

Price Waterhouse & Co Chartered Accountants LLP

Independent Auditor's Report

To the Members of Tata Steel Long Products 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, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the 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 period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the key audit matter |
|--|--|
| <p>Assessment of carrying value of investments of Rs. 13,084.97 crores as on March 31, 2023, in Neelachal Ispat Nigam Limited, a subsidiary company.</p> <p>[Refer to Note 02.02 to the Standalone Financial Statements- "Use of estimates and critical accounting judgments- (vi) Impairment of Investments in subsidiary", Note 02.09 to the Standalone Financial Statements- "Investments in subsidiary" and Note 06 to the Standalone Financial Statements- "Investments"].</p> <p>During the year, the Company has invested Rs. 8,139.46 crores in equity shares and Rs. 4,560.54 crores in non-cumulative redeemable preference shares (NCRPS) of the above-mentioned subsidiary.</p> <p>The Company has accounted for investment in equity shares at cost and investment in NCRPS are initially recorded at fair value and subsequently carried at amortised cost. Contractual cash flows from the NCRPS represent the principal (Rs. 4,560.54 crores) plus accrued interest (Rs.</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• We obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Company's key controls over the impairment assessment.• We evaluated the appropriateness of the Company's accounting policy in respect of impairment assessment of investment in subsidiary.• We evaluated the Company's process regarding impairment assessment by involving auditor's valuation experts, to assist in assessing the appropriateness of the impairment assessment model, underlying assumptions relating to discount rate, terminal value, etc.• We evaluated the cash flow forecasts/ incremental cash flows by comparing them to the budgets and our understanding of the internal and external factors. |

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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E300009 (ICAI registration number before conversion was 304026E)



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| <p>384.97 crores) aggregating Rs. 4,945.51 crores as on March 31, 2023. Where an indication of impairment exists, the carrying value of investment is assessed for impairment and where applicable an impairment provision is recognised.</p> <p>The impairment assessment for above investments has been carried out by the management in accordance with Ind AS 36 and Ind AS 109, as applicable. The key inputs and judgements involved in the impairment assessment of investments include:</p> <ul style="list-style-type: none"> • Cash flows forecast/incremental cash flows including assumptions on capacity expansion • Discount rates • Terminal growth rate • Economic and other specific factors incorporated in the impairment assessment. <p>The assessment of carrying value of investments is a Key Audit Matter as the determination of recoverable value for impairment assessment involves significant management judgement and estimates.</p> | <ul style="list-style-type: none"> • We checked the mathematical accuracy of the impairment assessment model and agreed the relevant data with the latest budgets, actual results and other supporting documents, as applicable. • We assessed the sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment. • We discussed the key assumptions and sensitivities with those charged with governance. • We evaluated the appropriateness of the disclosures made in the Standalone Financial Statements. <p>Based on the above procedures performed, we did not identify any significant exceptions in the management's impairment assessment in relation to the carrying value of investments in subsidiary.</p> |
|--|---|

| Key audit matter | How our audit addressed the key audit matter |
|--|---|
| <p>Recovery of expenses for Radhikapur (East) Coal Block</p> <p>[Refer to Note 08 to the Standalone Financial Statements]</p> <p>As at March 31, 2023, 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.</p> <p>The Coal Mines (Special Provisions) Act, 2015 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.</p> <p>During the financial year 2020-21, 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. According to an external legal opinion obtained by the Company, there is a high likelihood of the Company being compensated for the entire investments made for acquiring the land for the development of the coal block. The Company based on its assessment and along with the aforesaid opinion expects to recover the entire amount.</p> <p>This is considered to be a Key Audit Matter as significant judgements are involved regarding recoverability of the aforesaid amounts incurred which are largely subject to decision/approvals of the regulatory authorities.</p> | <p>Our audit procedures around recoverability of the expenses incurred included the following:</p> <ul style="list-style-type: none"> • Evaluation of the design and testing of operating effectiveness of the related controls implemented by the management. • Tested a sample of expenses incurred on the coal block. • Obtained evidence supporting the correspondences of the Company with the MoC / Nominated Authority of MoC / Government agencies and the allotment to the successful bidder. • Obtained an updated understanding of the basis of the management's judgement on recoverability of expenses including inquiries with the Company's inhouse legal counsel and opinion from an independent external legal counsel. <p>Based on the above work performed, we found the management's judgement on assessment of recoverability of the related expenses, to be reasonable.</p> |



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Other Information

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

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

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

We have nothing to report in this regard.

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

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

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

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.



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- 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:



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- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the standalone financial statements;
 - ii. The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable loss on long term contracts. The Company did not have long term derivative contracts. Refer Note 49 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, 2023, except for amounts aggregating 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 50 to the standalone financial statements.
 - iv. (a) The management has represented that, to the best of its knowledge and belief and as disclosed in the notes to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries [Refer Note 53(a) to the standalone financial statements];

(b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. [Refer Note 53(b) to the standalone financial statements]; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
 - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
15. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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



Pinaki Chowdhury
Partner
Membership Number: 057572
UDIN: 23057572BGXVOS1291
Kolkata
April 25, 2023

Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Tata Steel Long Products Limited on the standalone financial statements for the year ended March 31, 2023

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

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

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to 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 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.



Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditor's Report

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Tata Steel Long Products Limited on the standalone financial statements for the year ended March 31, 2023

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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



Pinaki Chowdhury
Partner
Membership Number: 057572
UDIN: 23057572BGXVOS1291
Kolkata
April 25, 2023

Price Waterhouse & Co Chartered Accountants LLP

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 on the standalone financial statements as of and for the year ended March 31, 2023

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 03 on Property, Plant and Equipment and Note 04 on Right-of-use assets to the standalone financial statements, are held in the name of the Company, except for the following immovable properties as stated in Note 03.06 to the standalone financial statements, whose title deeds are not held in the Company's name :

| Description of property | Gross carrying value (Rs. crore) | Net carrying value (Rs. crore) | Held in the name of | Whether promoter, director or their relative or employee | Period held | Reason for not being held in the name of the Company |
|-------------------------|----------------------------------|--------------------------------|------------------------------|--|---------------|--|
| Freehold land | 0.45 | 0.45 | Bharat Minex Private Limited | No | April 9, 2019 | Immovable properties were part of acquired steel business from Usha Martin Limited. The Company is in process of getting title deeds registered in the name of the Company |
| Freehold land | 0.83 | 0.83 | Usha Martin Limited | No | April 9, 2019 | |
| Freehold land | 0.21 | 0.21 | Chandrakali Devi | No | April 9, 2019 | |
| Freehold land | 0.08 | 0.08 | Bhagwan Singh | No | April 9, 2019 | |
| Freehold land | 0.02 | 0.02 | Prem Nath Prasad | No | April 9, 2019 | |
| Freehold land | 0.07 | 0.07 | Laljahari Devi | No | April 9, 2019 | |
| Freehold land | 0.08 | 0.08 | Gopinath Pradhan | No | April 9, 2019 | |
| Freehold buildings | 0.71 | 0.32 | Usha Martin Limited | No | July 3, 2019 | |
| Right-of-use land | 2.36 | 2.15 | Usha Martin Limited | No | April 9, 2019 | |

- (d) The Company has not revalued its Property, Plant and Equipment (including Right-of-Use assets) or intangible assets during the year. Accordingly, the reporting under clause 3(i)(d) of the Order is not applicable to the Company.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988



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(45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.

- ii. (a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account. Further, the Company is yet to submit the returns or statements for the quarter ended March 31, 2023 to the banks and hence reporting under clause 3(ii)(b) of the Order to the extent it relates to the last quarter of the financial year is not applicable to the Company. [Also refer Note 52(a) to the standalone financial statements].
- iii. (a) The Company has made investments in a company (subsidiary) and twelve mutual fund schemes during the year. The Company has not granted secured/ unsecured loans/ advances in the nature of loans to any Company/Firm/Limited Liability Partnership/Other Party during the year other than loan to ten employees. The Company did not stand guarantee or provided security to any Company/Firm/Limited Liability Partnership/Other party during the year. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans are as per the table given below:

| Particulars | Loans (Rs. crore) |
|---|-------------------|
| Aggregate amount granted/ provided during the year | 0.05 |
| - Others | |
| Balance outstanding as at balance sheet date in respect of the above case | 0.03 |
| - Others | |

[Also refer Note 54 to the standalone financial statements]

- (b) In respect of the aforesaid investments and loans, the terms and conditions under which such loans were granted/investments were made are not prejudicial to the Company's interest.
- (c) In respect of the loans to employees, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.
- (d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- (e) There were no loans /advances in nature of loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans/advances in nature of loan.
- (f) The loans granted during the year, had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. No amount of loans were granted to the promoters/ related parties.



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- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in 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 regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, and other material statutory dues, as applicable, with the appropriate authorities. [Also, refer note 37.04 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund].
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

| Name of the statute | Nature of dues | Amount (net payments/ deposits) (Rs. crores) | Amount paid / of deposited (Rs. crores) | Period to which the amount relates | Forum where the dispute is pending |
|--------------------------------|----------------|--|---|---|---|
| Income Tax Act, 1961 | Income tax | 9.00 | 66.97 | 2014-15 2015-16 2016-17 | Commissioner of Income Tax (Appeals) |
| Income Tax Act, 1961 | Income tax | 27.13 | 264.74 | 2007-08, 2009-10 to 2012-13 and 2017-18 | Assistant Commissioner of Income Tax |
| Central Sales Tax Act, 1957 | Sales Tax | 0.67 | 0.85 | 2005-06 | Sales tax Tribunal |
| Central Sales Tax Act, 1957 | Sales Tax | 0.02 | 0.03 | 1987-88 1992-93 1998-99 | Deputy Commissioner of Commercial Taxes |
| The Odisha Sales Tax Act, 1947 | Sales Tax | 0.02 | 0.07 | 1992-93 2000-01 | Sales tax Tribunal |
| The Odisha Sales Tax Act, 1947 | Sales Tax | 0.06 | 0.06 | 1987-88 1989-90 1990-91 1988-89 | Deputy Commissioner of Commercial Taxes |



Price Waterhouse & Co Chartered Accountants LLP

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 on the standalone financial statements for the year ended March 31, 2023

| | | | | | |
|--------------------------------------|-----------------|-------|------|--------------------|--|
| Customs Act, 1962 | Customs Duty | 33.11 | - | 2012-13 | Customs, Excise and Service Tax Appellate Tribunal |
| Customs Act, 1962 | Custom Duty | 0.34 | 0.07 | 2019-20 | Commissioner Appeals, Customs |
| The Central Excise Act, 1944 | Excise Duty | 2.05 | 0.11 | 2011-12 | Customs, Excise and Service Tax Appellate Tribunal |
| The Central Excise Act, 1944 | Excise Duty | ** | ** | 2019-20 | Commissioner Appeals, GST & Central Excise |
| The Odisha Value Added Tax Act, 2004 | Value Added Tax | 0.07 | 0.18 | 2005-06 | Commissioner of Commercial Taxes |
| The Odisha Entry Tax Act, 1999 | Entry Tax | 0.87 | 0.62 | 2006-07 2007-08 | Sales Tax Tribunal |
| The Odisha Entry Tax Act, 1999 | Entry Tax | 1.03 | 0.57 | 2005-06 | Deputy Commissioner of Commercial Taxes |
| Electricity Act, 2003 | Cross Subsidy | 7.44 | - | 2012-13 | Appellate Tribunal for Electricity |

**Amount below rounding off norm adopted in report.

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

| Name of the statute | Nature of dues | Amount (net of payments/ deposits) (Rs. crores) | Amount paid / deposited (Rs. crores) | Period to which the amount relates | Forum where the dispute is pending |
|------------------------------|----------------|---|--------------------------------------|------------------------------------|--|
| The Central Excise Act, 1944 | Excise Duty | 26.84 | - | 2006-07 2007-08 | Customs, Excise and Service Tax Appellate Tribunal |

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



Price Waterhouse & Co Chartered Accountants LLP

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 on the standalone financial statements for the year ended March 31, 2023

- ix. (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender, as applicable during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. [Also refer Note 15(iv) to the standalone financial statements].
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, other than amounts aggregating Rs. 600 crores (raised through issuance of non-cumulative redeemable preference shares to its Holding Company, Tata Steel Limited) invested in its subsidiary, Neelachal Ispat Nigam Limited (NINL) through subscription of equity shares of NINL for meeting the fund requirements / obligations of NINL. The Company has no associate or joint venture. [Also refer Note 52(b) to the standalone financial statements].
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary. The Company has no associate or joint venture.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.



Price Waterhouse & Co Chartered Accountants LLP

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 on the standalone financial statements for the year ended March 31, 2023

- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group has seven CICs as part of the Group as detailed in Note 55 to the standalone financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has incurred cash losses of Rs. 737.83 crores in the financial year and had not incurred cash losses in the immediately preceding financial year
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios [Also refer Note 47 to the standalone financial statements], ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.



Price Waterhouse & Co Chartered Accountants LLP

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 on the standalone financial statements for the year ended March 31, 2023

- xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

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



Pinaki Chowdhury
Partner
Membership Number: 057572

UDIN: 23057572BGXVOS1291
Kolkata
April 25, 2023

TATA STEEL LONG PRODUCTS LIMITED
Standalone Balance Sheet as at March 31, 2023

| | Notes | Rs. in crores | |
|--|---------|-------------------------|-------------------------|
| | | As at March 31, 2023 | As at March 31, 2022 |
| I Assets | | | |
| Non-current assets | | | |
| (a) Property, plant and equipment | 03 | 3,409.47 | 3,598.79 |
| (b) Right-of-use assets | 04 | 196.91 | 211.28 |
| (c) Capital work-in-progress | 03 | 87.26 | 57.52 |
| (d) Goodwill | 40 | 6.16 | 6.16 |
| (e) Other intangible assets | 05 | 247.26 | 264.44 |
| (f) Advance against equity investment | | - | 1,210.00 |
| (g) Financial assets | | | |
| (i) Investments in Equity Instruments of subsidiary | 06(i) | 8,139.46 | - |
| (ii) Investments in Other Instrument of subsidiary | 06(i) | 4,945.51 | - |
| (iii) Other Investments | 06(i) | 19.28 | 15.68 |
| (iv) Loans | 07 | 0.02 | 0.04 |
| (v) Other financial assets | 08 | 8.16 | 8.51 |
| (h) Income tax assets (net) | 21 (ii) | 80.92 | 44.71 |
| (i) Other non-current assets | 09 | 20.86 | 21.25 |
| Total non-current assets | | 17,161.24 | 6,438.38 |
| Current assets | | | |
| (a) Inventories | 10 | 1,365.14 | 1,350.09 |
| (b) Financial assets | | | |
| (i) Investments | 06 (ii) | 547.66 | 8,077.62 |
| (ii) Trade receivables | 11 | 70.42 | 60.39 |
| (iii) Cash and cash equivalents | 12 (i) | 112.91 | 4,558.91 |
| (iv) Bank balances other than (iii) above | 12 (ii) | 940.70 | 2.20 |
| (v) Loans | 07 | 0.60 | 0.24 |
| (vi) Derivative assets | | 1.12 | - |
| (vii) Other financial assets | 08 | 264.12 | 247.45 |
| (c) Other current assets | 09 | 155.36 | 76.99 |
| Total current assets | | 3,447.92 | 14,373.89 |
| Assets classified as held for sale | 41 | 57.16 | - |
| Total assets | | 20,666.31 | 19,812.27 |
| II Equity and liabilities | | | |
| Equity | | | |
| (a) Equity share capital | 13 | 45.10 | 45.10 |
| (b) Other equity | 14 | 2,014.30 | 3,155.37 |
| Total equity | | 2,069.40 | 3,200.47 |
| Liabilities | | | |
| Non-current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 15 | 14,667.83 | 13,391.55 |
| (ii) Lease liabilities | 04 | 76.82 | 80.07 |
| (iii) Other financial liabilities | 20 | 828.21 | - |
| (b) Provisions | 16 | 58.95 | 50.51 |
| (c) Deferred tax liabilities (net) | 17 | 204.76 | 148.70 |
| Total non-current liabilities | | 15,835.56 | 13,670.83 |
| Current liabilities | | | |
| (a) Financial liabilities | | | |
| (i) Lease liabilities | 04 | 7.69 | 9.98 |
| (ii) Derivative liabilities | | 2.70 | 1.71 |
| (iii) Trade payables | 18 | | |
| - total outstanding dues of micro and small enterprises | | 68.38 | 72.63 |
| - total outstanding dues of creditors other than micro and small enterprises | | 2,067.37 | 2,297.20 |
| (iv) Other financial liabilities | 20 | 250.99 | 137.91 |
| (b) Provisions | 16 | 67.96 | 54.74 |
| (c) Other current liabilities | 19 | 252.36 | 312.90 |
| (d) Current tax liabilities (net) | 21 (i) | 53.80 | 53.90 |
| Total current liabilities | | 2,771.36 | 2,940.97 |
| Total liabilities | | 18,608.91 | 18,611.80 |
| Total equity and liabilities | | 20,666.31 | 19,812.27 |

Notes forming an integral part of the standalone financial statements

1 to 61

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

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

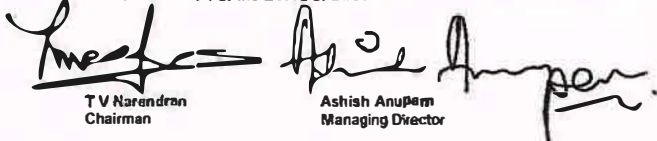


Pinaki Chowdhury
Partner

Membership No. 057572

Place: Kolkata
Date: April 26, 2023

For and on behalf of the Board of Directors



T V Narendran
Chairman

DIN: 03083605

Ashish Anupam
Managing Director

DIN: 08384201



S K Shrivastav
Chief Financial Officer



Sanjay Bhattacharya
Company Secretary

Place: Mumbai
Date: April 26, 2023

TATA STEEL LONG PRODUCTS LIMITED

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

| | | Rs. in crores | | |
|------|---|------------------------------|------------------------------|-----------------|
| | Notes | Year ended March 31, 2023 | Year ended March 31, 2022 | |
| I | Revenue from operations | 22 | 7,484.07 | 6,801.63 |
| II | Other income | 23 | 634.46 | 137.51 |
| III | Total Income (I + II) | | 8,098.53 | 6,939.14 |
| IV | Expenses: | | | |
| | Cost of materials consumed | 24 | 5,468.80 | 3,929.61 |
| | Changes in inventories of finished and semi finished goods | 25 | (82.27) | (99.14) |
| | Employee benefits expense | 28 | 217.49 | 216.43 |
| | Finance costs | 27 | 1,387.00 | 109.96 |
| | Depreciation and amortisation expense | 28 | 347.66 | 319.58 |
| | Other expenses | 29 | 1,787.77 | 1,577.18 |
| | Total expenses (IV) | | 9,126.45 | 6,063.62 |
| V | (Loss) / Profit before exceptional items (III - IV) | | (1,027.92) | 885.62 |
| VI | Exceptional items | | | |
| | Acquisition related expenditure | 35 | 1.70 | 27.14 |
| | Total exceptional items (VI) | | 1.70 | 27.14 |
| VII | (Loss) / Profit before taxes (V-VI) | | (1,029.62) | 858.38 |
| VIII | Tax expenses: | | | |
| | (1) Current tax | | - | 124.08 |
| | (2) Deferred tax | 17 (i) | 55.87 | 104.43 |
| | Total tax expense (VIII) | | 55.87 | 228.51 |
| IX | (Loss) / Profit for the year (VII - VIII) | | (1,085.49) | 629.87 |
| X | Other comprehensive income | | | |
| | (i) Items that will not be reclassified to profit and loss | | | |
| | (a) Remeasurement (loss)/gain of the defined benefit plans | | (0.94) | 2.92 |
| | (b) Income tax relating to above items | | 0.24 | (0.73) |
| | (c) Gain / (loss) on changes in fair value of FVOCI equity instruments | | 3.60 | (3.92) |
| | (d) Income tax relating to above items | | (0.80) | 0.99 |
| | (ii) Items that will be reclassified subsequently to profit and loss | | | |
| | (a) Fair value changes of cash flow hedges | | (1.89) | - |
| | (b) Income tax relating to above items | | 0.39 | - |
| | Total other comprehensive income (X) | | 0.80 | (0.74) |
| XI | Total comprehensive income for the year (IX + X) (Comprising (loss) / profit and other comprehensive income for the year) | | (1,084.69) | 629.13 |
| XII | Earnings / (loss) per equity share (face value of Rs. 10 each) : | 32 | | |
| | (1) Basic (in Rs.) | | (240.69) | 139.66 |
| | (2) Diluted (in Rs.) | | (240.69) | 139.66 |

Notes forming an integral part of the standalone financial statements

1 to 61

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

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number - 304028E/E-300009

For and on behalf of the Board of Directors



Pinald Chowdhury
Partner
Membership No. 057572

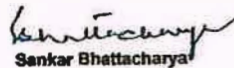



T V Narendran
Chairman
DIN: 03083605

Ashish Anupam
Managing Director
DIN: 08384201



S K Shrivastav
Chief Financial Officer



Sanjay Bhattacharya
Company Secretary

Place: Kolkata
Date: April 26, 2023

Place: Mumbai
Date: April 25, 2023

TATA STEEL LONG PRODUCTS LIMITED

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

(A) Equity share capital

Rs. in crores

| Particulars | Notes | Amount |
|---|-------|--------|
| As at April 1, 2021 | 13 | 45.10 |
| Changes in equity share capital during the year | | - |
| As at March 31, 2022 | | 45.10 |
| Change in equity share capital during the year | | - |
| As at March 31, 2023 | | 45.10 |

(B) Other equity

Rs. in crores

| Particulars | Notes | Reserves and surplus | | | | Other reserves | | Total |
|--|-------|----------------------|--------------------|-------------------|--|---|-------------------------|------------|
| | | General reserves | Securities premium | Retained earnings | Remeasurement gain / (loss) on defined benefit plans | Equity instruments through other comprehensive income | Cash flow hedge reserve | |
| As at April 1, 2021 | 14 | 900.00 | 1,449.99 | 192.02 | (8.02) | 14.80 | - | 2,548.79 |
| Profit for the year | | - | - | 629.87 | - | - | - | 629.87 |
| Changes in fair value of FVOCI equity instruments | | - | - | - | - | (3.92) | - | (3.92) |
| Remeasurement gain / (loss) on defined benefit plans | | - | - | - | 2.92 | - | - | 2.92 |
| Tax impact on items of other comprehensive income (OCI) | | - | - | - | (0.73) | 0.99 | - | 0.26 |
| Transactions with the owners in their capacity as owners | | - | - | - | - | - | - | - |
| Dividend paid during the year | 30(b) | - | - | (22.56) | - | - | - | (22.56) |
| Balance as at March 31, 2022 | 14 | 900.00 | 1,449.99 | 788.34 | (5.83) | 11.07 | - | 3,143.57 |
| Loss for the year | | - | - | (1,085.46) | - | - | - | (1,085.46) |
| Changes in fair value of FVOCI equity instruments | | - | - | - | - | 3.00 | - | 3.00 |
| Remeasurement gain / (loss) on defined benefit plans | | - | - | - | (0.94) | - | - | (0.94) |
| Change in fair value of hedging instruments | | - | - | - | - | - | (1.89) | (1.89) |
| Tax impact on items of other comprehensive income (OCI) | | - | - | - | 0.24 | (0.40) | 0.39 | (0.17) |
| Transactions with the owners in their capacity as owners | | - | - | - | - | - | - | - |
| Dividend paid during the year | 30(b) | - | - | (54.38) | - | - | - | (54.38) |
| Balance as at March 31, 2023 | 14 | 900.00 | 1,449.99 | (247.12) | (6.53) | 14.07 | (1.50) | 2,014.38 |

