INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of Tata Steel Long Products Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and Notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its total comprehensive income (comprising profit and other comprehensive income), its changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	**How our audit addressed the key audit matter**
Recovery of expenses and related disclosures of contingent liabilities for Radhikapur (East) Coal Block [Refer to Note 33(d) to the Standalone Financial Statements] As at March 31, 2021, the Company has financial exposure in books aggregating Rs. 178.81 Crores incurred in earlier years on the Radhikapur (East) Coal Block, which was deallocated pursuant to the Order of the Hon'ble Supreme Court of India in 2014. The Coal Mines (Special Provisions) Rules, 2014 and subsequent amendments thereto, promulgated pursuant to the aforesaid Order, prescribes that the prior allottee (i.e., the Company), shall be compensated for the expenses incurred towards land and mine infrastructure. During the year, the Ministry of Coal (MoC) has carried out an auction of the coal block and the coal block has been re-allotted to a successful bidder. The Company is awaiting directions from MoC on the determination of just, fair and adequate compensation in respect of the aforesaid amounts incurred. The Company expects to recover such expenses in due course. Further, as stated in Note 33(d)(ii), the MoC had also issued notice for invocation of the bank guarantee of Rs. 32.50 Crores towards delay in achieving the milestones towards the development of the coal block. The Company is contesting the matter that the delay is not attributable to the Company. Pending finalisation of the matter, the amount of bank guarantee has been disclosed as contingent liability. This is considered to be a key audit matter as significant judgements are involved regarding recoverability of the aforesaid amounts incurred and possible obligation related to bank guarantee that is subject to decision/approvals of the regulatory authorities.	Our audit procedures included the following: • Evaluation of the design and testing of operating effectiveness of the controls implemented by the management to assess the recoverability of expenses incurred towards Radhikapur (East) Coal Block and related disclosures in the Standalone Financial Statements. • Obtained an updated understanding of the basis of the management's judgement including discussion with the Company's inhouse and external legal counsel. • Tested a sample of expenses incurred on the coal block. • Considered the external legal opinion obtained by the management to understand the status and the management's assessment of the likely outcome of the on-going litigation. • Obtained evidence supporting the on-going discussions of the Company with the MoC/ Nominated Authority of MoC and the allotment to the successful bidder. Based on the above work performed, we found the management's judgement on assessment of recoverability of the related expenses incurred and the disclosure of the contingent liability in respect of performance guarantee for coal block allocation, to be reasonable.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information in the Corporate Profile and the Director's Report along with the Annexures to the Director's Report included in the Company's annual report (titled as Tata Steel Long Products Limited Integrated Report & Annual Accounts 2020-21), but does not include the financial statements and our auditor's report thereon.

   Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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.

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

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

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

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

   - Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
   - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our

opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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, if any, of pending litigations as at March 31, 2021 on its financial position in its Standalone Financial Statements – Refer Note 33 to the Standalone Financial Statements;

ii. The Company has long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Company did not have long term derivative contracts. Refer Note 46 to the Standalone Financial Statements.

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, 2021, except for amounts aggregating to Rs 0.06 crores, which according to the information and explanations provided by the management is held in abeyance due to pending legal cases. Refer Note 47 to the Standalone Financial Statements.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.

15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Pinaki Chowdhury
Partner
Membership Number: 057572

UDIN: 21057572AAAAAM7193
Kolkata
April 20, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited) on the Standalone Financial Statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to the 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 Long Products Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of

financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Pinaki Chowdhury
Partner
Membership Number: 057572

UDIN: 21057572AAAAAM7193
Kolkata
April 20, 2021

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited) on the Standalone Financial Statements as of and for the year ended March 31, 2021

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, 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 immovable properties acquired pursuant to the business acquisition as stated in Notes 3.01 and 4 (e) respectively to the standalone financial statements, whose title deeds are not held in the Company's name:

Particulars	**Gross Block (Rs. in crores)**	**Net Block (Rs. in crores)**
Freehold Land	77.35	77.35
Building	0.71	0.52
Leasehold Land	0. 87	0.81
Leasehold Building	3.30	3.15

ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the 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 from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

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

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund (also refer remarks below), though there has been a slight delay in a case, and is regular in depositing undisputed statutory dues, including income taxes, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer

note 37.03 to the financial statements regarding management's assessment on certain matters relating to provident fund.
Further, for the period April 1, 2020 to April 30, 2020, the Company has paid Goods and Service Tax and filed Form GSTR 3B after the due date for one registration, but within the timelines allowed by the Central Board of Indirect Taxes and Customs under the Notification Number 31/2020 dated April 3, 2020 on fulfilment of conditions specified therein.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service tax and goods and service tax as at March 31, 2021, which have not been deposited on account of any dispute. The particulars of dues of Income -tax, sales tax, duty of customs, duty of excise and value added tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. crores)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	6.40	2014-15 2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	2.21	2013-14	Income Tax Appellate Tribunal
Central Sales Tax Act, 1957	Sales Tax	0.67	2005-06	High Court of Orissa
Central Sales Tax Act, 1957	Sales Tax	0.06	1987-88 1992-93 1993-94 1998-99	Deputy Commissioner of Commercial Taxes
Orissa Sales Tax Act, 1947	Sales Tax	0.02	1992-93 2000-01	Assistant Commissioner of Sales Tax
Orissa Sales Tax Act, 1947	Sales Tax	0.06	1987-88 1989-90 1990-91 1988-89	Deputy Commissioner of Commercial Taxes
Customs Act, 1962	Customs Duty	33.11	2012-13	Customs, Excise and Service Tax Appellate Tribunal
Customs Act,1962	Custom Duty	0.34	2019-20	Commissioner Appeals, Customs
The Central Excise Act, 1944	Excise Duty	2.05	2011-12	Customs, Excise and Service Tax Appellate Tribunal
The Central Excise Act,194	Excise Duty	**	2019-20	Commissioner Appeals, GST & Central Excise
Orissa Value Added Tax Act, 2004	Value Added Tax	0.07	2005-06	Commissioner of Commercial Taxes

**Amount below rounding off norm adopted in report.

viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders, as applicable, as at the balance sheet date.

ix. In our opinion and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments).

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 15 of our main audit report.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

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

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

Pinaki Chowdhury
Partner
Membership Number 057572
UDIN: 21057572AAAAAM7193

Kolkata
April 20, 2021

TATA STEEL LONG PRODUCTS LIMITED (formerly known as Tata Sponge Iron Limited)
Standalone Balance Sheet as at March 31, 2021

	Notes	As at March 31, 2021	Rs. in crores As at March 31, 2020
I Assets			
Non-current assets			
(a) Property, plant and equipment	03	**3,822.62**	4,071.46
(b) Right-of-use assets	04	**223.90**	239.52
(c) Capital work-in-progress	03	**23.89**	36.69
(d) Goodwill	39	**5.66**	5.66
(e) Other intangible assets	05	**289.37**	298.21
(f) Financial assets			
(i) Investments	06	**20.66**	17.46
(ii) Loans	07	**1.28**	0.99
(iii) Other financial assets	08	**1.01**	0.94
(g) Income tax assets (net)	21 (ii)	**43.15**	36.70
(h) Other non-current assets	09	**20.46**	195.38
Total non-current assets		**4,452.00**	4,903.01
Current assets			
(a) Inventories	10	**812.71**	796.97
(b) Financial assets			
(i) Trade receivables	11	**75.15**	155.88
(ii) Cash and cash equivalents	12 (i)	**279.37**	58.03
(iii) Bank balances other than (ii) above	12 (ii)	**2.41**	103.58
(iv) Loans	07	**2.67**	5.61
(v) Derivative assets		**0.51**	8.20
(vi) Other financial assets	08	**182.42**	14.93
(c) Other current assets	09	**81.96**	121.82
Total current assets		**1,437.20**	1,265.02
Assets classified as held for sale	40	**19.27**	8.39
Total assets		**5,908.47**	6,176.42
II Equity and liabilities			
Equity			
(a) Equity share capital	13	**45.10**	45.10
(b) Other equity	14	**2,548.79**	1,971.51
Total equity		**2,593.89**	2,016.61
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	**1,320.15**	2,644.07
(ii) Lease liabilities	04	**87.25**	89.04
(b) Provisions	16	**35.63**	70.20
(c) Deferred tax liabilities (net)	17	**44.53**	-
Total non-current liabilities		**1,487.56**	2,803.31
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	04	**16.82**	21.84
(ii) Derivative liabilities		**5.46**	-
(iii) Trade payables	18		
- total outstanding dues of micro and small enterprises		**63.86**	10.85
- total outstanding dues of creditors other than micro and small enterprises		**1,165.38**	800.71
(iv) Other financial liabilities	20	**147.74**	150.72
(b) Provisions	16	**80.88**	217.04
(c) Other current liabilities	19	**292.98**	101.44
(d) Current tax liabilities (net)	21 (i)	**53.90**	53.90
Total current liabilities		**1,827.02**	1,356.50
Total liabilities		**3,314.58**	4,159.81
Total equity and liabilities		**5,908.47**	6,176.42

Notes forming an integral part of the standalone financial statements **1 to 49**

This is the Balance Sheet referred to in our report of even date
For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number - 304026E/E-300009
Chartered Accountants

For and on behalf of the Board of Directors

Pinaki Chowdhury
Partner
Membership No. 057572

T V Narendran
Chairman
DIN: 03083605

Ashish Anupam
Managing Director
DIN: 08384201

S K Mishra
Chief Financial Officer

S K Shrivastav
Joint Chief Financial Officer

Sankar Bhattacharya
Company Secretary

Place: Kolkata
Date: April 20, 2021

Place: Jamshedpur
Date: April 20, 2021

TATA STEEL LONG PRODUCTS LIMITED (formerly known as Tata Sponge Iron Limited)
Standalone Statement of Profit and Loss for the year ended March 31, 2021

Rs. in crores

		Notes	Year ended March 31, 2021	Year ended March 31, 2020
I	Revenue from operations	22	**4,749.87**	3,489.99
II	Other income	23	**78.23**	81.26
III	**Total income (I + II)**		**4,828.10**	3,571.25
IV	**Expenses:**			
	Cost of materials consumed	24	**2,181.96**	2,392.29
	Changes in inventories of finished and semi finished goods	25	**56.49**	(209.65)
	Employee benefits expense	26	**214.81**	192.11
	Finance costs	27	**234.63**	292.84
	Depreciation and amortisation expense	28	**327.19**	310.79
	Other expenses	29	**1,198.19**	961.97
	Total expenses (IV)		**4,213.27**	3,940.35
V	**Profit / (loss) before exceptional items (III - IV)**		**614.83**	(369.10)
VI	**Exceptional items**			
	Acquisition related expenditure	35 (i)	**-**	27.42
	Provision for coal block performance obligation	35 (ii)	**-**	133.72
	Total exceptional items (VI)		**-**	161.14
VII	**Profit / (loss) before tax (V-VI)**		**614.83**	(530.24)
VIII	**Tax expense:**			
	(1) Current tax	17 (ii)	**-**	-
	(2) Deferred tax	17 (i)	**42.86**	(13.96)
	Total tax expense (VIII)		**42.86**	(13.96)
IX	**Profit / (loss) for the year (VII- VIII)**		**571.97**	(516.28)
X	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurement gain / (loss) of the defined benefit plans		**3.78**	(14.43)
	(b) Income tax relating to above		**(0.95)**	4.95
	(c) Changes in fair value of FVOCI equity instruments		**3.20**	3.12
	(d) Income tax relating to above		**(0.72)**	(0.71)
	Total other comprehensive income (X)		**5.31**	(7.07)
XI	**Total comprehensive income for the year (IX + X)** (Comprising profit / (loss) and other comprehensive income for the year)		**577.28**	(523.35)
XII	**Earnings / (loss) per equity share (face value of Rs. 10 each) :**	32		
	(1) Basic (in Rs.)		**126.82**	(142.82)
	(2) Diluted (in Rs.)		**126.82**	(142.82)

Notes forming an integral part of the standalone financial statements **1 to 49**

This is the Statement of Profit and Loss referred to in our report of even date
For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number - 304026E/E-300009
Chartered Accountants

For and on behalf of the Board of Directors

Pinaki Chowdhury
Partner
Membership No. 057572

T V Narendran
Chairman
DIN: 03083605

Ashish Anupam
Managing Director
DIN: 08384201

S K Mishra
Chief Financial Officer

S K Shrivastav
Joint Chief Financial Officer

Sankar Bhattacharya
Company Secretary

Place: Kolkata
Date: April 20, 2021

Place: Jamshedpur
Date: April 20, 2021

TATA STEEL LONG PRODUCTS LIMITED (formerly known as Tata Sponge Iron Limited)
Standalone Statement of changes in equity for the year ended March 31, 2021

(A) Equity share capital

	Notes	Rs. in crores
As at April 1, 2019	**13**	15.40
Changes in equity share capital during the year*		29.70
As at March 31, 2020		45.10
Changes in equity share capital during the year		-
As at March 31, 2021		**45.10**

(*) The Company issued 29,700,000 fully paid equity shares of face value of Rs. 10 each on rights basis to eligible equity shareholders of the Company for cash at a price of Rs. 500 per fully paid shares (including a premium of Rs. 490 per fully paid share) in the ratio of 15 fully paid shares for every 7 equity shares held by eligible equity shareholders on June 25, 2019 (record date).

(B) Other equity

Rs. in crores

		Reserves and surplus				Other reserves	
Particulars	**Notes**	**General reserves**	**Securities premium**	**Retained earnings**	**Remeasurement gain / (loss) on defined benefit plans**	**Equity instruments through other comprehensive income**	**Total**
As at April 1, 2019	**14**	900.00	-	159.54	(1.37)	9.91	1,068.08
Loss for the year		-	-	(516.28)	-	-	(516.28)
Received on issue of ordinary shares through right issue during the year		-	1,449.99	-	-	-	1,449.99
Changes in fair value of FVOCI equity instruments		-	-	-	-	3.12	3.12
Remeasurement gain / (loss) on defined benefit plans		-	-	-	(14.43)	-	(14.43)
Tax impact on items of other comprehensive income (OCI)		-	-	-	4.95	(0.71)	4.24
Transactions with the owners in their capacity as owners							
Dividend paid during the year	**30(b)**	-	-	(19.25)	-	-	(19.25)
Tax on dividend	**30(b)**	-	-	(3.96)	-	-	(3.96)
Balance as at March 31, 2020	**14**	900.00	1,449.99	(379.95)	(10.85)	12.32	1,971.51
Profit for the year		**-**	**-**	**571.97**	**-**	**-**	**571.97**
Received on issue of ordinary shares through right issue during the year		**-**	**-**	**-**	**-**	**-**	**-**
Changes in fair value of FVOCI equity instruments		**-**	**-**	**-**	**-**	**3.20**	**3.20**
Remeasurement gain / (loss) on defined benefit plans		**-**	**-**	**-**	**3.78**	**-**	**3.78**
Tax impact on items of other comprehensive income (OCI)		**-**	**-**	**-**	**(0.95)**	**(0.72)**	**(1.67)**
Transactions with the owners in their capacity as owners							
Dividend paid during the year	**30(b)**	**-**	**-**	**-**	**-**	**-**	**-**
Tax on dividend	**30(b)**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at March 31, 2021	**14**	**900.00**	**1,449.99**	**192.02**	**(8.02)**	**14.80**	**2,548.79**

Notes forming an integral part of the standalone financial statements **1 to 49**

This is the Statement of changes in equity referred to our report of even date
For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number - 304026E/E-300009
Chartered Accountants

For and on behalf of the Board of Directors

Pinaki Chowdhury
Partner
Membership No. 057572

T V Narendran
Chairman
DIN: 03083605

Ashish Anupam
Managing Director
DIN: 08384201

S K Mishra
Chief Financial Officer

S K Shrivastav
Joint Chief Financial Officer

Sankar Bhattacharya
Company Secretary

Place: Kolkata
Date: April 20, 2021

Place: Jamshedpur
Date: April 20, 2021

TATA STEEL LONG PRODUCTS LIMITED (formerly known as Tata Sponge Iron Limited)
Standalone Statement of Cash Flows for the year ended March 31, 2021

