other commitments as at March 31, 2023 amounts to ₹**0.01** crore which includes **Nil** in respect of equity accounted investees (March 31, 2022: ₹0.01 crore which includes Nil in respect of equity accounted investees).

(b) The Company has given undertakings to:

(i) IDBI not to dispose of its investment in Wellman Incandescent India Ltd.,

(ii) IDBI and ICICI Bank Ltd. (formerly ICICI) not to dispose of its investment in Standard Chrome Ltd.,

(c) The Company and Bluescope Steel Limited had given undertaking to State Bank of India not to reduce collective shareholding in Tata Bluescope Steel Private Limited (TBSPL), below 51% without prior consent of the lender. Further, the Company had given an undertaking to State Bank of India to intimate them before diluting its shareholding in TBSPL below 50%.

During the year ended March 31, 2021, the Company after obtaining a 'no objection certificate' from the lenders of TBSPL, had transferred its stake of 50% in TBSPL to its 100% owned subsidiary Tata Steel Downstream Products Limited.

(d) The Company, as a promoter, has pledged **Nil** (March 31, 2022: 4,41,55,800) equity shares of Industrial Energy Limited ("IEL") with Infrastructure Development Finance Corporation Limited ("IDFC"). IEL has repaid the entire loan taken from IDFC in financial year 2020-21.

(e) The Group has given guarantees aggregating ₹**168.77** crore (March 31, 2022: ₹178.40 crore) details of which are as below:

(i) in favour of Commissioner of Customs for ₹**1.07** crore (March 31, 2022: ₹1.07 crore) given on behalf of Timken India Limited in respect of goods imported.

(ii) in favour of The President of India for ₹**167.55** crore (March 31, 2022: ₹177.18 crore) against performance of export obligations under various bonds executed by a joint venture Jamshedpur Continuous Annealing & Processing Company Private Limited.

(iii) in favour of President of India for ₹**0.15** crore (March 31, 2022: ₹0.15 crore) against advance license.

NOTES

forming part of the consolidated financial statements

39. Other significant litigations

a) Odisha Legislative Assembly issued an amendment to Indian Stamp Act, 1889, on May 9, 2013 and inserted a new provision (Section 3A) in respect of stamp duty payable on grant/ renewal of mining leases. As per the amended provision, stamp duty is levied equal to 15% of the average royalty that would accrue out of the highest annual extraction of minerals under the approved mining plan multiplied by the period of such mining lease. The Company had filed a writ petition challenging the constitutionality of the Act on July 5, 2013. The Hon'ble High Court, Cuttack passed an order on July 9, 2013 granting interim stay on the operation of the Amendment Act, 2013. Because of the stay, as on date, the Act is not enforceable and any demand received by the Company is not liable to be proceeded with. Meanwhile, the Company received demand notices for the various mines at Odisha totalling to ₹**5,579.00** crore (March 31, 2022: ₹5,579.00 crore). The Company has concluded that it is remote that the claim will sustain on ultimate resolution of the legal case by the court. In April 2015, the Company has received an intimation from Government of Odisha, granting extension of validity period for leases under the MMDR Amendment Act, 2015 up to March 31, 2030 in respect of eight mines and up to March 31, 2020 for two mines subject to execution of supplementary lease deed. Liability has been provided in the books of accounts as on March 31, 2020 as per the existing provisions of the Stamp Act 1899 and the Company had paid the stamp duty and registration charges totalling ₹413.72 crore for supplementary deed execution in respect of eight mines out of the above mines.

b) Noamundi Iron Ore Mine of the Company was due for its third renewal with effect from January 1, 2012. The application for renewal was submitted by the Company within the stipulated time, but it remained pending consideration with the State and the mining operations were continued in terms of the prevailing law.

By a judgement of April 2014 in the case of Goa mines, the Supreme Court took a view that second and subsequent renewal of mining lease can be effected once the State considers the application and decides to renew the mining lease by issuing an express order. State of Jharkhand issued renewal order to the Company on December 31, 2014. The State, however, took a view on interpretation of Goa mines judgment that the mining carried out after expiry of the period of second renewal was 'illegal' and hence, issued a demand notice of ₹3,568.31 crore being the price of iron ore extracted. The said demand has been challenged by the Company before the Jharkhand High Court.

The mining operations were suspended from August 1, 2014. Upon issuance of an express order, Company paid ₹152.00 crore under protest, so that mining can be resumed.

The Mines and Minerals Development and Regulation (MMDR) Amendment Ordinance 2015 promulgated on January 12, 2015 provides for extension of such mining leases whose applications for renewal have remained pending with the State(s). Based on the new Ordinance, Jharkhand Government revised the Express Order on February 12, 2015 for extending the period of lease upto March 31, 2030 with the following terms and conditions:

- value of iron ore produced by alleged unlawful mining during the period January 1, 2012 to April 20, 2014 for ₹2,994.49 crore to be decided on the basis of disposal of our writ petition before Hon'ble High Court of Jharkhand.
- value of iron ore produced from April 21, 2014 to July 17, 2014 amounting to ₹421.83 crore to be paid in maximum 3 instalments.
- value of iron ore produced from July 18, 2014 to August 31, 2014 i.e. ₹152.00 crore to be paid immediately.

District Mining Officer Chaibasa on March 16, 2015 issued a demand notice for payment of ₹421.83 crore in three monthly instalments. The Company on March 20, 2015 replied that since the lease had been extended by application of law till March 31, 2030, the above demand is not tenable. The Company had paid ₹50.00 crore under protest on July 27, 2015, because the State had stopped issuance of transit permits.

The Company filed another writ petition before the Hon'ble High Court of Jharkhand which was heard on September 9, 2015. An interim order was given by the Hon'ble High Court of Jharkhand on September 17, 2015,

NOTES

forming part of the consolidated financial statements

39. Other significant litigations (Contd.)

wherein the Court has directed the Company to pay the amount of ₹371.83 crore in 3 equal instalments, first instalment by October 15, 2015, second instalment by November 15, 2015 and third instalment by December 15, 2015.

In view of the interim order of the Hon'ble High Court of Jharkhand ₹124.00 crore was paid on September 28, 2015, ₹124.00 crore on November 12, 2015 and ₹123.83 crore on December 14, 2015 under protest.

The case is pending before the Hon'ble High court for disposal. The State issued similar terms and conditions to other mining lessees in the State rendering the mining as illegal. Based on the Company's assessment of the Goa mines judgement read with the Ordinance issued in the year 2015, the Company believes that it is remote that the demand of the State would sustain.

(c) The Supreme Court of India vide its order dated September 24, 2014, cancelled the coal blocks allocated to various entities which includes one coal block allocated to the Tata Steel BSL Limited (entity merged with the Company) which were under development. Subsequently, the Government of India had issued the Coal Mines (Special Provision) Act 2015 , which inter-alia deal with the payment of compensation to the affected parties in regard to investment in coal blocks. The receivable in respect of de-allocated coal block amounts to ₹414.56 crore (net of provision of ₹138.74 crore). The Company had filed its claim for compensation with the Government of India, Ministry of Coal. Pursuant to letter dated November 22, 2019, Ministry of Coal ('MoC') informed that all statutory license, consent approvals, permission required for undertaking of Coal mining operations in New Patrapara Coal Mine now vested to Singareni Collieries Company Ltd. MoC /Union of India, filed supplementary affidavit dated February 11, 2020 before Delhi High Court vide which it had informed that payment of compensation can be paid to prior allottee after the mine is successfully allotted and compensation is deposited by successful allottee, following the sequence mentioned in section 9 of Coal Mine (Special Provisions) Act, 2015. It had been informed that New Patrapara Coal Mine had been allocated to Singareni Collieris Company Ltd (SCCL, a state Government Undertaking) and compensation to the prior allottee to be released. MoC vide order dated May 17, 2021 had directed SCCL to pay aforesaid compensation to TSBSL (entity merged with the Company). Union of India filed affidavit dated March 6, 2023 before High Court vide which it had informed that the successful allottee i.e M/s SCCL has surrendered the New Patrapara Coal Block. High Court directed MoC and Odisha Industrial Infrastructure Development Corporation (IDCO) to file updated status report outlining the amount payable to the prior allottee and indicate the date by which amount could be disbursed.

NOTES

forming part of the consolidated financial statements

40. Disposal of subsidiary

(i) During the year ended March 31, 2023, Tata Steel Europe Ltd., an indirect wholly owned subsidiary of the Company divested its entire stake in a subsidiary Tata Steel France Bâtiments et Systèmes SAS.

A profit of ₹**15.56** crore being the difference between the fair value of consideration received and carrying value of net assets disposed off in respect of these businesses was recognised in the consolidated statement of profit and loss as an exceptional item.

Details of net assets disposed off and profit/(loss) on disposal is as below:

(₹ crore)

	Year ended March 31, 2023
Non-current assets	
Property, plant and equipment	5.50
Capital work-in-progress	9.16
Other investments	0.03
	14.69
Current assets	
Inventories	132.80
Trade receivables	169.64
Cash and bank balances	2.23
Other non-financial assets	14.07
	318.74
Fair value adjustments	**(92.66)**
Total assets disposed off [A]	**240.77**
Non-current liabilities	
Provisions	8.99
	8.99
Current liabilities	
Trade payables	140.21
Other financial liabilities	2.33
Provisions	22.53
Other non-financial liabilities	17.05
	182.12
Total liabilities disposed off [B]	**191.11**
Carrying value of net assets disposed off [C=A-B]	**49.66**

(₹ crore)

	Year ended March 31, 2023
Sale consideration [D]	41.96
Foreign exchange recycled to profit/(loss) on disposal [E]	23.26
Carrying value of net assets disposed off [C]	49.66
Profit /(loss) on disposal [F=D+E-C]	**15.56**

NOTES
forming part of the consolidated financial statements

40. Disposal of subsidiary (Contd.)

Details of net cash flow arising on disposal is as below:

(₹ crore)

	Year ended March 31, 2023
Consideration received in cash and cash equivalents	41.96
Net cash flow arising on disposal	**41.96**

(ii) On July 29, 2022, Tata Steel Europe ("TSE"), a wholly owned indirect subsidiary of the Group, completed the sale of certain property, plant and equipment located at former site of Norsk Stal Tynnplatter AS, a wholly owned direct subsidiary of TSE through Harbornvein 60 AS, a special purpose vehicle that was created and subsequently disposed off to facilitate the said disposal. A profit of ₹**51.30** crore being the difference between the fair value of consideration received and carrying value of net assets disposed off in respect of the businesses was recognised in the consolidated statement of profit and loss as an exceptional item.

(₹ crore)

	Year ended March 31, 2023
Sale consideration [A]	71.49
Foreign exchange recycled to profit/(loss) on disposal [B]	0.39
Carrying value of net assets disposed off [C]	20.58
Profit /(loss) on disposal [D=A+B-C]	**51.30**

NOTES
forming part of the consolidated financial statements

41. Business combinations

(i) (a) On July 26, 2022, the Company completed the acquisition of itemised assets of Stork Ferro Alloys and Mineral Industries Private Limited ("SFML") to produce ferro alloys. The asset acquisition will provide an inorganic growth opportunity for Tata Steel Limited to augment its ferro alloys processing capacities. The asset acquisition was carried out for a purchase consideration of ₹155.00 crore. The acquisition has been accounted for in accordance with Ind AS 103 - "Business Combinations".