Notes forming an integral part of the standardized financial statements 1 to 61

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 - 300266E-310000



Pratik Choudhury
Partner
Membership No. 057672


Place: Kolkata
Date: April 25, 2023

For and on behalf of the Board of Directors



T V Raocharan
Chairman
DIN: 0000555

Anish Arora
Managing Director
DIN: 03384201



S K Shrivastava
Chief Financial Officer



Senior Bhattacharya
Company Secretary

Place: Mumbai
Date: April 25, 2023

TATA STEEL LONG PRODUCTS LIMITED

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

| | Rs. in crores | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| A. Cash flows from operating activities | | |
| (Loss) / Profit before tax | (1,029.82) | 858.38 |
| Adjustments for: | | |
| Depreciation and amortisation expense | 347.68 | 319.58 |
| Changes in fair value of financial assets / liabilities at fair value through profit or loss | (10.45) | (6.93) |
| Gain on cancellation of forward contracts | (14.21) | (0.11) |
| Dividend received from equity investments | (6.33) | (0.75) |
| Gain on sale of current investments | (117.86) | (9.19) |
| Loss on sale of non-current investments | - | 0.06 |
| Loss on disposal of property, plant and equipment | 1.82 | 11.98 |
| Interest income | (411.95) | (13.64) |
| Finance costs | 1,387.00 | 109.96 |
| Other non-cash items | (8.01) | 0.86 |
| Operating profit before working capital changes | 139.06 | 1,270.30 |
| Changes in operating assets and liabilities: | | |
| (Increase) in Inventories | (15.05) | (536.91) |
| (Increase) in Non-current/Current financial and non-financial assets | (86.13) | (31.34) |
| (Decrease) / Increase in Non-current/Current financial and non-financial liabilities/provisions | (261.88) | 1,184.63 |
| Cash (used in) / generated from operations | (233.80) | 1,686.68 |
| Income taxes (paid) | (36.21) | (125.64) |
| Net cash (used in) / generated from operating activities | (270.01) | 1,761.04 |
| B. Cash flows from investing activities | | |
| Purchase of capital assets | (159.08) | (91.92) |
| Sale of capital assets | 7.53 | 1.31 |
| Payments relating to a capital project that is classified as assets held for sale (Refer note 41) | (57.15) | - |
| Payments relating to business combination | (12.83) | (54.18) |
| Payment for acquisition (Refer note 38(a)) | (11,490.00) | - |
| Sale / (Purchase) of current investments (net) | 7,684.60 | (8,084.74) |
| Advance against equity investment | - | (1,210.00) |
| Proceeds from disposal of non-current investments | - | 1.00 |
| Interest received | 28.01 | 12.89 |
| Dividend received from equity investments | 6.33 | 0.75 |
| Net cash (used in) investing activities | (4,013.58) | (9,404.79) |
| C. Cash flows from financing activities | | |
| Repayment of borrowings (net) | - | (636.00) |
| Proceeds from issue of non-convertible redeemable preference shares | - | 12,700.00 |
| Finance costs paid (excluding interest towards lease liabilities) | (103.70) | (95.26) |
| Payment of lease liabilities | (8.50) | (13.62) |
| Interest paid on lease liabilities | (8.83) | (9.39) |
| Gain on cancellation of forward contracts | 14.21 | 0.11 |
| Dividend paid | (86.38) | (22.55) |
| Net cash (used in) / generated from financing activities | (162.40) | 11,823.28 |
| Net (decrease)/increase in cash and cash equivalents | (4,448.00) | 4,279.64 |
| Cash and cash equivalents at the beginning of the year (Refer Note 12(i)) | 4,568.91 | 279.37 |
| Cash and cash equivalents at the end of the year (Refer Note 12(i)) | 112.91 | 4,658.91 |

Notes forming an integral part of the standalone financial statements

1 to 61

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

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number - 304025E/E-300009



Pinaki Chowdhury
Partner
Membership No. 057672

For and on behalf of the Board of Directors



T V Narandran
Chairman
DIN: 03083805

Ashish Anupam
Managing Director
DIN: 08384201



S K Shrivastav
Chief Financial Officer



Sankar Ghosh
Company Secretary

Place: Kolkata
Date: April 26, 2023

Place: Mumbai
Date: April 26, 2023

TATA STEEL LONG PRODUCTS LIMITED

Notes to the Standalone financial statements

1. 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 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 authorized for issue with the resolution of the Company's Board of Directors on April 25, 2023.

2. 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.

2.01 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:

- expected to be realised or intended to be sold or consumed in the normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- 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:

- it is expected to be settled in the normal operating cycle,
- it is incurred primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- 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.



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Standalone financial statements

2.02 Use of estimates and critical accounting judgements

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, 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 02.17 and 37

Post-employment benefits represent 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, the investment and funding decisions made. The accounting requires the company to make assumptions regarding variables such as discount rate, rate of compensation increase and future mortality rates. 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, plant 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 obsolescence that may change the utility of property, plant and equipment.

(iii) Provision and Contingent liabilities - Refer Notes 02.20, 02.21, 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, 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) Fair value measurements and valuation processes - Refer Notes 02.10, 2.11, 2.17, 8, 16, 31 and 37

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

(v) Impairment - Refer Notes 02.07 and 40

The Company estimates the value in use of the cash generating units (CGU) based on future cash flows after considering current economic conditions and trends, estimated future operating results, 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 to calculate the present value.



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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.

(vi) Impairment of Investments in subsidiary - Refer Note 02.09 and 06(i)

The Company estimates the value in use / fair value less cost to sale based on future cash flows after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows forecast / incremental cash flows are discounted using a suitable discount rate in order to calculate the present value.

(vii) Loss allowance for Expected Credit Losses – Refer Note 2.14 and 11

To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles of sales over past quarters before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The assumptions and estimates applied for determining the loss allowance are reviewed periodically.

2.03 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation 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 incurred.

Depreciation Method, Estimated Useful Lives and Residual Values

Depreciation on property, plant and equipment is calculated on a pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual values, over their estimated useful lives. The useful lives determined are in line with the useful lives prescribed in Schedule II to the Act except in respect of 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 |
|--|--------------|
| Buildings | 3 - 60 years |
| Plant and equipment and electrical installations | 2 - 35 years |
| Furniture and fixtures | 2 - 10 years |
| Office equipments | 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 or 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'.



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2.04 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 or 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 or Loss in the period in which the condition that triggers those payment occurs.

2.05 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 amortization 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.



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(iii) Mining rights (fair valued on acquisition)

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.

2.06 Research and Development

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

2.07 Impairment of non-financial assets

Upon acquisition of a new business, goodwill has been accounted for in terms of Ind AS 103. The goodwill so recognised is assessed annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are assessed 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 assets' 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).

2.08 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.

2.09 Investments in subsidiary

Investments in equity shares of subsidiary is carried at cost less provision for impairment, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required, to its Recoverable Amount. The Recoverable Amount of an asset is the higher of its fair value less costs of disposal and its value in use.

The Investment in non-cumulative redeemable preference shares (NCRPS) of subsidiary is initially recognised at fair value. The cash flows from the NCRPS represent solely payments of principal and interest and are held by the Company within the business model to collect contractual cash flows. Accordingly, Investment in NCRPS is subsequently measured at amortised cost. Contractual cash flows from the NCRPS represent the principal plus the accrued interest.

2.10 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



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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 or Loss.

2.11 Investments (Other than Investments in Subsidiary) 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 profit or 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 or 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

At initial recognition, the Company measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction cost.

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 or 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.



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(iv) Derecognition of financial assets

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

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

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

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

(v) Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(vi) Dividend Income

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

(vii) Fair Value of Financial Instruments

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

(viii) Offsetting Financial Instruments

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

2.12 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.



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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.

2.13 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'.

Cash flow hedges that qualify for hedge accounting:

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When option contracts are used to hedge forecast transactions, the Company designates only the intrinsic value of the options as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedging reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of materials consumed).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

2.14 Trade Receivables

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

2.15 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.



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2.16 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

2.17 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 (other than employees of coal mines and straight bar of Jamshedpur unit) 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 Steel Long Product Limited 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.



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(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.

2.18 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. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the 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.

2.19 Inventories

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



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estimated costs of completion and the estimated costs necessary to make the sale. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material.

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

2.20 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.

2.21 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.

2.22 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 is recognised based on the price specified in the contract, which is fixed. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration. No element of financing is deemed present as the sales are made against the receipt of advance or with an agreed credit period of up to 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 has 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 has 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.



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Standalone financial statements

(iii) Income from services

The Company acts as a conversion agent for conversion of iron ore into sponge iron and iron ore fines into Pellet. 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 and sponge iron are despatched as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

2.23 Government grants

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

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

2.24 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 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.

2.25 Non-current assets held for sale

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

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

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

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



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Standalone financial statements

2.27 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.

2.28 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 banks, 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.

2.29 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. Refer Note 42 for segment information presented.

2.30 New and amended standards adopted by the Company.

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

2.31 New amendments issued but not effective.

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

2.32 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 Schedule III, unless otherwise stated.



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Standalone financial statements

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

| Carrying amounts of: | Rs. in crores | |
|---|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Freehold land | 200.55 | 200.55 |
| Freehold buildings | 212.22 | 207.53 |
| Plant and equipment | 2,825.68 | 2,791.14 |
| Furniture and fixtures | 0.84 | 0.84 |
| Electrical installations | 332.99 | 354.24 |
| Office equipments | 10.18 | 11.82 |
| Vehicles | 0.28 | 0.38 |
| Mining lease and development | 7.88 | 11.39 |
| Railway Sidings | 18.89 | 20.90 |
| Total | 3,408.47 | 3,598.79 |
| Capital work-in-progress (Refer note 03 07) | 99.82 | 57.52 |
| Less: Classified as held for sale (Refer note 41) | (12.58) | - |
| Total | 67.26 | 57.52 |

| | Rs. in crores | | | | | | | | | |
|---|---------------|--------------------|---------------------|------------------------|--------------------------|-------------------|-------------|------------------------------|-----------------|-----------------|
| | Freehold land | Freehold buildings | Plant and equipment | Furniture and fixtures | Electrical installations | Office equipments | Vehicles | Mining lease and development | Railway Sidings | Total |
| Cost/deemed cost | | | | | | | | | | |
| Balance as at April 1, 2021 | 202.04 | 233.27 | 3,440.78 | 2.03 | 479.54 | 8.58 | 1.66 | 204.8 | 23.63 | 4,412.01 |
| Additions during the year | - | 15.75 | 29.29 | 0.07 | 1.84 | 12.09 | - | - | 4.31 | 63.35 |
| Assets acquired under business combination (Refer Note 38(b)) | - | 3.79 | 1.96 | - | 0.69 | 0.01 | - | - | - | 6.45 |
| Assets disposed / written off during the year | - | - | 22.09 | 0.20 | - | 2.61 | 1.09 | - | - | 25.99 |
| Other reclassifications | 1.49 | - | - | - | - | - | - | - | - | 1.49 |
| Balance as at March 31, 2022 | 200.55 | 252.81 | 3,448.94 | 1.90 | 482.07 | 18.07 | 0.57 | 20.48 | 27.94 | 4,454.33 |
| Additions during the year | - | 17.86 | 102.99 | 0.19 | 3.33 | 2.98 | - | - | - | 127.15 |
| Assets disposed / written off during the year | - | - | 8.28 | - | - | 0.15 | - | - | - | 8.41 |
| Other reclassifications | - | - | - | - | - | - | - | - | - | - |
| Balance as at March 31, 2023 | 200.55 | 270.47 | 3,544.67 | 2.09 | 485.40 | 20.90 | 0.57 | 20.48 | 27.94 | 4,573.07 |
| Accumulated depreciation | | | | | | | | | | |
| Accumulated depreciation as at April 1, 2021 | - | 31.53 | 460.79 | 0.94 | 80.13 | 4.74 | 0.94 | 5.68 | 4.64 | 589.39 |
| Charge for the year | - | 13.75 | 207.01 | 0.31 | 47.70 | 3.98 | 0.29 | 3.41 | 2.40 | 278.85 |
| Depreciation on assets disposed / written off during the year | - | - | 9.00 | 0.19 | - | 2.47 | 1.04 | - | - | 12.70 |
| Accumulated depreciation as at March 31, 2022 | - | 45.28 | 658.60 | 1.08 | 127.83 | 8.25 | 0.19 | 9.09 | 7.04 | 855.54 |
| Charge for the year | - | 12.97 | 262.15 | 0.19 | 24.58 | 4.62 | 0.12 | 3.53 | 2.01 | 310.17 |
| Depreciation on assets disposed / written off during the year | - | - | 1.98 | - | - | 0.15 | - | - | - | 2.11 |
| Accumulated depreciation as at March 31, 2023 | - | 58.25 | 918.99 | 1.25 | 152.41 | 10.72 | 0.31 | 12.62 | 9.05 | 1,163.60 |
| Carrying amount | | | | | | | | | | |
| Balance as at March 31, 2022 | 200.55 | 207.53 | 2,791.14 | 0.84 | 354.24 | 11.82 | 0.38 | 11.39 | 20.90 | 3,598.79 |
| Balance as at March 31, 2023 | 200.55 | 212.22 | 2,825.68 | 0.84 | 332.99 | 10.18 | 0.28 | 7.88 | 18.89 | 3,408.47 |

Notes :

03.01 Refer Note 45 for information on property, plant and equipment hypothecated as security by the Company.

03.02 Depreciation on property, plant and equipment has been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss (Refer Note 26)

03.03 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

03.04 Refer note 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment

03.05 The Company has not revalued its property, plant and equipment (including right-of-use assets) and intangible assets during the current year and the previous year.



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Standalone financial statements

03 Property, plant and equipment and Capital work-in-progress (continued)

Notes :

03.06 Title deeds of immovable properties not held in the name of the Company

| Particulars | Description of item of property | Gross carrying value Rs. crores | Net carrying value Rs. crores | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director | Property held since | Reason for not being held in the name of the company |
|-------------------------------------|---------------------------------|------------------------------------|----------------------------------|---------------------------------|---|---------------------|---|
| As at March 31, 2023 | | | | | | | |
| Property, plant and equipment | Freehold land | 1.74 | 1.74 | Refer table below | No | April 9, 2019 | Immovable properties were part of acquired steel business from Usha Martin Limited. The Company is in process of getting title deeds registered in the name of the Company. |
| Property, plant and equipment | Freehold buildings | 0.71 | 0.32 | Usha Martin Limited | No | July 3, 2019 | |
| Right-of-use assets (Refer Note 04) | Right-of-use land | 2.36 | 2.15 | Usha Martin Limited | No | April 9, 2019 | |
| Total | | 4.81 | 4.21 | | | | |
| As at March 31, 2022 | | | | | | | |
| Property, plant and equipment | Freehold land | 26.34 | 26.34 | Refer table below | No | April 9, 2019 | Immovable properties were part of acquired steel business from Usha Martin Limited. The Company is in process of getting title deeds registered in the name of the Company. |
| Property, plant and equipment | Freehold buildings | 0.71 | 0.41 | Usha Martin Limited | No | July 3, 2019 | |
| Right-of-use assets (Refer Note 04) | Right-of-use land | 2.36 | 2.22 | Usha Martin Limited | No | April 9, 2019 | |
| Right-of-use assets (Refer Note 04) | Right-of-use building | 3.30 | 3.07 | Usha Martin Limited | No | April 9, 2019 | |
| Total | | 32.71 | 32.04 | | | | |

| Particulars | Description of item of property | Gross carrying value Rs. crores | Net carrying value Rs. crores | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director | Property held since |
|-------------------------------|---------------------------------|------------------------------------|----------------------------------|---------------------------------|---|---------------------|
| As at March 31, 2023 | | | | | | |
| Property, plant and equipment | Freehold land | 0.45 | 0.45 | Bharat Minex Private Limited | No | April 9, 2019 |
| Property, plant and equipment | Freehold land | 0.83 | 0.83 | Usha Martin Limited | No | April 9, 2019 |
| Property, plant and equipment | Freehold land | 0.21 | 0.21 | Chandrakali Devi | No | April 9, 2019 |
| Property, plant and equipment | Freehold land | 0.08 | 0.08 | Bhagwan Singh | No | April 9, 2019 |
| Property, plant and equipment | Freehold land | 0.02 | 0.02 | Premnath Prasad | No | April 9, 2019 |
| Property, plant and equipment | Freehold land | 0.07 | 0.07 | Laljahari Devi | No | April 9, 2019 |
| Property, plant and equipment | Freehold land | 0.08 | 0.08 | Gopinath Pradhan | No | April 9, 2019 |
| Total | | 1.74 | 1.74 | | | |

| Particulars | Description of item of property | Gross carrying value Rs. crores | Net carrying value Rs. crores | Title deeds held in the name of | Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director | Property held since |
|-------------------------------|---------------------------------|------------------------------------|----------------------------------|---------------------------------|---|---------------------|
| As at March 31, 2022 | | | | | | |
| Property, plant and equipment | Freehold land | 24.38 | 24.38 | Bharat Minex Private Limited | No | April 9, 2019 |
| Property, plant and equipment | Freehold land | 0.83 | 0.83 | Usha Martin Limited | No | April 9, 2019 |
| Property, plant and equipment | Freehold land | 0.88 | 0.88 | Chandrakali Devi | No | April 9, 2019 |
| Property, plant and equipment | Freehold land | 0.08 | 0.08 | Bhagwan Singh | No | April 9, 2019 |
| Property, plant and equipment | Freehold land | 0.02 | 0.02 | Prem Nath Prasad | No | April 9, 2019 |
| Property, plant and equipment | Freehold land | 0.07 | 0.07 | Laljahari Devi | No | April 9, 2019 |
| Property, plant and equipment | Freehold land | 0.08 | 0.08 | Gopinath Pradhan | No | April 9, 2019 |
| Total | | 26.34 | 26.34 | | | |

03.07 Details of Capital work-in-progress

(a) Ageing of Capital work-in-progress (CWIP)

Rs. in crores

| Particulars | Amount in CWIP for a period of | | | | Total |
|--------------------------------|--------------------------------|-------------|-------------|-------------------|--------------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| As at March 31, 2023 | | | | | |
| Projects in progress | 76.73 | 1.41 | - | 9.12 | 87.26 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 76.73 | 1.41 | - | 9.12 | 87.26 |
| As at March 31, 2022 | | | | | |
| Projects in progress | 45.11 | 1.00 | 9.97 | 1.44 | 57.52 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 45.11 | 1.00 | 9.97 | 1.44 | 57.52 |

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

Rs. in crores

| Particulars | To be completed in | | | | Total |
|--------------------------------|--------------------|-------------|-------------|-------------------|-------------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| As at March 31, 2023 | | | | | |
| Projects in progress | | | | | |
| Sustenance projects | 6.41 | - | - | - | 6.41 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 6.41 | - | - | - | 6.41 |
| As at March 31, 2022 | | | | | |
| Projects in progress | | | | | |
| Sustenance projects | 0.64 | - | - | - | 0.64 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 0.64 | - | - | - | 0.64 |



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Standalone financial statements

04 Leases

(a) The Company as a lessee

The Company has lease contracts for various items of plant and equipment, vehicles, offices and leased land. Leases of plant and equipment generally have lease terms between 9 to 26 years, vehicles generally have lease terms upto 5 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, 2023 | As at March 31, 2022 |
| Right-of-use land | 116.63 | 121.10 |
| Right-of-use plant and equipment | 77.56 | 86.17 |
| Right-of-use buildings | 0.19 | 3.47 |
| Right-of-use vehicles | 2.53 | 0.54 |
| Total Right-of-use assets | 196.91 | 211.28 |

| | Rs. in crores | | | | |
|---|----------------------|-------------------------------------|---------------------------|--------------------------|-------------------------------|
| | Right-of-use land | Right-of-use plant and equipment | Right-of-use buildings | Right-of-use vehicles | Total Right-of- use assets |
| Cost/deemed cost | | | | | |
| Balance as at April 1, 2021 | 132.95 | 119.12 | 4.21 | - | 256.28 |
| Additions during the year | - | - | - | 0.56 | 0.56 |
| Other reclassifications | 1.49 | - | - | - | 1.49 |
| Balance as at March 31, 2022 | 134.44 | 119.12 | 4.21 | 0.56 | 258.33 |
| Additions during the year | - | - | - | 2.34 | 2.34 |
| Assets disposed / written off during the period | - | - | 3.30 | - | 3.30 |
| Balance as at March 31, 2023 | 134.44 | 119.12 | 0.91 | 2.90 | 257.37 |
| Accumulated depreciation | | | | | |
| Accumulated depreciation as at April 1, 2021 | 8.86 | 23.07 | 0.45 | - | 32.38 |
| Charge for the year | 4.48 | 9.88 | 0.29 | 0.02 | 14.67 |
| Accumulated depreciation as at March 31, 2022 | 13.34 | 32.95 | 0.74 | 0.02 | 47.05 |
| Charge for the year | 4.47 | 8.61 | 0.24 | 0.35 | 13.67 |
| Depreciation on assets disposed / written off during the year | - | - | 0.26 | - | 0.26 |
| Accumulated depreciation as at March 31, 2023 | 17.81 | 41.56 | 0.72 | 0.37 | 60.46 |
| Carrying amount | | | | | |
| Balance as at March 31, 2022 | 121.10 | 86.17 | 3.47 | 0.54 | 211.28 |
| Balance as at March 31, 2023 | 116.63 | 77.56 | 0.19 | 2.53 | 196.91 |

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

| | Rs. in crores | |
|--------------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Balance as at beginning of the year | 90.05 | 104.07 |
| Additions during the year | 2.34 | 0.56 |
| Finance costs during the year | 7.66 | 8.43 |
| Lease payments during the year | (16.53) | (23.01) |
| Balance as at end of the year | 83.51 | 90.05 |
| Current lease liabilities | 7.69 | 9.98 |
| Non-current lease liabilities | 75.82 | 80.07 |

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

| | Rs. in crores | |
|----------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Less than one year | 14.88 | 17.54 |
| One to five years | 53.66 | 51.81 |
| More than five years | 56.02 | 68.85 |
| Total | 124.56 | 138.20 |



04 Leases (continued)

(d) Following are the amounts recognised in the Statement of profit and loss

| | Rs. in crores | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| Depreciation expense on right-of-use assets (Refer Note 28) | 13.67 | 14.67 |
| Interest expense on lease liabilities (Refer Note 27) | 7.66 | 8.43 |
| Expense relating to short-term leases (included in other expenses) | 2.20 | 2.19 |
| Expense relating to variable lease payments not included in the measurement of the lease liability (included in other expenses) (Refer note (ii) below) | 8.69 | 8.55 |
| Total amount recognised in the Statement of profit and loss | 32.22 | 33.84 |

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

(ii) Some of the plant and equipment leases, in which the Company is a 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:

| | Rs. In crores | |
|-----------------------|------------------------------|------------------------------|
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| Fixed payments | - | - |
| Variable payments | 8.69 | 8.55 |
| Total payments | 8.69 | 8.55 |

Overall the variable payments constitute up to approximately 32 per cent of the Company's entire lease payments. The Company expects this ratio to be 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. 16.53 crores for leases for the year ended March 31, 2023 (March 31, 2022 : Rs. 23.01 crores).