Rs. in crores

	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flows from operating activities		
Profit / (loss) before tax	**614.83**	(530.24)
Adjustments for:		
Depreciation and amortisation expense	**327.19**	310.79
Changes in fair value of financial assets / liabilities at fair value through profit or loss	**13.15**	(8.19)
Gain on cancellation of forward contracts	**(9.86)**	-
Dividend received from equity investments	**(2.44)**	(0.84)
Dividend from current investments	**-**	(4.46)
Gain on sale of current investments	**(3.89)**	(0.77)
Gain on sale of non-current investments	**-**	(2.01)
Loss on disposal of property, plant and equipment	**9.59**	2.07
Interest income	**(18.50)**	(45.53)
Finance costs	**234.63**	292.84
(Reversal) / Allowance for expected credit losses	**(3.19)**	3.47
Unrealised foreign exchange (gain) / loss	**(21.42)**	10.61
Provision for coal block performance obligation	**-**	133.72
Liabilities no longer required written back	**(32.96)**	(6.87)
Operating profit before working capital changes	**1,107.13**	154.59
Changes in operating assets and liabilities*		
(Increase) in Inventories	**(15.74)**	(435.95)
Decrease / (Increase) in Non-current/current financial and non-financial assets	**126.64**	(26.76)
Increase / (Decrease) in Non-current/current financial and non-financial liabilities/provisions	**478.15**	(20.56)
Cash generated / (used in) from operations	**1,696.18**	(328.68)
Income taxes (paid)	**(6.45)**	(6.97)
Net cash generated / (used in) from operating activities	**1,689.73**	(335.65)
B. Cash flows from investing activities		
Payments for purchases of property, plant and equipment (including capital advances)	**(42.47)**	(38.13)
Proceeds from disposal of property, plant and equipment	**1.62**	0.22
Payments for business combination	**-**	(3,906.12)
Proceeds from disposal of current investments (net)	**3.89**	121.74
Proceeds from disposal of Non- current investments	**-**	110.28
Fixed deposits matured (net)	**100.90**	80.61
Interest received	**24.65**	51.70
Dividend received from equity investments	**2.44**	0.84
Dividend received from current investments	**-**	4.46
Net cash generated from / (used in) investing activities	**91.03**	(3,574.40)
C. Cash flows from financing activities		
(Repayment of) / Proceeds from borrowings (net)	**(1,325.00)**	2,643.68
Proceeds from issue of equity share (net of issue expenses)	**-**	1,479.69
Finance costs paid (excluding interest towards lease liabilities)	**(227.88)**	(273.75)
Payment of lease liabilities	**(9.00)**	(11.12)
Interest paid on lease liabilities	**(7.40)**	(10.40)
Gain on cancellation of forward contracts	**9.86**	-
Dividend paid	**-**	(19.25)
Tax on dividend paid	**-**	(3.96)
Net cash (used in) / generated from financing activities	**(1,559.42)**	3,804.89
Net increase / (decrease) in cash or cash equivalents	**221.34**	(105.16)
Cash and cash equivalents at the beginning of the year (Refer Note 12(i))	**58.03**	163.19
Cash and cash equivalents at the end of the year (Refer Note 12(i))	**279.37**	58.03

Notes forming an integral part of the standalone financial statements **1 to 49**

*Changes in operating assets and liabilities for the year ended March 31, 2020 include non-cash adjustments related to the assets and liabilities of the business acquired. (Refer Note 38(a))

This is the Statement of Cash Flows referred to our in report of even date
For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number - 304026E/E-300009
Chartered Accountants

For and on behalf of the Board of Directors

Pinaki Chowdhury
Partner
Membership No. 057572

T V Narendran
Chairman
DIN: 03083605

Ashish Anupam
Managing Director
DIN: 08384201

S K Mishra
Chief Financial Officer

S K Shrivastav
Joint Chief Financial Officer

Sankar Bhattacharya
Company Secretary

Place: Kolkata
Date: April 20, 2021

Place: Jamshedpur
Date: April 20, 2021

01 Corporate information

Tata Steel Long Products Limited (‘TSLPL’ or ‘the Company’) is a public limited Company incorporated in India with its registered office at Joda, Odisha, India. The Company is a subsidiary of Tata Steel Limited. The equity shares of the Company are listed on two of the stock exchanges in India i.e. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The name of the Company has been changed from Tata Sponge Iron Limited to Tata Steel Long Products Limited with effect from August 20, 2019.

The Company has presence across the entire value chain of steel manufacturing from mining and processing iron ore to producing and distributing steel based long products. The Company also has sponge iron manufacturing facility and captive power plants generating power from waste heat and thermal coal.

The standalone financial statements were approved and authorised for issue with the resolution of the Company’s Board of Directors on April 20, 2021.

02 Significant accounting policies

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

02.01 Basis of accounting and preparation of financial statements

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

(ii) Historical cost convention
The standalone financial statements have been prepared on the historical cost basis except for the following:
● certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
● assets held for sale — measured at fair value less cost to sell;
● defined benefit plans — plan assets measured at fair value.

(iii) Current versus Non-current classification
The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:
i. expected to be realised or intended to be sold or consumed in the normal operating cycle,
ii. held primarily for the purpose of trading,
iii. expected to be realised within twelve months after the reporting period, or
iv. cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current.
A liability is classified as current when:
i. it is expected to be settled in the normal operating cycle,
ii. it is incurred primarily for the purpose of trading,
iii. it is due to be settled within twelve months after the reporting period, or
iv. there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
All other liabilities are classified as non-current.
Deferred tax assets and liabilities are classified as non-current.

02.02 Use of estimates and critical accounting judgments

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

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

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

The areas involving critical estimates or judgements are:

(i) Employee benefits (estimation of defined benefit obligation) - Refer Notes 02.16 and 37
Post-employment benefits represents obligation that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit cost over the employees' approximate service period, based on the terms of plans and the investment and funding decisions made. The accounting requires the company to make assumptions regarding variables such as discount rate and rate of compensation increase. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

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

(iii) Provision and contingent liabilities - Refer Notes 02.19, 02.20, 16 and 33
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, as disclosed in Note 33 and Note 34, are not recognised in the financial statements. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcomes. In the normal course of business, the Company consults with legal counsel and certain other experts on matters related to litigations. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

(iv) Deferred taxes - Refer Notes 02.17 and 17
Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

(v) Fair value measurements of financial instruments - Refer Notes 02.11 and 31
When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model and Comparable Company Method. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(vi) Impairment - Refer Notes 02.07, 03.05, 05.03 and 39
The Company estimates the value in use of the cash generating unit (CGU) based on future cash flows after considering current economic conditions and trends, estimated future operating results and growth rates and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate in order to calculate the present value.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets. The Company has identified two CGUs - Integrated steel manufacturing plant at Gamharia and Sponge iron manufacturing plant at Joda.

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

(viii) Allocation of purchase consideration over the fair value of assets and liabilities acquired in a business combination - Refer Notes 02.08 and 38
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 an independent expert appointed by the Company. 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 these were expected to be realised or settled respectively.

02.03 Property, plant and equipment

Items of Property, plant and equipment are stated at historical cost (also refer Note 02.08 on Business Combination related to identifiable Property, plant and equipment acquired under business combination) less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are recognised as an expense in the Statement of Profit and Loss during the reporting period in which they are

Depreciation method, estimated useful lives and residual values
Depreciation on property, plant and equipment is calculated on a pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual values, over their estimated useful lives. The useful lives determined are in line with the useful lives prescribed in Schedule II to the Act except in respect of certain plant and machinery, furniture and fixtures and vehicles, in whose case the life of the assets has been assessed, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc.

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

Category of assets	Useful life
Building	3 - 60 years
Plant and machinery and electrical installations	2 - 35 years
Furniture and fixtures	2 - 10 years
Office equipment	2 - 10 years
Vehicles	2 - 8 years
Railway sidings	8 - 15 years

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

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

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

02.04 Leases

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

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

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

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

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

Payments associated with short-term leases of offices are recognised on a straight-line basis as an expense in Statement of Profit and Loss. Short-term leases are leases with a lease term of 12 months or less.

Variable lease payments that depend on output generated are recognised in Statement of Profit and Loss in the period in which the condition that triggers those payment occurs.

02.05 Intangible assets

(i) Railway sidings (constructed)
Railway sidings is included in the Balance Sheet as an intangible asset where it is clearly linked to long term economic benefits for the Company. In this case it is measured at cost of construction and then amortised on a straight-line basis over their estimated useful lives.
Railway sidings are amortised on a straight-line basis over their estimated useful lives i.e. 5 years.

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

(iii) Mining rights (acquired)
Savings in the form of the differential in cost of acquisition of iron ore mined from the acquired mine and the cost incurred to acquire iron ore from the open market, adjusted for costs incurred to develop and maintain the acquired mine is accounted as intangible assets.
Mining rights are amortised on the basis of production from mines.

02.06 Research and development

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

02.07 Impairment of non-financial assets

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

02.08 Business combinations

The acquisition method of accounting is used to account for all business combinations related to acquisitions, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition is measured at
● fair values of the assets transferred;
● liabilities incurred to the former owners of the acquired business;
● fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

02.09 Investment in subsidiaries

Investments in subsidiaries are stated at cost less provision for impairment loss, if any. Investments are tested for impairment wherever event or changes in circumstances indicate that the carrying amount may not be recoverable.
An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

02.10 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

02.11 Investments (other than investments in subsidiaries) and other financial assets

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

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

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

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

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

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

Equity Instruments
The Company subsequently measures all equity investments at fair value. Where the Company’s management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in ‘Other Income’ in the Statement of Profit and Loss.

(iii) Impairment of financial assets
The Company assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 31 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets
A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset.

Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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

(vi) Dividend income
Dividend is recognised as other income in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

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

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

02.12 Financial liabilities and equity instruments

(i) Classification as debt or equity
Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

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

Financial liabilities
Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.
Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

(iii) De-recognition of financial liabilities
The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

02.13 Derivatives and hedging activities

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 fluctuations. The instruments are confined principally to forward foreign exchange contracts.

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Derivative Instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other Income'/'Other Expenses'.

02.14 Trade receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

02.15 Trade payables

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

02.16 Employee benefits

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

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

Eligible employees (except certain employees) of the Company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the 'Tata Sponge Employees Provident Fund Trust'. The trust invests in specific designated instruments as prescribed by the Government. The remaining portion is contributed to the Government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The contributions made by the Company and the shortfall of interest, if any, are recognised as an expense in the Statement of Profit and Loss under employee benefits expense.

(b) Defined contribution plans
Contributions under defined contribution plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

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

02.17 Income tax

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

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

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

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

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

02.18 Inventories

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

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.

02.19 Provisions and contingent liabilities

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

Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the time value of money is material, provisions are measured on a discounted basis.

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

02.20 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 its mining site.

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.

02.21 Revenue recognition

(i) Sale of goods and product scrap
Revenue from sale of goods and product scrap is recognised when the control over such goods have been transferred, being when the goods are delivered to the customers. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, risks of loss have been transferred to the customers, and either the customer has accepted the goods in accordance with the sales contract or the acceptance provisions have lapsed or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue from these sales are recognised based on the price specified in the contract, which is generally fixed. No element of financing is deemed present as the sales are made against the receipt of advance or with an agreed credit period of upto 90 days, which is consistent with the market practices. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

(ii) Sale of Power
Revenue from the sale of power is recognised when the control has been transferred to the customer, being when the power have been transmitted to the buyer as per the terms of contract with the customer. Revenue from sale of power is recognised based on the price specified in the agreement, which is fixed. No element of financing is deemed present as the sales are made with an agreed credit period of 30 days, which is consistent with the market practices. A receivable is recognised when the power have been transmitted as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

(iii) Income from services
The Company acts as a conversion agent for conversion of iron ore fines into pellets and provides marketing and sales support services for facilitating sales of sponge iron products. Revenue from services is recognised when the control has been transferred to the customer, being when the service is rendered to the buyer as per the terms of contract with the customer. A receivable is recognised when the converted pellets are despatched or sponge iron products are sold as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

02.22 Government grants

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

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

02.23 Foreign currency transactions and translation

(i) Functional and presentation currency
Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The standalone financial statements are presented in Indian Rupee (Rs.), which is the Company's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. 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. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in the Statement of Profit and Loss.

All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within 'Other Income'/'Other Expenses'. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

02.24 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

Non-current assets 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, 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.

02.25 Borrowings 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. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

02.26 Earnings per share

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

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

02.27 Cash and cash equivalents

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

02.28 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Managing Director of the Company. Refer Note 41 for segment information presented.

02.29 New and amended standards adopted by the Company

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2020:
• Definition of Material – amendments to Ind AS 1 and Ind AS 8
• Definition of a Business – amendments to Ind AS 103
• COVID-19 related concessions – amendments to Ind AS 116
• Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

There is no impact on the Company due to the application of the above amendments.

02.30 Rounding of amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest crores (Rs. 0,000,000) as per the requirement of the Schedule III, unless otherwise stated.

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

Rs. in crores

Carrying amounts of:	As at March 31, 2021	As at March 31, 2020
Freehold land	**202.04**	204.03
Freehold buildings	**201.74**	206.34
Plant and equipment	**2,979.99**	3,175.93
Furniture and fixtures	**1.09**	1.38
Electrical Installations	**399.41**	438.46
Office equipment	**3.84**	4.55
Vehicles	**0.72**	1.35
Mining lease and development	**14.80**	18.09
Railway Sidings	**18.99**	21.33
Total	**3,822.62**	4,071.46
Capital work-in-progress	**23.89**	36.69
Total	**23.89**	36.69

Rs. in crores

	Freehold land	Freehold buildings	Plant and equipment	Furniture and fixtures	Electrical Installations	Office equipment	Vehicles	Mining lease and development	Railway Sidings	Total
Cost/deemed cost										
Balance as at April 1, 2019	85.89	32.02	129.17	0.37	-	4.02	1.45	-	-	252.92
Additions during the year	-	2.94	18.44	0.83	0.96	1.46	-	-	-	24.63
Assets acquired under business combination (Refer Note 38(a))	118.14	191.77	3,270.78	0.95	477.20	2.21	1.03	20.48	23.63	4,106.19
Assets disposed / written off during the year	-	-	3.15	-	-	0.18	0.37	-	-	3.70
Balance as at March 31, 2020	204.03	226.73	3,415.24	2.15	478.16	7.51	2.11	20.48	23.63	4,380.04
Additions during the year	**-**	**11.18**	**39.89**	**0.14**	**1.74**	**1.21**	**-**	**-**	**-**	**54.16**
Assets disposed / written off during the year	**-**	**-**	**14.07**	**0.17**	**0.36**	**0.11**	**0.36**	**-**	**-**	**15.07**
Classified as held for sale (Refer Note 40(b))	**1.99**	**4.64**	**0.28**	**0.09**	**-**	**0.03**	**0.09**	**-**	**-**	**7.12**
Balance as at March 31, 2021	**202.04**	**233.27**	**3,440.78**	**2.03**	**479.54**	**8.58**	**1.66**	**20.48**	**23.63**	**4,412.01**
Accumulated depreciation										
Accumulated depreciation as at April 1, 2019	-	8.27	22.99	0.24	-	1.45	0.24	-	-	33.19
Charge for the year	-	12.12	217.49	0.53	39.70	1.69	0.58	2.39	2.30	276.80
Depreciation on assets disposed / written off during the year	-	-	1.17	-	-	0.18	0.06	-	-	1.41
Accumulated depreciation as at March 31, 2020	-	20.39	239.31	0.77	39.70	2.96	0.76	2.39	2.30	308.58
Charge for the year	**-**	**12.36**	**224.90**	**0.42**	**40.58**	**1.89**	**0.50**	**3.29**	**2.34**	**286.28**
Depreciation on assets disposed / written off during the year	**-**	**-**	**3.25**	**0.16**	**0.15**	**0.08**	**0.24**	**-**	**-**	**3.88**
Classified as held for sale (Refer Note 40(b))	**-**	**1.22**	**0.17**	**0.09**	**-**	**0.03**	**0.08**	**-**	**-**	**1.59**
Accumulated depreciation as at March 31, 2021	**-**	**31.53**	**460.79**	**0.94**	**80.13**	**4.74**	**0.94**	**5.68**	**4.64**	**589.39**
Carrying amount										
Balance as at March 31, 2020	204.03	206.34	3,175.93	1.38	438.46	4.55	1.35	18.09	21.33	4,071.46
Balance as at March 31, 2021	**202.04**	**201.74**	**2,979.99**	**1.09**	**399.41**	**3.84**	**0.72**	**14.80**	**18.99**	**3,822.62**

Notes :

03.01 Title deeds of certain freehold lands with gross and net carrying amount of **Rs. 77.35 crores** (March 31, 2020 : Rs. 77.35 crores) and title deeds of certain freehold buildings with gross carrying amount and net carrying amount of **Rs. 0.71 crore** (March 31, 2020 : Rs. 0.71 crore) and **Rs. 0.52 crore** (March 31, 2020 : Rs. 0.63 crore) respectively are not yet transferred in the name of the Company.