Fair value of identifiable assets acquired, and liabilities assumed as on the date of acquisition is as below:

(₹ crore)

	Fair value as on acquisition date
Non-current assets	
Property, plant and equipment	138.55
Right-of-use assets	17.94
Total assets [A]	**156.49**
Non-Current liabilities	
Lease liabilities	4.56
Other liabilities	0.15
Total liabilities [B]	**4.71**
Fair value of identifiable net assets acquired [C=A-B]	**151.78**

(₹ crore)

	Fair value as on acquisition date
Consideration paid	130.00
Deferred consideration	25.00
Total consideration paid [D]	**155.00**
Goodwill [D-C]	**3.22**

(b) Goodwill is attributable to the benefit of expected synergies, revenue growth and future market developments. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

(c) From the date of acquisition, SFML has contributed ₹**28.42** crore to revenue from operations and a loss of ₹**16.07** crore to profit before tax.

Had the acquisition been effected at April 1, 2022, the revenue of the Company would have been higher by ₹**13.24** crore and profit would have been lower by ₹**6.50** crore.

NOTES

forming part of the consolidated financial statements

41. Business combinations (Contd.)

(ii) On July 4, 2022, Tata Steel Long Products Limited ("TSLP"), a non-wholly owned subsidiary of the Company, completed the acquisition of a controlling stake of 95.65% in Neelachal Ispat Nigam Limited ("NINL") for a total consideration of ₹12,100 crore as per the terms and conditions of the Share Sale and Purchase Agreement ("SPA"). The Company and TSLP have also acquired further equity stake in NINL for an amount of ₹396.69 crore and ₹600.00 crore respectively raising the Group's effective holding in NINL to 74.67% as on March 31, 2023. The acquisition has been given effect to in the consolidated financial statements in accordance with the provisions of Ind AS 103 - "Business Combinations".

Fair value of identifiable assets acquired, and liabilities assumed as on the date of acquisition is as below:

(₹ crore)

	Fair value as on acquisition date
Non-current assets	
Property, plant and equipment	2,510.56
Right of use assets	622.97
Capital work-in-progress	143.08
Other intangible assets	8,612.00
Financial assets	7.89
Non-current tax assets	0.78
Other assets	0.38
	11,897.66
Current assets	
Inventories	357.18
Cash and cash equivalents	1,077.92
Other financial assets	0.74
Other assets	58.85
	1,494.69
Total assets [A]	**13,392.35**
Non-current liabilities	
Borrowings	4,560.54
Lease liabilities	3.65
Provisions	0.35
Retirement benefit obligations	66.25
Deferred tax liabilities	1,373.90
	6,004.69
Current liabilities	
Lease liabilities	0.44
Trade payables	191.65
Other financial liabilities	69.44
Provisions	92.26
Other liabilities	438.78
	792.57
Total liabilities [B]	**6,797.26**
Fair value of identifiable net assets [C=A-B]	**6,595.09**
Non-controlling interest [D]	**251.32**
Fair value of identifiable net assets acquired [E=C-D]	**6,343.77**

NOTES
forming part of the consolidated financial statements

41. Business combinations (Contd.)

(₹ crore)

	Fair value as on acquisition date
Consideration paid for acquiring 95.65% equity shares	7,539.46
Total consideration paid [F]	**7,539.46**
Goodwill [F-E]	**1,195.69**

(₹ crore)

	Year ended March 31, 2023
Cash paid for acquisition of equity shares of NINL	7,539.46
Cash paid for acquisition of non-convertible preference shares of NINL	4,560.54
Total consideration	**12,100.00**
Less : Cash and cash equivalents acquired	(1,077.92)
Less : Advance against equity	(1,210.00)
Net cash outflow	**9,812.08**

(a) Goodwill is attributable to the benefit of expected synergies, revenue growth and future market developments and the assembled workforce of NINL. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

(b) From the date of acquisition, NINL contributed ₹**1,645.55** crore to revenue from operations and a loss of ₹**1,508.38** crore to the consolidated profit before tax on a pre-consolidation adjustments basis.

Had this business combination been affected on April 1, 2022, the revenue from operation of the Group would have been higher by ₹**6.62** crore and profit would have been lower by ₹**193.06** crore. The management consider these 'pro-forma' numbers to represent an approximate measure of the performance of the Group on an annualised basis.

However to provide a reference point for comparison in future periods, the aforesaid annualised pro-forma numbers to be read in conjunction with the NINL's business plan of operating at full capacity of 1.10 MTPA for the entire financial year ending March 31, 2024 as against gradual stabilisation of production to that level in March 2023 from the acquisition date when the plant was not in operations and was shut down from March 2020.

(c) No material acquisition costs were charged to the consolidated statement of profit and loss for the year ended March 31, 2023.

(d) 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 NINL prior to the completion of aforesaid acquisition.

NOTES

forming part of the consolidated financial statements

41. Business combinations (Contd.)

(iii) On April 11, 2022. Tata Steel Mining Limited (" TSML"), an unlisted wholly owned subsidiary of the Company completed the acquisition of a controlling stake of 90% in Rohit Ferro-Tech Limited ("RFT") under the Corporate Insolvency Resolution Process ("CIRP") of the Insolvency and Bankruptcy Code 2016 ("Code") pursuant to an order pronounced by the Hon'ble National Company Law Tribunal, Kolkata Bench ('Hon'ble NCLT'). Vide the same order, 'Hon'ble NCLT' of Kolkata also approved the amalgamation of RFT with TSML subject to TSML acquiring 100% equity stake in RFT. On June 14, 2022, TSML acquired the balance equity stake of 10% in RFT, post which RFT became a wholly owned subsidiary of TSML. Subsequently, basis the order of the Hon'ble NCLT and as approved by the TSML Board on July 6, 2022, RFT has been amalgamated with TSML. The acquisition has been given effect to in the consolidated financial statements in accordance with the provisions of Ind AS 103 - "Business Combinations". Fair value of identifiable assets acquired, and liabilities assumed as on the date of acquisition is as below:

(₹ crore)

	Fair value as on acquisition date
Non-current assets	
Property, plant and equipment	251.01
Right of use assets	48.05
Capital work-in-progress	243.26
Financial assets	31.61
	573.93
Current assets	
Inventories	30.30
Trade receivables	0.05
Cash and cash equivalents	118.74
Other balances with banks	0.05
Other financial assets	0.04
Current tax assets	3.88
Other assets	7.53
	160.59
Total assets [A]	**734.52**
Non-current liabilities	
Provisions	0.51
Other liabilities	0.73
	1.24
Current liabilities	
Borrowings	607.23
Trade payables	50.50
Retirement benefit obligations	0.33
Other financial liabilities	45.99
Provisions	0.10
Other liabilities	21.66
	725.81
Total liabilities [B]	**727.05**
Fair value of identifiable net assets [C=A-B]	**7.47**
Non-controlling interest [D]	**0.75**
Fair value of identifiable net assets acquired [E=C-D]	**6.72**

NOTES

forming part of the consolidated financial statements

41. Business combinations (Contd.)

(₹ crore)

	Fair value as on acquisition date
Consideration paid for acquiring 90% equity shares	**10.00**
Total consideration paid [F]	**10.00**
Goodwill [F-E]	**3.28**

(a) Goodwill is attributable to the benefit of expected synergies, revenue growth and future market developments. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

(b) Pursuant to the resolution plan, RFT paid ₹**479.04** crore to the financial creditors, ₹**17.13** crore to the operational creditors and ₹**120.96** crore as final CIRP cost.

(c) From the date of acquisition, RFT contributed ₹**380.62** crore to revenue from operations and a loss of ₹**90.29** crore to the consolidated profit before tax on a pre-consolidation adjustments basis.

Had this business combination been affected on April 1, 2022, the revenue from operation of the Group would have been remain unchanged and profit would have been lower by ₹**3.00** crore.

(d) Acquisition related costs amounting to ₹**1.29** crore have been excluded from the consideration transferred and have been recognised as an expense in the consolidated statement of profit and loss within other expenses.

NOTES

forming part of the consolidated financial statements

42. Capital management

The Group's capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Group.

The Group determines the amount of capital required on the basis of annual business plan of entities within the Group coupled with longterm and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long and short-term bank borrowings and issue of non-convertible debt securities.

The Group monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

Net debt includes interest bearing borrowings including lease obligations 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 Group.

(₹ crore)

	As at March 31, 2023	As at March 31, 2022
Equity share capital	1,221.24	1,221.21
Other equity	1,01,860.86	1,13,221.83
Equity attributable to shareholders of the Company	**1,03,082.10**	**1,14,443.04**
Non-controlling interests	2,093.11	2,655.42
Total equity (A)	**1,05,175.21**	**1,17,098.46**
Non-current borrowings	51,446.33	44,764.07
Non-current lease obligations	5,811.08	5,696.46
Current borrowings	26,571.37	24,064.61
Current lease obligations	1,064.27	1,036.21
Gross debt (B)	**84,893.05**	**75,561.35**
Total capital (A+B)	**1,90,068.26**	**1,92,659.81**
Gross debt as above	84,893.05	75,561.35
Less: Current investments	3,630.06	8,524.42
Less: Cash and cash equivalents	12,129.90	15,604.68
Less: Other balances with banks (including non-current earmarked balances)	1,323.45	383.48
Net debt (C)	**67,809.64**	**51,048.77**
Net debt to equity[(i)]	**0.61**	**0.52**

(i) Net debt to equity ratio as at March 31, 2023 and March 31, 2022 has been computed based on the average of opening and closing equity.

NOTES

forming part of the consolidated financial statements

43. Disclosures on financial instruments

This section gives an overview of the significance of financial instruments for the Group and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(r), page F156 to the consolidated financial statements.

(a) Financial assets and liabilities

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

As at March 31, 2023

(₹ crore)

	Amortised cost	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
Financial assets:							
Cash and bank balances	13,453.35	-	-	-	-	13,453.35	13,453.35
Trade receivables	8,257.24	-	-	-	-	8,257.24	8,257.24
Investments	17.01	1,370.36	-	-	3,789.61	5,176.98	5,176.98
Derivatives	-	-	371.14	593.72	-	964.86	964.86
Loans	66.58	-	-	-	-	66.58	66.58
Other financial assets	1,850.30	-	-	-	-	1,850.30	1,850.30
	23,644.48	**1,370.36**	**371.14**	**593.72**	**3,789.61**	**29,769.31**	**29,769.31**
Financial liabilities:							
Trade and other payables	37,832.54	-	-	-	-	37,832.54	37,832.54
Borrowings other than lease obligations	78,017.70	-	-	-	-	78,017.70	77,400.72
Derivatives	-	-	1,575.52	55.01	-	1,630.53	1,630.53
Other financial liabilities	11,461.72	-	-	-	-	11,461.72	11,461.72
	1,27,311.96	**-**	**1,575.52**	**55.01**	**-**	**1,28,942.49**	**1,28,325.51**

NOTES

forming part of the consolidated financial statements

43. Disclosures on financial instruments (Contd.)

As at March 31, 2022

(₹ crore)

	Amortised cost	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
Financial assets:							
Cash and bank balances	15,988.16	-	-	-	-	15,988.16	15,988.16
Trade receivables	12,246.43	-	-	-	-	12,246.43	12,246.43
Investments	15.60	1,583.93	-	-	8,578.67	10,178.20	10,178.20
Derivatives	-	-	1,131.32	359.57	-	1,490.89	1,490.89
Loans	78.28	-	-	-	-	78.28	78.28
Other financial assets	2,365.03	-	-	-	-	2,365.03	2,365.03
	30,693.50	**1,583.93**	**1,131.32**	**359.57**	**8,578.67**	**42,346.99**	**42,346.99**
Financial liabilities:							
Trade payables	36,764.87	-	-	-	-	36,764.87	36,764.87
Borrowings other than lease obligations	68,828.68	-	-	-	-	68,828.68	70,038.36
Derivatives	-	-	139.87	67.39	-	207.26	207.26
Other financial liabilities	9,370.98	-	-	-	-	9,370.98	9,370.98
	1,14,964.53	**-**	**139.87**	**67.39**	**-**	**1,15,171.79**	**1,16,381.47**

(i) Investments in mutual funds and derivative instruments (other than those designated in a hedging relationship) are mandatorily classified as fair value through the consolidated statement of profit and loss.