(e) Refer Note 03.06 for title deeds of Right-of-use assets not held in the name of the Company.

05 Other intangible assets

| Carrying amounts of: | Rs. In crores | |
|--------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Computer software (acquired) | 0.90 | 1.19 |
| Railway sidings (constructed) | - | - |
| Mining rights (acquired) | 246.35 | 263.25 |
| Total Intangible assets | 247.25 | 264.44 |

| | Rs. in crores | | | |
|---|---------------------------------|----------------------------------|-----------------------------|----------------------------|
| | Computer software (acquired) | Railway sidings (constructed) | Mining rights (acquired) | Total intangible assets |
| Cost/deemed cost | | | | |
| Balance as at April 1, 2021 | 0.51 | 7.26 | 330.86 | 338.63 |
| Additions during the year | 1.13 | - | - | 1.13 |
| Assets disposed / written off during the year | - | - | - | - |
| Balance as at March 31, 2022 | 1.64 | 7.26 | 330.86 | 339.76 |
| Additions during the year | - | - | 6.63 | 6.63 |
| Assets disposed / written off during the year | - | - | - | - |
| Balance as at March 31, 2023 | 1.64 | 7.26 | 337.49 | 346.39 |
| Accumulated amortisation | | | | |
| Accumulated amortisation as at April 1, 2021 | 0.15 | 7.26 | 41.85 | 49.26 |
| Charge for the year | 0.30 | - | 25.76 | 26.06 |
| Amortisation of assets disposed / written off during the year | - | - | - | - |
| Accumulated amortisation as at March 31, 2022 | 0.45 | 7.26 | 67.61 | 75.32 |
| Charge for the year | 0.29 | - | 23.53 | 23.82 |
| Amortisation of assets disposed / written off during the year | - | - | - | - |
| Accumulated amortisation as at March 31, 2023 | 0.74 | 7.26 | 91.14 | 99.14 |
| Carrying amount | | | | |
| Balance as at March 31, 2022 | 1.19 | - | 263.25 | 264.44 |
| Balance as at March 31, 2023 | 0.90 | - | 246.35 | 247.25 |

Notes

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

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



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Standalone financial statements

06 Investments

| | Rs. in crores | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| (i) Non-current investments | | |
| A. Investments carried at cost: | | |
| (a) Investments in Equity Instruments of subsidiary | | |
| (i) Unquoted | | |
| Neelachal Ispat Nigam Limited | | |
| 1,272,154,735 (March 31, 2022: Nil) equity shares of Rs. 10 each fully paid up | 8,139.46 | - |
| B. Investments carried at amortised cost: | | |
| (a) Investments in Other Instrument of subsidiary | | |
| (i) Unquoted | | |
| Neelachal Ispat Nigam Limited | | |
| 456,054,252 (March 31, 2022: Nil) preference shares of Rs. 100 each fully paid up | 4,945.51 | - |
| C. Investments carried at fair value through other comprehensive income: | | |
| (a) Other Investments in equity shares | | |
| (i) Unquoted | | |
| Jamipol Limited | | |
| 800,000 (March 31, 2022: 800,000) equity shares of Rs. 10 each fully paid up | 19.28 | 15.68 |
| Total Non - current investments | 13,104.25 | 15.68 |
| (ii) Current Investments | | |
| A. Investments carried at fair value through profit and loss: | | |
| (a) Investment in liquid mutual funds - | | |
| (i) Unquoted | | |
| (1) Nippon India Liquid Fund - Direct Plan - Growth | 51.49 | 905.26 |
| (2) TATA Liquid Fund - Direct Plan - Growth | 49.80 | 662.25 |
| (3) HDFC Liquid Fund - Direct Plan - Growth | 58.89 | 798.28 |
| (4) UTI Liquid Cash Plan - Direct Plan - Growth | 42.38 | 1,101.32 |
| (5) Aditya Birla Sun Life Liquid Fund - Direct Plan - Growth | 27.15 | 1,009.34 |
| (6) Kotak Liquid Fund - Direct Plan - Growth | 55.30 | 656.18 |
| (7) IDFC Cash Fund - Direct Plan - Growth | 57.19 | 487.16 |
| (8) SBI Liquid Fund - Direct Plan - Growth | 72.03 | 789.25 |
| (9) Axis Liquid Fund - Direct Plan - Growth | 51.71 | 956.32 |
| (10) ICICI Prudential Liquid Fund - Direct Plan - Growth | 56.62 | 712.26 |
| (11) DSP Liquidity Fund - Direct Plan - Growth | 25.10 | - |
| Total current investments | 547.66 | 8,077.62 |
| Aggregate amount of unquoted investments | 13,651.91 | 8,093.30 |
| Investments carried at amortised cost | 13,084.97 | - |
| Investments carried at fair value through profit or loss (FVTPL) | 547.66 | 8,077.62 |
| Investments carried at fair value through other comprehensive income [Refer Note 31(b)(i)] | 19.28 | 15.68 |

During the financial year ended March 31, 2023, the Company had invested in 0.01% Non-Convertible Redeemable Preference Shares ("NCRPS") of Neelachal Ispat Nigam Limited on private placement basis. The NCRPS are mandatorily redeemable at the end of 20 years from the date of allotment at premium of Rs. 762 per NCRPS. The NCRPS shall be redeemable at premium upon maturity or optional early redemption with accrued interest thereon computed on the basis of the effective yield of the instrument at the option of the Issuer on a quarterly basis at 3-month intervals from the date of allotment.

The recoverable value of investments held in Neelachal Ispat Nigam Limited (NINL) has been assessed based on higher of fair value less costs to sell and value in use for the underlying businesses. The fair value less costs to sell model uses cash flow forecasts based on the most recently approved financial plan for FY24. Beyond FY24, the cash flow forecasts is based on strategic forecasts which cover a period i.e. estimated time to extract the total usable mineral reserves for mining business and six years for steel business and future projections taking the analysis out to perpetuity which includes capital expenditure for capacity expansion of steel making facilities from the current 1.1 MTPA to 4.56 MTPA by FY 29 as well as estimated EBITDA changes due to implementation of the expansion strategy and operating the assets. Key assumptions to the fair value less costs to sell model are changes to selling prices and raw material costs, steel demand, amount of capital expenditure needed for expansion of the existing facilities, EBITDA, and a post-tax discount rate of 10.10%. The estimates of capital expenditure for capacity expansion of steel making assets is based on management's internal estimates of implementing the expansion strategy.

For the fair value less costs to sell model, a 4.00% growth rate is used to extrapolate the cash flows beyond the specifically forecasted period of six years in respect of which strategic forecasts have been prepared. The outcome of the impairment assessment as on 31 March 2023 for investments held in NINL has not resulted in any impairment of investments.

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

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



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Standalone financial statements
07 Loans
(Unsecured, considered good unless stated otherwise)
Rs. in crores

| | As at March 31, 2023 | | As at March 31, 2022 | |
|-------------------|----------------------|---------|----------------------|---------|
| | Non-current | Current | Non-current | Current |
| Loan to employees | 0.02 | 0.50 | 0.04 | 0.24 |
| | 0.02 | 0.50 | 0.04 | 0.24 |

08 Other financial assets
(Unsecured, considered good unless stated otherwise)
Rs. in crores

| | As at March 31, 2023 | | As at March 31, 2022 | |
|---|----------------------|---------|----------------------|---------|
| | Non-current | Current | Non-current | Current |
| (a) Interest accrued on deposits and loans | 0.27 | 0.01 | 0.16 | 1.15 |
| (b) Security deposits | | | | |
| Considered good | 7.03 | 3.48 | 7.50 | 3.01 |
| Credit impaired | - | 0.23 | - | 0.23 |
| Less: Allowance for credit losses | - | (0.23) | - | (0.23) |
| (c) Bank deposits with more than 12 months maturity (pledged with government authorities) | 0.85 | - | 0.85 | - |
| (d) Receivable against deallocation of coal block * | - | 178.81 | - | 178.81 |
| (e) Others** | - | 77.20 | - | 64.48 |
| Less: Others classified as held for sale (Refer note 41) | - | (5.38) | - | - |
| | 8.15 | 254.12 | 8.51 | 247.45 |

* By judgement of September 24, 2014, the Hon'ble Supreme Court cancelled allocation of 214 coal blocks including Radhikapur (East) Coal Block ('RECB') which was allotted to the Company on February 7, 2006. The carrying amount in books as at March 31, 2023 towards amounts incurred by the Company on RECB, prior to de-allocation aggregates to Rs.178.81 crores (March 31, 2022: Rs.178.81 crores). Pursuant to the judgement of the Hon'ble Supreme Court, Government of India promulgated Coal Mines (Special Provision) Act, 2015 (the 'Act') for fresh allocation of the coal mines through auction. In terms of the Act, the prior allottee would be compensated for expenses incurred towards land and mine infrastructure.

The validity of the Act has been challenged by Federation of Indian Mineral Industries ('FIMI') in 2019 before the Hon'ble Supreme Court to the extent that the Act does not provide grant of just, fair and equitable compensation in a time bound manner to the prior allottees of the coal blocks. After much follow-up with the relevant authorities for recovery of compensation, the Company has filed an Interlocutory Application on December 15, 2022 before the Hon'ble Supreme Court in the pending writ of FIMI seeking to expedite disbursement of the compensation.

Based on assessment of the matter by 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.

** includes upfront amount Rs. 46.89 crores (March 31, 2022: Rs. 46.89 crores) paid to government authorities upon transfer of mining lease under Minerals (Transfer of Mining Lease Granted Otherwise than through Auction for Captive Purpose) Rules, 2016.

09 Other assets
(Unsecured, considered good unless stated otherwise)
Rs. in crores

| | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|---------|----------------------|---------|
| | Non-current | Current | Non-current | Current |
| (a) Capital advances | 43.25 | - | 4.44 | - |
| Less: Capital advances classified as held for sale (Refer note 41) | (39.21) | - | - | - |
| (b) Indemnification assets | - | 2.29 | - | 2.29 |
| (c) Advances to related parties (Refer Note 36) * | - | 0.00 | - | 0.24 |
| (d) Other loans and advances | | | | |
| (i) Advances with public bodies | | | | |
| Considered good | 1.43 | 125.93 | 1.43 | 59.12 |
| Considered doubtful | 6.09 | - | 6.09 | - |
| Less : Provision for doubtful advances | (6.09) | - | (6.09) | - |
| (ii) Other advances and prepayments | | | | |
| Considered good | 15.38 | 27.13 | 15.38 | 15.34 |
| Considered doubtful | - | 12.56 | - | 12.56 |
| Less : Provision for doubtful advances | - | (12.56) | - | (12.56) |
| | 20.85 | 155.35 | 21.25 | 76.99 |

* Amount below rounding off norms adopted by the company



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Standalone financial statements

10 Inventories

(lower of cost and net realisable value)

Rs. in crores

| | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------|-------------------------|-------------------------|
| (a) Raw materials | 919.89 | 979.27 |
| (b) Finished and semi-finished goods | 383.98 | 301.71 |
| (c) Stores and spares | 61.27 | 69.11 |
| | 1,365.14 | 1,350.09 |
| Included above, goods-in-transit | | |
| (a) Raw materials | 126.18 | 427.25 |
| (b) Finished and semi-finished goods | 78.36 | 65.75 |
| (c) Stores and spares | 5.42 | 5.75 |
| | 209.96 | 498.75 |

Notes:

- (i) Value of inventories stated above is after provisions of Rs. 20.64 crores (as at March 31, 2022 : Rs. 13.86 crores) for write-downs to net realisable value and provision for slow-moving and obsolete items.
- (ii) Refer Note 45 for information on inventories hypothecated as security by the Company.

11 Trade receivables

Rs. in crores

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Unsecured, considered good | 70.42 | 60.39 |
| Unsecured, credit impaired | 0.67 | 0.67 |
| | 71.09 | 61.06 |
| Less : Allowance for expected credit loss | (0.67) | (0.67) |
| Total trade receivables | 70.42 | 60.39 |
| Trade receivables from related parties (Refer Note 36) | 48.28 | 43.81 |
| Trade receivables other than related parties | 22.81 | 17.25 |
| Less: Allowance for expected credit losses | (0.67) | (0.67) |
| | 70.42 | 60.39 |

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

Rs. in crores

| Particulars | Unbilled | Not due for payment | Outstanding for following periods from due date of payment | | | | | Total |
|--|----------|---------------------|--|-------------------|-------------|-------------|-------------------|--------------|
| | | | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| As at March 31, 2023 | | | | | | | | |
| Undisputed, Considered good | - | 44.22 | 25.27 | 0.93 | - | - | - | 70.42 |
| Undisputed, Credit impaired | - | - | - | - | 0.50 | 0.17 | - | 0.67 |
| Disputed, Considered good | - | - | - | - | - | - | - | - |
| Disputed, Credit impaired | - | - | - | - | - | - | - | - |
| Total | - | 44.22 | 25.27 | 0.93 | 0.50 | 0.17 | - | 71.09 |
| Less: Allowance for credit losses | | | | | | | | 0.67 |
| Total trade receivables | | | | | | | | 70.42 |
| As at March 31, 2022 | | | | | | | | |
| Undisputed, Considered good | - | 50.53 | 9.38 | 0.48 | - | - | - | 60.39 |
| Undisputed, Credit impaired | - | - | - | 0.50 | 0.17 | - | - | 0.67 |
| Disputed, Considered good | - | - | - | - | - | - | - | - |
| Disputed, Credit impaired | - | - | - | - | - | - | - | - |
| Total | - | 50.53 | 9.38 | 0.98 | 0.17 | - | - | 61.06 |
| Less: Allowance for credit losses | | | | | | | | 0.67 |
| Total trade receivables | | | | | | | | 60.39 |

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

Rs. in crores

| | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------------------|-------------------------|-------------------------|
| Balance at the beginning of the year | 0.67 | 23.30 |
| (Release) / Charge during the year | - | - |
| Utilised during the year | - | (22.63) |
| Balance at the end of the year | 0.67 | 0.67 |



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Standalone financial statements

11 Trade receivables (continued)

(iii) The Company considers its maximum exposure to credit risk with respect to customers (net of amount covered by letter of credit and allowance for credit losses) as at March 31, 2023 to be Rs. 70.42 crores (March 31, 2022: Rs. 59.51 crores).

| Rs. in crores | | | | |
|-------------------------------------|-------------------|-----------------------------|-----------------------------|-----------------|
| | Gross credit risk | Covered by letter of credit | Allowance for credit losses | Net credit risk |
| As at March 31, 2023 | | | | |
| Amount not yet due | 44.22 | - | - | 44.22 |
| One month overdue | 10.26 | - | - | 10.26 |
| Two months overdue | 4.04 | - | - | 4.04 |
| Three months overdue | 10.65 | - | - | 10.65 |
| Between three to six months overdue | 0.32 | - | - | 0.32 |
| Greater than six months overdue | 1.60 | - | 0.67 | 0.93 |
| | 71.09 | - | 0.67 | 70.42 |
| As at March 31, 2022 | | | | |
| Amount not yet due | 50.53 | 0.88 | - | 49.65 |
| One month overdue | 7.69 | - | - | 7.69 |
| Two months overdue | 1.36 | - | - | 1.36 |
| Three months overdue | 0.10 | - | - | 0.10 |
| Between three to six months overdue | 0.23 | - | - | 0.23 |
| Greater than six months overdue | 1.15 | - | 0.67 | 0.48 |
| | 61.06 | 0.88 | 0.67 | 59.51 |

(iv) There is one customer whose balance represents more than 10% of total balance of Trade Receivables as at March 31, 2023 and March 31, 2022.

(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 45 for information on Trade receivables hypothecated as security by the Company.

| | | Rs. in crores | |
|--|--|-------------------------|-------------------------|
| | | As at March 31, 2023 | As at March 31, 2022 |
| 12 (i) Cash and cash equivalents | | | |
| (a) Balances with scheduled banks | | | |
| (1) In current accounts | | 28.90 | 198.90 |
| (2) In fixed deposit accounts having original maturity of three months or less | | 84.00 | 4,360.00 |
| (b) Cash on hand | | 0.01 | 0.01 |
| Total Cash and cash equivalents | | 112.91 | 4,558.91 |
| (ii) Bank balances other than (i) above | | | |
| (a) In Unclaimed Dividend Accounts @ | | 2.08 | 2.20 |
| (b) In fixed deposit accounts (with original maturity of more than three months and maturing within twelve months from the balance sheet date) (Refer note (ii) below) | | 911.17 | - |
| (c) In current account (Refer note (iii) below) | | 27.45 | - |
| | | 940.70 | 2.20 |
| @ Includes earmarked balances in unclaimed dividend accounts | | 2.08 | 2.20 |

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

(ii) The fixed deposit represents the earmarked balance for the amount held back against the consideration payable for acquisition of Neelachal Ispat Nigam Limited ('NINL').

(iii) The current account in bank balance represents interest credit by bank in escrow account on fixed deposits of Rs. 911.17 crores.



13 Equity share capital

Rs. in crores

| A Details of authorised, issued, subscribed and paid-up capital | As at | As at |
|--|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Authorised share capital: 75,000,000 fully paid equity shares of Rs. 10 each (As at March 31, 2022: 75,000,000 fully paid equity shares of Rs. 10 each) | 75.00 | 75.00 |
| Issued, subscribed and fully paid up : 45,100,000 equity shares of Rs. 10 each (As at March 31, 2022: 45,100,000 fully paid equity shares of Rs. 10 each) | 45.10 | 45.10 |
| Fully paid equity shares | 45.10 | 45.10 |

| B Reconciliation of number of shares outstanding | No. of equity shares | Amount |
|--|----------------------|---------------|
| | | Rs. in crores |
| Equity shares of Rs. 10 each | | |
| As at April 1, 2021 | 4,51,00,000 | 45.10 |
| Changes in equity share capital during the year | - | - |
| As at March 31, 2022 | 4,51,00,000 | 45.10 |
| Changes in equity share capital during the year | - | - |
| As at March 31, 2023 | 4,51,00,000 | 45.10 |

| C Shares held by holding company | As at March 31, 2023 | | As at March 31, 2022 | |
|--------------------------------------|----------------------|--------|----------------------|--------|
| | No. of equity shares | % | No. of equity shares | % |
| Fully paid equity shares | | | | |
| Tata Steel Limited (Holding Company) | 3,37,86,521 | 74.91% | 3,37,86,521 | 74.91% |
| | 3,37,86,521 | 74.91% | 3,37,86,521 | 74.91% |

| D Details of shareholders holding more than 5% of outstanding shares | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|--------|----------------------|--------|
| | No. of equity shares | % | No. of equity shares | % |
| Fully paid equity shares | | | | |
| Tata Steel Limited (Holding Company) | 3,37,86,521 | 74.91% | 3,37,86,521 | 74.91% |

| E Details of shareholding of promoters | | | | | | | |
|--|---|----------------------|----------------|--|----------------------|----------------|--|
| Sr. No. | Equity Shares held by promoters at year end | As at March 31, 2023 | | | As at March 31, 2022 | | |
| | | Number of shares | % total shares | % Change during the financial year 2022-23 | Number of shares | % total shares | % Change during the financial year 2021-22 |
| 1 | Tata Steel Limited | 3,37,86,521 | 74.91% | Nil | 3,37,86,521 | 74.91% | Nil |

* Considered as per the return documents filed by the Company for the respective years.

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.

13 A Preference share capital

Rs. in crores

| A Details of authorised, issued, subscribed and paid-up capital | As at | As at |
|---|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Authorised Share Capital: 1,530,000,000 Non-Convertible Redeemable Preference Shares of Rs. 100 each (As at March 31, 2022: 1,530,000,000 Non-Convertible Redeemable Preference Shares of Rs. 100 each) | 15,300.00 | 15,300.00 |
| Issued, subscribed and fully paid up : 1,270,000,000 Non-Convertible Redeemable Preference Shares of Rs. 100 each (As at March 31, 2022: 1,270,000,000 Non-Convertible Redeemable Preference Shares of Rs. 100 each) | 12,700.00 | 12,700.00 |

| B Reconciliation of number of shares outstanding | No. of preference shares | Amount |
|---|--------------------------|---------------|
| | | Rs. in crores |
| Non-Convertible Redeemable Preference Shares of Rs. 100 each | | |
| As at April 1, 2021 | - | - |
| Changes in preference share capital during the year | 1,27,00,00,000 | 12,700.00 |
| As at March 31, 2022 | 1,27,00,00,000 | 12,700.00 |
| Changes in preference share capital during the year | - | - |
| As at March 31, 2023 | 1,27,00,00,000 | 12,700.00 |



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Standalone financial statements

C Rights, preferences and restrictions attached to preference shares

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

For terms of redemption, refer sub-note (ii) of Note 15 - Borrowings.