03.02 Refer Note 44 for information on property, plant and equipment hypothecated as security by the Company.

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

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

03.05 For the year ended March 31, 2021, there were no impairment indicators noted.

For the year ended March 31, 2020, the Company had assessed the goodwill for impairment and based on such assessment, no impairment was considered necessary. The goodwill is attributable to the acquired business CGU i.e. Integrated steel manufacturing plant at Gamharia. The acquisition had been considered as a CGU and the carrying value of Property, plant and equipment (including Capital work-in-progress), Right-of-use assets, Intangible assets and goodwill aggregated Rs. 4,510.20 crores as at the year ended March 31, 2020. The CGU was tested for impairment as at the year ended March 31, 2020. The recoverable amount of the CGUs was determined based on value-in-use calculations which require the use of assumptions. These calculations were based on cash flow forecasts approved by the Company covering a five year projection period and considering the financial performance of the period post-acquisition and perpetuity growth thereafter. The assumptions and the approach used to determine the value in use were - Sales volume annual growth rate of 8% and 18% (over FY 20) in FY 21 and FY 22 respectively and stable volume assumed over the projection period and thereafter 1% growth in perpetuity. These values were determined based on management's expectations of market and prices. The Company expected Earnings before interest, depreciation (including amortisation) (EBITDA) (% of sales) to improve from 2% during the period FY 20 to 19.9% during March 31, 2025 and stable thereafter. A pretax discount rate of 11.63% and sensitivity thereof was used reflecting risks relating to the business in which the CGU operates. The recoverable amount so determined exceeded the carrying values of the assets. For sensitivity, even if the discount rate been higher by 2% or the EBITDA percent applied to the cash flow projections of this CGU been lower than management's estimates by 2%, provision for impairment would not have been required. The Directors and management had considered and assessed reasonably possible changes for other key assumptions and had not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount.

04 Leases

(a) The Company as a lessee

The Company has lease contracts for various items of plant and equipment, various offices and leased land. Leases of plant and equipment generally have lease terms between 9 to 26 years, offices generally have lease terms between 12 months to 4 years and leases of land generally have lease terms between 30 years to 100 years. Generally, the Company is restricted from assigning or subleasing the leased assets. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may be used as security for borrowing purposes.

The Company also has certain leases of offices with lease term of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

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

Rs. in crores

	As at March 31, 2021	As at March 31, 2020
Right-of-use land	124.09	128.52
Right-of-use plant and equipment	96.05	107.70
Right-of-use buildings	3.76	3.30
Total Right-of-use assets	**223.90**	**239.52**

Rs. in crores

	Right-of-use land	Right-of-use plant and equipment	Right-of-use buildings	Total Right-of-use assets
Cost/deemed cost				
Balance as at April 1, 2019	0.26	-	0.28	0.54
Additions during the year	-	-	-	-
Assets acquired under business combination (Refer Note 38(a))	132.69	119.12	3.30	255.11
Assets disposed / written off during the year	-	-	-	-
Balance as at March 31, 2020	132.95	119.12	3.58	255.65
Additions during the year	-	-	0.63	0.63
Assets disposed / written off during the year	-	-	-	-
Balance as at March 31, 2021	**132.95**	**119.12**	**4.21**	**256.28**
Accumulated depreciation				
Accumulated depreciation as at April 1, 2019	-	-	-	-
Charge for the year	4.43	11.42	0.28	16.13
Accumulated depreciation as at March 31, 2020	4.43	11.42	0.28	16.13
Charge for the year	4.43	11.65	0.17	16.25
Accumulated depreciation as at March 31, 2021	**8.86**	**23.07**	**0.45**	**32.38**
Carrying amount				
Balance as at March 31, 2020	128.52	107.70	3.30	239.52
Balance as at March 31, 2021	124.09	96.05	3.76	223.90

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

Rs. in crores

	As at March 31, 2021	As at March 31, 2020
Balance as at beginning of the year	110.88	0.28
Additions during the year	0.05	-
Lease liabilities acquired under business combination (Refer Note 38(a))	-	121.72
Finance costs during the year	9.54	10.40
Lease payments during the year	(16.40)	(21.52)
Balance as at end of the year	**104.07**	**110.88**
Current lease liabilities	16.82	21.84
Non-current lease liabilities	87.25	89.04

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on an undiscounted basis -

Rs. in crores

	As at March 31, 2021	As at March 31, 2020
Less than one year	25.23	21.84
One to five years	53.64	60.55
More than five years	81.67	94.49
Total	**160.54**	**176.88**

(d) Following are the amounts recognised in the Standalone Statement of profit and loss	**Year ended March 31, 2021**	Year ended March 31, 2020
		Rs. in crores
Depreciation expense on right-of-use assets (Refer Note 28)	**16.25**	16.13
Interest expense on lease liabilities (Refer Note 27)	**9.54**	10.40
Expense relating to short-term leases (included in other expenses)	**3.09**	3.29
Expense relating to variable lease payments not included in the measurement of the lease liability (included in other expenses) (Refer note (ii) below)	**6.96**	1.01
Total amount recognised in the Standalone Statement of profit and loss	**35.84**	30.83

(i) The Company does not have any leases of low value assets and income from subleasing.

(ii) Some of the plant and machineries leases, in which the Company is lessee contain variable lease payments that are linked to output generated. Variable lease payments are used to link rental payments to output generated and reduce fixed costs. The breakdown of lease payment is as below:

	Year ended March 31, 2021	Year ended March 31, 2020
		Rs. in crores
Fixed payments	**-**	-
Variable payments	**6.96**	1.01
Total payments	**6.96**	1.01

Overall the variable payments constitute up to approximately 25 per cent of the Company's entire lease payments. The Company expects this ratio to constant in future years.

(iii) Extension and termination options are included in major leases contracts of the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company’s operations. The majority of extension and termination options held are exercisable by both the Company and lessor.

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

(v) The Company had a total cash outflows of **Rs. 16.40 crores** for leases for the year ended March 31, 2021 (March 31, 2020 : Rs. 21.52 crores).

(e) Title deeds of certain leasehold lands as set out in Note 4(b) above with gross carrying amount and net carrying amount **Rs. 0.87 crore** (March 31, 2020 : Rs. 0.87 crore) and **Rs. 0.81 crore** (March 31, 2020 : Rs. 0.84 crore) respectively, and certain leasehold buildings as set out in Note 4(b) above with gross carrying amount and net carrying amount of **Rs. 3.30 crores** (March 31, 2020 : Rs. 3.30 crores) and **Rs. 3.15 crores** (March 31, 2020 : Rs. 3.23 crores) respectively are not yet transferred in the name of the Company.

05 Other intangible assets

Rs. in crores

Carrying amounts of:	**As at March 31, 2021**	As at March 31, 2020
Computer software (acquired)	**0.36**	0.30
Railway sidings (constructed)	**-**	-
Mining rights (acquired)	**289.01**	297.91
Total intangible assets	**289.37**	298.21

Rs. in crores

	Computer software (acquired)	**Railway sidings (constructed)**	**Mining rights (acquired)**	**Total intangible assets**
Cost/deemed cost				
Balance as at April 1, 2019	0.10	7.26	-	7.36
Additions during the year	0.28	-	-	0.28
Assets acquired under business combination (Refer Note 38(a))	-	-	315.20	315.20
Assets disposed / written off during the year	0.03	-	-	0.03
Balance as at March 31, 2020	0.35	7.26	315.20	322.81
Additions during the year	**0.16**	**-**	**15.66**	**15.82**
Assets disposed / written off during the year	**-**	**-**	**-**	**-**
Balance as at March 31, 2021	**0.51**	**7.26**	**330.86**	**338.63**
Accumulated amortisation				
Accumulated amortisation as at April 1, 2019	0.04	6.73	-	6.77
Charge for the year	0.04	0.53	17.29	17.86
Amortisation of assets disposed / written off during the year	0.03	-	-	0.03
Accumulated amortisation as at March 31, 2020	0.05	7.26	17.29	24.60
Charge for the year	**0.10**	**-**	**24.56**	**24.66**
Amortisation of assets disposed / written off during the year	**-**	**-**	-	**-**
Accumulated amortisation as at March 31, 2021	**0.15**	**7.26**	**41.85**	**49.26**
Carrying amount				
Balance as at March 31, 2020	0.30	-	297.91	298.21
Balance as at March 31, 2021	**0.36**	**-**	**289.01**	**289.37**

Notes

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

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

05.03 For the year ended March 31, 2021, there were no impairment indicators noted (Refer Note 03.05).

06 Investments

Rs. in crores

	As at March 31, 2021	As at March 31, 2020
Non-current investments (unquoted)		
(A) Investment in equity instruments		
Investment in subsidiary company		
TSIL Energy Limited (Refer note 06.2 below)	**1.06**	1.06
1,060,060 (March 31, 2020: 1,060,060) equity shares of Rs. 10 each fully paid up		
Investment in other body corporates @		
Jamipol Limited	**19.60**	16.40
800,000 (March 31, 2020: 800,000) equity shares of Rs. 10 each fully paid up		
Total Non - current investments	**20.66**	17.46
Aggregate amount of unquoted investments	**20.66**	17.46
@ Investments carried at fair value through other comprehensive income [Refer Note 31(b)(i)]	**19.60**	16.40

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

06.2 The Boards of the Company and TSIL Energy Limited, a 100% subsidiary of the Company, in their meeting dated January 14, 2021 and April 19, 2021 respectively, discussed management's proposal of striking off/ liquidation of inoperative TSIL Energy Limited. Both the Boards have advised the management to suggest the modalities of liquidation at a subsequent meeting. The Company has assessed the recoverability of investments in the Subsidiary Company and has concluded that there are no adjustments required in the Standalone Financial Statements.

07 Loans

(Unsecured, considered good unless stated otherwise)

Rs. in crores

	As at March 31, 2021		As at March 31, 2020	
	Non-current	**Current**	Non-current	Current
Loan to employees	**0.04**	**0.17**	0.03	0.19
Security deposits				
Considered good	**1.24**	**2.50**	0.96	5.42
Credit impaired	**-**	**0.23**	-	0.23
Less: Allowance for credit losses	**-**	**(0.23)**	-	(0.23)
	1.28	**2.67**	0.99	5.61

08 Other financial assets

(Unsecured, considered good unless stated otherwise)

Rs. in crores

		As at March 31, 2021		As at March 31, 2020	
		Non-current	**Current**	Non-current	Current
(a)	Interest accrued on deposits and loans	**0.16**	**0.50**	0.10	6.71
(b)	Deposit with banks and others with maturity period more than 12 months				
	[Above deposits includes **Rs. 0.85 crores as at March 31, 2021** (Rs.0.84 crores as at March 31, 2020) pledged with government authorities]	**0.85**	**-**	0.84	-
(c)	Contract assets	**-**	**13.33**	-	7.54
(d)	Receivable against deallocation of coal block (Refer Note 33(d)(i))	**-**	**167.92**	-	-
(e)	Others	**-**	**0.67**	-	0.68
		1.01	**182.42**	0.94	14.93

09 Other assets

(Unsecured, considered good unless stated otherwise)

Rs. in crores

		As at March 31, 2021		As at March 31, 2020	
		Non-current	**Current**	Non-current	Current
(a)	Capital advances	**3.65**	**-**	172.57	-
(b)	Indemnification assets	**-**	**2.29**	-	8.38
(c)	Advances to related parties (Refer Note 36)	**-**	**0.76**	-	3.10
(d)	Other loans and advances				
	(i) Advances with public bodies				
	Considered good	**1.43**	**63.65**	7.48	61.73
	Considered doubtful	**6.09**	**-**	-	-
	Less : Provision for doubtful advances	**(6.09)**	**-**	-	-
	(ii) Other advances and prepayments				
	Considered good	**15.38**	**15.26**	15.33	48.61
	Considered doubtful	**-**	**12.56**	-	13.16
	Less : Provision for doubtful advances	**-**	**(12.56)**	-	(13.16)
		20.46	**81.96**	195.38	121.82

Rs. in crores

10 Inventories

(lower of cost and net realisable value)

	As at March 31, 2021	As at March 31, 2020
(a) Raw materials	**550.62**	470.46
(b) Finished and semi-finished goods	**202.57**	259.06
(c) Stores and spares	**59.52**	67.45
	812.71	796.97
Included above, goods-in-transit		
(a) Raw materials	**271.00**	197.62
(b) Finished and semi-finished goods	**39.98**	12.01
(c) Stores and spares	**1.83**	7.75
	312.81	217.38

Note:

(i) Value of inventories above is stated after provisions **Rs. 10.08 crores** (as at March 31, 2020 : Rs. 10.85 crores) for write-downs to net realisable value and provision for slow-moving and obsolete items.

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

Rs. in crores

11 Trade receivables

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good	**75.15**	155.88
Unsecured, credit impaired	**23.30**	26.26
Less : Allowance for expected credit loss	**(23.30)**	(26.26)
Total trade receivables	**75.15**	155.88
Trade receivables from related parties (Refer Note 36)	**53.27**	75.64
Trade receivables other than related parties	**45.18**	106.50
Less: Allowance for expected credit losses	**(23.30)**	(26.26)
	75.15	155.88

(i) Ageing of trade receivables and credit risk arising therefrom is as below:

Rs. in crores

	As at March 31, 2021			
	Gross credit risk	Covered by letter of credit	Allowance for credit losses	Net credit risk
Amount not yet due	**28.94**	**7.16**	**-**	**21.78**
One month overdue	**23.17**	**-**	**-**	**23.17**
Two months overdue	**0.28**	**-**	**-**	**0.28**
Three months overdue	**6.86**	**-**	**-**	**6.86**
Between three to six months overdue	**6.61**	**-**	**0.04**	**6.57**
Greater than six months overdue	**32.59**	**-**	**23.26**	**9.33**
	98.45	**7.16**	**23.30**	**67.99**

	As at March 31, 2020			
	Gross credit risk	Covered by letter of credit	Allowance for credit losses	Net credit risk
Amount not yet due	80.78	53.81	-	26.97
One month overdue	62.23	-	-	62.23
Two months overdue	11.83	-	-	11.83
Three months overdue	0.05	-	-	0.05
Between three to six months overdue	0.98	-	-	0.98
Greater than six months overdue	26.27	-	26.26	0.01
	182.14	53.81	26.26	102.07

(ii) Movements in allowance for credit losses of receivables is as below:

Rs. in crores

	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	**26.26**	-
Acquired under business combination (Refer Note 38)	**-**	22.79
(Release) / Charge during the year	**(3.19)**	3.47
Utilised during the year	**0.23**	-
Balance at the end of the year	**23.30**	26.26

(iii) The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2021 to be **Rs. 67.99 crores** (March 31, 2020: Rs. 102.07 crores).

(iv) There is **one customer** who represents more than 10% of total balance of Trade Receivables as at March 31, 2021. (March 31, 2020 : two customers)

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

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

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

Rs. in crores

12 (i) Cash and cash equivalents	As at March 31, 2021	As at March 31, 2020
(a) Balances with scheduled banks		
(1) In current accounts	**124.61**	33.03
(2) In fixed deposit accounts having original maturity of three months or less	**154.75**	24.99
(b) Cash on hand	**0.01**	0.01
Total Cash and cash equivalents as per Statement of Cash Flows	**279.37**	58.03

(ii) Bank balances other than (i) above		
(a) In Unclaimed Dividend Accounts @	**2.41**	2.67
(b) In fixed deposit accounts (with original maturity of more than three months and maturing within twelve months from the balance sheet date) #	**-**	100.91
	2.41	103.58
@ Includes earmarked balances in unclaimed dividend accounts	**2.41**	2.67
# Pledged towards bank guarantee	**-**	100.91

(iii) There are no repatriation restrictions with regard to Cash and cash equivalents as at the year end of the current reporting period and prior period.