(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets and liabilities, that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investments in quoted equity shares and mutual funds.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes the Group's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This level includes investment in unquoted equity shares and preference shares.

NOTES

forming part of the consolidated financial statements

43. Disclosures on financial instruments (Contd.)

(₹ crore)

	As at March 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in mutual funds	3,630.06	-	-	3,630.06
Investments in equity shares	995.64	-	448.79	1,444.43
Investments in preference shares	-	-	85.48	85.48
Derivative financial assets	-	964.86	-	964.86
	4,625.70	**964.86**	**534.27**	**6,124.83**
Financial liabilities:				
Derivative financial liabilities	-	1,630.53	-	1,630.53
	-	**1,630.53**	**-**	**1,630.53**

(₹ crore)

	As at March 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in mutual funds	8,524.42	-	-	8,524.42
Investments in equity shares	1,189.07	-	435.39	1,624.46
Investments in preference shares	-	-	13.72	13.72
Derivative financial assets	-	1,490.89	-	1,490.89
	9,713.49	**1,490.89**	**449.11**	**11,653.49**
Financial liabilities:				
Derivative financial liabilities	-	207.26	-	207.26
	-	**207.26**	**-**	**207.26**

Notes:

(i) Current financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) Investments carried at fair value are generally based on market price quotations. Investments in equity and preference shares included in Level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value. Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

(iv) Fair value of borrowings which have a quoted market price in an active market is based on its market price which is categorised as Level 1. Fair value of borrowings which do not have an active market or are unquoted is estimated by discounting the expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities which is categorised as Level 2 in the fair value hierarchy.

(v) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

NOTES
forming part of the consolidated financial statements

43. Disclosures on financial instruments (Contd.)

(vi) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2023 and March 31, 2022.

(vii) Reconciliation of Level 3 fair value measurement is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	449.11	426.25
Additions during the year	74.76	57.49
Disposals	(1.67)	(54.62)
Fair value changes during the year	8.39	22.26
Re-clasification during the year*	-	(0.69)
Exchange rate differences on consolidation	3.68	(1.58)
Balance at the end of the year	**534.27**	**449.11**

* During the year ended March 31, 2022, reclassification represents investments reclassified from fair value through profit and loss to amortised cost.

(c) Derivative financial instruments

Derivative instruments used by the Group include forward exchange contracts, interest rate swaps, currency swaps, options, commodity futures interest rate caps and collars. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" wherever possible. The Group does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

The following table sets out the fair value of derivatives held by the Group as at the end of the each reporting period.

(₹ crore)

	As at March 31, 2023		As at March 31, 2022	
	Assets	Liabilities	Assets	Liabilities
(a) Foreign currency forwards, futures, swaps and options	632.98	458.19	501.86	196.04
(b) Commodity futures and options	143.56	1,172.34	378.40	11.22
(c) Interest rate swaps and collars	187.52	-	115.03	-
(d) Other derivatives	0.80	-	495.60	-
	964.86	**1,630.53**	**1,490.89**	**207.26**
Classified as:				
Non-current	403.40	-	318.15	10.35
Current	561.46	1,630.53	1,172.74	196.91

As at the end of the reporting period, total notional amount of outstanding foreign currency contracts, commodity futures, options, interest rate swap and collars that the Group has committed to is as below:

(US$ million)

	As at March 31, 2023	As at March 31, 2022
(i) Foreign currency forwards, futures, swaps and options	4,504.46	6,023.09
(ii) Commodity futures and options	640.56	670.58
(iii) Interest rate swaps and collars	552.79	550.94
	5,697.81	**7,244.61**

NOTES

forming part of the consolidated financial statements

43. Disclosures on financial instruments (Contd.)

(d) Transfer of financial assets

The Group transfers certain trade receivables under discounting arrangements with banks/financial institutions. Some of such arrangements do not qualify for de-recognition due to recourse arrangements being in place. Consequently, the proceeds received from transfer are recorded as short-term borrowings from banks and financial institutions. As at March 31, 2023 and March 31, 2022, there has been no such transfer of trade receivables.

(e) Financial risk management

In the course of its business, the Group is exposed primarily to fluctuations in foreign currency exchange rates, commodity prices, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

Entities within the Group have a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors of the respective companies. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency, commodity prices and interest rate fluctuations on the entity's business plan.

(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(i) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, commodity prices, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(a) Market risk - Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have potential impact on the consolidated statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Great British Pound, Euro, Singapore Dollar, and Thai Baht against the respective functional currencies of the Company and its subsidiaries.

Entities as per their risk management policy, use foreign exchange forward and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Any weakening of the functional currency may impact the respective entities' cost of imports and cost of borrowings and consequently may increase the cost of financing the Group's capital expenditures.

NOTES

forming part of the consolidated financial statements

43. Disclosures on financial instruments (Contd.)

A 10% appreciation/depreciation of foreign currencies with respect to the functional currency of the entities within the Group would result in a decrease/increase in the Group's net profit and equity before considering tax impacts by approximately ₹**4,502.57** crore for the year ended March 31, 2023, (2021-22 ₹1,092.32 crore).

The foreign exchange rate sensitivity is calculated by assuming a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the entities within the Group.

The sensitivity analysis has been based on the composition of the Group's financial assets and liabilities as at March 31, 2023 and March 31, 2022 excluding trade payables, trade receivables, other derivative and non-derivative financial instruments not forming part of debt and which do not present a material exposure. The period end balances are not necessarily representative of the average debt outstanding during the period.

(b) Market risk - Interest rate risk:

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs.

The Group is subject to variable interest rates on some of its interest bearing liabilities. The Group's interest rate exposure is mainly related to debt obligations.

Based on the composition of debt as at March 31, 2023 and March 31, 2022 a 100 basis points increase in interest rates would increase the Group's finance costs (before considering interest eligible for capitalisation) and thereby consequently reduce net profit and equity before considering tax impacts by approximately ₹**340.60** crore for the year ended March 31, 2023 (2021-22 : ₹221.37 crore).

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

(c) Market risk - Equity price risk:

Equity price risk is related to the change in market reference price of investments in equity securities held by the Group.

The fair value of quoted investments held by the Group exposes the Group to equity price risks. In general, these investments are not held for trading purposes.

The fair value of quoted investments in equity classified as fair value through other comprehensive income/profit and loss as at March 31, 2023 and March 31, 2022 was ₹**995.64** crore and ₹1,189.07 crore respectively.

A 10% change in equity prices of such securities held as at March 31, 2023 and March 31, 2022 would result in an impact of ₹**99.56** crore and ₹118.91 crore respectively on equity before considering tax impact.

(ii) Commodity risk

The Group makes use of commodity futures contracts and options to manage its purchase price risk for certain commodities. Across the Group, forward purchases are also made of zinc, tin and nickel to cover sales contracts with fixed metal prices.

There was no significant market risk relating to the consolidated statement of profit and loss since the majority of commodity derivatives are treated as cash flow hedges with movements being reflected in equity and the timing and recognition in the consolidated statement of profit and loss would depend on the point at which the underlying hedged transactions are recognised.

(iii) Credit risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Entities within the Group have a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults.

NOTES

forming part of the consolidated financial statements

43. Disclosures on financial instruments (Contd.)

Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments in debt securities and mutual funds, balances with banks, bank deposits, derivatives and financial guarantees provided by the Group. None of the financial instruments of the Group result in material concentration of credit risk.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹**24,760.25** crore and ₹33,916.48 crore as at March 31, 2023 and March 31, 2022 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments in debt securities and mutual funds, loans, derivative assets and other financial assets net of insurance cover, wherever applicable.

The risk relating to trade receivables is presented in note 15, page F191.

The Group's exposure to customers is diversified and there is no concentration of credit risk with respect to any particular customer as at March 31, 2023 and March 31, 2022.

In respect of financial guarantees provided by the Group to banks and financial institutions, the maximum exposure which the Group is exposed to is the maximum amount which the Group would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

(iv) Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the entities within the Group have access to undrawn lines of committed and uncommitted borrowing/facilities, funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Group invests its surplus funds in bank fixed deposits and in mutual funds, which carry no or low mark to market risk. The Group also constantly monitors funding options available in the debt and capital markets with a view of maintaining financial flexibility.

The Group's liquidity position remains strong as at March 31, 2023, comprising of current investments, cash and cash equivalents and other balances with bank (including non-current earmarked balances), in addition to committed undrawn bank lines.

NOTES

forming part of the consolidated financial statements

43. Disclosures on financial instruments (Contd.)

The following table shows a maturity analysis of the anticipated cash flows including future interest obligations for the Group's derivative and non-derivative financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period. Cash flows in foreign currencies are translated using the period end spot rates.

(₹ crore)

	As at March 31, 2023				
	Carrying value	Contractual cash flows	Less than one year	Between one to five years	More than five years
Non-derivative financial liabilities:					
Borrowings other than lease obligation including interest obligations	79,098.96	98,241.49	31,299.20	42,539.78	24,402.51
Lease obligations including interest obligations	6,909.38	10,096.80	995.57	5,364.64	3,736.59
Trade payables	37,832.54	37,832.54	37,832.54	-	-
Other financial liabilities	10,346.43	9,688.42	8,315.02	800.84	572.56
	1,34,187.31	**1,55,859.25**	**78,442.33**	**48,705.26**	**28,711.66**
Derivative financial liabilities	**1,630.53**	**1,630.53**	**1,630.52**	**0.01**	**-**

(₹ crore)

	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 other than lease obligation including interest obligations	69,657.63	82,034.99	26,845.57	34,007.68	21,181.74
Lease obligations including interest obligations	6,763.82	10,252.83	1,610.52	4,355.76	4,286.55
Trade payables	36,764.87	36,764.87	36,764.87	-	-
Other financial liabilities	8,510.88	8,510.88	7,813.40	376.70	320.78
	1,21,697.20	**1,37,563.57**	**73,034.36**	**38,740.14**	**25,789.07**
Derivative financial liabilities	**207.26**	**207.26**	**81.66**	**125.60**	**-**

NOTES

forming part of the consolidated financial statements

43. Disclosures on financial instruments (Contd.)

(f) The details of financial assets and liabilities held by the Group on account of interest rate benchmark reforms which are indexed to Interbank offered rates (IBOR) as on March 31, 2023 and March 31, 2022 are as below :

As at March 31, 2023

(₹ crore)

	Carrying value as at March 31, 2023		Of which: Have yet to transition to an alternative benchmark interest rate as at March 31, 2023	
	Assets	Liabilities	Assets	Liabilities
Non-derivative instruments:				
Long-term borrowings	-	3,616.03	-	3,616.03
	-	**3,616.03**	**-**	**3,616.03**
Derivative Instruments:				
MTM of derivative assets/ liabilities exposed to USD LIBOR	184.17	-	184.17	-
	184.17	**-**	**184.17**	**-**

As at March 31, 2022

(₹ crore)

	Carrying value as at March 31, 2022		Of which: Have yet to transition to an alternative benchmark interest rate as at March 31, 2022	
	Assets	Liabilities	Assets	Liabilities
Non-derivative instruments:				
Long-term borrowings	-	3,335.09	-	3,335.09
	-	**3,335.09**	**-**	**3,335.09**
Derivative Instruments:				
MTM of derivative assets/ liabilities exposed to USD LIBOR	110.63	8.90	110.63	8.90
	110.63	**8.90**	**110.63**	**8.90**

NOTES

forming part of the consolidated financial statements

44. Segment reporting

The Group is primarily engaged in the business of manufacture and distribution of steel products across the globe. Operating segments have been identified based on how the Chief Operating Decision Maker (CODM) reviews and assesses the Group's performance, which is on the basis of the different geographical areas wherein major entities within the Group operate.