14 Other equity

Rs. in crores

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| General reserves | 900.00 | 900.00 |
| Securities premium | 1,449.99 | 1,449.99 |
| Retained earnings | (342.53) | 799.34 |
| Remeasurement (loss) on defined benefit plans | (6.53) | (5.83) |
| Equity instruments through other comprehensive income | 14.67 | 11.87 |
| Cash flow hedge reserve | (1.30) | - |
| Total | 2,014.30 | 3,155.37 |

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] | Cash flow hedge reserve [Refer (f) below] | |
| Balance as at April 1, 2021 | 900.00 | 1,449.99 | 192.02 | (6.02) | 14.80 | - | 2,548.79 |
| Profit for the year | - | - | 629.87 | - | - | - | 629.87 |
| Changes in fair value of FVOCI equity instruments | - | - | - | - | (3.92) | - | (3.92) |
| Remeasurement gain / (loss) on defined benefit plans | - | - | - | 2.92 | - | - | 2.92 |
| Tax impact on items of other comprehensive income (OCI) | - | - | - | (0.73) | 0.99 | - | 0.26 |
| Transactions with the owners in their capacity as owners | | | | | | | |
| Dividend paid during the year (Refer Note 30 (b)) | - | - | (22.55) | - | - | - | (22.55) |
| Balance as at March 31, 2022 | 900.00 | 1,449.99 | 799.34 | (5.83) | 11.87 | - | 3,155.37 |
| Loss for the year | - | - | (1,085.49) | - | - | - | (1,085.49) |
| Changes in fair value of FVOCI equity instruments | - | - | - | - | 3.60 | - | 3.60 |
| Remeasurement gain / (loss) on defined benefit plans | - | - | - | (0.94) | - | - | (0.94) |
| Change in fair value of hedging instruments | - | - | - | - | - | (1.69) | (1.69) |
| Tax impact on items of other comprehensive income (OCI) | - | - | - | 0.24 | (0.80) | 0.39 | (0.17) |
| Transactions with the owners in their capacity as owners | | | | | | | |
| Dividend paid during the year (Refer Note 30 (b)) | - | - | (56.38) | - | - | - | (56.38) |
| Balance as at March 31, 2023 | 900.00 | 1,449.99 | (342.53) | (6.53) | 14.67 | (1.30) | 2,014.30 |

(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

| | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------------|-------------------------|-------------------------|
| Balance at the beginning of the year | 1,449.99 | 1,449.99 |
| 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 gain / (loss) on defined benefit plans

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

(e) Equity instruments through other comprehensive income

The Company has elected to recognise changes in the fair value of other 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.

(f) Cash flow hedge reserve

(i) The cumulative effective portion of gain or losses arising from changes in fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the Statement of Profit and Loss when the hedged item affects the profit or loss or are included as an adjustment to the cost of the related non-financial hedged item. The Company has designated certain foreign currency forward contracts as cash flow hedges in respect of foreign exchange risks.

(ii) During the year, ineffective portion of cash flow hedges recognised in the Statement of Profit and Loss amounted to Rs. Nil (March 31, 2022: Rs. Nil).

(iii) The amount recognised in cash flow hedge reserve (net of tax) is expected to impact the Statement of Profit and Loss as below:

- within the next one year: loss of Rs. 1.30 crores (March 31, 2022: Rs. Nil).



15 Borrowings

Rs. in crores

| | As at March 31, 2023 | | As at March 31, 2022 | |
|--|----------------------|----------|----------------------|----------|
| | Non current | Current | Non current | Current |
| A Secured borrowings | | | | |
| (a) Term loan | | | | |
| (i) From banks (Refer sub-note (i)) | 687.92 | - | 684.75 | - |
| B Unsecured borrowings | | | | |
| (a) Liability component of non-convertible preference shares (Refer sub-note (ii)) | 13,979.91 | - | 12,706.80 | - |
| Total borrowings | 14,667.83 | - | 13,391.55 | - |

Notes:

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

Rs. in crores

| Currency | Terms of repayment | Maturity date | Interest rate (floating rate) | As at March 31, 2023 | As at March 31, 2022 |
|--------------|---|----------------|-------------------------------|----------------------|----------------------|
| Indian Rupee | Term loan is repayable in 20 semi - annual instalments. The Company has pre-paid 16 instalments (originally scheduled to be repaid by March 31, 2029) | March 31, 2031 | 12 month MCLR | 687.92 | 684.75 |

(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 iron ore mines and land parcels of Joda unit of the Company.

(c) Maturity profile of borrowings is as below:

Rs. in crores

| | As at March 31, 2023 | As at March 31, 2022 |
|---|----------------------|----------------------|
| Not later than one year or on demand | - | - |
| Later than one year but not two years | - | - |
| Later than two years but not three years | - | - |
| Later than three years but not four years | - | - |
| Later than four years but not five years | - | - |
| More than five years | 689.00 | 689.00 |
| Unamortised upfront fees on borrowings | (1.08) | (4.25) |
| | 687.92 | 684.75 |

(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.

(ii) During the financial year ended March 31, 2022, the Company had issued 0.01% Non-Convertible Redeemable Preference Shares ("NCRPS") to Tata Steel Limited on private placement basis. The NCRPS are mandatorily redeemable at the end of 20 years from the date of allotment at premium of Rs. 574.63 per NCRPS. The NCRPS shall be redeemable at premium upon maturity or optional early redemption with accrued interest thereon computed on the basis of the effective yield of the instrument, at the option of the Company on a quarterly basis at 3-month intervals from the date of allotment.

The dividend payment to holders of NCRPS is discretionary (non-guaranteed) and non-cumulative in nature and accordingly these are accounted for as compound financial instruments.

(iii) Debt reconciliation

Rs. in crores

| | Total |
|---|------------------|
| Debt as at April 1, 2022 | 13,391.55 |
| Cash flows (Net) | - |
| Interest on liability component of non-convertible preference shares (Refer note 27) | 1,273.11 |
| Amortisation of upfront fees | 3.17 |
| Debt as at March 31, 2023 | 14,667.83 |
| Debt as at April 1, 2021 | 1,320.15 |
| Cash flows (Net) | 12,064.00 |
| Interest on liability component of non-convertible preference share capital (Refer note 27) | 6.80 |
| Amortisation of upfront fees | 0.60 |
| Debt as at March 31, 2022 | 13,391.55 |

(iv) The borrowings obtained by the company from banks have been applied for the purposes for which such borrowings were taken.



16 Provisions

Rs. in crores

| | As at March 31, 2023 | | As at March 31, 2022 | |
|---|----------------------|--------------|----------------------|--------------|
| | Non current | Current | Non current | Current |
| (a) Provision for employee benefits | | | | |
| (i) Post-employment defined benefits | 15.12 | 15.30 | 13.42 | 13.10 |
| (ii) Compensated absences | 15.77 | 1.30 | 15.49 | 0.86 |
| (b) Other provisions (Refer note 43) | | | | |
| (i) Provision for VAT, entry tax and sales tax | - | 2.62 | - | 2.63 |
| (ii) Provision for cross subsidy surcharge payable | - | 7.44 | - | 6.01 |
| (iii) Provision for interest on income tax | - | 20.66 | - | 20.66 |
| (iv) Provision for mine restoration costs and other activities | 27.77 | 12.42 | 21.31 | 7.98 |
| (v) Contingent liability recognised on business combination | 0.29 | - | 0.29 | - |
| (vi) Others (Provision in relation to Mines Development and Production Agreement) | - | 8.20 | - | 3.46 |
| Total provisions | 58.95 | 67.96 | 50.51 | 54.74 |



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Standalone financial statements

17 Deferred tax liabilities (net)

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

Rs. in crores

| | As at March 31, 2023 | As at March 31, 2022 |
|--------------------------------|-------------------------|-------------------------|
| Deferred tax liabilities | 284.10 | 159.88 |
| Deferred tax assets | (79.35) | (11.18) |
| Deferred tax liabilities (net) | 204.75 | 148.70 |

The balances comprises temporary differences attributable to:

Rs. in crores

| Balance as at March 31, 2023 | Deferred tax liabilities/ (assets) as at March 31, 2022 | Recognised in profit or loss | Recognised in other comprehensive income | Deferred tax liabilities/ (assets) as at March 31, 2023 |
|--|---|---------------------------------|--|---|
| Deferred tax liabilities | | | | |
| (i) Property, plant and equipment and intangible assets | 156.87 | 35.34 | - | 192.21 |
| (ii) Redemption of non-convertible preference share investments | - | 88.08 | - | 88.08 |
| (iii) Fair valuation of equity instruments designated as FVOCI | 3.01 | - | 0.80 | 3.81 |
| | 159.88 | 123.42 | 0.80 | 284.10 |
| Deferred tax assets | | | | |
| (i) Amount allowable on payment basis as per section 43B of the Income Tax Act, 1961 | (5.33) | (0.64) | (0.24) | (6.21) |
| (ii) Amount allowable under the Income Tax Act, 1961 on deferred basis | (5.86) | (2.43) | (0.39) | (8.67) |
| (iii) On unabsorbed depreciation and carry forward of business losses | - | (64.48) | - | (64.48) |
| | (11.18) | (67.55) | (0.63) | (79.35) |
| Deferred tax liabilities (net) | 148.70 | 55.87 | 0.17 | 204.75 |

| Balances as at March 31, 2022 | Deferred tax liabilities/ (assets) as at March 31, 2021 | Recognised in profit or loss | Recognised in other comprehensive income | Deferred tax liabilities/ (assets) as at March 31, 2022 |
|--|---|---------------------------------|--|---|
| Deferred tax liabilities | | | | |
| (i) Property, plant and equipment and intangible assets | 98.91 | 57.96 | - | 156.87 |
| (ii) Fair valuation of equity instruments designated as FVOCI | 4.00 | - | (0.99) | 3.01 |
| | 102.91 | 57.96 | (0.99) | 159.88 |
| Deferred tax assets | | | | |
| (i) Amount allowable on payment basis as per section 43B of the Income Tax Act, 1961 | (5.28) | (0.78) | 0.73 | (5.33) |
| (ii) Amount allowable under the Income Tax Act, 1961 on deferred basis | (3.75) | (2.10) | - | (5.85) |
| (iii) On unabsorbed depreciation and carry forward of business losses | (49.35) | 49.35 | - | - |
| | (58.38) | 46.47 | 0.73 | (11.18) |
| Deferred tax liabilities (net) | 44.53 | 104.43 | (0.26) | 148.70 |

Note :

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

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Reconciliation of income tax recognised in the Statement of Profit and Loss | | |
| Current tax | | |
| On profit for current year | - | 124.08 |
| | - | 124.08 |
| Deferred tax | | |
| In respect of the current year | 55.87 | 104.43 |
| | 55.87 | 104.43 |
| Total tax expense (Refer reconciliation below) | 55.87 | 228.51 |

Rs. in crores

| The income tax expense for the year can be reconciled to the accounting profit as follows: | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| (Loss) / Profit before tax | (1,029.62) | 858.38 |
| Income tax expense calculated at enacted Income tax rate of 25.168% (March 31, 2022 : 25.168%) | (259.13) | 216.04 |
| Effect of expenses that are not deductible in determining taxable profit | 3.55 | 10.73 |
| Effect of Net finance cost of NCRPS not deductible | 223.53 | - |
| Deferred tax liability recognised on redemption of NCRPS | 88.08 | - |
| Others | (0.16) | 1.74 |
| Income tax expense recognised in Statement of Profit and Loss | 55.87 | 228.51 |



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Standalone financial statements

18 Trade payables

Rs. in crores

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Current | | |
| (i) Total outstanding dues of micro and small enterprises (Refer Note (ii) below) | 68.38 | 72.63 |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | | |
| (a) Trade payables for supplies and services | 2,018.09 | 2,244.21 |
| (b) Trade payables for accrued wages and salaries | 49.28 | 52.99 |
| Total Trade Payables | 2,135.75 | 2,369.83 |
| Trade payable to related parties (Refer Note 36)* | 1,558.27 | 1,805.25 |
| Trade payable other than related parties | 577.48 | 564.58 |
| Total Trade Payables | 2,135.75 | 2,369.83 |

* includes payable to Tata Steel Long Products Limited Superannuation Fund

Notes:

(i) Ageing of trade payables is as below

Rs. in crores

| Particulars | Unbilled | Not due | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|---------------|-----------------|--|---------------|--------------|-------------------|-----------------|
| | | | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| As at March 31, 2023 | | | | | | | |
| (i) MSME | - | 68.38 | - | - | - | - | 68.38 |
| (ii) Others | 127.81 | 950.89 | 466.03 | 503.38 | 17.04 | 2.22 | 2,067.37 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 127.81 | 1,019.27 | 466.03 | 503.38 | 17.04 | 2.22 | 2,135.75 |
| As at March 31, 2022 | | | | | | | |
| (i) MSME | - | 72.63 | - | - | - | - | 72.63 |
| (ii) Others | 229.04 | 1,581.40 | 431.67 | 43.28 | 3.40 | 8.41 | 2,297.20 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 229.04 | 1,654.03 | 431.67 | 43.28 | 3.40 | 8.41 | 2,369.83 |

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

The amount due to the Micro and Small Enterprise as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have represented and made available MSME registration number and certificates.

Rs. in crores

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| (a) (i) The principal amount remaining unpaid to supplier as at end of the accounting year | 68.38 | 72.63 |
| (ii) Interest due thereon remaining unpaid to supplier as at end of the accounting year | - | - |
| The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year | - | - |
| (c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | 0.02 | 0.70 |
| (d) The amount of interest accrued and remaining unpaid at the end of the accounting year | 1.06 | 1.04 |
| (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.



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Standalone financial statements

19 Other current liabilities

Rs. in crores

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| (a) Advances from customers (Refer note below) | 141.57 | 123.37 |
| (b) Other payables | | |
| (i) Employee recoveries and employer contributions | 1.86 | 1.79 |
| (ii) Statutory liabilities (GST, TDS, etc.) | 65.52 | 145.62 |
| (iii) EPCG indemnified liabilities | 19.80 | 19.80 |
| (iv) Liabilities for renewable energy purchase obligation | 23.61 | 22.32 |
| Total other current liabilities | 252.36 | 312.90 |

Note:

Amount of revenue recognised during the year ended March 31, 2023, from amounts included in the advances from customers outstanding at the beginning of the year is **Rs. 118.98 crores** (March 31, 2022: Rs. 141.52 crores).

20 Other financial liabilities

Rs. in crores

| | As at March 31, 2023 | | As at March 31, 2022 | |
|---|----------------------|---------------|----------------------|---------------|
| | Non current | Current | Non current | Current |
| (a) Interest payable | | | | |
| (i) Interest accrued but not due on borrowings | - | 0.73 | - | 2.43 |
| (ii) Interest accrued on trade payables and others | - | 5.06 | - | 5.54 |
| (b) Creditors for capital supplies and services | - | 15.27 | - | 11.23 |
| (c) Unpaid dividends | - | 2.08 | - | 2.19 |
| (d) Consideration kept in Escrow Account (Refer note (i) below) | 828.21 | 113.45 | - | - |
| (e) Other credit balances (Refer note (ii) below) | - | 114.40 | - | 116.52 |
| Total Other financial liabilities | 828.21 | 250.99 | - | 137.91 |

(i) The Company has completed the acquisition of NINL during the financial year. Out of the total consideration paid for acquisition Rs. 911.17 crores kept in Escrow Account held for resolution of the litigations and payment if required or release to the sellers at the expiry of the specified period.

(ii) Includes net amount payable to Usha Martin Limited (UML) **Rs. 80.37 crores** (March 31, 2022: Rs. 93.20 crores) towards purchase consideration pursuant to the Business Transfer Agreement for acquisition of steel business.

21 (i) Current tax liabilities (net)

Rs. in crores

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Provision for tax [net of tax paid of Rs. 367.28 crores (As at March 31, 2022: Rs. 367.28 crores)] | 53.90 | 53.90 |
| Total current tax liabilities (net) | 53.90 | 53.90 |

21 (ii) Income tax assets (Non current) (net)

Rs. in crores

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Advance tax and Tax Deducted at Source [net of provision of Rs. 263.10 crores (As at March 31, 2022: Rs. 263.10 crores)] | 80.92 | 44.71 |
| Total non current tax assets (net) | 80.92 | 44.71 |

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



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Standalone financial statements
22 Revenue from operations
Rs. in crores

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| (a) Revenue from contracts with customers | | |
| (i) Sale of products | 6,627.00 | 6,315.87 |
| (ii) Sale of power | 61.28 | 62.60 |
| (iii) Income from services | 513.55 | 186.03 |
| (b) Other operating revenue | | |
| (i) Sale of product scrap | 262.24 | 232.89 |
| (i) Export incentives | - | 4.24 |
| Revenue from operations | 7,464.07 | 6,801.63 |

Notes:
(a) Reconciliation of revenue recognised with contract price
Rs. in crores

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--------------------------------|------------------------------|------------------------------|
| Contract price | 7,487.81 | 6,835.12 |
| Adjustment for: | | |
| Refund liabilities | (23.74) | (33.49) |
| Revenue from operations | 7,464.07 | 6,801.63 |

(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 | 6,225.95 | 401.05 | 6,627.00 |
| | (5,802.55) | (513.32) | (6,315.87) |
| (ii) Sale of power | 61.28 | - | 61.28 |
| | (62.60) | - | (62.60) |
| (iii) Income from services | 513.55 | - | 513.55 |
| | (186.03) | - | (186.03) |
| Total revenue from contracts with customers | 6,800.78 | 401.06 | 7,201.83 |
| | (6,051.18) | (513.32) | (6,564.60) |

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, 2023 | Year ended March 31, 2022 |
|-----------------|------------------------------|------------------------------|
| (i) Customer 1 | 1,079.64 | 950.40 |
| (ii) Customer 2 | 916.71 | 533.11 |
| | 1,996.35 | 1,483.61 |

(d) Contract balances
Rs. in crores

| | As at March 31, 2023 | As at March 31, 2022 |
|---|-------------------------|-------------------------|
| Trade receivables (Gross) (Refer Note 11) | 71.09 | 61.06 |
| <u>Contract assets</u> | | |
| Contract assets | 20.52 | 16.29 |
| | 91.61 | 77.35 |
| <u>Contract liabilities</u> | | |
| Advance from customers (Refer Note 19) | 141.57 | 123.37 |

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

23 Other income
Rs. in crores

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| (a) Interest income | | |
| (i) Interest income earned on financial assets that are not designated at FVTPL | | |
| - Non-convertible redeemable preference shares | 384.97 | - |
| - Bank deposits carried at amortised cost | 20.76 | 10.89 |
| - Other financial assets carried at amortised cost | 6.22 | 2.75 |
| (b) Dividend income | | |
| (i) From equity investments * | 5.33 | 0.75 |
| (c) Net gain on fair value changes | | |
| (i) Net gain on fair value changes of financial assets carried at FVTPL (Current) | 18.45 | 6.93 |
| (ii) Net gain on sale of current investments | 117.85 | 9.19 |
| (d) Gain on cancellation of forward contracts | 14.21 | 0.11 |
| (e) Liabilities no longer required written back | 27.61 | 63.86 |
| (f) Other non-operating income | 39.06 | 43.03 |
| Total other income | 634.46 | 137.51 |

Note :

* Includes dividend on equity instruments designated as fair value through other comprehensive income held as at the reporting date, amounting to Rs. 5.33 crores for the year ended March 31, 2023 (Rs. 0.50 crores for the year ended March 31, 2022).



TATA STEEL LONG PRODUCTS LIMITED**Notes to the Standalone financial statements****24 Cost of materials consumed****Rs. in crores**

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Opening stock | 979.27 | 550.62 |
| Add: Purchases of materials | 5,409.42 | 4,358.26 |
| | 6,388.69 | 4,908.88 |
| Less: Closing stock | 919.89 | 979.27 |
| Total cost of materials consumed | 5,468.80 | 3,929.61 |

25 Changes in inventories of finished and semi-finished goods**Rs. in crores**

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Finished and semi-finished goods | | |
| Opening stock | 301.71 | 202.57 |
| Less: Closing stock | 383.98 | 301.71 |
| Net decrease / (increase) in finished and semi-finished goods | (82.27) | (99.14) |

26 Employee benefits expense**Rs. in crores**

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| (a) Salaries and wages | 189.65 | 196.33 |
| (b) Contribution to provident and other funds | 18.58 | 12.57 |
| (c) Staff welfare expenses | 9.26 | 7.53 |
| Total employee benefits expense | 217.49 | 216.43 |

27 Finance costs**Rs. in crores**

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| (a) Interest expenses | | |
| (i) Non-convertible redeemable preference shares (Refer Note 15) | 1,273.11 | 6.80 |
| (ii) Bank borrowings and others | 101.15 | 93.15 |
| (iii) Leases | 7.66 | 8.43 |
| (b) Unwinding of discount on provisions | 1.06 | 0.87 |
| (c) Other borrowing costs | 4.02 | 0.71 |
| Total finance costs | 1,387.00 | 109.96 |

28 Depreciation and amortisation expense**Rs. in crores**

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| (a) Depreciation of property, plant and equipment (Refer Note 03) | 310.17 | 278.85 |
| (b) Depreciation of right-of-use assets (Refer Note 04) | 13.67 | 14.67 |
| (c) Amortisation of intangible assets (Refer Note 05) | 23.82 | 26.06 |
| Total depreciation and amortisation expense | 347.66 | 319.58 |



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Standalone financial statements

29 Other expenses

Rs. in crores

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| (a) Consumption of stores and spare parts | 524.35 | 437.07 |
| (b) Fuel oil consumed | 246.19 | 187.70 |
| (c) Purchase of power | 129.82 | 111.54 |
| (d) Rent | 1.91 | 5.48 |
| (e) Repairs to buildings | 22.44 | 25.18 |
| (f) Repairs to machinery | 207.81 | 152.72 |
| (g) Insurance | 14.09 | 11.21 |
| (h) Rates and taxes | 43.48 | 30.12 |
| (i) Freight and handling charges | 373.21 | 353.13 |
| (j) Commission, discounts and rebates | 1.08 | 1.09 |
| (k) Packing and forwarding | 9.47 | 9.75 |
| (l) Royalty | 109.29 | 134.98 |
| (m) Conversion charges | 4.40 | 1.08 |
| (n) Other expenses | | |
| (1) Legal and professional fees (Refer Note 29.01) | 9.06 | 10.38 |
| (2) Advertisement, promotion and selling expenses | 0.39 | 0.28 |
| (3) Travelling expenses | 9.23 | 7.19 |
| (4) Net Loss on foreign currency transactions | 17.31 | 11.48 |
| (5) Corporate social responsibility expenses (Refer Note 44) | 7.72 | 2.99 |
| (6) Loss on disposal of property plant and equipment | 1.82 | 11.98 |
| (7) Loss on disposal of non-current investments | - | 0.06 |
| (8) Other general expenses | 54.70 | 71.77 |
| Total other expenses | 1,787.77 | 1,577.18 |

29.01 Payment to auditors

Rs. in crores

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|--|------------------------------|------------------------------|
| Auditors remuneration and out-of-pocket expenses | | |
| (i) As auditors - statutory audit | 0.98 | 0.85 |
| (ii) As auditors - quarterly audits | 0.40 | 0.33 |
| (iii) As auditors - tax audit | 0.08 | 0.08 |
| (iv) For other services | 0.04 | 0.12 |
| (v) Auditors out-of-pocket expenses | 0.01 | 0.05 |
| | 1.51 | 1.43 |



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Standalone financial statements

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

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

| | Rs. in crores | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Equity share capital | 45.10 | 45.10 |
| Other equity | 2,014.30 | 3,155.37 |
| Total equity (A) | 2,059.40 | 3,200.47 |
| Non-current borrowings | 14,667.83 | 13,391.55 |
| Lease liabilities | 83.51 | 90.05 |
| Gross debt (B) | 14,751.34 | 13,481.60 |
| Total capital (A+B) | 16,810.74 | 16,682.07 |
| Gross debt as above | 14,751.34 | 13,481.60 |
| Less : Current investments | 547.66 | 8,077.62 |
| Less : Cash and cash equivalents | 112.91 | 4,558.91 |
| Less : Other balance with banks (including non-current earmarked balances) | 2.93 | 3.05 |
| Net debt (C) | 14,087.84 | 842.02 |
| Net debt to equity ratio ¹ | 5.36 | 0.29 |

Note :

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

(b) Dividend on equity shares

| | Rs. in crores | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| Dividend declared and paid during the year | | |
| Final dividend for the year ended March 31, 2022 of Rs. 12.50 (March 31, 2021 – Rs. 5) per fully paid share | 56.38 | 22.55 |
| Proposed dividend not recognised at the end of the reporting period | - | 56.38 |

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 review and approve 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.