Rs. in crores

13 Equity share capital	**As at March 31, 2021**	As at March 31, 2020
(a) Authorised share capital:		
75,000,000 fully paid equity shares of Rs. 10 each	**75.00**	75.00
(As at March 31, 2020: 75,000,000 fully paid equity shares of Rs. 10 each)		
	75.00	75.00
(b) Issued, subscribed and fully paid up :		
45,100,000 equity shares of Rs. 10 each	**45.10**	45.10
(As at March 31, 2020: 45,100,000 fully paid equity shares of Rs. 10 each)		
	45.10	45.10

(c) Fully paid equity shares

	No. of equity shares	**Amount Rs. in crores**
Equity shares of Rs. 10 each		
As at April 1, 2019	1,54,00,000	15.40
Changes in equity share capital during the year	2,97,00,000	29.70
As at March 31, 2020	4,51,00,000	45.10
Changes in equity share capital during the year	**-**	**-**
As at March 31, 2021	**4,51,00,000**	**45.10**

The Company issued 29,700,000 fully paid equity shares of face value of Rs. 10 each on rights basis to eligible equity shareholders of the Company for cash at a price of Rs. 500 per fully paid shares (including a premium of Rs. 490 per fully paid share) in the ratio of 15 fully paid shares for every 7 equity shares held by eligible equity shareholders on June 25, 2019 (record date).

(d) Shares held by holding company

	As at March 31, 2021		As at March 31, 2020	
	No. of equity shares	**%**	No. of equity shares	%
Fully paid equity shares				
Tata Steel Limited (Holding Company)	**3,37,86,521**	**74.91%**	3,42,37,521	75.91%
	3,37,86,521	**74.91%**	3,42,37,521	75.91%

(e) Details of shareholders holding more than 5% of outstanding shares

	As at March 31, 2021		As at March 31, 2020	
	No. of equity shares	**%**	No. of equity shares	%
Fully paid equity shares				
Tata Steel Limited (Holding Company)	**3,37,86,521**	**74.91%**	3,42,37,521	75.91%
Nippon India Small Cap Fund (formerly known as Reliance Small Cap Fund)			22,79,216	5.05%

(f) Rights, preferences and restrictions attached to shares
The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Rs. in crores

13 A Preference share capital	**As at March 31, 2021**	As at March 31, 2020
(a) Authorised Share Capital:		
200,000,000 Non-Convertible Redeemable Preference Shares of Rs. 100 each	**2,000.00**	2,000.00
(As at March 31, 2020: 200,000,000 Non-Convertible Redeemable Preference Shares of Rs. 100 each)		
	2,000.00	2,000.00

(b) Rights, preferences and restrictions attached to preference shares

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 Equity Shares of the Company, but shall not confer any further or other rights in participating in surplus funds. Such shares shall confer on the holders thereof, the right to a fixed preferential dividend from the date of allotment at 11.30% p.a. and shall be redeemable at par upon maturity or optional early redemption at the option of the Company annually at 12 monthly intervals from the date of allotment. These shares shall carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013.

(c) These preference shares are yet to be issued and are included above for disclosure for authorised share capital only.

14 Other equity

Rs. in crores

	As at March 31, 2021	As at March 31, 2020
General reserves	**900.00**	900.00
Securities premium	**1,449.99**	1,449.99
Retained earnings	**192.02**	(379.95)
Remeasurement gain / (loss) on defined benefit plans	**(8.02)**	(10.85)
Equity instruments through other comprehensive income	**14.80**	12.32
Total	**2,548.79**	1,971.51

Rs. in crores

Particulars	Reserves and surplus				Other Reserves	Total
	General reserves [Refer (a) below]	Securities premium [Refer (b) below]	Retained earnings [Refer (c) below]	Remeasurement gain / (loss) on defined benefit plans [Refer (d) below]	Equity instruments through other comprehensive income [Refer (e) below]	
Balance as at April 1, 2019	900.00	-	159.54	(1.37)	9.91	1,068.08
Loss for the year	-	-	(516.28)	-	-	(516.28)
Received on issue of ordinary shares through right issue during the year	-	1,449.99	-	-	-	1,449.99
Changes in fair value of FVOCI equity instruments	-	-	-	-	3.12	3.12
Remeasurement gain / (loss) on defined benefit plans	-	-	-	(14.43)	-	(14.43)
Tax impact on items of other comprehensive income (OCI)	-	-	-	4.95	(0.71)	4.24
Transactions with the owners in their capacity as owners					-	
Dividend paid during the year [Refer note 30(b)]	-	-	(19.25)	-	-	(19.25)
Tax on dividend [Refer note 30(b)]	-	-	(3.96)	-	-	(3.96)
Balance as at March 31, 2020	900.00	1,449.99	(379.95)	(10.85)	12.32	1,971.51
Profit for the year	-	-	**571.97**	**-**	**-**	**571.97**
Received on issue of ordinary shares through right issue during the year	-	-	**-**	**-**	**-**	**-**
Changes in fair value of FVOCI equity instruments	-	-	**-**	**-**	**3.20**	**3.20**
Remeasurement gain / (loss) on defined benefit plans	-	-	**-**	**3.78**	**-**	**3.78**
Tax impact on items of other comprehensive income (OCI)	-	-	**-**	**(0.95)**	**(0.72)**	**(1.67)**
Transactions with the owners in their capacity as owners						
Dividend paid during the year [Refer note 30(b)]	-	-	**-**	**-**	**-**	**-**
Tax on dividend [Refer note 30(b)]	-	-	**-**	**-**	**-**	**-**
Balance as at March 31, 2021	**900.00**	**1,449.99**	**192.02**	**(8.02)**	**14.80**	**2,548.79**

(a) General reserves

Under the erstwhile Indian 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 introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

(b) Securities premium

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

Rs. in crores

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	**1,449.99**	-
Received/transfer on issue of Shares during the year	**-**	1,455.30
Equity issue expenses adjusted during the year	**-**	(5.31)
Balance at the end of the year	**1,449.99**	1,449.99

(c) Retained Earnings

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

(d) Remeasurement gains / (losses) defined benefit plans

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

(e) Equity instruments through other comprehensive income

The Company has elected to recognise changes in the fair value of investments in equity instruments (Other body corporates) in Other Comprehensive Income. These changes are accumulated within the "Equity instruments through other comprehensive income" reserve within equity. The Company transfers amounts from this reserve to Retained Earnings when the relevant equity shares are derecognised.

Rs. in crores

15 Borrowings	As at March 31, 2021 Non current	As at March 31, 2021 Current	As at March 31, 2020 Non current	As at March 31, 2020 Current
A Secured borrowings				
(a) Term loan				
(i) From banks	**1,320.15**	**-**	2,644.07	-
Total borrowings	**1,320.15**	**-**	2,644.07	-

Notes

(a) Details of secured term loan facilities from banks is as below:

Sr. No.	Currency	Terms of repayment	Maturity date	Interest rate (floating rate)	As at March 31, 2021 Rs. in crores	As at March 31, 2020 Rs. in crores
(i)	Indian Rupee	Term loan is repayable in 20 semi - annual instalments commencing from September 30, 2021. The Company has pre-paid 12 instalments (originally scheduled to be repaid by March 31, 2027) during the financial year ended March 31, 2021.	March 31, 2031	12 month MCLR + 15 basis points	**1,320.15**	2,644.07

(b) The above term loan is secured by first pari-passu charge over all present and future moveable and immovable tangible assets of the Company excluding moveable and immovable tangible assets of coal mines and iron ore mines and land parcels of Joda unit of the Company.

(c) Maturity profile of borrowings is as below:

	As at March 31, 2021 Rs. in crores	As at March 31, 2020 Rs. in crores
Not later than one year or on demand	**-**	-
Later than one year but not two years	**-**	106.00
Later than two years but not three years	**-**	132.50
Later than three years but not four years	**-**	132.50
Later than four years but not five years	**-**	318.00
More than five years	**1,325.00**	1,961.00
	1,325.00	2,650.00
Unamortised upfront fees on borrowings	**(4.85)**	**(5.93)**
	1,320.15	2,644.07

(d) The term loan facility 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. The Company has complied with these debt covenants.

Rs. in crores

(e) Debt reconciliation	Non-current borrowings	Total
Debt as at April 1, 2020	**2,644.07**	**2,644.07**
Cash flows (Net)	**(1,325.00)**	**(1,325.00)**
Amortisation of upfront fees	**1.08**	**1.08**
Debt as at March 31, 2021	**1,320.15**	**1,320.15**
Debt as at April 1, 2019	-	-
Cash flows (Net)	2,643.68	2,643.68
Amortisation of upfront fees	0.39	0.39
Debt as at March 31, 2020	2,644.07	2,644.07

Rs. in crores

16 Provisions	As at March 31, 2021 Non current	As at March 31, 2021 Current	As at March 31, 2020 Non current	As at March 31, 2020 Current
(a) Provision for employee benefits				
(i) Post-employment defined benefits	**12.80**	**18.12**	49.62	5.41
(ii) Compensated absences	**-**	**16.42**	-	15.09
(b) Other provisions (Refer note 42)				
(i) Provision for VAT, entry tax and sales tax	**-**	**2.63**	-	25.25
(ii) Provision for cross subsidy surcharge payable	**-**	**6.01**	-	6.01
(iii) Provision for interest on income tax	**-**	**20.68**	-	20.68
(iv) Provision for mine restoration costs and other activities	**22.54**	**5.35**	14.19	-
(v) Contingent liability recognised on business combination	**0.29**	**-**	6.39	-
(vi) Provision for coal block performance obligation (Refer note 35(ii))	**-**	**-**	-	133.72
(vi) Others	**-**	**11.67**	-	10.88
Total provisions	**35.63**	**80.88**	**70.20**	**217.04**

17 Deferred tax liabilities (net)

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

Rs. in crores

	As at March 31, 2021	As at March 31, 2020
Deferred tax liabilities	**102.91**	165.94
Deferred tax assets	**(58.38)**	(165.94)
Deferred tax liabilities (net)	**44.53**	-

The balances comprises temporary differences attributable to:

Rs. in crores

Balance as at March 31, 2021	Deferred tax liabilities/ (assets) as at March 31, 2020	Recognised in profit or loss	Recognised in other comprehensive income	Deferred tax liabilities/ (assets) as at March 31, 2021
Deferred tax liabilities				
(i) Property, plant and equipment and intangible assets	**162.66**	**(63.75)**	**-**	**98.91**
(ii) Fair valuation of equity instruments designated as FVOCI	**3.28**	**-**	**0.72**	**4.00**
	165.94	**(63.75)**	**0.72**	**102.91**
Deferred tax assets				
(i) Amount allowable on payment basis as per section 43B of the Income Tax Act, 1961	**(20.70)**	**14.47**	**0.95**	**(5.28)**
(ii) Amount allowable under the Income Tax Act, 1961 on deferred basis	**(1.85)**	**(1.90)**	**-**	**(3.75)**
(iii) On unabsorbed depreciation and carry forward of business losses	**(143.39)**	**94.04**	**-**	**(49.35)**
	(165.94)	**106.61**	**0.95**	**(58.38)**
Deferred tax liabilities (net)	**-**	**42.86**	**1.67**	**44.53**

Balances as at March 31, 2020	Deferred tax liabilities/ (assets) as at March 31, 2019	Recognised in profit or loss	Recognised in other comprehensive income	Deferred tax liabilities/ (assets) as at March 31, 2020
Deferred tax liabilities				
(i) Property, plant and equipment and intangible assets	29.59	133.07	-	162.66
(ii) Fair valuation of equity instruments designated as FVOCI	2.57	-	0.71	3.28
	32.16	133.07	0.71	165.94
Deferred tax assets				
(i) Amount allowable on payment basis as per section 43B of the Income Tax Act, 1961	(13.32)	(2.43)	(4.95)	(20.70)
(ii) Amount allowable under the Income Tax Act, 1961 on deferred basis	(0.64)	(1.21)	-	(1.85)
(iii) On unabsorbed depreciation and carry forward of business losses	-	(143.39)	-	(143.39)
	(13.96)	(147.03)	(4.95)	(165.94)
Deferred tax liabilities (net)	18.20	(13.96)	(4.24)	-

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

Rs. in crores

(ii) Reconciliation of income tax recognised in the Standalone Statement of Profit and Loss	Year ended March 31, 2021	Year ended March 31, 2020
Current tax		
On profit for current year	**-**	-
	-	-
Deferred tax		
In respect of the current year	**41.94**	(13.96)
Adjustments to deferred tax attributable to changes in tax rates (Refer note (iv) below)	**0.92**	-
	42.86	(13.96)
Total tax expense (Refer reconciliation below)	**42.86**	(13.96)

Rs. in crores

The income tax expense for the year can be reconciled to the accounting profit as follows:	Year ended March 31, 2021	Year ended March 31, 2020
Profit / (loss) before tax	**614.83**	(530.24)
Income tax expense calculated at enacted Income tax rate of **25.168%** (March 31, 2020 : 34.944%)	**154.74**	(185.29)
Effect of income that is exempt from taxation	**-**	(1.94)
Effect of expenses that are not deductible in determining taxable profit	**1.41**	59.20
Impact of change in statutory tax rates (Refer note (iv) below)	**0.92**	-
Deferred tax assets not recognised on unabsorbed depreciation	**-**	114.08
Deferred tax assets recognised on previous year's unrecognised portion of unabsorbed depreciation	**(82.16)**	-
Adjustments to taxes in respect of prior periods	**(32.95)**	-
Others	**0.90**	(0.01)
Income tax expense recognised in Standalone Statement of Profit and Loss	**42.86**	(13.96)

(iii) The Company has not recognised deferred tax assets on unabsorbed depreciation aggregating to **Rs. Nil** as at March 31, 2021 (March 31, 2020 : Rs. 326.46 crores).

(iv) As per Section 115BAA, domestic companies have the option to pay corporate income tax at a lower rate of 22% plus applicable surcharge and cess subject to certain conditions. The Company has elected to exercise the irrevocable option to pay tax at the aforesaid lower rate from the financial year ended March 31, 2021.

(v) Appendix C (Uncertainty over Income Tax Treatments) to Ind AS 12, Income Taxes explains how to recognise and measure current and deferred tax assets and liabilities where there is uncertainty over tax treatment. There is no impact on the measurement of the tax liabilities and the Company has been disclosing estimates and judgements made in preparing the financial statements.

(vi) In computing the tax expenses for the year ended March 31, 2020, the Company considered Provision for coal block performance obligation (Refer Note 35(ii)) as expenditure not deductible for tax purposes, and accordingly no deferred tax asset was recognised on it. During the current year, the Company has made payment of Rs. 133.72 crores towards above mentioned provision and consequently, the Company shall claim this expenditure as a deductible expenditure in its tax return for the financial year ended March 31, 2021.

Rs. in crores

18 Trade payables	**As at March 31, 2021**	As at March 31, 2020
Current		
(i) Total outstanding dues of micro and small enterprises (Refer Note below)	**63.86**	10.85
(ii) Total outstanding dues of creditors other than micro and small enterprises		
(a) Trade payables for supplies and services	**1,125.78**	754.97
(b) Trade payables for accrued wages and salaries	**39.60**	45.74
Total Trade Payables	**1,229.24**	811.56
Trade payable to related parties (Refer Note 36)*	**757.86**	389.96
Trade payable other than related parties	**471.38**	421.60
Total Trade Payables	**1,229.24**	811.56

*** includes payable to Tata Sponge Iron Limited Superannuation Fund**

Note:

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

The amount due to the Micro and Small Enterprise as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of the information available with the Company, which has been relied upon by the auditors.