The Group's reportable segments and segment information is presented below:

(₹ crore)

	Tata Steel India	Tata Steel Long Products	Other Indian operations	Tata Steel Europe	Other trade related operations	South-East Asian operations	Rest of the world	Inter-segment eliminations	Total
Segment revenue									
External revenue	**1,17,039.61**	**7,117.87**	**17,271.84**	**90,156.41**	**3,041.32**	**8,076.87**	**648.77**		**2,43,352.69**
	1,16,868.15	*6,046.30*	*16,509.91*	*89,811.59*	*2,874.64*	*11,109.24*	*739.34*		*2,43,959.17*
Intersegment revenue	**11,967.01**	**1,873.91**	**5,763.16**	**143.98**	**70,932.21**	**654.57**	**-**	**(91,334.84)**	**-**
	12,153.20	*755.33*	*4,764.99*	*211.37*	*57,249.27*	*372.57*	*0.04*	*(75,506.77)*	*-*
Total Revenue	**1,29,006.62**	**8,991.78**	**23,035.00**	**90,300.39**	**73,973.53**	**8,731.44**	**648.77**	**(91,334.84)**	**2,43,352.69**
	1,29,021.35	*6,801.63*	*21,274.90*	*90,022.96*	*60,123.91*	*11,481.81*	*739.38*	*(75,506.77)*	*2,43,959.17*
Segment results before exceptional items, interest, tax and depreciation :	**28,174.58**	**(613.08)**	**1,107.90**	**4,632.06**	**168.49**	**473.64**	**(480.91)**	**(765.17)**	**32,697.51**
	51,456.30	*1,288.31*	*546.79*	*12,163.85*	*39.40*	*1,255.26*	*(382.98)*	*(2,537.35)*	*63,829.58*
Reconciliation to profit/(loss) for the year:									
Add: Finance income									**640.13**
									445.26
Less: Finance costs									**6,298.70**
									5,462.20
Less: Depreciation and amortisation									**9,335.20**
									9,100.87
Add: Share of profit / (loss) of joint ventures and associates									**418.12**
									649.16
Profit/(loss) before exceptional items and tax									**18,121.86**
									50,360.93
Add: Exceptional items (refer note 35, page F221)									**113.26**
									(134.06)
Profit/(loss) before tax									**18,235.12**
									50,226.87
Less: Tax expense									**10,159.77**
									8,477.55
Profit/(loss) for the year									**8,075.35**
									41,749.32

NOTES

forming part of the consolidated financial statements

44. Segment reporting (Contd.)

(₹ crore)

	Tata Steel India	Tata Steel Long Products	Other Indian operations	Tata Steel Europe	Other trade related operations	South-East Asian operations	Rest of the world	Inter-segment eliminations	Total
Segment assets	**2,05,650.43**	**22,206.99**	**18,717.36**	**84,399.40**	**30,362.20**	**4,888.17**	**7,082.40**	**(85,344.61)**	**2,87,962.34**
	1,93,514.38	19,797.39	16,706.49	93,089.02	28,563.12	4,425.23	6,893.03	(77,843.60)	2,85,145.06
Assets held for sale									**59.40**
									300.54
Total assets									**2,88,021.74**
									2,85,445.60
Segment assets include:									
Equity accounted investments	**1,001.21**	**0.80**	**1,832.47**	**386.25**	**12.60**	**-**	**-**	**-**	**3,233.33**
	820.39	*0.80*	*1,677.17*	*451.08*	*12.21*	*-*	*-*	*-*	*2,961.65*
Segment liabilities	**1,01,980.42**	**20,833.83**	**8,693.97**	**53,039.52**	**73,889.08**	**933.31**	**9,560.37**	**(86,083.97)**	**1,82,846.53**
	99,538.97	*16,608.80*	*7,675.92*	*47,631.73*	*65,277.81*	*906.53*	*8,164.08*	*(77,647.81)*	*1,68,156.03*
Liabilities held for sale									-
									191.11
Total liabilities									**1,82,846.53**
									1,68,347.14
Addition to non-current assets	**9,119.16**	**215.46**	**767.57**	**5,913.88**	**281.47**	**49.53**	**8.25**	**-**	**16,355.32**
	5,954.83	*98.67*	*594.63*	*3,903.00*	*2.74*	*40.37*	*46.56*	*-*	*10,640.80*

Figures in italics represent comparative figures of previous year.

(i) Details of revenue by nature of business is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
Steel	2,28,536.12	2,28,599.32
Others	14,816.57	15,359.85
	2,43,352.69	**2,43,959.17**

Revenue from other businesses primarily relate to ferro alloys, power and water and other services.

(ii) Details of revenue based on geographical location of customers is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
India	1,31,059.20	1,21,352.35
Outside India	1,12,293.49	1,22,606.82
	2,43,352.69	**2,43,959.17**

Revenue outside India includes: Asia excluding India ₹**17,364.14** crore (2021-22 : ₹27,788.53 crore), UK ₹**17,097.33** crore (2021-22: ₹20,097.64 crore) and other European countries ₹**59,750.29** crore (2021-22: ₹60,789.21 crore).

NOTES

forming part of the consolidated financial statements

44. Segment reporting (Contd.)

(iii) Details of non-current assets (property, plant and equipment, capital work-in-progress, right-of-use assets, intangibles and goodwill on consolidation) based on geographical area is as below:

(₹ crore)

	Year ended March 31, 2023	Year ended March 31, 2022
India	1,35,429.74	1,18,236.66
Outside India	42,404.74	37,096.72
	1,77,834.48	**1,55,333.38**

Non-current assets outside India include: Asia excluding India ₹**1,021.24** crore (March 31, 2022: ₹959.16 crore), UK ₹**10,822.66** crore (March 31, 2022: ₹9,627.88 crore) and other European countries ₹**24,158.68** crore (March 31, 2022: ₹20,300.14 crore).

Notes:

(i) Segment performance is reviewed by the CODM on the basis of profit or loss from continuing operations before finance income/cost, depreciation and amortisation expenses, share of profit/(loss) of joint ventures and associates and tax expenses. Segment results reviewed by the CODM also exclude income or expenses which are non-recurring in nature and are classified as an exceptional item. Information about segment assets and liabilities provided to the CODM, however, include the related assets and liabilities arising on account of items excluded in measurement of segment results. Such amounts, therefore, form part of the reported segment assets and liabilities.

(ii) No single customer represents 10% or more of the Group's total revenue during the year ended March 31, 2023 and March 31, 2022.

(iii) The accounting policies of the reportable segments are the same as of the Group's accounting policies.

NOTES

forming part of the consolidated financial statements

45. Related party transactions

The Group's related parties primarily consist of its joint ventures and associates, Tata Sons Private Limited including its subsidiaries and joint ventures. The Group routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms. Transactions and balances between the Company, its subsidiaries and fellow subsidiaries are eliminated on consolidation.

The following table summarises the related-party transactions and balances included in the consolidated financial statements for the year ended/as at March 31, 2023 and March 31, 2022.

(₹ crore)

	Associates	Joint Ventures	Tata Sons Private Limited, its subsidiaries and joint ventures	Total
Purchase of goods	**45.30**	**631.82**	**791.90**	**1,469.02**
	33.14	*425.04*	*1,001.00*	*1,459.18*
Sale of goods#	**1,291.85**	**6,100.74**	**978.21**	**8,370.80**
	2,225.73	*4,555.89*	*1,039.24*	*7,820.86*
Services received	**361.02**	**3,161.28**	**1,420.23**	**4,942.53**
	418.38	*1,594.32*	*1,299.07*	*3,311.77*
Services rendered	**0.19**	**86.74**	**2.92**	**89.85**
	0.04	*907.72*	*36.59*	*944.35*
Interest income recognised	**9.03**	**0.01**	**-**	**9.04**
	-	*0.02*	-	*0.02*
Interest expenses recognised	**-**	**2.89**	**1.74**	**4.63**
	-	-	*0.65*	*0.65*
Dividend paid(vi)	**-**	**-**	**2,061.39**	**2,061.39**
	-	-	*1,011.07*	*1,011.07*
Dividend received	**63.19**	**202.87**	**12.38**	**278.44**
	3.07	*117.81*	*12.54*	*133.42*
Provision/(reversal) recognised for receivables during the year	**(99.88)**	**(0.20)**	**0.04**	**(100.04)**
	99.95	*(0.71)*	-	*99.24*
Management contracts*	**5.57**	**13.92**	**116.52**	**136.01**
	5.43	*8.18*	*185.73*	*199.34*
Finance provided during the year (net of repayments)	**164.00**	**-**	**-**	**164.00**
	100.00	*0.46*	-	*100.46*
Outstanding loans and receivables	**120.49**	**1,260.34**	**65.23**	**1,446.06**
	334.45	*1,266.48*	*73.05*	*1,673.98*
Provision for outstanding loans and receivables	**0.15**	**1,087.39**	**0.09**	**1,087.63**
	100.03	*1,087.59*	*0.05*	*1,187.67*
Outstanding payables	**55.40**	**700.88**	**552.91**	**1,309.19**
	37.86	*391.23*	*536.59*	*965.68*
Guarantees provided outstanding	**-**	**167.55**	**-**	**167.55**
	-	*177.18*	-	*177.18*

Figures in italics represent comparative figures of previous year.

#Includes sale of power and water

*Primarily includes recharges on account of deputation of employees and brand equity due to Tata Sons Private Limited.

NOTES
forming part of the consolidated financial statements

45. Related party transactions (Contd.)

(i) The details of remuneration paid to the key managerial personnel and payments to non-executive directors are provided in note 31, page F219 and note 34, page F220 respectively.

The Group paid dividend of ₹**1,73,298.00** (2021-22: ₹84,950.00) to key managerial personnel and ₹**33,609.00** (2021-22: ₹16,475.00) to relatives of key managerial personnel during the year ended March 31, 2023.

(ii) During the year ended March 31, 2023, the Group has contributed ₹**579.51** crore (2021-22: ₹336.15 crore) to post employment benefit plans.

As at March 31, 2023, amount receivable from post-employment benefit funds is ₹**137.98** crore (March 31, 2022: ₹171.30 crore) on account of retirement benefit obligations paid by the entities within the Group directly.

As at March 31, 2023, amount payable to post-employment benefit funds is ₹**2.10** crore (March 31, 2022: ₹4.90 crore) on account of retirement benefit obligations.

(iii) Details of investments made by the Company in preference shares of its joint ventures and associates is disclosed in note 8, page F179.

(iv) Commitments with respect to joint venture and associates are disclosed in note 38B, page F238.

(v) Transactions with joint ventures have been disclosed at full value and not at their proportionate share.

(vi) Dividend paid includes ₹**2,022.19** crore (2021-22: ₹991.27 crore) paid to Tata Sons Private Limited.