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Standalone financial statements

(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. 1,334.84 crores (March 31, 2022: Rs. 878.25 crores). The Company has also Non-Fund based facilities with banks for Rs. 1,273.18 crores (March 31, 2022: Rs. 1,100.63 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.

| As at March 31, 2023 | Rs. In crores | | | | |
|--|------------------|------------------------|--------------------|---------------------------|----------------------|
| | Carrying value | Contractual cash flows | less than one year | between one to five years | More than five years |
| Financial liabilities | | | | | |
| Borrowings including interest obligations | 687.92 | 1,108.48 | 58.22 | 232.88 | 817.38 |
| Liability component of non-convertible preference shares (Refer note 15) | 13,979.91 | 85,678.01 | - | - | 85,678.01 |
| Lease liabilities | 83.51 | 124.56 | 14.88 | 53.66 | 56.02 |
| Trade payables | 2,135.75 | 2,135.75 | 2,135.75 | - | - |
| Derivative liabilities | 2.70 | 2.70 | 2.70 | - | - |
| Other financial liabilities | 1,079.20 | 1,079.20 | 250.99 | 828.21 | - |
| | 17,968.99 | 90,128.70 | 2,462.54 | 1,114.75 | 86,551.41 |

| As at March 31, 2022 | Rs. In crores | | | | |
|--|------------------|------------------------|--------------------|---------------------------|----------------------|
| | Carrying value | Contractual cash flows | less than one year | between one to five years | More than five years |
| Financial liabilities | | | | | |
| Borrowings including interest obligations | 684.75 | 1,118.68 | 52.36 | 209.46 | 856.86 |
| Liability component of non-convertible preference shares (Refer note 15) | 12,706.80 | 85,678.01 | - | - | 85,678.01 |
| Lease liabilities | 90.05 | 138.20 | 17.54 | 51.81 | 68.85 |
| Trade payables | 2,369.83 | 2,369.83 | 2,369.83 | - | - |
| Derivative liabilities | 1.71 | 1.71 | 1.71 | - | - |
| Other financial liabilities | 137.91 | 137.91 | 137.91 | - | - |
| | 15,991.05 | 89,444.34 | 2,579.35 | 261.27 | 86,603.72 |

(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, 2023 | As at March 31, 2022 |
| Financial assets | | |
| Trade receivables | - | - |
| Net exposure to foreign currency risk (Assets) | - | - |
| Financial liabilities | | |
| Trade payables | 7.91 | 16.02 |
| Derivatives | | |
| Foreign exchange forward contracts | 10.80 | 15.48 |
| Net exposure to foreign currency risk (Liabilities) | - | 0.56 |
| Net exposure to foreign currency risk (Assets - Liabilities) | - | (0.56) |

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 before tax and profit 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 before tax | | Impact on profit after tax | |
| | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2023 | Year ended March 31, 2022 |
| Increase in rate of 1 USD against Rs. by 10% | - | (4.24) | - | (3.17) |
| Decrease in rate of 1 USD against Rs. by 10% | - | 4.24 | - | 3.17 |



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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 before tax and profit after tax is affected through the impact on floating rate borrowings, as follows

| | Rs. in crores | | | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | Impact on profit before tax | | Impact on profit after tax | |
| | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2023 | Year ended March 31, 2022 |
| Increase in interest rate by 100 basis points | (6.89) | (6.89) | (5.16) | (5.16) |
| Decrease in interest rate by 100 basis points | 6.89 | 6.89 | 5.16 | 5.16 |

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) Securities Price risk

The Company is exposed to price risks arising from fair valuation of Company's investment in mutual funds. The carrying amount of the Company's investments designated as at fair value through profit or loss at the end of the reporting period (Refer Note no 6(ii)).

| | Rs. in crores | | | |
|----------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | Impact on profit before tax | | Impact on profit after tax | |
| | Year ended March 31, 2023 | Year ended March 31, 2022 | Year ended March 31, 2023 | Year ended March 31, 2022 |
| NAV -Increase by 1%* | 5.48 | 80.78 | 4.10 | 60.45 |
| NAV -Decrease by 1%* | (5.48) | (80.78) | (4.10) | (60.45) |

* Holding all other variables constant

Decrease in impact on profit before tax is on account of reduction in investments in mutual funds from Rs. 8,077.62 crores to Rs. 547.66 crores.

(v) 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. However, steel prices follow the trend of commodity prices over a period and provide a natural hedge to the business.

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, 2023 and March 31, 2022.

| As at March 31, 2023 | Amortised cost | Fair value through other comprehensive income | Derivative instruments in hedging relationship | Derivative instruments not in hedging relationship | Fair value through profit or loss | Rs. in crores | |
|----------------------------------|------------------|---|--|--|-----------------------------------|----------------------|------------------|
| | | | | | | Total carrying value | Total fair value |
| Financial assets | | | | | | | |
| Investments in Mutual fund | - | - | - | - | 547.66 | 547.66 | 547.66 |
| Investments in Preference Shares | 4,945.51 | - | - | - | - | 4,945.51 | 4,294.38 |
| Investment in body corporates | - | 19.28 | - | - | - | 19.28 | 19.28 |
| Trade receivables | 70.42 | - | - | - | - | 70.42 | 70.42 |
| Loans | 0.52 | - | - | - | - | 0.52 | 0.52 |
| Cash and cash equivalents | 112.91 | - | - | - | - | 112.91 | 112.91 |
| Other bank balances | 940.70 | - | - | - | - | 940.70 | 940.70 |
| Derivative assets | - | - | - | 1.12 | - | 1.12 | 1.12 |
| Other financial assets | 262.27 | - | - | - | - | 262.27 | 262.27 |
| Total | 6,332.33 | 19.28 | - | 1.12 | 547.66 | 6,900.39 | 6,249.26 |
| Financial liabilities | | | | | | | |
| Borrowings | 14,667.83 | - | - | - | - | 14,667.83 | 12,040.88 |
| Lease liabilities | 83.51 | - | - | - | - | 83.51 | 83.51 |
| Trade payables | 2,135.75 | - | - | - | - | 2,135.75 | 2,135.75 |
| Derivative liabilities | - | - | 1.53 | 1.17 | - | 2.70 | 2.70 |
| Other financial liabilities | 1,079.20 | - | - | - | - | 1,079.20 | 1,079.20 |
| Total | 17,966.29 | - | 1.53 | 1.17 | - | 17,968.99 | 15,342.04 |



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Rs. In crores

| As at March 31, 2022 | Amortised cost | Fair value through other comprehensive income | Derivative Instruments in hedging relationship | Derivative Instruments not in hedging relationship | Fair value through profit or loss | Total carrying value | Total fair value |
|-------------------------------|------------------|---|--|--|-----------------------------------|----------------------|------------------|
| Financial assets | | | | | | | |
| Investments in Mutual fund | - | - | - | - | 8,077.62 | 8,077.62 | 8,077.62 |
| Investment in body corporates | - | 15.68 | - | - | - | 15.68 | 15.68 |
| Trade receivables | 60.39 | - | - | - | - | 60.39 | 60.39 |
| Loans | 0.28 | - | - | - | - | 0.28 | 0.28 |
| Cash and cash equivalents | 4,558.91 | - | - | - | - | 4,558.91 | 4,558.91 |
| Other bank balances | 2.20 | - | - | - | - | 2.20 | 2.20 |
| Other financial assets | 255.96 | - | - | - | - | 255.96 | 255.96 |
| Total | 4,877.74 | 15.68 | - | - | 8,077.62 | 12,971.04 | 12,971.04 |
| Financial liabilities | | | | | | | |
| Borrowings | 13,391.55 | - | - | - | - | 13,391.55 | 13,391.55 |
| Lease liabilities | 90.05 | - | - | - | - | 90.05 | 90.05 |
| Trade payables | 2,369.83 | - | - | - | - | 2,369.83 | 2,369.83 |
| Derivative liabilities | - | - | - | 1.71 | - | 1.71 | 1.71 |
| Other financial liabilities | 137.91 | - | - | - | - | 137.91 | 137.91 |
| Total | 15,989.34 | - | - | 1.71 | - | 15,991.05 | 15,991.05 |

(ii) Fair value measurement

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

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

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

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

Fair value hierarchy

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

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

Valuation techniques with observable inputs (Level 2): The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. 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, 2023 | Level 1 | Level 2 | Level 3 | Total fair value |
|---|---------------|-------------|--------------|------------------|
| Financial assets | | | | |
| Investment in mutual funds | 547.66 | - | - | 547.66 |
| Derivative assets | - | 1.12 | - | 1.12 |
| Investment in equity instruments at FVTOCI (Unquoted) | - | - | 19.28 | 19.28 |
| Total | 547.66 | 1.12 | 19.28 | 568.06 |
| Financial liabilities | | | | |
| Derivative liabilities | - | 2.70 | - | 2.70 |

| As at March 31, 2022 | Level 1 | Level 2 | Level 3 | Total fair value |
|---|-----------------|----------|--------------|------------------|
| Financial assets | | | | |
| Investment in mutual funds | 8,077.62 | - | - | 8,077.62 |
| Derivative assets | - | - | - | - |
| Investment in equity instruments at FVTOCI (Unquoted) | - | - | 15.68 | 15.68 |
| Total | 8,077.62 | - | 15.68 | 8,093.30 |
| Financial liabilities | | | | |
| Derivative liabilities | - | 1.71 | - | 1.71 |



Rs. In crores

Reconciliation of Level 3 fair value measurement is as below :

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| Opening balance | 15.88 | 19.60 |
| Changes in fair value recognised in Other Comprehensive Income | 3.60 | (3.92) |
| Closing balance | 19.28 | 15.68 |

Valuation technique used for Level 3 investments

Fair valuation of the equity investments as at March 31, 2023 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. 2.40 crores (March 31, 2022 : Rs. 2.48 crores) and Rs. 2.32 crores (March 31, 2022 : Rs. 2.48 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.

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

Rs. In crores

| | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------|-------------------------|-------------------------|
| Foreign currency forwards | 1.58 | 1.71 |
| Classified as: | | |
| Non-current assets | - | - |
| Current assets | 1.12 | - |
| Non-current liabilities | - | - |
| Current liabilities | 2.70 | 1.71 |

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:

USD in crores

| | As at March 31, 2023 | As at March 31, 2022 |
|---------------------------|-------------------------|-------------------------|
| Foreign currency forwards | 12.35 | 15.46 |



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32 Earnings per equity share

| | Year ended March 31, 2023 | Year ended March 31, 2022 |
|---|------------------------------|------------------------------|
| Net (loss) / profit for the year (Rs. in crores) | (1,085.49) | 629.87 |
| Weighted average number of equity shares outstanding during the year (Nos.) | 4,51,00,000 | 4,51,00,000 |
| Nominal value per equity share (Rs.) | 10 | 10 |
| Basic and diluted earnings per equity share (Rs.) | (240.69) | 139.66 |

Note:

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

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

Rs. in crores

| | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------|-------------------------|-------------------------|
| (a) Income tax | 0.11 | 1.59 |
| (b) Customs duty (Refer Note below) | 33.49 | 33.49 |
| (c) Demand from suppliers | 1.52 | 1.52 |
| | 35.12 | 36.60 |

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 in the year ended March 31, 2021.

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

Rs. in crores

| | As at March 31, 2023 | As at March 31, 2022 |
|--|-------------------------|-------------------------|
| (i) Renewable energy purchase obligation | 6.33 | 6.33 |
| (ii) Excise Duty | 30.41 | 30.41 |
| | 36.74 | 36.74 |

(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, 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. On 01.02.2021, OERC directed NESCO to compute the quantum of electricity supplied to the State Grid afresh. Against this, TSLPL filed an Appeal before APTEL and got interim stay order on 31.3.2021. However, on 05.12.2022, APTEL admitted TSLPL's appeal but vacated the interim stay granted earlier. The matter is at present pending before APTEL for further hearing. As a matter of prudence, pending finalisation of the matter, an amount of Rs. 7.44 crores (including delayed payment surcharge) has been provided in the books.

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.

34 Estimated amounts of contracts remaining to be executed on capital account (Property, plant and equipment) and not provided for is Rs. 78.84 crores (As at March 31, 2022: Rs. 77.12 crores) net of advances of Rs. 2.71 crores (As at March 31, 2022: Rs. 3.60 crores.)

35 Exceptional items

Acquisition related expenditure

Acquisition related expenditure represents expenses incurred on stamp duty and registration fees for a portion of land parcels and buildings transferred in the name of the Company, which were part of the acquired business from Usha Martin Limited.



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Standalone financial statements

36 Related party transaction
A List of related parties

| Name of the related Party | Relationship |
|--|--|
| Tata Sons Private Limited | Company having significant influence in the Parent Company |
| Where control exists | |
| Tata Steel Limited | Holding Company |
| Neelachal Ispat Nigam Limited (w.e.f. July 04, 2022) (Refer note 46) | Subsidiary Company |
| TSIL Energy Limited (upto September 25, 2021) | Wholly owned Subsidiary Company |
| Others with whom transactions have taken place during the current or previous year | |
| The Tata Pigments Limited (Subsidiary of Tata Steel Utilities and Infrastructure Services Limited) Kalimati Global Shared Services Limited (Subsidiary of Tata Steel Utilities and Infrastructure Services Limited) The Indian Steel and Wire Products Limited Tata Metaliks Limited Tata Steel Utilities and Infrastructure Services Limited The Siam Industrial Wire Company Ltd. (Subsidiary of T S Global Holdings Pte Ltd.) Tata International Metals (Asia) Limited Tata Steel Global Procurement Company Pte. Ltd. Tata Steel Foundation Tata Steel Mining Limited | Fellow Subsidiary |
| TM International Logistics Limited mjunction services limited Jamipol Limited (Joint venture of fellow subsidiary) Tata BlueScope Steel Private Limited (Joint Venture of fellow subsidiary) Tata NYK Shipping PTE limited TKM Global Logistic Limited (Joint venture with Joint venture of Tata Steel Limited) | Joint venture with Tata Steel Limited |
| Tata International Limited Tata Communication Limited Tata 1mg Healthcare Solutions Private Limited Tata Limited Tata Asset Management Private Limited Tata Consultancy Services Limited Tata AIG General Insurance Company Limited | Subsidiary and Joint venture of Tata Sons Private Limited |
| Mr. Ashish Anupam | Key Management personnel - Managing Director (MD) |
| Mr. T V Narendran Mr. Koushik Chatterjee Mrs. Meena Lal Mr. Debashish Bhattacharjee Dr. Sougata Ray Mr. Ansuman Das Mr. Srikumar Menon Mr. Shashi Kant Maudgal Mrs. Neeta Karmakar | Key Management personnel -Non- Executive Director (NED) |
| Tata Steel Long Products Limited Employee Provident Fund Trust Tata Steel Long Products Limited Superannuation Fund Tata Steel Long Products 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 | |
|--|---|----------------|----------------|
| | | 31 March, 2023 | 31 March, 2022 |
| Tata Steel Limited | Holding Company | 378.79 | 308.01 |
| Tata International Limited | Subsidiary of Tata Sons Private Limited | 270.16 | 249.06 |
| The Siam Industrial Wire Company Ltd. | Fellow subsidiary | - | 159.79 |
| Tata International Metals (Asia) Limited | Fellow subsidiary | - | 0.27 |
| Tata Metaliks Limited | Fellow subsidiary | - | 82.56 |
| Neelachal Ispat Nigam Limited | Subsidiary Company | 128.33 | - |
| Total - Sale of goods | | 777.28 | 799.69 |
| Tata Steel Limited | Holding Company | 54.14 | 61.94 |
| Total - Sale of power | | 54.14 | 61.94 |
| Tata Steel Limited | Holding Company | 603.27 | 233.84 |
| Neelachal Ispat Nigam Limited | Subsidiary Company | 0.15 | - |
| Total - Services rendered | | 603.42 | 233.84 |



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Notes to the Standalone financial statements
B Particulars of transactions during the year (continued)

| Name of the related party | Nature of relationship | Rs. in crores | |
|--|--|------------------------------|------------------------------|
| | | Year ended 31 March, 2023 | Year ended 31 March, 2022 |
| Tata Steel Limited | Holding Company | 1,306.39 | 1,509.07 |
| Tata Steel Global Procurement Company Pte. Ltd. | Fellow subsidiary | 2,710.09 | 1,902.12 |
| The Indian Steel and Wire Products Limited | Fellow subsidiary | 4.35 | 5.24 |
| Tata Steel Mining Limited | Fellow subsidiary | 61.09 | 55.02 |
| Tata BlueScope Steel Private Limited | Joint venture of Fellow subsidiary | 1.05 | 1.65 |
| Jamipol Limited | Joint venture of Fellow subsidiary | 26.90 | 30.29 |
| Tata Limited | Subsidiary of Tata Sons Private Limited | 0.41 | - |
| Total - Purchase of goods | | 4,110.28 | 3,503.39 |
| Tata Steel Limited | Holding Company | 15.44 | 0.03 |
| Tata Steel Global Procurement Company Pte. Ltd. | Fellow subsidiary | (3.05) | 0.37 |
| Tata International Limited | Subsidiary of Tata Sons Private Limited | 13.60 | - |
| TM International Logistics Limited | Joint venture of Tata Steel Limited | - | 4.33 |
| Total - Reimbursement of expenses | | 25.99 | 4.73 |
| Tata Steel Limited | Holding Company | 0.05 | - |
| Tata Metaliks Limited | Fellow subsidiary | 0.05 | - |
| Total - Purchase of property, plant and equipment | | 0.10 | - |
| Tata Steel Limited | Holding Company | 38.11 | 28.68 |
| Tata Steel Utilities and Infrastructure Services Limited | Fellow subsidiary | 0.04 | 0.24 |
| The Tata Pigments Limited | Fellow subsidiary | - | 0.13 |
| The Indian Steel and Wire Products Limited | Fellow subsidiary | 0.01 | 0.04 |
| Tata Steel Foundation | Fellow subsidiary | 1.55 | 0.23 |
| Tata Sons Private Limited | Company having significant influence | - | 14.90 |
| Tata Consultancy Services Limited | Subsidiary of Tata Sons Private Limited | 3.17 | 1.35 |
| Tata AIG General Insurance Company Limited | Joint venture of Tata Sons Private Limited | 9.75 | 10.11 |
| Tata Communication Limited | Subsidiary of Tata Sons Private Limited | 3.50 | 2.63 |
| TM International Logistics Limited | Joint venture of Tata Steel Limited | 65.54 | 28.67 |
| TKM Global Logistic Limited | Joint venture of Joint venture with Tata Steel Limited | 0.08 | 11.54 |
| mjunction services limited | Joint venture of Tata Steel Limited | 1.67 | 1.20 |
| Kalimati Global Shared Services Limited | Fellow subsidiary | 0.06 | - |
| Tata 1mg Healthcare Solutions Private Limited | Step down subsidiary of Tata Sons Private Limited | 0.07 | - |
| Tata Asset Management Private Limited | Subsidiary of Tata Sons Private Limited | 0.08 | - |
| Total - Services received | | 123.63 | 99.72 |
| Jamipol Limited | Joint venture of Fellow subsidiary | 5.33 | 0.50 |
| Total - Dividend income | | 5.33 | 0.50 |
| Tata Steel Limited | Holding Company | 42.23 | 16.89 |
| Total - Dividend paid | | 42.23 | 16.89 |
| Mr. Ashish Anupam | MD | 4.66 | 4.85 |
| Total - Short term employee benefits | | 4.66 | 4.85 |
| Mr. Ashish Anupam | MD | 0.13 | 0.12 |
| Total - Post employment benefits | | 0.13 | 0.12 |
| Sitting fees | Non- Executive Directors | 0.20 | 0.28 |
| Commission | Non- Executive Directors | 0.50 | 0.70 |
| Tata Steel Limited | Holding Company | - | 12,700.00 |
| Total - Issue of non-convertible redeemable preference shares | | - | 12,700.00 |
| Neelachal Ispat Nigam Limited | Subsidiary Company | 8,139.46 | - |
| Total - Equity Instruments of subsidiary | | 8,139.46 | - |
| Neelachal Ispat Nigam Limited | Subsidiary Company | 4,560.54 | - |
| Total - Investments in Other Instrument of subsidiary | | 4,560.54 | - |
| Tata Steel Limited | Holding Company | 1,273.11 | 6.80 |
| Total - Interest expense recognised | | 1,273.11 | 6.80 |
| Neelachal Ispat Nigam Limited | Subsidiary Company | 384.97 | - |
| Total - Interest income recognised | | 384.97 | - |
| Tata Steel Long Products Limited Employee Provident Fund Trust | PEBP | 4.78 | 4.49 |
| Tata Steel Long Products Limited Superannuation Fund | PEBP | 3.74 | 3.45 |
| Tata Steel Long Products Limited Gratuity Fund | PEBP | 3.99 | 4.08 |
| Total - Contribution made | | 12.51 | 12.02 |



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Notes to the Standalone financial statements

C Balances outstanding

Rs. in crores

| Name of the related party | Relationship | As at | |
|--|--|------------------|------------------|
| | | March 31, 2023 | March 31, 2022 |
| Tata Steel Limited | Holding company | 48.01 | 43.77 |
| The Siam Industrial Wire Co. Ltd | Fellow subsidiary | - | 0.01 |
| Tata International Limited | Subsidiary of Tata Sons Private Limited | - | 0.03 |
| Neelachal Ispat Nigam Limited | Subsidiary Company | 0.27 | - |
| The Indian Steel & Wire Products Ltd * | Fellow subsidiary | 0.00 | - |
| Total - Trade receivables | | 48.28 | 43.81 |
| Tata Steel Limited | Holding company | 20.03 | - |
| Total - Financial assets | | 20.03 | - |
| Tata Steel Limited | Holding company | 885.11 | 569.44 |
| Tata Steel Global Procurement Company Pte. Ltd. | Fellow subsidiary | 651.15 | 1,206.69 |
| Tata Steel Utilities and Infrastructure Services Limited | Fellow subsidiary | 0.02 | 0.02 |
| The Indian Steel and Wire Products Limited | Fellow subsidiary | 0.01 | 0.67 |
| Tata Steel Mining Limited | Fellow subsidiary | 7.02 | 5.77 |
| Tata Sons Private Limited | Company having significant influence | - | 14.90 |
| mpjunction services limited | Joint venture of Tata Steel Limited | 0.57 | 0.17 |
| TKM Global Logistic Limited | Joint venture of Joint venture with Tata Steel Limited | - | 0.01 |
| TM International Logistics Limited | Joint venture of Tata Steel Limited | 6.74 | - |
| Tata BlueScope Steel Private Limited | Joint venture of Fellow subsidiary | 0.21 | - |
| Jamipol Limited | Joint venture of Fellow subsidiary | 2.55 | 3.59 |
| Tata Communication Limited | Subsidiary of Tata Sons Private Limited | 0.41 | 0.39 |
| Tata Consultancy Services Limited | Subsidiary of Tata Sons Private Limited | - | 0.01 |
| Tata Limited | Subsidiary of Tata Sons Private Limited | 0.18 | - |
| Kalimati Global Shared Services Limited * | Fellow subsidiary | 0.00 | - |
| Total - Trade payables for supplies and services | | 1,553.97 | 1,801.66 |
| Tata Steel Long Products Limited Employee Provident Fund Trust | PEBP | 1.36 | 1.30 |
| Tata Steel Long Products Limited Superannuation Fund | PEBP | 0.30 | 0.30 |
| Tata Steel Long Products Limited Gratuity Fund | PEBP | 1.23 | (0.90) |
| Total - Payable / (contribution in advance) to PEBP | | 2.89 | 0.70 |
| Tata International Limited * | Subsidiary of Tata Sons Private Limited | 0.00 | 0.10 |
| TM International Logistics Limited | Joint venture of Tata Steel Limited | - | 0.14 |
| Total - Advances paid | | 0.00 | 0.24 |
| Tata Metaliks Limited | Fellow subsidiary | - | 0.03 |
| Total - Advances received | | - | 0.03 |
| Jamipol Limited (At cost) | Joint venture of Fellow subsidiary | 0.80 | 0.80 |
| Total - Investments | | 0.80 | 0.80 |
| Tata Steel Limited | Holding Company | 13,979.91 | 12,706.80 |
| Total - Non-convertible preference shares | | 13,979.91 | 12,706.80 |
| Neelachal Ispat Nigam Limited | Subsidiary Company | 8,139.46 | - |
| Total - Investments in Equity Instruments of subsidiary | | 8,139.46 | - |
| Neelachal Ispat Nigam Limited | Subsidiary Company | 4,945.51 | - |
| Total - investments in Other Instrument of subsidiary | | 4,945.51 | - |
| Mr. Ashish Anupam | MD | 4.00 | 3.29 |
| Total-Trade payables for accrued wages and salaries | | 4.00 | 3.29 |

* Amount below rounding off norms adopted by the company



37 Employee benefits

37.01 - Post employment defined contribution plans

| | Rs. in crores | |
|--|------------------------------|------------------------------|
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| Amount recognised in the Statement of Profit and Loss | | |
| (i) Provident fund contribution* | 0.13 | 0.12 |
| (ii) Superannuation fund@ | 3.74 | 3.45 |
| | 3.87 | 3.57 |

* 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.