Rs. in crores

	As at March 31, 2021	As at March 31, 2020
(a) (i) The principal amount remaining unpaid to supplier as at end of the accounting year	**63.86**	10.85
(ii) Interest due thereon remaining unpaid to supplier as at end of the accounting year	**-**	-
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting	**-**	-
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	**0.31**	0.15
(d) The amount of interest accrued and remaining unpaid at the end of the accounting year	**0.89**	7.31
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	**-**	-

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

Rs. in crores

19 Other current liabilities	**As at March 31, 2021**	As at March 31, 2020
(a) Advances from customers (Refer note below)	**142.20**	40.59
(b) Other payables		
(i) Employee recoveries and employer contributions	**1.77**	1.80
(ii) Statutory liabilities (GST, Excise duty, service tax, sales tax, TDS, etc.)	**108.33**	25.93
(iii) EPCG indemnified liabilities	**19.80**	19.80
(iv) Others	**20.88**	13.32
Total other current liabilities	**292.98**	101.44

Note:

Amount of revenue recognised for the year ended March 31, 2021, from amounts included in the advances from customers outstanding at the beginning of the year is Rs. 28.79 crores (March 31, 2020: Rs. 6.89 crores) and from performance obligations satisfied in previous years is Rs. Nil (March 31, 2020: Rs. Nil).

Rs. in crores

20 Other financial liabilities	**As at March 31, 2021**	As at March 31, 2020
(a) Interest payable		
(i) Interest accrued but not due on borrowings	**4.43**	8.30
(ii) Interest accrued on trade payables and others	**6.16**	13.44
(b) Creditors for capital supplies and services	**4.25**	0.84
(c) Unpaid dividends	**2.41**	2.67
(d) Other credit balances *	**130.49**	125.47
Total Other financial liabilities	**147.74**	150.72

* Includes net amount payable to Usha Martin Limited (UML) Rs. 129.27 crores (March 31, 2020: Rs. 124.42 crores) towards purchase consideration pursuant to Business Transfer Agreement (Refer Note 38(a)) (Comprises of amount held back to be released subsequent to satisfaction of relevant conditions precedents Rs. 142.52 crores (March 31, 2020: Rs. 142.52 crores) net of other receivables from UML amounting to Rs. 13.25 crores (Rs. 18.09 crores)).

Rs. in crores

21 (i) Current tax liabilities (net)	**As at March 31, 2021**	As at March 31, 2020
Provision for tax [net of advance tax of **Rs. 241.64 crores** (As at March 31, 2020: Rs. 241.64 crores)]	**53.90**	53.90
Total current tax liabilities (net)	**53.90**	53.90

Rs. in crores

21 (ii) Income tax assets (Non current) (net)	**As at March 31, 2021**	As at March 31, 2020
Advance tax and Tax Deducted at Sources [net of provision of **Rs. 263.10 crores** (As at March 31, 2020: Rs. 263.10 crores)]	**43.15**	36.70
Total non current tax assets (net)	**43.15**	36.70

22 Revenue from operations

Rs. in crores

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Revenue from contracts with customers		
(i) Sale of products	**4,358.82**	3,320.69
(ii) Sale of power	**51.29**	59.55
(iii) Income from services	**194.54**	47.43
(b) Other operating revenue		
(i) Sale of product scrap	**131.67**	61.20
(ii) Export incentives	**13.55**	1.12
Revenue from operations	**4,749.87**	3,489.99

Note:

(a) **Reconciliation of revenue recognised with contract price**

Rs. in crores

	Year ended March 31, 2021	Year ended March 31, 2020
Contract price	**4,777.21**	3,519.23
Adjustment for:		
Refund liabilities	**(27.34)**	(29.24)
Revenue from operations	**4,749.87**	3,489.99

(b) **Revenue from contracts with customers disaggregated on the basis of geographical region and major businesses**

Rs. in crores

	India	Outside India	Total
(i) Sale of products	**3,736.36**	**622.46**	**4,358.82**
	(2,996.83)	(323.86)	(3,320.69)
(ii) Sale of power	**51.29**	**-**	**51.29**
	(59.55)	(-)	(59.55)
(iii) Income from services	**194.54**	**-**	**194.54**
	(47.43)	(-)	(47.43)
	3,982.19	**622.46**	**4,604.65**
	(3,103.81)	(323.86)	(3,427.67)

Figures in brackets represents amount for the previous year

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

Rs. in crores

	Year ended March 31, 2021	Year ended March 31, 2020
(i) Customer 1	**-**	432.05
(ii) Customer 2	**460.81**	-
	460.81	432.05

(d) **Contract balances**

Rs. in crores

	As at March 31, 2021	As at March 31, 2020
Trade receivables (Gross) (Refer Note 11)	**98.45**	182.14
Contract assets		
Unbilled revenue (Refer Note 8)	**13.33**	7.54
	111.78	189.68
Contract liabilities		
Advance from customers (Refer Note 19)	**142.20**	40.59

There has been no significant changes in outstanding balances of contract assets. Contract liabilities have increased due to increase in customer base and increase in advance collection towards sales to be made in subsequent period.

23 Other income

Rs. in crores

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Interest income		
(i) Interest income earned on financial assets that are not designated at FVTPL		
- Bank deposits carried at amortised cost	**10.02**	17.13
- Other financial assets carried at amortised cost	**8.48**	13.68
(ii) Interest income on tax refund	**-**	14.71
(b) Dividend income		
(i) From equity investments *	**2.44**	0.84
(ii) From investments in mutual funds (Current)	**-**	4.46
(c) Net gains / (losses) on fair value changes		
(i) Net gain / (loss) on fair value changes of financial assets carried at FVTPL (Current)	**-**	8.20
(ii) Net gain on sale of current investments	**3.89**	0.77
(iii) Net gain on sale of non-current investments	**-**	2.01
(d) Gain on cancellation of forward contracts	**9.86**	-
(e) Allowance for expected credit losses written back	**3.19**	-
(f) Liabilities no longer required written back	**32.96**	6.87
(g) Other non-operating income	**7.39**	12.59
Total other income	**78.23**	81.26

Note :
* Represents dividend on equity instruments designated as fair value through other comprehensive income, which are held as at the reporting date.

Rs. in crores

24 Cost of materials consumed	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock	**470.46**	98.03
Add: Purchases of materials	**2,262.12**	2,592.58
Add : Acquired under business combination (Refer Note 38(a))	**-**	172.14
	2,732.58	2,862.75
Less: Closing stock	**550.62**	470.46
Total cost of materials consumed	**2,181.96**	2,392.29

Rs. in crores

25 Changes in inventories of finished and semi-finished goods	Year ended March 31, 2021	Year ended March 31, 2020
Finished and semi-finished goods		
Opening stock	**259.06**	6.78
Add : Acquired under business combination (Refer Note 38(a))	**-**	42.63
Less: Closing stock	**202.57**	259.06
Net decrease / (increase) in finished and semi-finished goods	**56.49**	(209.65)

Rs. in crores

26 Employee benefits expense	Year ended March 31, 2021	Year ended March 31, 2020
(a) Salaries and wages	**174.83**	168.69
(b) Contribution to provident and other funds	**34.16**	16.32
(c) Staff welfare expenses	**5.82**	7.10
Total employee benefits expense	**214.81**	192.11

Rs. in crores

27 Finance costs	Year ended March 31, 2021	Year ended March 31, 2020
(a) Interest expenses		
(i) Bank borrowings and others	**223.16**	280.02
(ii) Leases	**9.54**	10.40
(iii) Interest on statutory dues	**-**	0.31
(b) Other borrowing costs	**1.93**	2.11
Total finance costs	**234.63**	292.84

Rs. in crores

28 Depreciation and amortisation expense		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Depreciation of property, plant and equipment (Refer Note 03)	**286.28**	276.80
(b)	Depreciation of right-of-use assets (Refer Note 04)	**16.25**	16.13
(c)	Amortisation of intangible assets (Refer Note 05)	**24.66**	17.86
Total depreciation and amortisation expense		**327.19**	310.79

Rs. in crores

29 Other expenses		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Consumption of stores and spare parts	**275.05**	275.67
(b)	Fuel oil consumed	**93.56**	85.25
(c)	Purchase of power	**55.44**	51.00
(d)	Rent	**5.14**	3.92
(e)	Repairs to buildings	**11.17**	8.98
(f)	Repairs to machinery	**122.12**	103.47
(g)	Insurance	**11.24**	7.20
(h)	Rates and taxes	**28.68**	14.16
(i)	Freight and handling charges	**331.51**	236.49
(j)	Commission, discounts and rebates	**1.50**	0.79
(k)	Packing and forwarding	**7.71**	7.50
(l)	Royalty	**152.28**	75.28
(m)	Other expenses		
	(1) Legal and professional fees (Refer Note 29.01)	**10.84**	16.82
	(2) Advertisement, promotion and selling expenses	**0.17**	0.31
	(3) Travelling expenses	**3.93**	8.44
	(4) Net Loss on foreign currency transactions	**2.80**	15.65
	(5) Corporate social responsibility expenses (Refer Note 43)	**0.56**	3.21
	(6) Allowance for expected credit losses	**-**	3.47
	(7) Loss on disposal of property plant and equipment	**9.59**	2.07
	(8) Net loss on fair value changes of financial assets /liabilities carried at FVTPL	**13.15**	-
	(9) Other general expenses (Refer Note 29.02)	**61.75**	42.29
Total other expenses		**1,198.19**	961.97

Rs. in crores

29.01 Payments to auditors	Year ended March 31, 2021	Year ended March 31, 2020
(1) Auditors remuneration and out-of-pocket expenses		
(i) As auditors - statutory audit	**0.85**	0.62
(ii) As auditors - quarterly audits	**0.33**	0.30
(iii) As auditors - tax audit	**0.08**	0.06
(iv) For other services (*)	**0.09**	0.32
(v) Auditors out-of-pocket expenses	**0.05**	0.02
	1.40	1.32

(*) Other services includes **Rs. Nil** (March 31, 2020: Rs. 0.30 crore) in respect of rights issue which has been charged to securities premium.

29.02 Includes R&D expenses amounting to **Rs. Nil.** (March 31, 2020 : Rs. 0.15 crore - paid to Indian Institute of Technology, Bhubaneswar).

30 Capital management

(a) Risk management

The objective of the Company's capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings.

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 and lease liabilities less cash and cash equivalents, other bank balances (including non-current and earmarked balances) and current investments.

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

Rs. in crores

	As at March 31, 2021	As at March 31, 2020
Equity share capital	**45.10**	45.10
Other equity	**2,548.79**	1,971.51
Total equity (A)	**2,593.89**	2,016.61
Non-current borrowings	**1,320.15**	2,644.07
Lease liabilities	**104.07**	110.88
Gross debt (B)	**1,424.22**	2,754.95
Total capital (A+B)	**4,018.11**	4,771.56
Gross debt as above	**1,424.22**	2,754.95
Less : Cash and cash equivalents	**279.37**	58.03
Less : Other balance with banks (including non-current earmarked balances)	**3.26**	104.42
Net debt (C)	**1,141.59**	2,592.50
Net debt to equity ratio [1]	**0.50**	**1.67**

Notes :

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

Rs. in crores

(b) Dividend on equity shares	**As at March 31, 2021**	**As at March 31, 2020**
Dividend declared and paid during the year		
Final dividend for the year ended March 31, 2020 of **Rs. Nil** (March 31, 2019 – Rs. 12.50) per fully paid share	**-**	19.25
Dividend distribution tax on above	**-**	3.96
Proposed dividend not recognised at the end of the reporting period		
The Directors have recommended the payment of a final dividend of Rs. 5 per equity share of Rs. 10 each for the year ended March 31, 2021 (for the year ended March 31, 2020 : Rs. Nil). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	**22.55**	**-**

31 Disclosures on financial instruments

(a) Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk. In order to safeguard against any adverse effects on the financial performance of the Company, derivative financial instruments viz. foreign exchange forward contracts are entered where considered appropriate to hedge foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Company's senior management oversees the management of above risks. The senior executives working to manage the financial risks are accountable to the Audit committee and the Board of Directors. This process provides assurance that the Company's financial risks-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and the Company's risk appetite.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below :

(i) Credit risk management

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

Trade receivables and contract assets
Trade receivables are typically unsecured, considered good and are derived from revenue earned from customers. Customer credit risk is managed as per Company's policy and procedures which involve credit approvals, establishing credit limits and continually monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Contract assets mainly relate to unbilled work in progress and have substantially the same characteristics as the trade receivables for the same type of contracts.
Outstanding customer receivables are regularly monitored and the shipments to customers are generally covered by letters of credit or other forms of credit assurance.

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

The carrying value of financial assets represents the maximum credit risk as disclosed in 31(b)(i). The credit risk relating to trade receivables is shown under Note 11.

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.

(ii) Liquidity risk management

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

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through commercial paper programs. The Company invests its surplus funds in bank fixed deposits and in mutual funds, which carry no or low market risk.

a. Financing arrangement
The Company has unutilised fund based arrangement with banks for **Rs. 695.51 crores** (March 31, 2020: Rs. 270.00 crores). The Company has also Non-Fund based facilities with banks for **Rs. 308.47 crores** (March 31, 2020: Rs.193.00 crores) which may be utilised at any time.

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

Rs. in crores

As at March 31, 2021	Carrying value	Contractual cash flows	less than one year	between one to five years	More than five years
Financial liabilities					
Borrowings including interest obligations	**1,320.15**	**2,153.46**	**100.70**	**402.80**	**1,649.96**
Lease liabilities	**104.07**	**160.54**	**25.23**	**53.64**	**81.67**
Trade payables	**1,229.24**	**1,229.24**	**1,229.24**	**-**	**-**
Derivative liabilities	**5.46**	**5.46**	**5.46**	**-**	**-**
Other financial liabilities	**147.74**	**147.74**	**147.74**	**-**	**-**
	2,806.66	**3,696.44**	**1,508.37**	**456.44**	**1,731.63**

Rs. in crores

As at March 31, 2020	Carrying value	Contractual cash flows	less than one year	between one to five years	More than five years
Financial liabilities					
Borrowings including interest obligations	2,644.07	4,357.21	242.48	1,573.03	2,541.70
Lease liabilities	110.88	176.88	21.84	60.55	94.49
Trade payables	811.56	811.56	811.56	-	-
Derivative liabilities	-	-	-	-	-
Other financial liabilities	150.72	150.72	150.72	-	-
	3,717.23	5,496.37	1,226.60	1,633.58	2,636.19

(iii) Market risk

a. Foreign currency risk
Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currencies (primarily US Dollars). The Company has foreign currency trade payables and is therefore exposed to foreign currency risk. Foreign currency risk exposure is evaluated and managed through operating procedures and sourcing policies. The Company, as per its risk management policy, uses forward contract derivative instruments primarily to hedge foreign exchange fluctuations.

USD in crores

	As at March 31, 2021	As at March 31, 2020
Financial assets		
Trade receivables	-	0.01
Net exposure to foreign currency risk (Assets)	**-**	0.01
Financial liabilities		
Trade payables	7.97	4.82
Derivatives		
Foreign exchange forward contracts	7.02	4.64
Net exposure to foreign currency risk (Liabilities)	**0.95**	0.18
Net exposure to foreign currency risk (Assets - Liabilities)	**(0.95)**	(0.17)

Foreign currency sensitivity
The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit / (loss) before tax and profit / (loss) after tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all currencies other than US Dollars is not material.

Rs. in crores

	Impact on profit / (loss) before tax		**Impact on profit / (loss) after tax**	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Increase in rate of 1 USD against Rs. by 10%	**(6.94)**	(1.32)	**(5.20)**	(1.32)
Decrease in rate of 1 USD against Rs. by 10%	**6.94**	1.32	**5.20**	1.32

The movement in the profit / (loss) before tax and profit / (loss) after tax is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in INR, where the functional currency of the entity is a currency other than INR. Although the derivatives have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

b. Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit / (loss) before tax and profit / (loss) after tax is affected through the impact on floating rate borrowings, as follows

Rs. in crores

	Impact on profit / (loss) before tax		**Impact on profit / (loss) after tax**	
	As at March 31, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Increase in interest rate by 100 basis points	**(13.25)**	(20.32)	**(9.92)**	(20.32)
Decrease in interest rate by 100 basis points	**13.25**	20.32	**9.92**	20.32

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 year end balances are not necessarily representative of the average debt outstanding during the period.

(iv) Commodity Price risk

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

Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. The Company, as per its risk management policy, uses forward contract derivative instruments primarily to hedge foreign exchange fluctuations.

(b) Financial Instruments by Category

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

(i) Financial assets and liabilities
The following tables present the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2021 and March 31, 2020.