NOTES
forming part of the consolidated financial statements

46. Disclosure for struck off companies

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:

(₹ crore)

Name of struck off Company	Nature of transactions with struck-off Company	Balance as at March 31, 2023	Balance as at March 31, 2022	Relationship with the struck-off Company
Tata Steel Limited :				
Arya Fuels Private Limited	Sale of goods	0.00*	-	Advance from Customer
BBR (India) Pvt Ltd.	Sale of goods	0.28		Advance from Customer
Aquatech Systems (Asia) Private Limited	Purchase of goods and receiving of services	-	11.75	Vendor
Sinha Aviation Service Private Limited	Receiving of services	0.06	0.01	Vendor
BRAINWISE INFOTECH	Receiving of services	0.00*	-	Vendor
LIFTVEL INDUSTRIES	Receiving of services	0.01	-	Vendor
E & J Golden India Private Limited		-	0.00*	Advance to vendor
Other entities(i)	Subscription to equity shares	-	0.01	Equity shareholder
Tata Steel Long Products Limited :				
KEONJHAR MINERALS (P)LTD	Purchase of Goods	0.00*	-	Vendor
SPRAYING SYSTEMS(INDIA)PVT.LTD	Purchase of Goods	0.00*	-	Vendor
SAP COMMUNICATION PVT. LTD.	Purchase of Goods	0.00*	-	Vendor
SUZUSONS CARE PVT. LTD.	Purchase of Goods	0.00*	-	Vendor
K.G.KHOSLA COMPRESSORS LTD	Purchase of Goods	0.10	-	Vendor
PARAMOUNT SINTERS P.LTD	Purchase of Goods	0.05	-	Vendor
VALLAB ENGINEERS PVT LTD	Purchase of Goods	0.03	-	Vendor
JAYASWALS NECO LTD	Purchase of Goods	0.01	-	Vendor
ASHCROFT INDIA PVT. LTD.	Purchase of Goods	0.00*	-	Vendor
PRANAM POWERMECH PVT. LTD.	Purchase of Goods	0.00*	-	Vendor
GEOMIN CONSULTANTS PVT LTD	Purchase of Goods	0.00*	-	Vendor

* Represents value less than ₹0.01 crore

(i) Details of other struck off entities holding equity shares in the Company are as below:

Name of struck off Company	No. of shares held	Paid-up as at March 31, 2023 (₹)	Paid-up as at March 31, 2022 (₹)
(1) Agro Based Industries Ltd	1,450	1,450.00	1,450.00
(2) Anand Growth Fund Pvt. Ltd.	1,330	1,330.00	1,330.00
(3) Anileksha Investments Pvt Ltd	2,250	2,250.00	2,250.00
(4) Bejo Sheetal Seeds Pvt Ltd	750	750.00	-
(5) Bennett Coleman. & Co. Ltd	7,950	7,950.00	7,950.00
(6) Bhagirathi Protein Ltd	6,500	6,500.00	6,500.00
(7) Bhansali & Co (Exports) Pvt Ltd	60	60.00	60.00
(8) Bharat Solite Limited	10	10.00	10.00
(9) Bindawala Builders Pvt Ltd	-	-	1,790.00
(10) Burdwan Holdings Pvt Ltd	3,150	3,150.00	3,150.00
(11) Chaityadeep Investments Pvt Ltd	2,110	2,110.00	2,110.00
(12) Chanakya Service Station Private Limited	16,500	16,500.00	16,500.00

NOTES
forming part of the consolidated financial statements

46. Disclosure for struck off companies (Contd.)

Name of struck off Company	No. of shares held	Paid-up as at March 31, 2023 (₹)	Paid-up as at March 31, 2022 (₹)
(13) Dashtina Investments Private Limited	400	400.00	400.00
(14) Deegeeson Impex Pvt Ltd	-	-	300.00
(15) Desai Holdings Limited	750	750.00	750.00
(16) Dhanastra Investments Limited	13,500	13,500.00	13,500.00
(17) Frontline Corporate Finance Ltd.	1,060	1,060.00	1,060.00
(18) Gagan Trading Co Ltd	1,690	1,690.00	1,690.00
(19) Goldcrest Jute and Fibre Ltd	1,800	1,800.00	1,800.00
(20) Impact Growth Fund Private Limited	-	-	1,330.00
(21) Kapursco Cold Storage Pvt. Ltd.	300	300.00	300.00
(22) Kirban Sales Pvt Ltd	150	150.00	150.00
(23) Kothari Intergroup Limited	-	-	200.00
(24) Karimnagar Sai Krishna Hire Purchase Private Limited	-	-	1,000.00
(25) Lakshadeep Investments Pvt Ltd	2,110	2,110.00	2,110.00
(26) M H Doshi Investment Agencies Private Limited	500	500.00	500.00
(27) Meghna Finance and Investments Private Limited	4,890	4,890.00	4,890.00
(28) Merchant Management System Private Limited	8,800	8,800.00	8,800.00
(29) Midas Touch Securities Pvt Ltd	150	150.00	-
(30) Modern Holdings Pvt Ltd	18,050	18,050.00	18,050.00
(31) Mokul Finance Private Limited	-	-	510.00
(32) Multiplier Financial Services Private Limited	30	30.00	30.00
(33) N.R.I. Financial Services Limited	-	-	300.00
(34) Overland Investment Co Ltd	-	-	4,500.00
(35) PCS Securities Pvt. Ltd.	500	500.00	500.00
(36) Popular Stock and Share Services Private Limited	320	320.00	320.00
(37) Prahit Investments Pvt Ltd	4,600	4,600.00	4,600.00
(38) Protect Finvest Private Limited	330	330.00	330.00
(39) Raghunath Oils and Fats Limited	500	500.00	500.00
(40) S S Securities Limited	500	500.00	500.00
(41) Safex Financial Services Private Limited	-	-	30.00
(42) Seagull Finance And Investment Private Limited	600	600.00	600.00
(43) Shree Agencies Pvt Ltd	3,180	3,180.00	4,372.52
(44) Shriram Investment Services Ltd	1,500	1,500.00	-
(45) Silpa Finance And Investments Pvt Ltd	13,440	13,440.00	-
(46) Suhit Investments Pvt Ltd	1,660	1,660.00	1,660.00
(47) Swapnalok Construction Pvt Ltd	500	500.00	500.00
(48) Calcutta Sales Agency Ltd.	6,340	6,340.00	6,340.00
(49) Varun Credit & Real Estate Pvt Ltd	570	570.00	570.00
(50) V Follow Up And Finance P Ltd	360	360.00	-
(51) Vms Consultants Pvt. Ltd.	-	-	500.00
		1,31,140.00	**1,26,592.52**

NOTES

forming part of the consolidated financial statements

47. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Company and its Indian subsidiaries will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

48. The erstwhile Tata Steel BSL Limited was eligible under Package Scheme of Incentives, 1993, and accordingly as per the provisions of the Scheme it had obtained eligibility certificate from Directorate of Industries. As per the Scheme the Tata Steel BSL Limited has an option to defer the payment of sales tax for a period of fourteen years upto a specified limit (twenty-one years in case the specified limit is not availed in fourteen years). The said tax collected shall be paid after fourteen years in five annual equal instalments and has been recognised as deferred sales tax liability, which as at March 31, 2023 amounts to ₹**24.85** crore (March 31, 2022: ₹22.33 crore). Post-introduction of GST, the Maharashtra government modified the scheme, whereby the Company needs to deposit the GST and claim refund of the same. During the year, the Company has recognised ₹**62.75** crore (2021-22: ₹201.21 crore) as an income (refer note 29, page F218) on account of such scheme.

49. During the year ended March 31, 2023, in accordance with Ind AS 21- "The Effects of Changes in Foreign Exchange Rates", T Steel Holdings Pte. Ltd. and TS Global Holdings Pte. Ltd., wholly owned subsidiaries of the Company re-assessed and changed their functional currency from GBP to USD with effect from April 1, 2022. The change was based on a re-assessment of the relative impact of different currencies on the functioning of these entities which among other factors included how cash flows are managed and retained for the investment's portfolio held by these entities, change in their funding structure, currency in which significant costs are incurred and the increasing relevance of USD denominated transactions as compared to GBP both in terms of volume and frequency.

50. The Board of Directors of the Company had considered and approved amalgamation of Tata Steel Long Products Limited ("TSLP"), Tata Metaliks Limited ("TML"), The Tinplate Company of India Limited ("TCIL"), TRF Limited ("TRF"), The Indian Steel & Wire Products Limited ("ISWP"), Tata Steel Mining Limited ("TSML") and S & T Mining Company Limited ("S & T Mining") into and with the Company by way of separate schemes of amalgamation and had recommended a share exchange ratio /cash consideration. The equity shareholders of the entities will be entitled to fully paid-up equity shares of the Company or cash consideration in the ratio as set out in the scheme.

As part of the scheme of amalgamations, equity shares and preference shares, if any, held by the Company in the above entities shall stand cancelled. No shares of the Company shall be issued nor any cash payment shall be made whatsoever by the Company in lieu of cancellation of shares of TSML and S & T Mining (both being wholly owned subsidiary companies)

The proposed amalgamations will enhance management efficiency, drive sharper strategic focus and improve agility across businesses based on the strong parental support from the Company's leadership. The amalgamations will also drive synergies through operational efficiencies, raw material security and better facility utilisation.

As part of defined regulatory process, the schemes of TSLP into and with the Company, TCIL into and with the Company, TML into and with the Company, TRF into and with the Company and ISWP into and with the Company have received approval(s) from stock exchanges and Security Exchange Board of India. Further the schemes, have been filed and are pending with the Hon'ble National Company Law Tribunal.

51. The Board of Directors of the Company had considered and approved the amalgamation of Angul Energy Limited ("AEL") into and with the Company by way of a scheme of amalgamation and had recommended a cash consideration as set out in the scheme for every fully paid-up equity share held by the shareholders (except the Company) in AEL. Upon the scheme coming into effect, the entire paid-up share capital of AEL shall stand cancelled in its entirety.

NOTES

forming part of the consolidated financial statements

The amalgamation will ensure consolidation of all power assets under a single entity, which will increase system agility for power generation and allocation. It will help the Company to improve its plant reliability, ensuring steady source of power supply while optimising cost. Further, such restructuring will lead to simplification of Group structure by eliminating multiple companies in similar operation, optimum use of infrastructure, rationalisation of cost in the areas of operations and administrative overheads, thereby maximising shareholder value of the Company post amalgamation.

The scheme is subject to defined regulatory approval process, which would require approval by stock exchanges and the Hon'ble National Company Law Tribunal.

52. Tata Steel Europe Limited ("TSE"), a wholly owned indirect subsidiary of the Company, has assessed the potential impact of the economic downturn in Europe caused by external factors including higher inflation, higher interest rates and supply chain disruption caused by the war in Ukraine on its future business outlook for UK and Mainland Europe (MLE) value chains.

The Board has considered reasonably possible scenarios to stress test the financial position of both the UK and MLE businesses, including the impact of lower steel margins against the Annual Plan and the mitigating actions the Group could take to limit any adverse consequences to liquidity in the annual impairment assessments.

Based on the assessment, the MLE business is expected to have adequate liquidity under all the reasonably possible scenarios considered. The outlook for Tata Steel UK Limited ("TSUK"), a wholly owned indirect subsidiary of TSE, however, is expected to be adversely impacted towards meeting its liquidity requirements and accordingly with respect to its ability to continue as a going concern.