@ 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 the company 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 includes 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.



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(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

| (i) Reconciliation of opening and closing balances of obligation | As at | As at |
|--|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| a. Opening defined benefit obligation | 56.79 | 58.18 |
| b. Acquired through business combination (Refer Note 38(b)) | - | 0.66 |
| c. Current service cost | 4.12 | 4.15 |
| d. Interest cost | 3.75 | 3.58 |
| e. Remeasurement (gains)/losses | (0.28) | (3.67) |
| f. Benefits paid | (6.31) | (6.18) |
| g. Acquisitions (credit)/cost | 0.19 | 0.07 |
| Closing defined benefit obligation | 58.26 | 56.79 |

| (ii) Movements in the fair value of the plan assets are as follows | As at | As at |
|--|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| a. Opening fair value of plan assets | 57.69 | 58.60 |
| b. Interest income | 3.87 | 3.65 |
| c. Remeasurement gains/(losses) | (0.05) | (0.23) |
| d. Contributions from the employer | 1.55 | 2.12 |
| e. Benefits paid | (6.23) | (6.52) |
| f. Acquisitions (credit)/cost | 0.19 | 0.07 |
| Closing fair value of plan assets | 57.02 | 57.69 |

| (iii) Reconciliation of fair value of assets and obligations | As at | As at |
|--|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| a. Fair value of plan assets | 57.02 | 57.69 |
| b. Present value of obligation | 58.26 | 56.79 |
| | 1.24 | (0.90) |
| c. Amount recognised in the Balance Sheet | | |
| - Retirement benefit obligations - Non-current | 1.24 | - |
| - Prepaid Gratuity - Other non-financial current assets | - | 0.90 |
| | 1.24 | 0.90 |



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| | | Rs. in crores | |
|---|------------------------------|------------------------------|--|
| (iv) Amounts recognised in the Statement of Profit and Loss | Year ended March 31, 2023 | Year ended March 31, 2022 | |
| Employee benefit expenses | | | |
| a. Current service cost | 4.12 | 4.15 | |
| b. Net interest expense | (0.12) | (0.07) | |
| | 4.00 | 4.08 | |
| Other Comprehensive income | | | |
| a. Return on plan assets excluding amount included in employee benefits expense | 0.05 | 0.23 | |
| b. Actuarial (gain)/loss arising from changes in financial assumptions | (0.65) | (0.11) | |
| c. Actuarial (gain)/loss arising from changes in experience adjustments | 0.37 | (3.56) | |
| | (0.23) | (3.44) | |
| Total defined benefit costs | 3.77 | 0.64 | |

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

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

| (vi) Principal assumptions used for the purposes of the actuarial valuations | As at March 31, 2023 | As at March 31, 2022 |
|--|---|---|
| a. Discount rate (per annum) | 7.20% / 7.10% | 6.50% / 7.20% |
| 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% | 1.00% |
| | For all age group | For all age group |

- (vii) The weighted average duration of the defined benefit plan obligation representing average duration for active members is 6 to 13 years (As at March 31, 2022: 7 to 12 years).

- (viii) The Company expects (best estimate) to contribute Rs. Nil (previous year : Rs. 1.00 crore) to the plan during the next financial year.



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(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.

| Assumption | Rs. in crores | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| a. Discount rate increase by 1% | Decrease by 5.72 | Decrease by 5.20 |
| b. Discount rate decrease by 1% | Increase by 5.71 | Increase by 6.14 |
| c. Expected salary growth increase by 1% | Increase by 5.55 | Increase by 5.96 |
| d. Expected salary growth decrease by 1% | Decrease by 5.71 | Decrease by 5.17 |

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, 2023 | As at March 31, 2022 |
| a. Opening defined benefit obligation | 0.71 | 0.68 |
| b. Acquired through business combination (Refer Note 38(b)) | - | 0.02 |
| c. Current service cost | 0.04 | 0.04 |
| d. Interest cost | 0.05 | 0.04 |
| e. Remeasurement (gains)/losses | (0.01) | (0.03) |
| f. Benefits paid | (0.08) | (0.04) |
| Closing defined benefit obligation | 0.71 | 0.71 |

| (ii) Reconciliation of fair value of assets and obligations | Rs. in crores | |
|---|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| a. Fair value of plan assets | - | - |
| b. Present value of obligation | 0.71 | 0.71 |
| c. Amount recognised in the Balance Sheet | 0.71 | 0.71 |
| - Retirement benefit obligations - Non-current | 0.66 | 0.65 |
| - Retirement benefit obligations - Current | 0.05 | 0.06 |
| | 0.71 | 0.71 |

| (iii) Amounts recognised in the Statement of Profit and Loss | Rs. in crores | |
|---|------------------------------|------------------------------|
| | Year ended March 31, 2023 | Year ended March 31, 2022 |
| Employee benefit expenses | | |
| a. Current service cost | 0.04 | 0.04 |
| b. Net interest expense | 0.05 | 0.04 |
| | 0.09 | 0.08 |
| Other Comprehensive income | | |
| a. Actuarial (gain)/loss arising from changes in financial assumptions | (0.01) | (0.02) |
| b. Actuarial (gain)/loss arising from changes in experience adjustments | 0.00 | (0.01) |
| | (0.01) | (0.03) |
| Total defined benefit costs | 0.08 | 0.05 |



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| (iv) Principal assumptions used for the purposes of the actuarial valuations | As at | As at |
|--|---|---|
| | March 31, 2023 | March 31, 2022 |
| a. Discount rate (per annum) | 7.20% | 7.00% |
| b. Expected rate of salary increase (per annum) | Not applicable | Not applicable |
| c. Mortality rate | Indian Assured Lives Mortality (2006 - 2008) UIt. | Indian Assured Lives Mortality (2006 - 2008) UIt. |
| d. Withdrawal rate | 1.00% | 1.00% |
| - Ages from 20-25 | For all age group | For all age group |
| - Ages from 25-30 | | |
| - Ages from 30-35 | | |
| - Ages from 35-50 | | |
| - Ages from 50-55 | | |
| - Ages from 55-65 | | |

(v) The weighted average duration of the defined benefit plan obligation representing average duration for active members is **10 years**. (As at March 31, 2022: 12 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.

| Assumption | Rs. in crores | |
|---------------------------------|----------------------|----------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| 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)

| (i) Reconciliation of opening and closing balances of obligation | As at | As at |
|--|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| a. Opening defined benefit obligation | 12.80 | 12.20 |
| b. Interest cost | 0.87 | 0.80 |
| c. Remeasurement (gains)/losses | 1.11 | 0.50 |
| d. Benefits paid | (0.79) | (0.70) |
| Closing defined benefit obligation | 13.99 | 12.80 |

| (ii) Reconciliation of fair value of assets and obligations | As at | As at |
|---|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| a. Fair value of plan assets | - | - |
| b. Present value of obligation | 13.99 | 12.80 |
| | 13.99 | 12.80 |
| c. Amount recognised in the Balance Sheet | | |
| - Retirement benefit obligations - Non-current | 13.18 | 12.14 |
| - Retirement benefit obligations - Current | 0.81 | 0.66 |
| | 13.99 | 12.80 |



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| | | Rs. in crores | |
|--|------------------------------|------------------------------|--|
| (iii) Amounts recognised in the Statement of Profit and Loss | Year ended March 31, 2023 | Year ended March 31, 2022 | |
| Employee benefit expenses | | | |
| a. Net interest expense | 0.87 | 0.80 | |
| | 0.87 | 0.80 | |
| Other Comprehensive income | | | |
| a. Actuarial (gain)/loss arising from changes in financial assumptions | (0.31) | (0.37) | |
| b. Actuarial (gain)/loss arising from changes in experience adjustments | 1.42 | (0.55) | |
| c. Actuarial (gain)/loss arising from changes in demographic assumptions | - | 1.42 | |
| | 1.11 | 0.50 | |
| Total defined benefit costs | 1.98 | 1.30 | |

| (iv) Principal assumptions used for the purposes of the actuarial valuations | As at March 31, 2023 | As at March 31, 2022 |
|---|--------------------------------------|--------------------------------------|
| a. Discount rate (per annum) | 7.20% | 7.00% |
| b. Pension inflation rate (per annum) | 6.00% | 6.00% |
| c. Mortality rate | LIC (2012-15) Annuitants ultimate | LIC (2012-15) 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) The weighted average duration of the defined benefit plan obligation representing average duration for active members is **11 years**. (As at March 31, 2022: 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.

| Assumption | Rs. in crores | |
|--|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| a. Discount rate increase by 1% | Decrease by 1.39 | Decrease by 1.32 |
| b. Discount rate decrease by 1% | Increase by 1.65 | Increase by 1.58 |
| c. Pension inflation rate increase by 1% | Increase by 1.65 | Increase by 1.58 |
| d. Pension inflation rate decrease by 1% | Decrease by 1.41 | Decrease by 1.40 |

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.



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D. PRMB (Unfunded)

| | | Rs. in crores | |
|--|-------------------------|-------------------------|-------------|
| (i) Reconciliation of opening and closing balances of obligation | As at March 31, 2023 | As at March 31, 2022 | |
| a. Opening defined benefit obligation | 0.69 | | 0.69 |
| b. Interest cost | 0.04 | | 0.04 |
| c. Remeasurement (gains)/losses | 0.07 | | 0.05 |
| d. Benefits paid | (0.13) | | (0.09) |
| Closing defined benefit obligation | 0.67 | | 0.69 |

| | | Rs. in crores | |
|---|-------------------------|-------------------------|-------------|
| (ii) Reconciliation of fair value of assets and obligations | As at March 31, 2023 | As at March 31, 2022 | |
| a. Fair value of plan assets | - | | - |
| b. Present value of obligation | 0.67 | | 0.69 |
| c. Amount recognised in the Balance Sheet | 0.67 | | 0.69 |
| - Retirement benefit obligations - Non-current | 0.06 | | 0.63 |
| - Retirement benefit obligations - Current | 0.61 | | 0.06 |
| | 0.67 | | 0.69 |

| | | Rs. in crores | |
|--|------------------------------|------------------------------|-------------|
| (iii) Amounts recognised in the Statement of Profit and Loss | Year ended March 31, 2023 | Year ended March 31, 2022 | |
| Employee benefit expenses | | | |
| a. Net interest expense | 0.04 | | 0.04 |
| Other Comprehensive income | | | |
| a. Actuarial (gain)/loss arising from changes in financial assumptions | (0.01) | | (0.01) |
| b. Actuarial (gain)/loss arising from changes in experience adjustments | 0.08 | | 0.03 |
| c. Actuarial (gain)/loss arising from changes in demographic assumptions | - | | 0.03 |
| | 0.07 | | 0.05 |
| Total defined benefit costs | 0.11 | | 0.09 |

| (iv) Principal assumptions used for the purposes of the actuarial valuations | As at March 31, 2023 | As at March 31, 2022 |
|---|--|--|
| a. Discount rate (per annum) | 7.20% | 7.00% |
| b. Medical cost - % of annual entitlement utilised (per annum) | 20.00% | 20.00% |
| c. Mortality rate | LIC Annuitants (2012-15) Ultimate | LIC Annuitants (2012-15) 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) The weighted average duration of the defined benefit plan obligation representing average duration for active members is **9 years**. (As at March 31, 2022: 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 assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The table below outlines the effect on obligation in the event of a decrease/increase of 1% in the assumptions used.

| Assumption | Rs. in crores | |
|---------------------------------|-------------------------|-------------------------|
| | As at March 31, 2023 | As at March 31, 2022 |
| a. Discount rate increase by 1% | Decrease by 0.05 | Decrease by 0.05 |
| b. Discount rate decrease by 1% | Increase by 0.06 | Increase by 0.06 |

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/(reversed) interest rate guarantee shortfall amounting to Rs. 0.34 crores (March 31, 2022 : Rs. (5.03) crores) in the Statement of Profit and Loss and also recognised excess of liabilities over trust assets amounting to Rs. 1.17 crores (March 31,2022: Rs Nil) . Further during the year, the Company's contribution of Rs. 5.11 crores (March 31, 2022: Rs. 4.49 crores) to the Provident Fund Trust has been expensed under the 'Contribution to Provident and Other Funds' in Note 26. Additionally, during the year ended March 31, 2023, the Company contributed Rs. 0.54 crores to the trust, which has been expensed under the 'Contribution to Provident and Other Funds' in Note 26. (March 31, 2022: Rs. 1.95 crores.)

Disclosures given hereunder are restricted to the information available as per the Actuary's Report.

| | As at March 31, 2023 | As at March 31, 2022 |
|----------------------------------|-------------------------|-------------------------|
| a. Discount rates | 7.20% | 7.20% |
| b. Expected yield on plan assets | 7.55% | 7.50% |
| c. Guaranteed Interest Rate | 8.15% | 8.10% |

37.03 Other contributions

- (i) **Employees Pension Scheme** - Total amount charged to the Statement of Profit and Loss for the year **Rs. 3.50 crores** (March 31, 2022: Rs. 3.45 crores).
 - (ii) **Employees State Insurance** - Total amount charged to the Statement of Profit and Loss for the year **Rs. 0.04 crore** (March 31, 2022: Rs. 0.07 crore).
- Contribution to these schemes are made by the Company as per the statute.

- 37.04** The Company has assessed the impact of the 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-1/1(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 (supported with a view from a legal expert), the aforesaid matter is not likely to have any impact and accordingly, no provision has been made in these Financial Statements.



38 (a) Acquisition of Neelachal Ispat Nigam Limited

The Company on July 4, 2022 completed the acquisition of Neelachal Ispat Nigam Limited ("NINL") for a total consideration of Rs. 12,100.00 crores as per the terms and conditions of Share Sale and Purchase Agreement (SPA) executed on March 10, 2022.

As part of the transaction, following have been completed -

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

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

The Company has further invested Rs. 600 crores in the equity shares of NINL after acquisition, towards capital expenditure, initial working capital and operating cost to restart the plant. The Company's holding in NINL's equity shares is 92.68% as on March 31, 2023.

- (b) Pursuant to the Transfer Agreement ('Agreement') entered into between the Company and Usha Martin Limited ('UML') on December 14, 2020, the Company acquired the Wire Mill from UML on June 30, 2021. In terms of the Agreement, the Company purchased Wire Mill business through exchange of the bright bar assets acquired from UML originally upon acquisition of steel business on April 9, 2019.

- 39 The Board of Directors of the Company and Tata Steel Limited ("the Parent Company") approved the Scheme for Amalgamation of the Company into the Parent Company ("the Scheme") at their respective meetings held on September 22, 2022. The Board of Directors recommended an exchange ratio of 67 fully paid-up equity shares of Re. 1 each of the Parent Company for every 10 fully paid-up equity shares of Rs. 10 each held in the Company. The Company had submitted the Scheme to Stock Exchanges on October 11, 2022 and received no objection/ no adverse observations from the National Stock Exchange of India Limited and BSE Limited respectively vide letters dated March 31, 2023. The Company has subsequently filed the Scheme with the Hon'ble National Company Law Tribunal ("NCLT"), Cuttack Bench on April 05, 2023 for approval.



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Standalone financial statements
40 Goodwill
Rs. in crores

| A. Movement in goodwill during the year | Year ended | Year ended |
|--|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Opening balance | 6.16 | 5.66 |
| Add : Additions during the year due to acquisitions (Refer Note 38(b)) | - | 0.50 |
| Closing balances | 6.16 | 6.16 |

B. Impairment tests for goodwill

The Goodwill of Rs. 6.16 crores (March 31, 2022: Rs. 6.16 crores) represents the goodwill accounted on the acquisition of Steel Business (CGU) from Usha Martin Limited. The entire goodwill as mentioned above is attributable to the aforesaid acquired business CGU i.e. Integrated steel manufacturing plant. There were no impairment indicators as at the year end. The outcome of the impairment assessment as on 31 March 2023 has not resulted in any impairment of goodwill.

41 Assets classified as held for sale

To optimise available crude steel production, Company had initiated the construction of 0.5 MTPA Special Bar and Wire Rod-Combi Mill. However, due to strategic reasons the Board of directors of the Company decided to transfer the mill (project) to The Indian Steel & Wire Products Ltd (ISWP) along with all the Capital advances, Capital Work in Progress etc. within next twelve months. Therefore, the Company recorded the above mentioned assets [Capital Advances Rs. 39.21 crores, Capital work in progress Rs. 12.56 crores and Deposits Rs. 5.38 crores] as 'held for sale' in accordance with Ind AS 105: Non-current Assets Held for Sale and Discontinued Operations.

The Company has measured 'the Assets' at lower of carrying value and fair value less costs to sell amounting to Rs. 57.15 crores (March 31, 2022 : Rs. Nil). The fair value of 'the Assets' were determined as fair value of other assets (consideration approximating the cost) 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)).

42 Segment reporting

The Company has prepared Consolidated Financial Statements ("CFS"). Accordingly, Segment related note has been provided in CFS in accordance with the provisions of Ind AS 108: "Operating Segments".

43 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 | Contingent liability recognised on business combination | Others |
|---|---|---|------------------------|---|---|---|
| Carrying amount as at beginning of the year | 2.63 (2.63) | 6.01 (6.01) | 20.68 (20.68) | 29.29 (27.89) | 0.29 (0.29) | 3.48 (11.67) |
| Add : Provision made during the year | - | 1.43 | - | 11.35 | - | 4.72 |
| Less : Amount paid during the year | (-) | (-) | (-) | (1.40) | (-) | (-) |
| Less : Amount reversed during the year | (-) | (-) | (-) | (-) | (-) | (-) |
| Less : Amount reversed during the year | 0.01 | - | - | - | - | - |
| Carrying amount as at the end of the year (Refer Note (16(b))) | 2.62 (2.63) | 7.44 (6.01) | 20.68 (20.68) | 40.19 (29.29) | 0.29 (0.29) | 8.20 (3.48) |
| 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 | Demand for electricity charges and labour related matters on acquired steel business | Provision in relation to Mines Development and Production Agreement |
| Expected timing of resultant outflow | On decision by competent authority | | | Upon closure of mines or during the mining | On decision by competent authority | |
| Indication of uncertainty about those outflows | The above matters are under dispute with authorities | | | 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 | 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 |

(figures in brackets represents amount for the previous year)



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Standalone financial statements

44 Expenditure on corporate social responsibility

Rs. in crores

| Sr. No. | Particulars | Year ended | Year ended |
|---------|--|----------------|----------------|
| | | March 31, 2023 | March 31, 2022 |
| a. | Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities | 7.70 | 2.96 |
| b. | Amount spent during the year | 7.72 | 2.99 |
| | Amount of shortfall for the year | - | - |
| | Amount of cumulative shortfall for the year | - | - |

Revenue expenditure charged to the Statement of Profit and Loss in respect of CSR activities undertaken during the year is Rs. 7.72 crores, (paid in cash) as compared to Rs. 2.99 crores for the year ended March 31, 2022 (paid in cash)

- c. CSR expenditure incurred through related parties of the Company for the year ended March 31, 2023 is Rs. 1.83 crores. (March 31, 2022 : Rs. 0.23 crores)
- 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.

45 Assets hypothecated as security

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

Rs. in crores

| | Year ended | Year ended |
|--|----------------|----------------|
| | March 31, 2023 | March 31, 2022 |
| Non-current assets | | |
| <i>First charge (against term loan from banks)</i> | | |
| (i) Property, plant and equipment | 3,384.83 | 3,571.07 |
| (ii) Leased assets | 116.40 | 119.42 |
| | 3,501.23 | 3,690.49 |
| Current assets | | |
| <i>First charge (against working capital requirement from Banks)</i> | | |
| (i) Inventories | 1,365.14 | 1,350.09 |
| (ii) Trade receivables | 70.42 | 60.39 |
| (iii) Cash and cash equivalents | 112.91 | 4,558.91 |
| (iv) Other balances with banks | 2.08 | 2.20 |
| (v) Loans | 0.50 | 0.24 |
| (vi) Other financial assets | 254.12 | 247.45 |
| (vii) Other current assets | 155.35 | 76.99 |
| | 1,960.52 | 6,296.27 |

Notes:

- (a) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.
- (b) Refer Note 52 for disclosure relating to total amount of security (charge created) towards working capital facilities and term loan, as on March 31, 2023.