Rs. in crores

As at March 31, 2021	**Fair value through profit or loss**	**Fair value through other comprehensive income**	**Amortised cost**	**Total carrying value**	**Total fair value**
Financial assets					
Investment in body corporates	**-**	**19.60**	**-**	**19.60**	**19.60**
Trade receivables	**-**	**-**	**75.15**	**75.15**	**75.15**
Loans	**-**	**-**	**3.95**	**3.95**	**3.95**
Cash and cash equivalents	**-**	**-**	**279.37**	**279.37**	**279.37**
Other bank balances	**-**	**-**	**2.41**	**2.41**	**2.41**
Derivative assets*	**0.51**	**-**	**-**	**0.51**	**0.51**
Other financial assets	**-**	**-**	**183.43**	**183.43**	**183.43**
Total	**0.51**	**19.60**	**544.31**	**564.42**	**564.42**
Financial liabilities					
Borrowings	**-**	**-**	**1,320.15**	**1,320.15**	**1,320.15**
Lease liabilities	**-**	**-**	**104.07**	**104.07**	**104.07**
Trade payables	**-**	**-**	**1,229.24**	**1,229.24**	**1,229.24**
Derivative liabilities*	**5.46**	**-**	**-**	**5.46**	**5.46**
Other financial liabilities	**-**	**-**	**147.74**	**147.74**	**147.74**
Total	**5.46**	**-**	**2,801.20**	**2,806.66**	**2,806.66**

Rs. in crores

As at March 31, 2020	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value	Total fair value
Financial assets					
Investment in body corporates	-	16.40	-	16.40	16.40
Trade receivables	-	-	155.88	155.88	155.88
Loans	-	-	6.60	6.60	6.60
Cash and cash equivalents	-	-	58.03	58.03	58.03
Other bank balances	-	-	103.58	103.58	103.58
Derivative assets*	8.20	-	-	8.20	8.20
Other financial assets	-	-	15.87	15.87	15.87
Total	8.20	16.40	339.96	364.56	364.56
Financial liabilities					
Borrowings	-	-	2,644.07	2,644.07	2,644.07
Lease liabilities	-	-	110.88	110.88	110.88
Trade payables	-	-	811.56	811.56	811.56
Derivative liabilities*	-	-	-	-	-
Other financial liabilities	-	-	150.72	150.72	150.72
Total	-	-	3,717.23	3,717.23	3,717.23

* Derivative instruments designated as not in hedging relationship.

(ii) Fair value measurement

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used in the previous year.

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

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

Fair value hierarchy

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

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

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

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

Rs. in crores

As at March 31, 2021	Level 2	Level 3	Total
Financial assets			
Derivative assets	**0.51**	**-**	**0.51**
Investment in equity instruments at FVTOCI (Unquoted)	**-**	**19.60**	**19.60**
Total	**0.51**	**19.60**	**20.11**
Financial liabilities			
Derivative liabilities	**5.46**	**-**	**5.46**

Rs. in crores

As at March 31, 2020	Level 2	Level 3	Total
Financial assets			
Derivative assets	8.20	-	8.20
Investment in equity instruments at FVTOCI (Unquoted)	-	16.40	16.40
Total	8.20	16.40	24.60
Financial liabilities			
Derivative liabilities	-	-	-

Reconciliation of Level 3 fair value measurement is as below :	**As at March 31, 2021**	**Rs. in crores** As at March 31, 2020
Opening as on April 1, 2020	**16.40**	13.28
Changes in fair value recognised in Other Comprehensive Income	**3.20**	3.12
Closing as on March 31, 2021	**19.60**	16.40

Valuation technique used for Level 3 investments

Fair valuation of the equity investments as at March 31, 2021 have been determined using the market approach. Significant unobservable input used in the valuation was earnings multiple.

The increase / decrease of 1 earnings multiple (keeping other variables constant) would result into an increase / decrease in fair value by Rs. 1.84 crores and Rs. 1.92 crores respectively.

(iii) Derivative financial instruments

Derivative instruments used by the Company are forward exchange contracts. 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.

All derivative instruments are designated as not in hedging relationships.

The following table sets out the fair value of derivative assets / liabilities held by the Company as at the end of each reporting period

	As at March 31, 2021	**Rs. in crores** As at March 31, 2020
Foreign currency forwards	**4.95**	8.20
Classified as:		
Non-current assets	**-**	-
Current assets	**0.51**	8.20
Non-current liabilities	**-**	-
Current liabilities	**5.46**	-

As at the end of the reporting period total notional amount of outstanding foreign currency contracts that the Company has committed to is as below:

	As at March 31, 2021	**USD in crores** As at March 31, 2020
Foreign currency forwards	**7.02**	4.64

32 Earnings / (loss) per equity share

	Year ended March 31, 2021	Year ended March 31, 2020
Net profit / (loss) for the year (Rs. in crores)	**571.97**	(516.28)
Weighted average number of equity shares outstanding during the year (Nos.)	**4,51,00,000**	3,61,48,129
Nominal value per equity share (Rs.)	**10**	10
Basic and diluted earnings / (loss) per equity share (Rs.)	**126.82**	(142.82)

Note:

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

Rs. in crores

33 (a) Contingent liabilities: Claims against the Company not acknowledged as debts

	As at March 31, 2021	As at March 31, 2020
(a) Income tax	**1.59**	1.59
(b) Odisha entry tax	**-**	25.80
(c) Customs duty (Refer Note below)	**33.49**	38.18
(d) Demand from Ministry of Coal against Radhikapur (East) coal block (Refer Note 33(d))	**32.50**	32.50
(e) Demand from suppliers	**1.52**	1.52
	69.10	99.59

Note:

The above includes demand received from Commissioner of Customs (Preventive) aggregating to Rs. 43.99 crores pertaining to the financial year 2012-13 on account of levy of additional customs duty on classification of the imported coal as bituminous coal as against the Company's classification as steam coal. The Company has filed an appeal against the aforesaid order in the Customs, Excise and Service Tax Appellate Tribunal, Kolkata. The Company had paid an amount of Rs. 10.88 crores and recognised the non-cenvatable portion of the duty and applicable interest as expense whereas cenvatable portion had been recognised as an advance in the year ended March 31, 2013, for which the Company has recognised a provision during the current year.

Rs. in crores

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

	As at March 31, 2021	As at March 31, 2020
(i) Renewable energy purchase obligation	**6.33**	6.33
(ii) Excise Duty	**30.41**	30.41
	36.74	36.74

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

(c) Cross subsidy surcharge payable to power distribution companies

In 2012-13, the Company injected power to State Grid due to denial of permission for open access by Orissa Power Transmission Corporation Limited ("OPTCL") to supply power to the parent Company Tata Steel Limited beyond the period of invocation of section 11 of Electricity Act, 2003 by the Government of Odisha i.e., June, 2012. As a result of which the Company could not meet the minimum stipulated criteria of 51% self-consumption of generated power as a captive power plant and the provisions of Cross Subsidy Surcharge under Electricity Act, 2003 became applicable. The Company filed a case before the Odisha Electricity Regulatory Commission ("OERC") for relief which was denied and consequently the Company had filed a case before Appellate Tribunal of Electricity ("ATE"). Appeal filed by the Company before ATE was allowed and the matter stands remitted back to the OERC for reconsideration afresh. As a matter of prudence, pending finalisation of the matter, an amount of Rs. 6.01 crores provided in the year ended March 31, 2015, is being continued.

(d) (i) The Hon'ble Supreme Court of India vide its order dated September 24, 2014 had cancelled allocation of 214 coal blocks including the Radhikapur (East) Coal Block which was allotted to the Company on February 7, 2006. The carrying amount in books as on March 31, 2021 towards amounts incurred by the Company on the Radhikapur (East) Coal Block in earlier years aggregate to Rs. 178.81 Crores (March 31, 2020 : Rs. 178.93 crores). Pursuant to the judgment of Hon'ble Supreme Court of India, the Government of India had promulgated the Coal Mines (Special Provision) Rules, 2014 and subsequent amendments ("Rules"), for allocation of the coal mines through auction and matters related thereto. In terms of the said Rules, the prior allottee (i.e. the Company) shall be compensated for the expenses incurred towards land and mine infrastructure. As part of 11th tranche of auction under The Coal Mines Act 2015, the Ministry of Coal (MoC) has carried out an auction of the coal block in November 2020 and EMIL Mines and Mineral Resources Limited (EMMRL) was declared as the successful bidder by the Nominated Authority on December 24, 2020. The MoC issued the vesting order dated March 3, 2021 in favour of EMMRL and directed the Company to hand over all the rights/ licenses/ approvals and documents to EMMRL. The Company has submitted the documents in respect of title deeds of land and possession of buildings and other required details on April 6, 2021 to EMMRL in compliance with the vesting order. The Company is awaiting directions from MoC on the determination of the just, fair and adequate compensation in respect of the aforesaid amounts incurred by the Company. Based on assessment of the matter by the Company including evidence supporting the expenditure and claim and external legal opinion obtained by the Company, the aforesaid amount is considered good and fully recoverable.

(ii) **Contingent liability:** In November 2012, MoC issued notices to the Company for invocation of bank guarantee of Rs. 32.50 crores submitted towards performance of conditions for allocation of Radhikapur (East) Coal Block, against which the Company had filed a writ petition in the Hon'ble High Court of Delhi, which directed the Company to keep the bank guarantee valid till November 30, 2015 by which date the MoC was directed to take decision. The bank guarantee expired after November 30, 2015 and had not been renewed, since no communication had been received from MoC. Subsequently, MoC issued a notice dated December 28, 2015, stating that the bank guarantee be invoked and the aforesaid amount be deposited. Consequent to MoC's notice, the Company moved to the Hon'ble High Court of Delhi contesting, amongst other matters, that the delay was not attributable to the Company and that since the allocation has been declared illegal by the Hon'ble Supreme Court, the bank guarantee cannot be encashed by the MoC. The Hon'ble High Court of Delhi vide its Order dated May 27, 2020 remanded the matter to MoC to consider afresh on the aspect whether the delay in achieving the milestones was attributable to the Company. Further, the Company was required to furnish a bank guarantee and the Hon'ble High Court of Delhi also directed the MoC to render a final decision within six months from September 2, 2020. Pursuant to Hon'ble High Court of Delhi directives, the Company has submitted the bank guarantee of Rs. 32.50 crores. The Inter- Ministerial Group of the MoC (IMG) issued a notice to the Company seeking details including the reasons for delay in achievement of the performance of conditions and the agencies responsible, to which the Company has responded. Further, in accordance with the directives from the Hon'ble High Court of Delhi, the Company has extended the validity of the bank guarantee up to April 15, 2021 and MoC has been directed to take a decision by then, which is pending. Pending finalisation of the matter and based on legal opinion obtained by the Company, the amount continues to be treated as a contingent liability.

34 Estimated amounts of contracts remaining to be executed on capital account (Property, plant and equipment) and not provided for is **Rs. 60.43 crores** (As at March 31, 2020: Rs. 40.99 crores) net of advances of **Rs. 2.22 crores** (As at March 31, 2020 Rs. 3.20 crores.)

35 Exceptional items

(i) Acquisition related expenditure

Represents expenses incurred on stamp duty and registration fees for a portion of land parcels and mines acquired as part of business combination aggregating to **Rs. Nil** during the year ended March 31, 2021 (for the year ended March 31, 2020 : Rs. 27.42 crores). (Refer Note 38(a))

(ii) Provision for coal block performance obligation

The acquisition referred to in Note 38(a) included a coal block with a performance obligation by way of a bank guarantee to the Nominated Authority, Ministry of Coal, towards development of the said coal block. Post acquisition, the Company assessed the social and environmental challenges for the development of the coal block and came to the view that the performance obligations of developing the coal block looked challenging to fulfil. Accordingly, the Company, as a matter of prudence, had taken provision related to the aforesaid bank guarantee during the year ended March 31, 2020. Subsequently, the Company made an application to MoC seeking cancellation of the vesting of the coal block. Pursuant to such application, on November 11, 2020, the Company received a letter from MoC confirming cancellation of the vesting rights of the coal block and directed State Bank of India for the encashment of aforesaid bank guarantee associated with the performance obligation. Accordingly, the Company had made a payment of Rs. 133.72 crores on December 2, 2020. With the aforesaid provision already recorded during the year ended March 31, 2020, there is no further financial impact expected by the Company.

36 Related party disclosures

A List of related parties

Name of the related Party	Relationship
Tata Sons Private Limited	Company having significant Influence
Where control exists	
Tata Steel Limited	Holding Company
TSIL Energy Limited	Wholly owned subsidiary Company
Others with whom transactions have taken place during the current or previous year	
The Tinplate Company of India Limited Tata Pigments Limited The Indian Steel and Wire Products Limited Tata Metaliks Limited Tata Steel Utilities and Infrastructure Services Limited The Siam Industrial Wire Company Ltd. T S Global Procurement Company Pte. Ltd. Tata Steel Mining Limited Tata Steel BSL Limited	Fellow Subsidiary
TM International Logistics Limited mjunction Services Limited Jamipol Limited Tata BlueScope Steel Private Limited Tata NYK Shipping PTE Limited TKM Global Logistics Limited	Joint venture with Tata Steel Limited
Tata International Limited Tata Communications Limited Tata International Singapore PTE Limited Tata Consultancy Services Limited Tata AIG General Insurance Company Limited	Subsidiary of Tata Sons Private Limited
Mr. Ashish Anupam (from November 1, 2019) Mr. Sanjay Kumar Pattnaik (up to October 31, 2019)	Key Management personnel - Managing Director (MD)
Mr. T V Narendran Mr. Koushik Chatterjee Mrs. Meena Lall Mr. Debashish Bhattacharjee (from October 13, 2020) Dr. Sougata Ray Mr. Ansuman Das (from July 15, 2019) Mr. Srikumar Menon (from July 15, 2019) Mr. Shashi Kant Maudgal (from July 15, 2019) Mrs. Neeta Karmakar(from March 30, 2020) Mr. P C Parakh (up to August 20, 2020) Mr. D K Banerjee (up to July 14, 2019) Mr. Manoj T Thomas (up to July 14, 2019) Dr. Omkar N Mohanty (up to July 15, 2019)	Key Management personnel -Non- Executive Director (NED)
Tata Sponge Iron Limited Employee Provident Fund Trust Tata Sponge Iron Limited Superannuation Fund Tata Sponge Iron Limited Gratuity Fund	Post Employment Benefit Plans (PEBP) as per Ind AS 24

B Particulars of transactions during the year

Rs. in crores

Name of the related party	Nature of relationship	**Year ended March 31, 2021**	Year ended March 31, 2020
Tata Steel Limited	Holding Company	**182.95**	243.93
Tata International Limited	Subsidiary of Tata Sons Private Limited	**167.70**	99.26
The Siam Industrial Wire Company Ltd.	Fellow subsidiary	**109.55**	0.57
The Indian Steel and Wire Products Limited	Fellow subsidiary	**0.01**	0.34
Tata Steel BSL Limited	Fellow subsidiary	**2.10**	-
Tata Metaliks Limited	Fellow subsidiary	**68.46**	-
Total - Sale of goods		**530.77**	344.10
Tata Steel Limited	Holding Company	**47.38**	51.88
Total - Sale of power		**47.38**	51.88
Tata Steel Limited	Holding Company	**221.81**	55.41
Tata Steel BSL Limited	Fellow subsidiary	**5.89**	-
Total - Services rendered		**227.70**	55.41

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B Particulars of transactions during the year (continued)