In response to the challenging market and business conditions, TSUK continues to implement various measures aimed at improving its business performance and conserving cash including but not limited to ensuring adequate liquidity, if required, through available financing options, management of working capital, implementation of cost reduction measures and discussions with the UK Government to seek adequate support for transition to Green Steel as part of its decarbonisation strategy. The financing facilities which the UK Business has access to are not all committed facilities and hence in the event of a severe but plausible downside scenario, the UK Business will need financial support to address any adverse impact on liquidity. The progress of discussions with the UK government is also being monitored closely given that based on the initial and subsequent discussions it remains uncertain whether adequate support for the decarbonisation strategy would be agreed.

Given the risks and challenges associated with the underlying market and business conditions, the uncommitted nature of available financing options, the uncertainty with respect to whether adequate government support would be agreed and the non-binding letter of support provided by T S Global Holdings Pte. Ltd. and T S Global Procurement Company Pte. Ltd., wholly owned subsidiaries of the Company, it has been concluded that there exists a material uncertainty surrounding the impact of such adversities on the financial situation of TSUK.

The financial statements of TSE have been prepared on a going concern basis recognising the material uncertainty in relation to TSUK.

The Group has assessed its ability to meet any liquidity requirements at TSE, if required, and concluded that its cashflow and liquidity position remains adequate.

53. Dividend

The dividend declared by the Company is based on profits available for distribution as reported in the standalone financial statements of the Company. On May 2, 2023 the Board of Directors of the Company have proposed a dividend of ₹**3.60** per Ordinary share of ₹1 each in respect of the year ended March 31, 2023 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of approximately ₹**4,395.54** crore.

NOTES
forming part of the consolidated financial statements

54. Statement of net assets and profit or loss attributable to owners and non-controlling interest

SL No.	Name of the entity	Reporting currency	Net Assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or (loss)	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
A.	**Parent**									
	Tata Steel Limited	INR	130.77	1,34,797.51	176.88	15,495.11	(0.72)	100.37	(305.33)	15,595.48
B.	**Subsidiaries**									
a)	**Indian**									
1	Indian Steel & Wire Products Ltd	INR	0.14	144.12	0.02	1.45	0.00	0.62	(0.04)	2.07
2	Tata Steel Utilities and Infrastructure Services Limited	INR	1.07	1,106.70	1.04	90.96	0.04	(5.06)	(1.68)	85.90
3	Haldia Water Management Limited	INR	0.00	(4.54)	0.00	(0.01)	0.00	-	0.00	(0.01)
4	Kalimati Global Shared Services Limited	INR	0.01	7.12	0.03	2.67	0.00	(0.00)	(0.05)	2.67
5	Tata Steel Special Economic Zone Limited	INR	0.44	452.77	(0.06)	(5.17)	0.00	0.00	0.10	(5.17)
6	The Tata Pigments Limited	INR	0.05	48.77	0.14	12.64	0.00	0.00	(0.25)	12.64
7	Adityapur Toll Bridge Company Limited	INR	0.06	63.25	0.09	8.11	0.00	-	(0.16)	8.11
8	Mohar Export Services Pvt. Ltd	INR	0.00	(0.04)	0.00	(0.00)	0.00	-	0.00	(0.00)
9	Rujuvalika Investments Limited	INR	0.13	132.58	0.07	6.00	0.20	(27.12)	0.41	(21.12)
10	Tata Steel Mining Limited (Formerly known as T S Alloys Limited)	INR	0.46	478.91	(3.11)	(272.50)	0.00	0.15	5.33	(272.35)
11	Tata Korf Engineering Services Ltd	INR	0.00	-	0.00	-	0.00	-	0.00	-
12	Tata Metaliks Ltd.	INR	1.53	1,579.47	0.92	80.55	0.01	(1.08)	(1.56)	79.47
13	Tata Steel Long Products Limited	INR	15.56	16,039.31	(12.39)	(1,085.49)	(0.01)	0.80	21.24	(1,084.69)
14	Neelachal Ispat Nigam Limited	INR	10.88	11,217.78	(13.91)	(1,218.31)	0.03	(4.52)	23.94	(1,222.83)
15	Tata Steel International (India) Limited	INR	0.02	22.05	(0.01)	(1.03)	0.01	(1.31)	0.05	(2.34)
16	Tata Steel Downstream Products Limited	INR	3.27	3,366.08	2.81	246.38	0.00	0.55	(4.83)	246.93
17	Tata Steel Advanced Materials Limited	INR	0.06	65.09	(0.01)	(0.53)	0.00	-	0.01	(0.53)
18	Ceramat Private Limited	INR	0.01	15.19	(0.05)	(4.32)	0.00	-	0.08	(4.32)
19	Tata Steel TABB Limited	INR	0.01	14.54	(0.01)	(0.76)	0.00	-	0.01	(0.76)
20	Tayo Rolls Limited	INR	0.00	-	0.00	-	0.00	-	0.00	-
21	The Tinplate Company of India Limited	INR	1.23	1,263.08	1.63	142.82	0.06	(8.85)	(2.62)	133.97
22	Tata Steel Foundation	INR	0.01	13.32	0.09	7.47	0.00	-	(0.15)	7.47
23	Jamshedpur Football and Sporting Private Limited	INR	0.00	3.28	(0.33)	(28.61)	0.00	-	0.56	(28.61)
24	Bhubaneshwar Power Private Limited	INR	0.39	406.79	0.51	44.70	0.00	(0.22)	(0.87)	44.48
25	Angul Energy Limited	INR	0.91	938.60	0.62	53.95	0.00	0.20	(1.06)	54.15
26	Tata Steel Support Services Limited (formerly Bhushan Steel (Orissa) Ltd.)	INR	0.00	1.23	0.00	(0.07)	0.00	0.27	0.00	0.20
27	Bhushan Steel (South) Ltd.	INR	0.00	0.16	0.00	(0.02)	0.00	-	0.00	(0.02)
28	Tata Steel Technical Services Limited (formerly Bhushan Steel (Madhya Bharat) Ltd.)	INR	0.00	2.67	(0.01)	(0.79)	(0.01)	1.12	(0.01)	0.33
29	Creative Port Development Private Limited	INR	0.20	209.58	(0.01)	(0.74)	0.00	0.01	0.01	(0.73)
30	Subarnarekha Port Private Limited	INR	0.22	225.46	(0.11)	(9.61)	0.00	-	0.19	(9.61)
31	S & T Mining Company Limited	INR	0.00	0.24	0.01	1.01	0.00	-	(0.02)	1.01
32	Medica TS Hospital Pvt. Ltd.	INR	0.04	43.84	(0.04)	(3.34)	0.00	0.11	0.06	(3.23)

NOTES
forming part of the consolidated financial statements

54. Statement of net assets and profit or loss attributable to owners and non-controlling interest (Contd.)

SL No.	Name of the entity	Reporting currency	Net Assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or (loss)	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
b)	**Foreign**									
1	ABJA Investment Co. Pte. Ltd.	USD	(0.04)	(36.50)	0.71	62.49	0.00	-	(1.22)	62.49
2	NatSteel Asia Pte. Ltd.	USD	0.00	-	0.00	-	0.00	-	0.00	-
3	T Steel Holdings Pte. Ltd.	USD	23.33	24,044.53	0.15	13.14	0.00	-	(0.26)	13.14
4	T S Global Holdings Pte Ltd.	USD	16.07	16,564.58	(29.17)	(2,555.39)	0.00	-	50.03	(2,555.39)
5	Orchid Netherlands (No.1) B.V.	EUR	0.00	(0.29)	0.00	(0.35)	0.00	-	0.01	(0.35)
6	The Siam Industrial Wire Company Ltd.	THB	1.74	1,796.24	1.92	168.20	0.00	-	(3.29)	168.20
7	TSN Wires Co., Ltd.	THB	0.02	18.55	(0.17)	(14.68)	0.00	-	0.29	(14.68)
8	Tata Steel Europe Limited	GBP	51.50	53,087.14	(0.21)	(18.29)	0.00	-	0.36	(18.29)
9	Apollo Metals Limited	USD	0.06	60.17	0.37	32.60	0.01	(1.85)	(0.60)	30.75
10	00030048 Limited (Formerly British Steel Corporation Limited)	GBP	0.39	401.54	0.00	-	0.00	-	0.00	-
11	British Steel Nederland International B.V.	EUR	0.49	507.34	1.04	91.05	0.00	-	(1.78)	91.05
12	C V Benine	EUR	0.02	19.33	0.00	-	0.00	-	0.00	-
13	Catnic GmbH	EUR	0.08	79.98	0.06	5.17	0.00	-	(0.10)	5.17
14	Catnic Limited	GBP	0.00	(0.62)	0.00	-	0.00	-	0.00	-
15	Tata Steel Mexico SA de CV	USD	0.00	1.63	0.00	0.13	0.00	-	0.00	0.13
16	Cogent Power Limited	GBP	0.28	285.04	0.16	13.96	0.00	-	(0.27)	13.96
17	Corbeil Les Rives SCI	EUR	0.01	5.28	(0.07)	(5.69)	0.00	-	0.11	(5.69)
18	Corby (Northants) & District Water Company Limited	GBP	0.01	6.20	0.00	0.00	0.00	-	0.00	0.00
19	Corus CNBV Investments	GBP	0.00	0.00	0.00	-	0.00	-	0.00	-
20	Corus Engineering Steels (UK) Limited	GBP	0.00	0.00	0.00	-	0.00	-	0.00	-
21	Corus Engineering Steels Limited	GBP	0.00	0.00	0.00	-	0.00	-	0.00	-
22	Corus Group Limited	GBP	10.83	11,161.47	(1.49)	(130.38)	0.00	-	2.55	(130.38)
23	Corus Holdings Limited	GBP	0.01	8.87	0.01	0.97	0.00	-	(0.02)	0.97
24	Corus International (Overseas Holdings) Limited	GBP	5.36	5,522.36	2.62	229.54	0.00	-	(4.49)	229.54
25	Corus International Limited	GBP	3.02	3,112.29	0.00	-	0.00	-	0.00	-
26	Corus International Romania SRL.	RON	0.01	7.20	0.02	1.91	0.00	-	(0.04)	1.91
27	Corus Investments Limited	GBP	0.22	230.61	0.00	-	0.00	-	0.00	-
28	Corus Ireland Limited	EUR	0.01	11.66	0.04	3.38	0.00	-	(0.07)	3.38
29	Corus Liaison Services (India) Limited	GBP	(0.03)	(26.13)	0.00	-	0.00	-	0.00	-
30	Corus Management Limited	GBP	0.40	411.17	0.00	-	0.00	-	0.00	-
31	Corus Property	GBP	0.00	0.00	0.00	-	0.00	-	0.00	-
32	Corus UK Healthcare Trustee Limited	GBP	0.00	0.00	0.00	-	0.00	-	0.00	-
33	Crucible Insurance Company Limited	GBP	0.29	298.75	0.07	5.97	0.00	-	(0.12)	5.97
34	Degels GmbH	EUR	0.03	26.91	(0.01)	(0.81)	(0.02)	2.55	(0.03)	1.74
35	Demka B.V.	EUR	0.08	78.41	0.00	0.24	0.00	-	0.00	0.24
36	00026466 Limited (Formerly known as Firsteel Group Limited)	GBP	0.00	-	(0.01)	(0.97)	0.00	-	0.02	(0.97)
37	Fischer Profil GmbH	EUR	0.10	104.57	0.14	12.38	(0.16)	21.74	(0.67)	34.12
38	Gamble Simms Metals Limited	EUR	0.00	-	0.00	-	0.00	-	0.00	-
39	H E Samson Limited	GBP	0.00	0.00	0.00	-	0.00	-	0.00	-
40	Hadfields Holdings Limited	GBP	(0.01)	(12.71)	0.00	-	0.00	-	0.00	-