46 Details relating to Company's subsidiary 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, 2023 | As at March 31, 2022 |
| Neelachal Ispat Nigam Limited | Manufacturing of steel | India | 93.15%* | Nil |

The Company on July 4, 2022 had completed the acquisition of Neelachal Ispat Nigam Limited ("NINL") for a total consideration of Rs. 12,100.00 crores as per the terms and conditions of Share Sale and Purchase Agreement (SPA) executed on March 10, 2022.

* Represents ownership based on share capital.



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Standalone financial statements

47 Ratios

| Sr. No. | Particulars | March 31, 2023 | March 31, 2022 | % Change | |
|---------|--|----------------|----------------|----------|----------------------|
| (a) | Current ratio (times) | 1.25 | 4.90 | (74.49)% | Refer sub-note (i) |
| (b) | Debt-equity ratio (times) | 5.61 | 4.65 | 20.65% | |
| (c) | Debt service coverage ratio (times) | 5.26 | 9.00 | (41.56)% | Refer sub-note (ii) |
| (d) | Return on equity ratio (%) | -41.27% | 21.74% | (63.01)% | Refer sub-note (iii) |
| (e) | Inventory turnover ratio (in days) | 66 | 58 | 13.79% | |
| (f) | Trade receivables turnover ratio (in days) | 3 | 4 | (12.09)% | |
| (g) | Trade payables turnover ratio (in days) | 112 | 118 | (4.82)% | |
| (h) | Net capital turnover ratio (in days) | 297 | 297 | (0.18)% | |
| (i) | Net profit ratio (%) | -14.54% | 9.26% | (23.80)% | |
| (j) | Return on capital employed (%) | 2.11% | 9.27% | (7.16)% | |
| (k) | Return on investment (%) | 4.37% | 3.50% | 0.87% | |

Formulas for ratios

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

Notes:

- Current ratio has decreased due to investment in Neelachal Ispat Nigam Limited from the proceeds of NCRPS which were invested in short term deposits during FY22.
- Debt service coverage ratio has decreased due to lower profitability during the year.
- Return on equity has decreased due to increase in finance cost on account of interest on NCRPS.

48 The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

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

50 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, 2023 (March 31, 2022 : Rs. 0.06 crores) which is held in abeyance due to pending legal cases.

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



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Standalone financial statements

- 52 (a) The Company has sanctioned working capital limits from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with the banks are in agreement with the books of accounts for year ended March 31, 2023 and March 31, 2022. The returns for the quarter ended March 31, 2023, are not yet due, which would be appropriately filed by the Company within the due date. Total amount of security (charge created), towards working capital facilities and term loan, as on March 31, 2023 is Rs. 1,585.00 crores (March 31, 2022 Rs. 1,585.00 crores) and Rs. 2,900.00 crores (March 31, 2022 Rs. 2,900.00 crores) respectively.
- (b) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, other than amounts aggregating Rs. 600 crores (raised through issuance of non-cumulative redeemable preference shares to its Holding Company, Tata Steel Limited) invested in its subsidiary, Neelachal Ispat Nigam Limited (NINL) through subscription of equity shares of NINL for meeting the fund requirements / obligations of NINL. The Company has no associate or joint venture.
- 53 (a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than investment of Rs. 12,700 crores (March 31, 2022: Nil) during the year towards acquisition of Neelachal Ispat Nigam Limited ("NINL"), [which thereby became a subsidiary of the Company (Refer Note 46)] / subscription to shares of NINL, out of funds received (through issuance of non-converible redeemable preference shares) from the parent company, Tata Steel Limited. The acquisition, inter alia, provides inorganic growth for the Company to grow in long products business and leverage the captive mines of NINL. The acquisition was made in accordance with the process run by Department of Investment and Public Asset Management Government of India and other applicable regulatory requirements. With the above and given the transaction involves no camouflage to hide any beneficiaries, no further disclosures, in this regard, are required.

- 54 The Company has made investments in a company (subsidiary) and twelve mutual fund schemes during the year. The Company has not granted secured/ unsecured loans/ advances in the nature of loans to any Company/Firm/Limited Liability Partnership/Other Party during the year other than loan to ten employees. The Company did not stand guarantee or provided security to any Company/Firm/Limited Liability Partnership/Other party during the year. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans are as per the table given below:

| | Rs. in crores |
|---|---------------|
| | Loans |
| Aggregate amount granted/ provided during the financial year | |
| -Others | 0.65 |
| Balance outstanding as at March 31, 2023 in respect of the above case | |
| -Others | 0.03 |

- 55 The Company has done an assessment to identify Core Investment Company (CIC) [including CIC's in the Group]es per the necessary guidelines of Reserve Bank of India (including Core Investment Companies (Reserve Bank) Directions, 2016). The Companies identified as CIC's at Group level are Panatone Finvest Limited, TATA Capital Limited, TATA Industries Limited, TATA Sons Private Limited, TMF Holdings Limited, T S Investments and Talace Private Limited.
- 56 No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- 57 The Company has not raised loans during the year on the pledge of securities held in its subsidiary.
- 58 The Company has incurred cash loss of Rs. 737.83 crores during the current financial year (FY 2022 - Nil).
- 59 The Company has not been declared wilful defaulter by any bank or financial institutions or government or any government authority.
- 60 The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- 61 The Company has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

Signatures to Notes 1 to 61

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



Pinaki Chowdhury
Partner
Membership No. 057572

For and on behalf of the Board of Directors



T V Rameshwaran
Chairman
DIN: 03083605



Ashish Anupam
Managing Director
DIN: 08384201



S K Shrivastav
Chief Financial Officer



Sankar Bhattacharya
Company Secretary

Place: Kolkata
Date: April 25, 2023

Place: Mumbai
Date: April 25, 2023

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Steel Long Products Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Tata Steel Long Products Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), (refer Note 1 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2023, of consolidated total comprehensive income (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

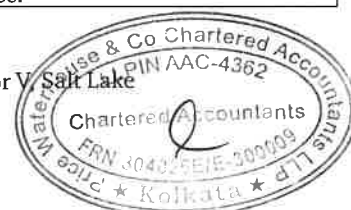
4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming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

| Key audit matter | How our audit addressed the key audit matter |
|--|--|
| <p>Business Combination- Purchase Price Allocation (PPA) on acquisition of Neelachal Ispat Nigam Limited.</p> <p>[Refer to Note 2.03 to the consolidated financial statements- "Use of estimates and critical accounting judgments- (ix) Allocation of consideration over the fair value of assets and liabilities acquired in a business combination", Note 2.09 to the consolidated financial statements- "Business Combinations" and Note 38 to the consolidated financial statements- "Business Combinations"]].</p> <p>On July 4, 2022, Tata Steel Long Products Limited completed the acquisition of Neelachal Ispat Nigam</p> | <p>Our audit procedures included the following:</p> <ul style="list-style-type: none">• We obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Holding Company's key controls over the accounting of business combination.• We evaluated the appropriateness of the Holding Company's accounting policy in respect of business combination.• We evaluated the competence, capabilities and objectivity of the management's expert, obtained an understanding of the work of the expert, and evaluated the appropriateness of the expert's work as audit evidence. |

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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E300009 (ICAI registration number before conversion was 304026E)



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Steel Long Products Limited

Report on Audit of the Consolidated Financial Statements

| | |
|--|---|
| <p>Limited for a total consideration of Rs. 12,100.00 crores in accordance with the process run by Department of Disinvestment & Public Asset Management (DIPAM), Government of India.</p> <p>The Group determined the acquisition to be business combination in accordance with Ind AS 103, "Business Combinations" which requires the identified assets and liabilities be recognised at fair value at the date of acquisition with the excess of consideration over fair value of recognised assets and liabilities as goodwill.</p> <p>The Group appointed independent professional valuers ("management's expert") to perform valuation of assets for the purpose of PPA. The PPA exercise was completed resulting in the Group recognising goodwill of Rs. 1,195.69 crores.</p> <p>Significant assumptions and estimates were used by the management with the assistance of management's expert in the determination of the fair values of the identified assets and liabilities in the transaction and thus we consider this area to be a Key Audit Matter.</p> | <ul style="list-style-type: none"> • We involved our valuation expert ("auditor's expert") to review the PPA reports including the work done by management's experts to assess reasonableness of the underlying key assumptions used in determining the fair value of assets and liabilities as at the acquisition date. • We evaluated the competence, capabilities and objectivity of the auditor's expert, and the adequacy of the work performed by the auditor's expert. • We also assessed the Group's determination of the fair value of the remaining assets and liabilities having regard to the completeness of assets and liabilities identified and the reasonableness of any underlying assumptions in their respective valuations. • We also verified the management's computation of goodwill. <p>Based on the above work performed, we noted that the PPA have been performed in accordance with Ind AS 103. We also assessed the appropriateness of the disclosures made in the consolidated financial statements and found it reasonable.</p> |
|--|---|

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| <p>Assessment of carrying amount of goodwill related to the acquisition during the year of Neelachal Ispat Nigam Limited, a subsidiary company.</p> <p>[Refer to Note 2.03(vi) to the consolidated financial statements- "Use of estimates and critical accounting judgments - Impairment of Goodwill", Note 2.03(vii) to the consolidated financial statements- "Use of estimates and critical accounting judgments - Goodwill Arising on Consolidation" and Note 40 to the consolidated financial statements- "Goodwill"].</p> <p>The Group has a goodwill balance of Rs. 1,195.69 crores as at March 31, 2023 relating to the above-mentioned subsidiary. The Group carries Goodwill at cost less impairment losses, if any, and tests the same for impairment atleast annually or when events occur which indicate that the recoverable amount of the Cash Generating Unit ("CGU") is less than the carrying amount of Goodwill.</p> <p>The Group has identified the subsidiary as a separate CGU for the purpose of impairment assessment and has estimated its recoverable amount based on discounted cash flows forecast for steel business/ incremental cash flows from mining business of the CGU which requires judgement in respect of certain key inputs such as assumptions on discount rates, sales volume and sales prices, cost to produce/ extract, capital expenditure,</p> | <p>Our procedures included the following:</p> <ul style="list-style-type: none"> • We obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Holding Company's key controls over the impairment assessment of goodwill. • We evaluated the appropriateness of the Group's accounting policy in respect of impairment assessment of Goodwill. • We evaluated the Holding Company's process regarding impairment assessment by involving auditor's valuation experts, to assist in assessing the appropriateness of the impairment assessment model, underlying assumptions relating to discount rate, terminal value, etc. • We evaluated the cash flow forecasts/ incremental cash flows by comparing them to the budgets and our understanding of the internal and external factors. • We checked the mathematical accuracy of the impairment assessment model and agreed the relevant data with the latest budgets, actual results and other supporting documents, as applicable. • We assessed the sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment. |



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Steel Long Products Limited

Report on Audit of the Consolidated Financial Statements

| | |
|--|---|
| <p>EBITDA/ton, etc.</p> <p>This has been determined to be a Key Audit Matter as the determination of recoverable amount involves significant management judgement.</p> | <ul style="list-style-type: none"> • We discussed the key assumptions and sensitivities with those charged with governance. • We evaluated the appropriateness of the disclosures made in the consolidated financial statements. <p>Based on the above procedures performed, we did not identify any significant exceptions in the management's impairment assessment of the carrying amount of goodwill related to the above mentioned subsidiary.</p> |
|--|---|

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| <p>Recovery of expenses for Radhikapur (East) Coal Block</p> <p>[Refer to Note 08.02 to the consolidated financial statements]</p> <p>As at March 31, 2023, the Holding 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.</p> <p>The Coal Mines (Special Provisions) Act, 2015 and subsequent amendments thereto, promulgated pursuant to the aforesaid Order, prescribes that the prior allottee (i.e. the Holding Company), shall be compensated for the expenses incurred towards land and mine infrastructure.</p> <p>During the financial year 2020-21, 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. According to an external legal opinion obtained by the Holding Company, there is a high likelihood of the Holding Company being compensated for the entire investments made for acquiring the land for the development of the coal block. The Holding Company based on its assessment and along with the aforesaid opinion expects to recover the entire amount.</p> <p>This is considered to be a Key Audit Matter as significant judgements are involved regarding recoverability of the aforesaid amounts incurred which are largely subject to decision/approvals of the regulatory authorities.</p> | <p>Our audit procedures around recoverability of the expenses incurred included the following:</p> <ul style="list-style-type: none"> • Evaluation of the design and testing of operating effectiveness of the related controls implemented by the management. • Tested a sample of expenses incurred on the coal block. • Obtained evidence supporting the correspondences of the Holding Company with the MoC / Nominated Authority of MoC / Government agencies and the allotment to the successful bidder. • Obtained an updated understanding of the basis of the management's judgement on recoverability of expenses including inquiries with the Holding Company's inhouse legal counsel and opinion from an independent external legal counsel. <p>Based on the above work performed, we found the management's judgement on assessment of recoverability of the related expenses, to be reasonable.</p> |



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Steel Long Products Limited
Report on Audit of the Consolidated Financial Statements

Other Information

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

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

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

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

6. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

9. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Steel Long Products Limited
Report on Audit of the Consolidated Financial Statements

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.
11. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matter specified in paragraph 3(xxii) of CARO 2020.
15. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Steel Long Products Limited

Report on Audit of the Consolidated Financial Statements

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies, incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – Refer Note 33 to the consolidated financial statements.
 - ii. The Group was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable loss on long term contracts. The Group did not have long term derivative contracts. Refer Note 48 to the consolidated financial statements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2023, 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. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary of the Holding Company during the year ended March 31, 2023. Refer Note 49 to the consolidated financial statements.
- iv. (a) The respective Managements of the Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, and as disclosed in the notes to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or by its subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries [Refer Note 51(a) to the consolidated financial statements.]
- (b) The respective Managements of the Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been received by the Company or its subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries [Refer Note 51(b) to the consolidated financial statements.]
- (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The dividend declared and paid during the year by the Holding Company is in compliance with Section 123 of the Act. The subsidiary company has not declared/paid any dividend during the year.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group, is applicable to the Group, only with effect from financial year beginning April 1, 2023, the reporting



Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Steel Long Products Limited
Report on Audit of the Consolidated Financial Statements

under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

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

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



Pinaki Chowdhury
Partner
Membership Number: 057572

UDIN: 23057572BGXVOT6738
Kolkata
April 25, 2023

Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditor's Report

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

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Tata Steel Long Products Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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



Price Waterhouse & Co Chartered Accountants LLP

Annexure A to Independent Auditor's Report

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

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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



Pinaki Chowdhury
Partner
Membership Number: 057572

UDIN: 23057572BGXVOT6738
Kolkata
April 25, 2023

Price Waterhouse & Co Chartered Accountants LLP

Annexure B to Independent Auditors' Report

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

As required by paragraph 3(xxi) of the CARO 2020, we report that the auditors of the following companies have given qualification or adverse remarks in their CARO report on the standalone statutory financial statements of the respective companies:

| Sl. No. | Name of the Company [included in the Consolidated Financial Statements (CFS) referred to in Note 01 to the CFS] | CIN | Relationship with the Holding Company | Date of the respective auditors' report | Paragraph number in the respective CARO reports |
|---------|--|-----------------------|---------------------------------------|---|--|
| 1. | Tata Steel Long Products Limited | L27102OR1982PLC001091 | Holding Company | April 25, 2023 | (i)(c), ix(e), xvii |
| 2. | Neelachal Ispat Nigam Limited | U27109OR1982PLC001050 | Subsidiary | April 25, 2023 | (i)(c), ii(a), ii(b), vii(a), ix(a), ix(c), xvii |

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

Pinaki Chowdhury
Partner
Membership Number: 057572

UDIN: 23057572BGXVOT6738
Kolkata
April 25, 2023

TATA STEEL LONG PRODUCTS LIMITED
Consolidated Balance Sheet as at March 31, 2023

| | | Rs. in crores |
|---|---------|------------------|
| | | As at |
| | | March 31, 2023 |
| | Notes | |
| I Assets | | |
| Non-current assets | | |
| (a) Property, plant and equipment | 03 | 5,732.85 |
| (b) Right-of-use assets | 04 | 814.88 |
| (c) Capital work-in-progress | 03 | 234.88 |
| (d) Goodwill | 40 | 1,201.85 |
| (e) Other intangible assets | 05 | 8,716.02 |
| (f) Financial assets | | |
| (i) Investments | 06(i) | 19.29 |
| (ii) Loans | 07 | 0.02 |
| (iii) Other financial assets | 08 | 41.24 |
| (g) Income tax assets (net) | 21 (a) | 84.11 |
| (h) Other non-current assets | 09 | 21.23 |
| Total non-current assets | | 16,866.16 |
| Current assets | | |
| (a) Inventories | 10 | 2,335.97 |
| (b) Financial assets | | |
| (i) Investments | 06(ii) | 1,104.40 |
| (ii) Trade receivables | 11 | 185.78 |
| (iii) Cash and cash equivalents | 12 (i) | 136.09 |
| (iv) Bank balances other than (ii) above | 12 (ii) | 944.10 |
| (v) Loans | 07 | 0.50 |
| (vi) Derivative assets | | 1.12 |
| (vii) Other financial assets | 08 | 264.77 |
| (c) Other current assets | 09 | 319.43 |
| Total current assets | | 6,302.16 |
| Assets classified as held for sale | 41 | 57.15 |
| Total assets | | 23,225.47 |
| II Equity and liabilities | | |
| Equity | | |
| (a) Equity share capital | 13 | 45.10 |
| (b) Other equity | 14 (i) | 913.10 |
| Equity attributable to owners of the Company | | 958.20 |
| Non-controlling interests | 14 (ii) | 429.65 |
| Total equity | | 1,387.85 |
| Liabilities | | |
| Non-current liabilities | | |
| (a) Financial liabilities | | |
| (i) Borrowings | 15 | 14,867.83 |
| (ii) Lease liabilities | 04 | 80.90 |
| (iii) Other financial liabilities | 20 | 826.21 |
| (b) Provisions | 16 | 139.01 |
| (c) Deferred tax liabilities (net) | 17 | 1,287.07 |
| Total non-current liabilities | | 17,003.02 |
| Current liabilities | | |
| (a) Financial liabilities | | |
| (i) Lease liabilities | 04 | 8.72 |
| (ii) Derivative liabilities | | 2.70 |
| (iii) Trade payables | 18 | 134.42 |
| - total outstanding dues of micro and small enterprises | | 2,774.11 |
| (iv) Other financial liabilities | 20 | 284.21 |
| (b) Provisions | 16 | 147.37 |
| (c) Other current liabilities | 19 | 428.57 |
| (d) Current tax liabilities (net) | 21 (ii) | 53.90 |
| Total current liabilities | | 3,834.60 |
| Total liabilities | | 20,837.62 |
| Total equity and liabilities | | 22,225.47 |

Notes forming an integral part of the consolidated financial statements

1 to 61


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

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number - 304026E/E-30009



Pratik Choudhary
Partner
Membership No. 057572

For and on behalf of the Board of Directors


T V Narasimhan
Chairman
DIN: 03083805


Ashish Anupam
Managing Director
DIN: 08384201


S K Shrivastav
Chief Financial Officer


Sankar Bhattacharya
Company Secretary

Place: Kolkata
Date: April 26, 2023

Place: Mumbai
Date: April 25, 2023

TATA STEEL LONG PRODUCTS LIMITED
Consolidated Statement of Profit and Loss for the year ended March 31, 2023

| | Notes | Rs. in crores |
|--|--------|------------------------------|
| | | Year ended March 31, 2023 |
| I Revenue from operations | 22 | 8,991.78 |
| II Other income | 23 | 304.13 |
| III Total income (I + II) | | 9,295.91 |
| IV Expenses: | | |
| Cost of materials consumed | 24 | 6,853.19 |
| Changes in inventories of finished and semi finished goods | 25 | (389.36) |
| Employee benefits expense | 26 | 390.60 |
| Finance costs | 27 | 1,387.44 |
| Depreciation and amortisation expense | 28 | 715.77 |
| Other expenses | 29 | 2,874.60 |
| Total expenses (IV) | | 11,832.24 |
| V Loss before exceptional items (III - IV) | | (2,536.33) |
| VI Exceptional Items | | |
| Acquisition related expenditure | 35 | 1.70 |
| Total exceptional items (VI) | | 1.70 |
| VII Loss before taxes (V-VI) | | (2,538.03) |
| VIII Tax expenses: | | |
| (1) Current tax | | |
| (2) Deferred tax | 17 (i) | (234.18) |
| Total tax expense (VIII) | | (234.18) |
| IX Loss for the year (VII- VIII) | | (2,303.85) |
| X Other comprehensive Income | | |
| (i) Items that will not be reclassified to profit and loss | | |
| (a) Remeasurement loss of the defined benefit plans | | (6.98) |
| (b) Income tax relating to above items | | 1.76 |
| (c) Gain on changes in fair value of FVOCI equity instruments | | 3.60 |
| (d) Income tax relating to above items | | (0.80) |
| (ii) Items that will be reclassified subsequently to profit and loss | | |
| (a) Fair value changes of cash flow hedges | | (1.69) |
| (b) Income tax relating to above items | | 0.39 |
| Total other comprehensive income (X) | | (3.72) |
| XI Total comprehensive income for the year (IX + X) (Comprising loss and other comprehensive income for the year) | | (2,307.57) |
| XII Loss for the year attributable to | | |
| Owners of the Company | | (2,248.47) |
| Non-controlling interests | | (55.36) |
| | | (2,303.85) |
| XIII Total comprehensive income for the year attributable to | | |
| Owners of the Company | | (2,251.90) |
| Non-controlling interests | | (55.67) |
| | | (2,307.57) |
| XIV Earnings / (loss) per equity share (face value of Rs. 10 each) : | 32 | |
| (1) Basic (in Rs.) | | (498.55) |
| (2) Diluted (in Rs.) | | (498.55) |


Notes forming an integral part of the consolidated financial statements

1 to 61

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

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

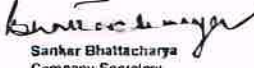
For and on behalf of the Board of Directors