Name of the related party	Nature of relationship	Year ended March 31, 2021	Year ended March 31, 2020
Tata Steel Limited	Holding Company	**548.80**	469.60
T S Global Procurement Company Pte. Ltd.	Fellow subsidiary	**942.23**	495.86
The Indian Steel and Wire Products Limited	Fellow subsidiary	**2.49**	1.24
Tata International Singapore PTE Limited	Subsidiary of Tata Sons Private Limited	**-**	136.08
Tata International Limited	Subsidiary of Tata Sons Private Limited	**-**	4.63
Tata BlueScope Steel Private Limited	Joint venture of Tata Steel	**1.39**	4.43
Tata Steel BSL Limited	Fellow subsidiary	**0.56**	-
Tata Steel Mining Limited	Fellow subsidiary	**9.62**	-
Jamipol Limited	Joint venture of Tata Steel	**1.19**	1.50
Total - Purchase of goods		**1,506.28**	1,113.34
Tata Steel Limited	Holding Company	**16.15**	-
T S Global Procurement Company Pte. Ltd.	Fellow subsidiary	**7.63**	1.47
Tata International Limited	Subsidiary of Tata Sons Private Limited	**-**	3.66
Tata International Singapore PTE Limited	Subsidiary of Tata Sons Private Limited	**-**	7.64
TM International Logistics Limited	Joint venture of Tata Steel	**6.79**	15.31
Total - Reimbursement of expenses		**30.57**	28.08
Tata Steel Limited	Holding Company	**0.06**	-
Tata Steel Utilities and Infrastructure Services Limited	Fellow subsidiary	**0.19**	-
Total - Purchase of property, plant and equipment		**0.25**	-
Tata Steel Limited	Holding Company	**26.04**	14.66
Tata Steel Utilities and Infrastructure Services Limited	Fellow subsidiary	**0.88**	0.32
Tata Pigments Limited	Fellow subsidiary	**0.45**	0.10
The Tinplate Company of India Limited	Fellow subsidiary	**-**	- *
Tata Sons Private Limited	Company having significant influence	**10.32**	0.03
Tata Consultancy Services Limited	Subsidiary of Tata Sons Private Limited	**0.95**	0.88
Tata AIG General Insurance Company Limited	Subsidiary of Tata Sons Private Limited	**4.13**	0.04
Tata Communications Limited	Subsidiary of Tata Sons Private Limited	**0.10**	-
TM International Logistics Limited	Joint venture of Tata Steel	**50.15**	18.48
TKM Global Logistics Limited	Joint venture of Tata Steel	**5.72**	0.90
mjunction Services Limited	Joint venture of Tata Steel	**1.05**	0.57
Tata NYK Shipping PTE limited	Joint venture of Tata Steel	**3.14**	-
Total - Services received		**102.93**	35.98
Jamipol Limited	Joint venture of Tata Steel	**2.44**	0.84
Total - Dividend income		**2.44**	0.84
Tata Steel Limited	Holding Company	**-**	10.49
Total - Dividend paid		**-**	10.49
Mr. Ashish Anupam	MD	**2.18**	0.84
Mr. Sanjay Kumar Pattnaik	MD	**-**	1.71
Total - Short term employee benefits		**2.18**	2.55
Mr. Ashish Anupam	MD	**0.15**	0.06
Mr. Sanjay Kumar Pattnaik	MD	**-**	0.10
Total - Post employment benefits		**0.15**	0.16
Mr. P C Parakh	NED	**0.01**	0.04
Mr. D K Banerjee	NED	**-**	0.01
Mr. Manoj T Thomas	NED	**-**	0.01
Dr. Omkar N Mohanty	NED	**-**	0.01
Dr. Sougata Ray	NED	**0.04**	0.03
Mr. Ansuman Das	NED	**0.05**	0.02
Mr. Srikumar Menon	NED	**0.04**	0.02
Mr. Shashi Kant Maudgal	NED	**0.05**	0.02
Mrs. Neeta Karmakar	NED	**0.03**	-
Total - Sitting fees		**0.22**	0.16

* Amount below rounding off norm adopted by the Company.

B Particulars of transactions during the year (continued)

Rs. in crores

Name of the related party	Nature of relationship	Year ended March 31, 2021	Year ended March 31, 2020
Tata Sponge Iron Limited Employee Provident Fund Trust	PEBP	**4.37**	4.34
Tata Sponge Iron Limited Superannuation Fund	PEBP	**4.27**	1.09
Tata Sponge Iron Limited Gratuity Fund	PEBP	**6.01**	0.94
Total - Contribution made		**14.65**	6.37

C Balances outstanding

Rs. in crores

Name of the related party	Relationship	As at March 31, 2021	As at March 31, 2020
Tata Steel Limited	Holding company	**48.51**	75.49
The Indian Steel and Wire Products Limited	Fellow subsidiary	**-**	0.15
Tata Steel BSL Limited	Fellow subsidiary	**4.76**	-
Total - Trade receivables		**53.27**	75.64
Tata Steel Limited	Holding company	**137.41**	34.55
T S Global Procurement Company Pte. Ltd.	Fellow subsidiary	**597.41**	350.42
Tata Steel Utilities and Infrastructure Services Limited	Fellow subsidiary	**0.79**	0.05
The Indian Steel and Wire Products Limited	Fellow subsidiary	**0.96**	0.03
Tata Pigments Limited	Fellow subsidiary	**0.03**	0.10
Tata Sons Private Limited	Company having significant influence	**10.32**	-
Tata International Singapore PTE Limited	Subsidiary of Tata Sons Private Limited	**-**	1.64
Tata Communications Limited	Subsidiary of Tata Sons Private Limited	**0.06**	-
Tata BlueScope Steel Private Limited	Joint venture of Tata Steel	**1.02**	0.22
mjunction Services Limited	Joint venture of Tata Steel	**-**	0.59
Tata Steel Mining Limited	Fellow subsidiary	**5.45**	-
Jamipol Limited	Joint venture of Tata Steel	**0.02**	0.30
TM International Logistics Limited	Joint venture of Tata Steel	**0.53**	-
Tata Consultancy Services Limited	Subsidiary of Tata Sons Private Limited	**0.47**	-
Tata Steel BSL Limited	Fellow subsidiary	**0.56**	-
TKM Global Logistics Limited	Joint venture of Tata Steel	**0.25**	0.28
Total - Trade payables for supplies and services		**755.28**	388.18
Tata Sponge Iron Limited Employee Provident Fund Trust	PEBP	**1.26**	1.22
Tata Sponge Iron Limited Superannuation Fund	PEBP	**0.27**	0.09
Tata Sponge Iron Limited Gratuity Fund	PEBP	**(0.42)**	1.95
Total - Payable / (Contribution in advance) to PEBP		**1.11**	3.26
Tata Steel Limited	Holding company	**-**	0.04
Tata International Limited	Subsidiary of Tata Sons Private Limited	**0.10**	0.10
TM International Logistics Limited	Joint venture of Tata Steel	**-**	2.96
mjunction Services Limited	Joint venture of Tata Steel	**0.66**	-
Total - Advance paid		**0.76**	3.10
The Siam Industrial Wire Company Ltd.	Fellow subsidiary	**11.92**	-
Total - Advance received		**11.92**	**-**
Jamipol Limited (At cost)	Joint venture of Tata Steel	**0.80**	0.80
Total - Investments		**0.80**	0.80
Mr. Ashish Anupam	MD	**1.29**	0.47
Mr. Sanjay Kumar Pattnaik	MD	**1.02**	1.22
Total-Trade payables for accrued wages and salaries		**2.31**	1.69
Mr. P C Parakh	NED	**-**	0.01
Dr. Sougata Ray	NED	**-**	- *
Mr. Ansuman Das	NED	**-**	- *
Mr. Srikumar Menon	NED	**-**	- *
Mr. Shashi Kant Maudgal	NED	**-**	- *
Total - Payable to KMP		**-**	0.01

* Amount below rounding off norm adopted by the Company.

37 Employee benefits

37.01 - Post employment defined contribution plans

	Year ended March 31, 2021	Rs. in crores Year ended March 31, 2020
Amount recognised in the Standalone Statement of Profit and Loss		
(i) Provident fund contribution*	**0.10**	0.12
(ii) Superannuation fund@	**4.27**	4.20
	4.37	4.32

* Contribution towards provident fund for certain employees is made to the recognised state managed funds. Such provident fund benefit is classified as defined contribution scheme as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which is recognised as expense in the Standalone Statement of Profit and Loss, as indicated above.

@ The Company has a superannuation plan for the benefit of its employees. This benefit is defined contribution scheme as the Company does not carry any further obligations apart from the contributions made which are recognised as expense under 'Contribution to Provident and Other Funds' in Note 26.

37.02 - Post employment defined benefit plans

(a) Description of plan characteristics

(i) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Gratuity liability arises on retirement, resignation, and death of an employee. The plan provides for a lump-sum payment to vested employees an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit method with actuarial valuations being carried out at each Balance Sheet date.

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

(ii) Long term service award

Eligible employees of the Company rendering services for more than twenty years will receive long service award on all causes of exit as per the Company’s policy. The cost of providing benefits under this plan is determined by actuarial valuation using the projected unit credit method by independent qualified actuaries at the year end.

(iii) Ex-MD Pension and Post Retirement Medical Benefit

The Board of Directors of the Company grants approval for provisions of special retirement benefits to Managing Directors. The retirement benefit incudes indexed monthly pension which is reviewed in every three years and medical benefits. The benefits in short are called as Ex-MD pension and Post Retirement Medical Benefit (PRMB). Both the benefit schemes are available to the spouses of concern MDs.

The said benefits are not contractual obligation of the Company. The provisions of the above benefits can only be given after signing the agreement containing the no-compete clause. The liabilities are not funded by the Company and disclosed as defined benefit plan.

(b) Risk analysis

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

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

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

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

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

(c) Details of defined benefit obligations and plan assets

A. Gratuity (Funded)

Rs. in crores

		As at March 31, 2021	As at March 31, 2020
(i)	**Reconciliation of opening and closing balances of obligation**		
a.	Opening defined benefit obligation	**56.49**	18.52
b.	Acquired through business combination (Refer Note 38(a))	**-**	23.51
c.	Current service cost	**4.35**	2.84
d.	Interest cost	**3.52**	2.90
e.	Remeasurement (gains)/losses	**(1.18)**	12.22
f.	Benefits paid	**(5.00)**	(4.05)
g.	Acquisitions (credit)/cost	**-**	0.55
	Closing defined benefit obligation	**58.18**	56.49
(ii)	**Movements in the fair value of the plan assets are as follows**		
a.	Opening fair value of plan assets	**18.71**	18.52
b.	Interest income	**1.86**	1.33
c.	Remeasurement gains/(losses)	**0.13**	0.56
d.	Contributions from the employer	**40.62**	0.03
e.	Benefits paid	**(2.72)**	(2.28)
f.	Acquisitions (credit)/cost	**-**	0.55
	Closing fair value of plan assets	**58.60**	18.71
(iii)	**Reconciliation of fair value of assets and obligations**		
a.	Fair value of plan assets	**58.60**	18.71
b.	Present value of obligation	**58.18**	56.49
		(0.42)	37.78
c.	Amount recognised in the Balance Sheet		
	- Retirement benefit obligations - Non-current	**-**	34.52
	- Retirement benefit obligations - Current	**-**	3.26
	- Prepaid Gratuity - Other non-financial current assets	**0.42**	-
		0.42	37.78

Rs. in crores

		Year ended March 31, 2021	Year ended March 31, 2020
(iv)	**Amounts recognised in the Statement of Profit and Loss**		
	Employee benefit expenses		
a.	Current service cost	**4.35**	2.84
b.	Net interest expense	**1.66**	1.57
		6.01	4.41
	Other Comprehensive income		
a.	Return on plan assets excluding amount included in employee benefits expense	**(0.13)**	(0.56)
b.	Actuarial (gain)/loss arising from changes in financial assumptions	**0.10**	13.57
c.	Actuarial (gain)/loss arising from changes in experience adjustments	**(1.28)**	(1.35)
		(1.31)	11.66
	Total defined benefit costs	**4.70**	16.07

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

	As at March 31, 2021	As at March 31, 2020
Category of Plan Assets:	**In %**	In %
Funded with LIC	**100%**	100%

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

		As at March 31, 2021	As at March 31, 2020
a.	Discount rate (per annum)	**6.00% / 6.75%**	**6.20% / 6.70%**
b.	Expected rate of salary increase (per annum)	**8.00%**	8.00%
c.	Mortality rate	**Indian Assured Lives Mortality (2006-08) ult.**	Indian Assured Lives Mortality (2006-08) ult.
d.	Withdrawal rate - Ages from 20-25 - Ages from 25-30 - Ages from 30-35 - Ages from 35-50 - Ages from 50-55 - Ages from 55-65	**1.00% For all age group**	1.00% For all age group

(vii) Maturity profile of defined benefit obligation

Rs. in crores

	As at March 31, 2021	As at March 31, 2020
Within 1 year	**6.14**	3.80
1-2 year	**4.01**	5.80
2-5 years	**14.65**	13.25
Over 5 years	**25.52**	28.04

The weighted average duration of the defined benefit plan obligation representing average duration for active members is 6 to 12 years (As at March 31, 2020: 6 to 13 years).

(viii) The Company expects (best estimate) to contribute **Rs. 1.00 crores** to the plan during the financial year 2021-22.

(ix) Sensitivity analysis

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

Rs. in crores

	Assumption	As at March 31, 2021	As at March 31, 2020
a.	Discount rate increase by 1%	**Decrease by 5.14**	Decrease by 5.13
b.	Discount rate decrease by 1%	**Increase by 6.09**	Increase by 6.09
c.	Expected salary growth increase by 1%	**Increase by 5.91**	Increase by 5.87
d.	Expected salary growth decrease by 1%	**Decrease by 5.10**	Decrease by 5.05

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

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

B. Long term service award (Unfunded)

(i) Reconciliation of opening and closing balances of obligation

Rs. in crores

		As at March 31, 2021	As at March 31, 2020
a.	Opening defined benefit obligation	**0.68**	-
b.	Acquired through business combination (Refer Note 38(a))	**-**	0.43
c.	Current service cost	**0.04**	0.02
d.	Interest cost	**0.04**	0.03
e.	Remeasurement (gains)/losses	**(0.01)**	0.26
f.	Benefits paid	**(0.07)**	(0.06)
	Closing defined benefit obligation	**0.68**	0.68

(ii) Reconciliation of fair value of assets and obligations

		As at March 31, 2021	As at March 31, 2020
a.	Fair value of plan assets	**-**	-
b.	Present value of obligation	**0.68**	0.68
		0.68	0.68
c.	Amount recognised in the Balance Sheet		
	- Retirement benefit obligations - Non-current	**0.63**	0.63
	- Retirement benefit obligations - Current	**0.05**	0.05
		0.68	0.68

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

Rs. in crores

		Year ended March 31, 2021	Year ended March 31, 2020
	Employee benefit expenses		
a.	Current service cost	**0.04**	0.02
b.	Net interest expense	**0.04**	0.03
		0.08	0.05
	Other Comprehensive income		
a.	Actuarial (gain)/loss arising from changes in financial assumptions	-	0.05
b.	Actuarial (gain)/loss arising from changes in experience adjustments	(0.01)	0.21
		(0.01)	0.26
	Total defined benefit costs	**0.07**	0.31

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

		As at March 31, 2021	As at March 31, 2020
a.	Discount rate (per annum)	**6.75%**	6.70%
b.	Expected rate of salary increase (per annum)	**Not applicable**	Not applicable
c.	Mortality rate	**Indian Assured Lives Mortality (2006 - 2008) Ult.**	Indian Assured Lives Mortality (2006 - 2008) Ult.
d.	Withdrawal rate - Ages from 20-25 - Ages from 25-30 - Ages from 30-35 - Ages from 35-50 - Ages from 50-55 - Ages from 55-65	**1.00% For all age group**	1.00% For all age group

(v) Maturity profile of defined benefit obligation

Rs. in crores

	As at March 31, 2021	As at March 31, 2020
Within 1 year	0.05	0.05
1-2 year	0.07	0.08
2-5 years	0.16	0.19
Over 5 years	0.29	0.26

The weighted average duration of the defined benefit plan obligation representing average duration for active members is **10 years.** (As at March 31, 2020: 9 years).