NOTES

forming part of the consolidated financial statements

54. Statement of net assets and profit or loss attributable to owners and non-controlling interest (Contd.)

SL No.	Name of the entity	Reporting currency	Net Assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or (loss)	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
41	Halmstad Steel Service Centre AB	SEK	0.16	161.85	0.05	4.33	0.00	-	(0.08)	4.33
42	Hille & Muller GmbH	EUR	0.25	253.49	0.08	6.97	(0.20)	27.77	(0.68)	34.74
43	Hille & Muller USA Inc.	USD	0.12	122.74	0.05	4.73	0.00	-	(0.09)	4.73
44	Hoogovens USA Inc.	USD	0.84	870.95	2.60	227.91	0.00	-	(4.46)	227.91
45	Huizenbezit "Breesaap" B.V.	EUR	(0.01)	(9.16)	0.00	0.08	0.00	-	0.00	0.08
46	Inter Metal Distribution SAS	EUR	0.00	(0.00)	0.28	24.76	0.57	(78.58)	1.05	(53.82)
47	Layde Steel S.L.	EUR	0.12	119.66	(0.57)	(49.77)	0.00	-	0.97	(49.77)
48	London Works Steel Company Limited	GBP	(0.10)	(104.79)	0.00	-	0.00	-	0.00	-
49	Montana Bausysteme AG	CHF	0.19	191.84	0.58	50.44	(0.08)	10.91	(1.20)	61.35
50	Naantali Steel Service Centre OY	EUR	0.04	38.68	(0.50)	(43.45)	0.00	-	0.85	(43.45)
51	Norsk Stal Tynnplater AS	NOK	0.05	55.90	0.15	13.45	0.00	-	(0.26)	13.45
52	Norsk Stal Tynnplater AB	NOK	0.03	28.94	0.03	2.60	0.00	-	(0.05)	2.60
53	Oremco Inc.	USD	0.00	-	0.00	-	0.00	-	0.00	-
54	Rafferty-Brown Steel Co Inc Of Conn.	USD	0.02	24.10	(0.02)	(1.93)	0.00	-	0.04	(1.93)
55	S A B Profiel B.V.	EUR	0.28	287.99	2.74	240.28	0.00	-	(4.70)	240.28
56	S A B Profil GmbH	EUR	0.15	149.87	0.84	73.51	0.00	-	(1.44)	73.51
57	Service Center Gelsenkirchen GmbH	EUR	0.25	257.47	0.37	32.26	(0.10)	13.54	(0.90)	45.80
58	Service Centre Maastricht B.V.	EUR	0.29	303.27	(0.22)	(19.69)	0.00	-	0.39	(19.69)
59	Societe Europeenne De Galvanisation (Segal) Sa	EUR	0.14	144.29	0.24	21.28	0.00	-	(0.42)	21.28
60	Staalverwerking en Handel B.V.	EUR	0.00	-	4.07	356.43	(8.02)	1,112.44	(28.76)	1,468.87
61	Surahammar Bruks AB	SEK	0.05	54.15	(0.15)	(13.52)	(0.06)	7.98	0.11	(5.54)
62	Swinden Housing Association Limited	GBP	0.01	13.94	0.00	0.28	0.00	-	(0.01)	0.28
63	Tata Steel Belgium Packaging Steels N.V.	EUR	0.16	168.84	0.09	7.73	0.00	-	(0.15)	7.73
64	Tata Steel Belgium Services N.V.	EUR	0.24	244.52	0.04	3.62	0.00	-	(0.07)	3.62
65	Tata Steel France Batiment et Systemes SAS	EUR	0.00	-	0.00	-	(0.87)	121.23	(2.37)	121.23
66	Tata Steel France Holdings SAS	EUR	0.85	874.90	0.26	22.96	(0.02)	2.29	(0.49)	25.25
67	Tata Steel Germany GmbH	EUR	0.85	879.38	1.01	88.32	(0.07)	9.96	(1.92)	98.28
68	Tata Steel IJmuiden BV	EUR	29.02	29,917.60	32.37	2,835.90	3.27	(453.37)	(46.65))	2,382.53
69	Tata Steel International (Americas) Holdings Inc	USD	(0.60)	(614.69)	(0.39)	(34.05)	0.00	-	0.67	(34.05)
70	Tata Steel International (Americas) Inc	USD	1.30	1,340.55	1.57	137.72	0.00	-	(2.70)	137.72
71	Tata Steel International (Czech Republic) S.R.O	CZK	0.02	18.10	0.12	10.71	0.00	-	(0.21)	10.71
72	Tata Steel International (France) SAS	EUR	0.03	32.53	0.10	8.37	0.00	-	(0.16)	8.37
73	Tata Steel International (Germany) GmbH	EUR	0.01	13.43	0.00	(0.16)	(0.02)	2.80	(0.05)	2.64
74	Tata Steel International (South America) Representações LTDA	USD	0.00	2.78	0.00	0.26	0.00	-	(0.01)	0.26
75	Tata Steel International (Italia) SRL	EUR	0.04	43.39	0.21	18.46	0.00	-	(0.36)	18.46
76	Tata Steel International (Middle East) FZE	AED	0.12	127.23	0.00	0.21	0.00	-	0.00	0.21
77	Tata Steel International Limited	NGN	0.00	-	0.00	-	0.00	-	0.00	-
78	Tata Steel International (Poland) sp Zoo	PLZ	0.02	25.72	0.09	7.71	0.00	-	(0.15)	7.71
79	Tata Steel International (Sweden) AB	SEK	0.06	58.82	0.39	34.28	0.00	-	(0.67)	34.28
80	Tata Steel International Iberica SA	EUR	0.08	79.39	0.39	34.31	0.00	-	(0.67)	34.31
81	Tata Steel Istanbul Metal Sanayi ve Ticaret AS	USD	0.05	55.47	0.02	1.64	0.00	-	(0.03)	1.64

54. Statement of net assets and profit or loss attributable to owners and non-controlling interest (Contd.)

SL No.	Name of the entity	Reporting currency	Net Assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or (loss)	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
82	Tata Steel Maubeuge SAS	EUR	0.51	524.57	(0.62)	(54.57)	(0.44)	60.47	(0.12)	5.90
83	Tata Steel Nederland BV	EUR	12.73	13,127.17	(0.45)	(39.54)	7.53	(1,043.97)	21.21	(1,083.51)
84	Tata Steel Nederland Consulting & Technical Services BV	EUR	0.03	26.67	0.00	0.04	0.00	-	0.00	0.04
85	Tata Steel Nederland Services BV	EUR	(0.10)	(105.98)	(0.23)	(19.80)	0.00	-	0.39	(19.80)
86	Tata Steel Nederland Technology BV	EUR	0.69	708.24	0.11	9.91	0.00	-	(0.19)	9.91
87	Tata Steel Nederland Tubes BV	EUR	0.06	65.97	(1.56)	(136.62)	0.00	-	2.67	(136.62)
88	Tata Steel Netherlands Holdings B.V.	EUR	36.98	38,124.71	(5.50)	(481.62)	0.00	-	9.43	(481.62)
89	Tata Steel Norway Byggsystemer A/S	NOK	0.11	114.51	0.20	17.27	0.00	-	(0.34)	17.27
90	Tata Steel UK Consulting Limited	GBP	(0.01)	(6.51)	0.00	0.06	0.00	-	0.00	0.06
91	Tata Steel UK Holdings Limited	GBP	47.76	49,233.12	0.01	0.51	0.00	-	(0.01)	0.51
92	Tata Steel UK Limited	GBP	3.93	4,046.01	(76.65)	(6,715.24)	56.92	(12,053.52)	367.46	(18,768.76)
93	Tata Steel USA Inc.	USD	0.06	66.12	0.00	(0.38)	0.00	-	0.01	(0.38)
94	The Newport And South Wales Tube Company Limited	GBP	0.01	5.75	0.00	-	0.00	-	0.00	-
95	Thomas Processing Company	USD	0.15	157.77	(0.18)	(15.76)	0.00	-	0.31	(15.76)
96	Thomas Steel Strip Corp.	USD	(0.06)	(57.17)	0.77	67.13	0.02	(3.04)	(1.25)	64.09
97	TS South Africa Sales Office Proprietary Limited	ZAR	0.01	7.55	0.05	3.98	0.00	-	(0.08)	3.98
98	Tulip UK Holdings (No.2) Limited	GBP	52.83	54,453.21	0.00	-	0.00	-	0.00	-
99	Tulip UK Holdings (No.3) Limited	GBP	52.94	54,574.21	0.00	-	0.00	-	0.00	-
100	UK Steel Enterprise Limited	GBP	0.22	228.35	0.05	4.56	0.00	-	(0.09)	4.56
101	Unitol SAS	EUR	0.12	126.41	0.14	11.87	(0.01)	1.28	(0.26)	13.15
102	Fischer Profil Produktions -und-Vertriebs - GmbH	EUR	0.00	0.61	0.00	0.39	0.00	-	(0.01)	0.39
103	Al Rimal Mining LLC	OMR	0.02	20.89	0.16	14.17	0.00	-	(0.28)	14.17
104	TSMUK Limited	USD	4.33	4,458.61	0.00	0.25	0.00	-	0.00	0.25
105	T S Canada Capital Ltd	USD	0.03	35.39	(0.01)	(0.65)	0.00	-	0.01	(0.65)
106	Tata Steel Minerals Canada Limited	USD	(1.18)	(1,220.17)	(12.70)	(1,112.66)	0.00	-	21.78	(1,112.66)
107	Tata Steel (Thailand) Public Company Limited	THB	3.11	3,205.62	0.78	67.97	0.00	(0.49)	(1.32)	67.48
108	Tata Steel Manufacturing (Thailand) Public Company Limited (formerly N.T.S Steel Group Public Limited Company)	THB	2.27	2,337.92	1.85	161.99	0.14	(18.82)	(2.80)	143.17
109	T S Global Procurement Company Pte. Ltd.	USD	1.52	1,565.35	(1.46)	(127.53)	0.00	-	2.50	(127.53)
110	TS Asia (Hong Kong) Ltd.	USD	0.00	-	0.00	(0.03)	0.00	-	0.00	(0.03)
111	Tata Steel International (Shanghai) Ltd.	CNY	0.01	6.26	0.01	0.70	0.00	-	(0.01)	0.70
112	Bhushan Steel (Australia) PTY Ltd.	AUD	0.00	3.98	0.00	(0.29)	0.00	-	0.01	(0.29)
113	Bowen Energy PTY Ltd.	AUD	0.00	0.00	0.00	(0.00)	0.00	-	0.00	(0.00)
114	Bowen Coal PTY Ltd.	AUD	0.00	0.00	0.00	-	0.00	-	0.00	-
C.	**Joint Ventures**									
a)	**Indian**									
1	mjunction services limited	INR	0.15	150.16	0.42	36.66	0.00	(0.07)	(0.72)	36.59
2	Tata NYK Shipping (India) Pvt. Ltd.	INR	0.00	3.43	0.01	0.51	0.00	-	(0.01)	0.51
3	TM International Logistics Limited	INR	0.13	130.80	0.32	27.94	0.00	0.21	(0.55)	28.15
4	TKM Global Logistics Limited	INR	0.02	16.52	0.15	13.44	0.00	0.04	(0.26)	13.48