(vi) Sensitivity analysis

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

Rs. in crores

Assumption	As at March 31, 2021	As at March 31, 2020
a. Discount rate increase by 1%	**Decrease by 0.06**	Decrease by 0.06
b. Discount rate decrease by 1%	**Increase by 0.07**	Increase by 0.07

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

C. Ex-MD Pension (Unfunded)

Rs. in crores

(i) Reconciliation of opening and closing balances of obligation	As at March 31, 2021	As at March 31, 2020
a. Opening defined benefit obligation	**14.47**	11.96
b. Interest cost	**0.87**	0.87
c. Remeasurement (gains)/losses	**(2.29)**	2.46
d. Benefits paid	**(0.85)**	(0.82)
Closing defined benefit obligation	**12.20**	14.47

(ii) Reconciliation of fair value of assets and obligations		
a. Fair value of plan assets	**-**	-
b. Present value of obligation	**12.20**	14.47
	12.20	14.47
c. Amount recognised in the Balance Sheet		
- Retirement benefit obligations - Non-current	**11.54**	13.73
- Retirement benefit obligations - Current	**0.66**	0.74
	12.20	14.47

Rs. in crores

(iii) Amounts recognised in the Statement of Profit and Loss	Year ended March 31, 2021	Year ended March 31, 2020
Employee benefit expenses		
a. Net interest expense	**0.87**	0.87
	0.87	0.87
Other Comprehensive income		
a. Actuarial (gain)/loss arising from changes in financial assumptions	**(0.77)**	1.89
b. Actuarial (gain)/loss arising from changes in experience adjustments	**(1.52)**	0.57
	(2.29)	2.46
Total defined benefit costs	**(1.42)**	3.33

(iv) Principal assumptions used for the purposes of the actuarial valuations	As at March 31, 2021	As at March 31, 2020
a. Discount rate (per annum)	**6.75%**	6.20%
b. Pension inflation rate (per annum)	**6.00%**	6.00%
c. Mortality rate	**LIC (1996-98) Annuitants ultimate**	LIC (1996-98) Annuitants ultimate

d. Withdrawal rate - The effects of mortality and withdrawal have been factored by constructing a Multiple Decrement Table taking into account the above mortality table.

(v) Maturity profile of defined benefit obligation

Rs. in crores

	As at March 31, 2021	As at March 31, 2020
Within 1 year	0.69	0.76
1-2 year	0.71	0.79
2-5 years	2.25	2.51
Over 5 years	13.74	16.37

The weighted average duration of the defined benefit plan obligation representing average duration for active members is **11** years. (As at March 31, 2020: 12 years).

(vi) Sensitivity analysis

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

Rs. in crores

Assumption	**As at March 31, 2021**	As at March 31, 2020
a. Discount rate increase by 1%	**Decrease by 1.22**	Decrease by 1.49
b. Discount rate decrease by 1%	**Increase by 1.47**	Increase by 1.79
c. Pension inflation rate increase by 1%	**Increase by 1.46**	Increase by 1.78
d. Pension inflation rate decrease by 1%	**Decrease by 1.24**	Decrease by 1.50

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

D. PRMB (Unfunded)

(i) Reconciliation of opening and closing balances of obligation

Rs. in crores

	As at March 31, 2021	As at March 31, 2020
a. Opening defined benefit obligation	**0.81**	0.75
b. Interest cost	**0.06**	0.05
c. Remeasurement (gains)/losses	**(0.17)**	0.05
d. Benefits paid	**(0.01)**	(0.04)
Closing defined benefit obligation	**0.69**	0.81

(ii) Reconciliation of fair value of assets and obligations

Rs. in crores

	As at March 31, 2021	As at March 31, 2020
a. Fair value of plan assets	**-**	-
b. Present value of obligation	**0.69**	0.81
	0.69	0.81
c. Amount recognised in the Balance Sheet		
- Retirement benefit obligations - Non-current	**0.63**	0.74
- Retirement benefit obligations - Current	**0.06**	0.07
	0.69	0.81

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

Rs. in crores

	Year ended March 31, 2021	Year ended March 31, 2020
Employee benefit expenses		
a. Net interest expense	**0.06**	0.05
	0.06	0.05
Other Comprehensive income		
a. Actuarial (gain)/loss arising from changes in financial assumptions	**(0.02)**	0.08
b. Actuarial (gain)/loss arising from changes in experience adjustments	**(0.15)**	(0.03)
	(0.17)	0.05
Total defined benefit costs	**(0.11)**	0.10

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

	As at March 31, 2021	As at March 31, 2020
a. Discount rate (per annum)	**6.50%**	6.20%
b. Medical cost - % of annual entitlement utilised (per annum)	**20.00%**	20.00%
c. Mortality rate	**LIC Annuitants (1996-98) Ultimate**	LIC Annuitants (1996-98) Ultimate

d. Withdrawal rate - The effects of mortality and withdrawal have been factored by constructing a Multiple Decrement Table taking into account the above mortality table.

(v) Maturity profile of defined benefit obligation

Rs. in crores

	As at March 31, 2021	As at March 31, 2020
Within 1 year	**0.06**	0.08
1-2 year	**0.05**	0.07
2-5 years	**0.14**	0.19
Over 5 years	**0.30**	0.37

The weighted average duration of the defined benefit plan obligation representing average duration for active members is **9 years.** (As at March 31, 2020: 8 years).

(vi) Sensitivity analysis

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

Rs. in crores

Assumption	As at March 31, 2021	As at March 31, 2020
a. Discount rate increase by 1%	**Decrease by 0.05**	Decrease by 0.06
b. Discount rate decrease by 1%	**Increase by 0.06**	Increase by 0.07

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

E. Provident fund

Eligible employees (except certain employees covered under Note 37.01) of the Company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the 'Tata Sponge Employees Provident Fund Trust'. The trust invests in specific designated instruments as prescribed by the Government. The remaining portion is contributed to the Government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

The Actuary has carried out year-end actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, the Company has recognised interest rate guarantee shortfall amounting to Rs. 15.39 crores (March 31, 2020 : Rs. 1.29 crore) in the Statement of Profit and Loss. Further during the year, the Company's contribution of Rs. 4.37 crores (March 31, 2020: Rs. 4.34 crores) to the Provident Fund Trust has been expensed under the 'Contribution to Provident and Other Funds' in Note 26. Disclosures given hereunder are restricted to the information available as per the Actuary's Report.

		As at March 31, 2021	As at March 31, 2020
a.	Discount rates	**6.75%**	6.20%
b.	Expected yield on plan assets	**7.50%**	8.40%
c.	Guaranteed Interest Rate	**8.50%**	8.50%

37.03 The Company has done the impact assessment of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management (including supported view from legal expert), the aforesaid matter is not likely to have any impact and accordingly, no provision has been made in these Standalone Financial Statements.

37.04 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.

38 Business combinations

(a) Acquisition of steel business of Usha Martin Limited

Pursuant to the Business Transfer Agreement ('BTA') entered into between Tata Steel Limited (holding company of the Company) and Usha Martin Limited ('UML') on September 22, 2018, its subsequent novation in favour of the Company and approval by the Company's shareholders, the Company acquired the steel business of UML on April 9, 2019 and the related iron ore and coal mines on July 3, 2019, under a going concern and on slump sale basis.

In terms of the BTA, a purchase consideration of Rs. 4,525.00 crores was determined for transfer of the acquired business from UML. The consideration is based on the transfer of business undertaking on a debt-free, cash-free and nil net working capital.

(b) The Board of Directors of the Company has approved the schemes for amalgamation of Tata Metaliks Limited and The Indian Steel and Wire Products Limited into the Company at its meeting held on November 13, 2020. The Board of Directors has recommended exchange ratio of 12 fully paid up equity shares of Rs. 10 each of the Company for every 10 fully paid up equity shares of Rs. 10 each held in the Tata Metaliks Limited and 10 fully paid up equity shares of Rs. 10 each of the Company for every 16 fully paid up equity shares of Rs. 10 each held in The Indian Steel and Wire Products Limited. The Company has submitted the schemes of amalgamation to Stock Exchanges on November 13, 2020 for approval.

39 Goodwill

Rs. in crores

A. Movement in goodwill during the year

	As at March 31, 2021	As at March 31, 2020
Opening balance	**5.66**	-
Add : Additions during the year due to acquisitions (Refer Note 38(a))	**-**	5.66
Closing balances	**5.66**	5.66

B. Impairment tests for goodwill

The Goodwill of **Rs. 5.66 crores** (March 31, 2020: Rs. 5.66 crores) represents the goodwill accounted on the date of acquisition of Steel Business (CGU) as stated in Note 38(a) to these Financial Statements. The entire goodwill as mentioned above is attributable to the aforesaid acquired business CGU i.e. Integrated steel manufacturing plant at Gamharia. The Company has assessed the goodwill for impairment and based on such assessment, no impairment was considered necessary.

40 Assets classified as held for sale

(a) Pursuant to the BTA (set out in Note 38(a)), the Company has acquired certain assets ('the Assets') at Chennai and Ranchi locations from UML. The Company acquired 'the Assets' with intention of subsequent sale, therefore the Company recorded 'the Assets' as held for sale in accordance with Ind AS 105: Non-current Assets Held for Sale and Discontinued Operations.

The Company is currently negotiating with potential buyer and anticipates the sale to be completed within next twelve months. The Company has measured 'the Assets' at lower of carrying value and fair value less costs to sell amounting to Rs. 8.39 crores (March 31, 2020 : Rs. 8.39 crores). No impairment loss has been recognised, as the fair value less costs to sell is higher than carrying amount of 'the Assets' as at March 31, 2021. The fair value of 'the Assets' were determined as fair value of other assets to be received against 'the Assets'. This is a level 3 measurement as per the hierarchy set out in fair value measurement disclosures (Refer Note 31(b)(ii)).

(b) Certain items of property, plant and equipments (including capital work in progress) related to Radhikapur (East) coal block (Refer note 33(d)(i)) amounting to Rs. 10.88 crores (March 31, 2020 : Rs. Nil) has been classified as held for sale in accordance with Ind AS 105: Non-current Assets Held for Sale and Discontinued Operations.

41 Segment reporting

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

Rs. in crores

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

	As at March 31, 2021	As at March 31, 2020
(i) India	**4,429.05**	4,883.62
(ii) Outside India	**-**	-
Total	**4,429.05**	4,883.62

42 Disclosure relating to provisions as per Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets

The details of movement in provision balances and nature of provision is below - Rs. in crores

	VAT, entry tax and sales tax	Cross subsidy surcharge	Interest on income tax	Mines restoration and other activities	Coal block performance obligation	Contingent liability recognised on business combination	Others
Carrying amount as at beginning of the year	**25.25** (26.06)	**6.01** (6.01)	**20.68** (20.68)	**14.19** (-)	**133.72** (-)	**6.39** (-)	**10.88** (-)
Add : Acquired under business combination (Refer Note 38(a))	**-** (-)	**-** (-)	**-** (-)	**-** (14.19)	**-** (-)	**-** (6.39)	**-** (6.85)
Add : Provision made during the year	**-** (0.30)	**-** (-)	**-** (-)	**15.64** (-)	**-** (133.72)	**-** (-)	**0.79** (4.03)
Less : Amount paid during the year	**-** (0.12)	**-** (-)	**-** (-)	**-** (-)	**133.72** (-)	**-** (-)	**-** (-)
Less : Amount reversed during the year	**22.62** (0.99)	**-** (-)	**-** (-)	**1.94** (-)	**-** (-)	**6.10** (-)	**-** (-)
Carrying amount as at the end of the year (Refer Note (16(b))	**2.63** (25.25)	**6.01** (6.01)	**20.68** (20.68)	**27.89** (14.19)	**-** (133.72)	**0.29** (6.39)	**11.67** (10.88)
Nature of obligation	VAT, entry tax and sales tax including interest thereon	Cross subsidy surcharge payable to power distribution companies	Interest on income tax	Activities to be performed at the time of final mine closure or during the mining	Activities to be performed for developing the coal block (Refer Note 35(ii))	Demand for electricity charges and labour related matters on acquired steel business (Refer Note 38)	Demand charges of DMFT and NMET on royalty payment and other matters
Expected timing of resultant outflow	On decision by competent authority			Upon closure of mines or during the mining	The Company has paid this amount during current year. (Refer Note 35(ii)).	On decision by competent authority	
Indication of uncertainty about those outflows	The above matters are under dispute with authorities			None	None	The above matters are under dispute with authorities	
Major assumptions concerning future events	The matter is with higher authorities for adjudication. Provision has been made on the grounds of prudence.			None	None	The matter is with higher authorities for adjudication. Provision has been made on the grounds of prudence.	
Amount of any expected reimbursement, i.e., amount of any asset that has been recognised for that expected reimbursement	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(figures in brackets represents amount for the previous year)

43 Expenditure on corporate social responsibility

Sr. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
			Rs. in crores
a.	Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities	**0.16**	3.20
b.	Amount spent during the year		
	(i) Construction / acquisition of any asset	**-**	-
	(ii) On purposes other than (i) above	**0.56**	3.21

Revenue expenditure charged to the Statement of Profit and Loss in respect of CSR activities undertaken during the year is Rs. 0.56 crore, (Rs. 0.49 crore has been paid in cash and Rs. 0.07 crore is yet to be paid in cash) as compared to Rs. 3.21 crores for the year ended March 31, 2020, (Rs. 2.03 crores was paid in cash and Rs. 1.18 crore was unpaid).

c. CSR expenditure incurred through related parties of the Company for the year ended March 31, 2021 is Rs. Nil. (March 31, 2020 : Rs. Nil.)

d. There are no ongoing CSR projects and no expenditure was incurred during the year on any ongoing project. The Company does not propose to carry forward any amount spent beyond the statutory requirement.

44 Assets hypothecated as security

The carrying amounts of assets pledge as security for borrowings and working capital requirements as follows :

	As at March 31, 2021	As at March 31, 2020
		Rs. in crores
Non-current assets		
First charge (against term loan from banks)		
(i) Property, plant and equipment	**3,788.34**	4,034.89
(ii) Leased assets	**123.84**	128.27
	3,912.18	4,163.16
Current assets		
First charge (against working capital requirement from Banks)		
(i) Inventories	**812.71**	796.97
(ii) Trade receivables	**75.15**	155.88
(iii) Cash and cash equivalents	**279.37**	58.03
(iv) Other balances with banks	**2.41**	103.58
(v) Other financial assets	**185.09**	20.54
(vi) Other current assets	**81.96**	121.82
	1,436.69	1,256.82

45 On account of the Covid 19 outbreak globally and in India, the Company had on April 1, 2020 made an intimation to Stock Exchanges in terms of Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Company is in the business of manufacturing steel / steel products, which support activities that are fundamental to the Indian economy. The Government imposed nation-wide lock down / restrictions due to the Covid-19 pandemic had impacted the Company’s production, sales and other operations and the Company's operations have gradually come back to pre-Covid-19 level. In view of recent surge in Covid-19 cases, few states reintroduced some restrictions, and the Company continues to be vigilant and cautious, which currently is not expected to have any significant impact on the Company's operations / performance. Considering the current internal and external factors, the Company has made detailed assessment of its liquidity position / cash flows for the next one year and carrying amounts / values of Property, Plant and Equipment, Intangible assets (including goodwill), Right of use of assets, trade receivables, inventories, investments and other assets as at March 31, 2021, and has concluded that there are no material adjustments required in the standalone financial statements.

46 The Company has long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Company did not have long term derivative contracts.

47 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except for amounts aggregating to **Rs. 0.06 crores** as at March 31, 2021 (March 31, 2020 : Rs. 0.05 crores) which is held in abeyance due to pending legal cases.

48 Details relating to Company's subsidiaries are as follows.

Name of subsidiary	**Principal activity***	**Place of incorporation and operation**	**Proportion of ownership interest and voting power held by the Company**	
			As at March 31, 2021	As at March 31, 2020
TSIL Energy Limited (Subsidiary)	**-**	**India**	**100%**	100%

* The Company was incorporated with the intent to engage in generation and sale of power, but the operations have not begun and the Company is inoperative. The Boards of the Company and TSIL Energy Limited, in their meeting dated January 14, 2021 and April 19, 2021 respectively, discussed management's proposal of striking off/ liquidation of inoperative TSIL Energy Limited. Both the Boards have advised the management to suggest the modalities of liquidation at a subsequent meeting.

49 Figures for the previous year include operations of acquired steel business, set out in note 38(a), and accordingly not comparable with figures of current year.

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

Pinaki Chowdhury
Partner
Membership No. 057572

Place: Kolkata
Date: April 20, 2021

For and on behalf of the Board of Directors

T V Narendran
Chairman
DIN: 03083605

Ashish Anupam
Managing Director
DIN: 08384201

S K Mishra
Chief Financial Officer

S K Shrivastav
Joint Chief Financial Officer

Sankar Bhattacharya
Company Secretary

Place: Jamshedpur
Date: April 20, 2021