NOTES

forming part of the consolidated financial statements

54. Statement of net assets and profit or loss attributable to owners and non-controlling interest (Contd.)

SL No.	Name of the entity	Reporting currency	Net Assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or (loss)	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
5	Industrial Energy Limited	INR	0.27	281.79	0.34	30.13	0.00	0.02	(0.59)	30.15
6	Andal East Coal Company Pvt. Ltd.	INR	0.00	-	0.00	-	0.00	-	0.00	-
7	Naba Diganta Water Management Limited	INR	0.02	24.25	0.06	5.64	0.00	0.00	(0.11)	5.64
8	Jamipol Ltd.	INR	0.06	62.42	0.14	12.41	0.00	(0.16)	(0.24)	12.25
9	Nicco Jubilee Park Limited	INR	0.00	-	0.00	-	0.00	-	0.00	-
10	Himalaya Steel Mills Services Private Limited	INR	0.01	7.95	0.03	2.88	0.00	0.00	(0.06)	2.88
11	Tata BlueScope Steel Private Limited	INR	0.74	760.82	1.59	139.43	0.00	(0.44)	(2.74)	139.87
12	Jamshedpur Continuous Annealing & Processing Company Private Limited	INR	0.81	832.41	1.39	121.79	0.00	(0.00)	(2.38)	121.79
b)	**Foreign**									
1	Tata NYK Shipping Pte Ltd.	USD	0.14	145.46	0.02	1.86	0.13	(18.64)	0.33	(16.78)
2	International Shipping and Logistics FZE	USD	0.19	194.11	0.30	26.42	0.00	0.23	(0.52)	26.65
3	TKM Global China Ltd	CNY	0.00	3.75	0.01	0.70	0.00	-	(0.01)	0.70
4	TKM Global GmbH	EUR	0.09	94.51	0.03	2.99	0.00	-	(0.06)	2.99
5	Air Products Llanwern Limited	GBP	0.01	9.87	0.02	2.06	0.00	-	(0.04)	2.06
6	Laura Metaal Holding B.V.	EUR	0.18	185.48	0.01	1.01	0.00	-	(0.02)	1.01
7	Ravenscraig Limited	GBP	(0.08)	(82.08)	(0.08)	(6.67)	0.00	-	0.13	(6.67)
8	Tata Steel Ticaret AS	TRY	0.01	13.01	0.16	14.12	0.00	-	(0.28)	14.12
9	Texturing Technology Limited	GBP	0.02	25.03	0.05	4.49	0.00	-	(0.09)	4.49
10	Hoogovens Court Roll Service Technologies VOF	EUR	0.01	12.64	(0.02	(2.01)	0.00	-	0.04	(2.01)
11	Minas De Benga (Mauritius) Limited	USD	(1.00)	(1,030.84)	0.51	44.74	0.00	-	(0.88)	44.74
12	BlueScope Lysaght Lanka (Pvt) Ltd	LKR	0.01	9.85	0.03	2.74	0.00	-	(0.05)	2.74
C)	**Associates**									
a)	**Indian**									
1	Kalinga Aquatics Ltd.	INR	0.00	-	0.00	-	0.00	-	0.00	-
2	Kumardhubi Fireclay & Silica Works Ltd.	INR	0.00	-	0.00	-	0.00	-	0.00	-
3	Kumardhubi Metal Casting and Engineering Limited	INR	0.00	-	0.00	-	0.00	-	0.00	-
4	Strategic Energy Technology Systems Private Limited	INR	0.00	-	0.00	-	0.00	-	0.00	-
5	Tata Construction & Projects Ltd.	INR	0.00	-	0.00	-	0.00	-	0.00	-
6	TRF Limited	INR	0.01	6.51	0.34	29.93	0.00	(0.16)	(0.58)	29.77
7	Malusha Travels Pvt Ltd.	INR	0.00	-	0.00	-	0.00	-	0.00	-
8	Bhushan Capital & Credit Services Private Limited	INR	0.00	-	0.00	-	0.00	-	0.00	-
9	Jawahar Credit & Holdings Private Limited	INR	0.00	-	0.00	-	0.00	-	0.00	-
b)	**Foreign**									
1	TRF Singapore Pte Limited	SGD	0.02	20.78	0.00	(0.23)	0.00	-	0.00	(0.23)
2	TRF Holding Pte Limited	USD	0.00	0.01	0.00	0.15	0.00	-	0.00	0.15
3	Dutch Lanka Trailer Manufacturers Limited	USD	0.02	16.57	0.03	2.82	0.00	(0.03)	(0.05)	2.79
4	Dutch Lanka Engineering (Private) Limited	LKR	0.00	(0.86)	(0.01)	(0.67)	0.00	(0.01)	0.01	(0.68)
5	European Profiles (M) Sdn. Bhd.	MYR	0.01	12.57	0.00	(0.25)	0.00	-	0.00	(0.25)

NOTES
forming part of the consolidated financial statements

54. Statement of net assets and profit or loss attributable to owners and non-controlling interest (Contd.)

SL No.	Name of the entity	Reporting currency	Net Assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or (loss)	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
6	GietWalsOnderhoudCombinatie B.V.	EUR	0.02	23.13	0.04	3.64	0.00	-	(0.07)	3.64
7	Hoogovens Gan Multimedia S.A. De C.V.	MXN	0.00	-	0.00	-	0.00	-	0.00	-
8	ISSB Limited	GBP	0.00	-	0.00	-	0.00	-	0.00	-
9	Wupperman Staal Nederland B.V.	EUR	0.12	127.90	0.06	5.17	0.00	-	(0.10)	5.17
10	Fabsec Limited	GBP	0.00	-	0.00	-	0.00	-	0.00	-
11	9336-0634 Québec Inc	CAD	0.00	-	0.00	-	0.00	-	0.00	-
E.	**Adjustment due to consolidation**		(437.98)	(4,51,474.61)	11.35	994.43	11.88	(1,647.35)	12.78	(652.92)
	Total		**100.00**	**1,03,082.10**	**100.00**	**8,760.40**	**100.00**	**(13,868.14)**	**100.00**	**(5,107.74)**
F.	**Minority interests in subsidiaries**									
a)	**Indian subsidiaries**									
1	The Tinplate Company of India Limited	INR		316.30		35.76		(2.22)		33.54
2	Indian Steel & Wire Products Ltd	INR		7.20		0.07		0.03		0.10
3	Tata Metaliks Ltd.	INR		631.26		32.19		(0.43)		31.76
4	Adityapur Toll Bridge Company Limited	INR		7.27		0.93		-		0.93
5	Tata Steel Long Products Limited	INR		353.90		(597.02)		(1.87)		(598.89)
6	Creative Port Development Private Limited	INR		197.81		(7.06)		0.00		(7.06)
7	Mohar Export Services Pvt. Ltd	INR		(0.01)		-		-		-
8	Haldia Water Management Limited	INR		23.33		(0.00)		-		(0.00)
9	Ceramat Private Limited	INR		(0.44)		(0.43)		-		(0.43)
10	Medica TS Hospital Pvt. Ltd.	INR		9.09		(1.64)		0.03		(1.61)
11	Angul Energy Limited	INR		0.09		0.01		-		0.01
b)	**Foreign subsidiaries**									
1	Tata Steel (Thailand) Public Company Limited	THB		718.26		50.26		30.67		80.93
2	Al Rimal Mining LLC	OMR		8.42		3.62		0.22		3.84
3	Tata Steel Europe Limited	GBP		7.86		(0.71)		(1.40)		(2.11)
4	Tata Steel Minerals Canada Limited	USD		(194.99)		(195.46)		(6.32)		(201.78)
5	TSN Wires Co., Ltd.	THB		7.76		(5.56)		0.37		(5.20)
	Total non-controlling interests in subsidiaries			2,093.11		(685.05)		19.07		(665.98)
	Consolidated net assets/profit after tax			**1,05,175.21**		**8,075.35**		**(13,849.07)**		**(5,773.72)**

NOTES

forming part of the consolidated financial statements

(i) List of subsidiaries, associates and joint ventures which are not required to be consolidated and reasons for not consolidating:

SL No.	Name	Reason
1	Tayo Rolls Limited	Company is undergoing Corporate Insolvency Resolution Process under the Insovency and Bankruptcy Code, 2016.
2	Tata Korf Engineering Services Ltd.	Financial information are not available
3	Tata Steel Sweden Byggsystem AB	Under liquidation
4	Tata Steel Denmark Byggsystemer A/S	Under liquidation
5	The Siam Construction Steel Company Limited	Under liquidation
6	The Siam Iron and Steel (2001) Company Limited	Under liquidation
7	British Steel Directors (Nominees) Limited	Under liquidation
8	Orb Electrical Steels Limited	Under liquidation
9	Nicco Jubilee Park Limited	Financial information are not available
10	9336-0634 Québec Inc	Financial information are not available
11	Andal East Coal Company Pvt. Ltd.	Entity under liquidation
12	Kalinga Aquatics Ltd.	Entity under liquidation
13	Kumardhubi Fireclay & Silica Works Ltd.	Entity under liquidation
14	Kumardhubi Metal Casting and Engineering Limited	Entity under liquidation
15	Tata Construction & Projects Ltd.	Entity under liquidation
16	Fabsec Limited	The operations of the companies are not significant and hence are immaterial for consolidation
17	Hoogovens Gan Multimedia S.A. De C.V.	The operations of the companies are not significant and hence are immaterial for consolidation
18	ISSB Limited	The operations of the companies are not significant and hence are immaterial for consolidation
19	Bhushan Capital & Credit Services Private Limited	Tata Steel BSL Limited (TSBSL) (earlier known as Bhushan Steel Limited), an erstwhile subsidiary (acquired through the corporate insolvency resolution process) which amalgamated with the Company during the year ended March, 2022 was being identified as the promoter of Jawahar Credit & Holdings Private Limited (JCHPL) and Bhushan Capital & Credit Services Private Limited (BCCSPL). These entities were connected to the previous management of erstwhile TSBSL, before acquisition of TSBSL by the Company (through Bamnipal Steel Limited) in May 2018.
20	Jawahar Credit & Holdings Private Limited	TSBSL had written to JCHPL, BCCSPL and the Registrar of Companies (National Capital Territory of Delhi & Haryana) intimating that TSBSL should not be identified as promoter of these two companies; accordingly, legally, neither erstwhile TSBSL nor the Company had any visibility or control over the operations of these two companies nor currently exercises any influence on these entities.

(ii) The Group is continuing with its focus on simplifying the corporate structure which saw a significant number of entities enter into voluntary liquidation in the previous and current year. There remains an objective to simplify the structure further by dissolving additional entities which are either dormant or have ceased to have business operations.

In terms of our report attached

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

sd/-
Subramanian Vivek
Partner
Membership Number 100332

Mumbai, May 2, 2023

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

sd/-
Noel Naval Tata
Vice-Chairman
DIN: 00024713

sd/-
O. P. Bhatt
Independent Director
DIN: 00548091

sd/-
Deepak Kapoor
Independent Director
DIN: 00162957

sd/-
Farida Khambata
Independent Director
DIN: 06954123

sd/-
V. K. Sharma
Independent Director
DIN: 02449088

sd/-
Bharti Gupta Ramola
Independent Director
DIN: 00356188

sd/-
Saurabh Agrawal
Non-Executive Director
DIN: 02144558

sd/-
T. V. Narendran
Chief Executive Officer & Managing Director
DIN: 03083605

sd/-
Koushik Chatterjee
Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
Parvatheesam Kanchinadham
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921