Pinaki Chowdhury
Partner
Membership No 057572


T V Narendran
Chairman
DIN: 03083605


Ashish Anupam
Managing Director
DIN: 08384201


S K Shrivastav
Chief Financial Officer


Sankar Bhattacharya
Company Secretary

Place: Kolkata
Date: April 25, 2023

Place: Mumbai
Date: April 25, 2023

TATA STEEL LONG PRODUCTS LIMITED

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

| | Rs. in crores |
|---|------------------------------|
| | Year ended March 31, 2023 |
| A. Cash flows from operating activities | |
| Loss before tax | (2,538.03) |
| Adjustments for: | |
| Depreciation and amortisation expense | 715.77 |
| Changes in fair value of financial assets / liabilities at fair value through profit or loss | (20.51) |
| Gain on cancellation of forward contracts | (14.21) |
| Dividend received from equity investments | (5.33) |
| Gain on sale of current investments | (121.14) |
| Loss on disposal of property, plant and equipment | 1.82 |
| Interest income | (39.15) |
| Finance costs | 1,387.44 |
| Other non-cash items | 0.01 |
| Operating (loss) before working capital changes | (633.33) |
| Changes in operating assets and liabilities: | |
| (Increase) in inventories | (628.79) |
| (Increase) in Non-current/current financial and non-financial assets | (357.09) |
| Increase in Non-current/current financial and non-financial liabilities/provisions | 42.21 |
| Cash (used in) operations | (1,676.91) |
| Income taxes (paid) | (38.82) |
| Net cash (used in) operating activities | (1,615.53) |
| B. Cash flows from investing activities | |
| Purchase of capital assets | (221.12) |
| Sale of capital assets | 7.53 |
| Payments relating to a capital project that is classified as assets held for sale (Refer note 41) | (67.18) |
| Payments relating to current business combination (net of cash acquired) (Refer note 38) | (9,512.08) |
| Payments relating to past business combination | (12.53) |
| Sale of current investments (net) | 7,114.04 |
| Fixed deposits placed with Banks (net) | (8.51) |
| Interest received | 40.54 |
| Dividend received from equity investments | 5.33 |
| Net cash (used in) investing activities | (2,944.25) |
| C. Cash flows from financing activities | |
| Proceeds from issue of equity shares by Neelachal Ispat Nigam Limited | 308.00 |
| Finance costs paid (excluding interest towards lease liabilities) | (103.77) |
| Payment of lease liabilities | (8.70) |
| Interest paid on lease liabilities | (8.40) |
| Gain on cancellation of forward contracts | 14.21 |
| Dividend paid | (58.38) |
| Net cash generated from financing activities | 136.96 |
| Net (decrease) in cash and cash equivalents | (4,422.82) |
| Cash and cash equivalents at the beginning of the year | 4,558.91 |
| Cash and cash equivalents at the end of the year (Refer Note 12(i)) | 136.09 |

Notes forming an integral part of the consolidated financial statements

1 to 61

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

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



Pinaki Chowdhury
Partner
Membership No. 057572

For and on behalf of the Board of Directors



T V Narendran
Chairman
DIN: 03083805

Ashish Anupam
Managing Director
DIN: 08384201



S K Shrivastav
Chief Financial
Officer



Sanjay Bhattacharya
Company Secretary

Place: Kolkata
Date: April 25, 2023

Place: Mumbai
Date: April 25, 2023

TATA STEEL LONG PRODUCTS LIMITED
Consolidated Statement of changes in equity for the year ended March 31, 2023

(A) Equity share capital Rs. in crores

| Particulars | Notes | Amount |
|---|-------|--------|
| As at April 01, 2022 | 13 | 45.10 |
| Changes in equity share capital during the year | | - |
| As at March 31, 2023 | | 45.10 |

(B) Other equity Rs. in crores

| Particulars | Notes | Attributable to owners | | | | | Non-controlling interests | Total |
|--|-------|------------------------|--------------------|-------------------|--|---|---------------------------|------------|
| | | Reserves and surplus | | | Other reserves | | | |
| | | General reserves | Securities premium | Retained earnings | Reinsurance gain / (loss) on defined benefit plans | Equity instruments through other comprehensive income | | |
| Balance as at April 01, 2022 | 14 | 988.80 | 1,463.99 | 799.34 | (5.83) | 11.87 | - | 3,155.37 |
| Addition relating to acquisition | | - | - | - | - | - | 261.32 | 261.32 |
| Adjustment for changes in ownership interests | | - | - | 66.80 | - | - | 234.80 | 301.60 |
| Loss for the year | | - | - | (2,248.47) | - | - | (66.18) | (2,314.65) |
| Other comprehensive income | | - | - | - | (4.52) | 2.88 | (0.29) | (1.93) |
| Transactions with the owners in their capacity as owners | | - | - | - | - | - | - | - |
| Dividend paid during the year | 38(b) | - | - | (50.38) | - | - | - | (50.38) |
| Balance as at March 31, 2023 | 14 | 988.80 | 1,463.99 | (1,438.81) | (10.75) | 14.67 | (1.20) | 1,342.76 |

Notes forming an integral part of the consolidated financial statements 1 to 61

This is the Consolidated Statement of changes in equity referred to our report of even date

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number - 304028E5-300008



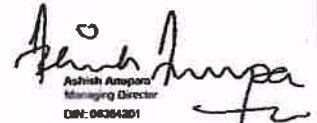
Pankaj Choudhary
Partner
Membership No. 057572

Place: Kolkata
Date: April 26, 2023

For and on behalf of the Board of Directors



T V Navendran
Chairman
DIN: 03880885



Ashish Anupam
Managing Director
DIN: 04364301



S K Shrivastav
Chief Financial Officer
Place: Mumbai
Date: April 26, 2023



Sanjay Bhattacharya
Company Secretary

TATA STEEL LONG PRODUCTS LIMITED

Notes to the Consolidated financial statements

1. Corporate information

Tata Steel Long Products Limited ('TSLPL' or 'the Holding Company') is a public limited Company incorporated in India with its registered office at Joda, Odisha, India. The Holding Company is a subsidiary of Tata Steel Limited. The Holding Company has a subsidiary Neelachal Ispat Nigam Limited (NINL) (Refer Note 38 and Note 45).

The Holding Company and its subsidiary (collectively referred to as 'the Group') have presence across the entire value chain of steel manufacturing from mining and processing iron ore to producing and distributing steel based long products.

The equity shares of the Holding Company are listed on two of the stock exchanges in India i.e., National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

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

2. Significant accounting policies

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

2.01 Basis of accounting and preparation of financial statements

(i) Compliance with Ind AS

TSLPL on July 4, 2022 has completed the acquisition of NINL [refer note 38] for a total consideration of Rs. 12,100.00 crores as per the terms and conditions of Share Sale and Purchase Agreement (SPA). The Company has prepared the consolidated financial statements with the acquisition of NINL from July 4, 2022 [refer note 38]. Accordingly, figures for the year ended March 31, 2022 are not applicable and not provided with in accordance with applicable accounting standards. For the purposes of disclosure of opening balance/movement during the year as required as per the relevant accounting standard / Schedule III and Other pronouncements, opening balance (April 1, 2022) has been considered as balances of TSLPL as on March 31, 2022, from the audited standalone financial statements.

(ii) Historical Cost Convention

The consolidated 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 Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- 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:

- it is expected to be settled in the normal operating cycle,
- it is incurred primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Consolidated financial statements

- 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.

2.02 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Holding Company and entities controlled by the Holding Company i.e., its subsidiaries. Control is achieved when the Holding Company is exposed to or has rights to the variable returns of the entity and the ability to affect those returns through its power to direct the relevant activities of the entity.

The results of subsidiaries acquired or disposed off during the year are included in the consolidated statement of Profit and Loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. Wherever necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by other members of the Group.

Intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance.

2.03 Use of estimates and critical accounting judgements

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

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are 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 financial statements.

The areas involving critical estimates or judgements are:

(i) Employee benefits (estimation of defined benefit obligation) - Refer Notes 02.17 and 37

Post-employment benefits represent 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 Group 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, plant and equipment - Refer Notes 02.04 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 obsolescence that may change the utility of property, plant and equipment.



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Consolidated financial statements

(iii) Provision and Contingent liabilities - Refer Notes 02.20, 02.21, 16, and 33

A provision is recognised when the Group has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities, as disclosed in Note 33, 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 Group consults with legal counsel and certain other experts on matters related to litigations. The Group 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) Fair value measurements and valuation processes - Refer Notes 02.10 2.17, 8, 16, 31 and 37

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. 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.

(v) Impairment - Refer Notes 02.08 and 40

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

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 Group has identified three CGUs - Integrated steel manufacturing plant at Gamharia, Neelachal Ispat Nigam Limited and Sponge iron manufacturing plant at Joda.

(vi) Impairment of Goodwill – Refer note 40

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

(vii) Goodwill Arising on Consolidation - Refer note 38 and 40

Goodwill is initially recognised at cost and is subsequently measured at cost less impairment losses, if any. Refer note 02.03(vi) for Impairment of Goodwill.

(viii) Loss allowance for Expected Credit Losses – Refer note 11

To measure the expected credit losses, trade receivables have been grouped based on the days past due. The expected loss rates are based on the payment profiles of sales over past quarters before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The assumptions and estimates applied for determining the loss allowance are reviewed periodically.



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

(ix) Allocation of consideration over the fair value of assets and liabilities acquired in a business combination - Refer Notes 02.09 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 independent professional valuers appointed by the Group. The values have been assessed based on the technical estimates of useful lives of tangible assets and benefits expected from the use of intangible assets. Other assets and liabilities were recorded at values that were expected to be realised or settled respectively.

2.04 Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation 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 incurred.

Depreciation Method, Estimated Useful Lives and Residual Values

Depreciation on property, plant and equipment is calculated on a pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual values, over their estimated useful lives. The useful lives determined are in line with the useful lives prescribed in Schedule II to the Act except in respect of certain 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 |
|--|--------------------|
| Buildings | 3 - 60 years |
| Plant and equipment and electrical installations | 2 - 35 years |
| Furniture and fixtures | 1 - 10 years |
| Office equipments | 2 - 10 years |
| Vehicles | 1- 8 years |
| Railway sidings | 8 - 35 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 Consolidated 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'.

2.05 Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group 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 Group recognises the lease payments as an operating expense on a straight-line basis over the term of the



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Consolidated financial statements

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 group under residual value guarantees,
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the group 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 Group, 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 Consolidated 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 Consolidated Statement of Profit and Loss in the period in which the condition that triggers those payment occurs.

2.06 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 Group. 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 (fair valued on acquisition)

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.



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Consolidated financial statements

2.07 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.

2.08 Impairment of non-financial assets

Upon acquisition of a new business, goodwill has been accounted for in terms of Ind AS 103. The goodwill so recognised 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 assets' 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).

2.09 Business Combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets transferred, liabilities incurred by the Group to the former owners of the acquiree and equity interests issued by the Group in exchange for control of the acquiree.

Acquisition related costs are recognised in the Consolidated Statement of Profit and Loss.

Goodwill arising on acquisition is recognised as an asset and measured at cost, being the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed, and contingent liabilities recognised, as applicable. Where the fair value of the identifiable assets and liabilities exceed the cost of acquisition, after re-assessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve on consolidation.

Once control has been achieved, any subsequent acquisitions where the Group does not originally hold hundred percent interest in a subsidiary are treated as an acquisition of shares from non-controlling shareholders. The identifiable net assets are not subject to further fair value adjustments and the difference between the cost of acquisition of the non-controlling interest and the net book value of the additional interest acquired is adjusted in equity.

2.10 Financial Instruments

Financial assets and financial liabilities are recognised when the Group 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 Consolidated Statement of Profit and Loss.

2.11 Investments and Other Financial Assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through Consolidated Statement of Profit and Loss), and
- those to be measured at amortised cost.

The classification depends on the Group'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 Consolidated 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.



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Consolidated financial statements

For investments in equity instruments, this depends on whether the Group 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 Group 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 Consolidated Statement of Profit and Loss. However, trade receivables that do not contain a significant financing component are measured at transaction cost.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group 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 Consolidated Statement of Profit and Loss when the asset is derecognised or impaired.

Equity Instruments

The Group subsequently measures all equity investments at fair value. Where the Group'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 the Consolidated Statement of Profit and Loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other Income' in the Consolidated Statement of Profit and Loss.

(iii) Impairment of financial assets

The Group 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 Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group 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 Group 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 Group 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 Group has not retained control of the financial asset.

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

(v) Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the statement of profit and loss as part of other income.



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Consolidated financial statements

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(vi) Dividend Income

Dividends are received from financial assets at fair value through profit or loss and at FVOCI. Dividends are recognised as other income in Consolidated Statement of profit or loss when the right to receive payment is established.

(vii) Fair Value of Financial Instruments

In determining the fair value of financial instruments, the Group 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 Consolidated 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 Group or the counterparty.

2.12 Financial liabilities and equity instruments

(i) Classification as debt or equity

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

(ii) Measurement

Equity instruments

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

Financial liabilities

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

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

(iii) De-recognition of financial liabilities

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

2.13 Derivatives and hedging activities

In the ordinary course of business, the Group uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange fluctuations. The instruments are confined principally to forward foreign exchange contracts.

The Group 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'.



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Consolidated financial statements

Cash flow hedges that qualify for hedge accounting:

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in cash flow hedging reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When option contracts are used to hedge forecast transactions, the Group designates only the intrinsic value of the options as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedging reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised within other comprehensive income in the costs of hedging reserve within equity.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of materials consumed).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

2.14 Trade Receivables

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

2.15 Trade Payables

Trade payables represent liabilities for goods and services provided to the Group 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.

2.16 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Consolidated financial statements

2.17 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 Consolidated Balance Sheet.

(ii) Post-employment Benefits

(a) Defined Benefit Plans

The liability or asset recognised in the Consolidated 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 Consolidated 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 Consolidated Statement of Changes in Equity.

Eligible employees (except certain employees) of the Group receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Group contributes a portion to own trusts. 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 Group 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 Group and the shortfall of interest, if any, are recognised as an expense in the Consolidated 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.

2.18 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. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Consolidated financial statements

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 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 to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised.

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.

2.19 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. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material.

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

2.20 Provisions and Contingent liabilities

Provisions are recognised when the Group 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 Group 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.



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Consolidated financial statements

2.21 Provision for restoration and environmental costs

The Group has liabilities related to restoration of soil and other related works, which are due upon the closure of 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 Consolidated Statement of Profit and Loss.

2.22 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 Group 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. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration. 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 Group acts as a conversion agent for conversion of iron ore into sponge iron and 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.

2.23 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.



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Consolidated financial statements

2.24 Foreign currency transactions and translation

(i) Functional and Presentation Currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Indian Rupee (Rs.), which is the Group'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 Consolidated Statement of Profit and Loss.

All other foreign exchange gains and losses are presented in the Consolidated 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.

2.25 Non-current assets held for sale

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

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

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

2.26 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 Consolidated Statement of Profit and Loss in the period in which they are incurred.

2.27 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 Holding 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.



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Consolidated financial statements

2.28 Cash and cash equivalents

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, 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.

2.29 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. Refer Note 42 for segment information presented.

2.30 New and amended standards adopted by the Company.

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

2.31 New amendments issued but not effective.

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

2.32 Rounding of amounts

All amounts disclosed in the 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.



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

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

Rs. in crores

| Carrying amounts of: | As at March 31, 2023 |
|---|-------------------------|
| Freehold land | 200.89 |
| Freehold buildings | 431.71 |
| Plant and equipment | 4,661.73 |
| Furniture and fixtures | 1.84 |
| Electrical Installations | 332.99 |
| Office equipments | 18.98 |
| Vehicles | 0.29 |
| Mining lease and development | 7.86 |
| Railway Sidings | 46.76 |
| Total | 5,732.85 |
| Capital work-in-progress (Refer note 03 06) | 247.24 |
| Less: Classified as Held for Sale (Refer note 41) | (12.56) |
| Total | 234.88 |

Rs. in crores

| | Freehold land | Freehold buildings | Plant and equipment | Furniture and fixtures | Electrical Installations | Office equipments | Vehicles | Mining lease and development | Railway Sidings | Total |
|---|------------------|-----------------------|------------------------|---------------------------|-----------------------------|----------------------|-------------|------------------------------------|--------------------|-----------------|
| Cost/deemed cost | | | | | | | | | | |
| Balance as at April 01, 2022 | 200.55 | 252.81 | 3,449.94 | 1.90 | 482.07 | 18.07 | 0.57 | 20.48 | 27.94 | 4,454.33 |
| Additions during the year | - | 17.86 | 120.97 | 1.24 | 3.33 | 12.38 | - | - | - | 155.58 |
| Assets acquired under business combination (Refer Note 38) | 0.14 | 228.80 | 2,253.54 | 0.02 | - | 0.07 | 0.05 | - | 30.14 | 2,510.56 |
| Assets disposed / written off during the year | - | - | 8.26 | - | - | 0.15 | - | - | - | 8.41 |
| Balance as at March 31, 2023 | 200.89 | 497.07 | 5,816.19 | 3.16 | 485.40 | 30.37 | 0.62 | 20.48 | 58.08 | 7,112.06 |
| Accumulated depreciation | | | | | | | | | | |
| Accumulated depreciation as at April 01, 2022 | - | 45.28 | 658.80 | 1.06 | 127.63 | 6.25 | 0.19 | 9.06 | 7.04 | 655.54 |
| Charge for the year | - | 20.08 | 467.62 | 0.26 | 24.58 | 5.29 | 0.14 | 3.53 | 4.26 | 525.78 |
| Depreciation on assets disposed / written off during the year | - | - | 1.96 | - | - | 0.15 | - | - | - | 2.11 |
| Accumulated depreciation as at March 31, 2023 | - | 65.36 | 1,124.46 | 1.32 | 152.41 | 11.39 | 0.33 | 12.62 | 11.32 | 1,379.21 |
| Carrying amount | | | | | | | | | | |
| Balance as at March 31, 2023 | 200.89 | 431.71 | 4,661.73 | 1.84 | 332.99 | 18.98 | 0.29 | 7.86 | 46.76 | 5,732.85 |

Notes :

- 03 01 Refer Note 44 for information on property, plant and equipment hypothecated as security by the Group
 03 02 Depreciation on property, plant and equipment has been included under 'Depreciation and amortisation expense' in the Consolidated Statement of Profit and Loss (Refer Note 28)
 03 03 On transition to Ind AS, the Group 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 04 Refer note 34 for disclosure of contractual commitments for the acquisition of property, plant and equipment
 03 05 The Group has not revalued its property, plant and equipment (including right-of-use assets) and intangible assets during the current year.



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

03 Property, plant and equipment and Capital work-in-progress (continued)

Notes :

03.06 Details of Capital work-in-progress

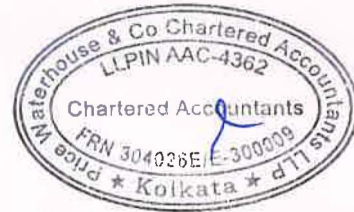
(a) Ageing of Capital work-in-progress (CWIP)

| Particulars | Amount in CWIP for a period of | | | | Rs. in crores |
|--------------------------------|--------------------------------|-------------|-------------|-------------------|---------------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| As at March 31, 2023 | | | | | |
| Projects in progress | 85.44 | 2.82 | 0.21 | 146.07 | 234.54 |
| Projects temporarily suspended | - | - | - | 0.14 | 0.14 |
| Total | 85.44 | 2.82 | 0.21 | 146.21 | 234.68 |

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

| Particulars | To be completed in | | | | Rs. in crores |
|--------------------------------|--------------------|---------------|-------------|-------------------|---------------|
| | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
| As at March 31, 2023 | | | | | |
| Projects in progress | | | | | |
| Improvement projects | - | 98.09 | - | - | 98.09 |
| Sustenance projects | 23.41 | 23.48 | - | - | 46.89 |
| Projects temporarily suspended | - | - | - | - | - |
| Total | 23.41 | 121.57 | - | - | 144.98 |

Rs. 121.57 crores represent amount in relation to the Subsidiary (NINL). Operations of NINL were shut since March 2020 and the capital projects got delayed as detailed above. Post acquisition of the Company by the Holding Company, the new management has made a detailed assessment, inter alia, involving external technical experts as applicable and expects the projects to be completed as detailed in the table above.



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

04 Leases

(a) The Group as a lessee

The Group has lease contracts for various items of plant and equipment, vehicles, offices, leased land. Leases of plant and equipment generally have lease terms between 9 to 26 years, vehicles generally have lease terms upto 5 years, offices generally have lease terms between 12 months to 5 years and leases of land generally have lease terms between 30 years to 100 years. Generally, the Group 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 Group also has certain leases of offices, plant and machinery with lease term of 12 months or less. The Group 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, 2023 |
| Right-of-use land | 732.49 |
| Right-of-use plant and equipment | 77.56 |
| Right-of-use buildings | 2.30 |
| Right-of-use vehicles | 2.53 |
| Total Right-of-use assets | 814.88 |

| | Rs. in crores | | | | |
|---|----------------------|--|---------------------------|--------------------------|-------------------------------|
| | Right-of-use land | Right-of-use plant and equipment | Right-of-use buildings | Right-of-use vehicles | Total Right-of- use assets |
| Cost/deemed cost | | | | | |
| Balance as at April 01, 2022 | 134.44 | 119.12 | 4.21 | 0.56 | 258.33 |
| Additions during the year | - | - | 2.21 | 2.34 | 4.55 |
| Assets acquired under business combination (Refer Note 38) | 622.97 | - | - | - | 622.97 |
| Assets disposed / written off during the year | - | - | 3.30 | - | 3.30 |
| Balance as at March 31, 2023 | 757.41 | 119.12 | 3.12 | 2.90 | 882.55 |
| Accumulated depreciation | | | | | |
| Accumulated depreciation as at April 01, 2022 | 13.34 | 32.95 | 0.74 | 0.02 | 47.05 |
| Charge for the year | 11.58 | 8.61 | 0.34 | 0.35 | 20.88 |
| Depreciation on assets disposed / written off during the year | - | - | 0.26 | - | 0.26 |
| Accumulated depreciation as at March 31, 2023 | 24.92 | 41.56 | 0.82 | 0.37 | 67.67 |
| Carrying amount | | | | | |
| Balance as at March 31, 2023 | 732.49 | 77.56 | 2.30 | 2.53 | 814.88 |

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

| | Rs. in crores |
|---|-------------------------|
| | As at March 31, 2023 |
| Balance as at beginning of the year | 90.05 |
| Additions during the year | 4.55 |
| Acquired under business combination (Refer Note 38) | 4.09 |
| Finance costs during the year | 8.03 |
| Lease payments during the year | (17.10) |
| Balance as at end of the year | 89.62 |
| Current lease liabilities | 8.72 |
| Non-current lease liabilities | 80.90 |

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

| | Rs. in crores |
|----------------------|-------------------------|
| | As at March 31, 2023 |
| Less than one year | 15.91 |
| One to five years | 58.13 |
| More than five years | 81.85 |
| Total | 155.89 |



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

04 Leases (continued)

| Rs. in crores | |
|---|--------------|
| Year ended March 31, 2023 | |
| Depreciation expense on right-of-use assets (Refer Note 28) | 20.88 |
| Interest expense on lease liabilities (Refer Note 27) | 8.03 |
| Expense relating to short-term leases (included in other expenses) | 2.20 |
| Expense relating to variable lease payments not included in the measurement of the lease liability (included in other expenses) (Refer note (ii) below) | 8.69 |
| Total amount recognised in the Statement of profit and loss | 39.80 |

(i) The Group does not have any leases of low value assets and subleases.

(ii) Some of the plant and equipment leases, in which the Group is a 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:

| Rs. in crores | |
|------------------------------|-------------|
| Year ended March 31, 2023 | |
| Fixed payments | - |
| Variable payments | 8.69 |
| Total payments | 8.69 |

Overall the variable payments constitute up to approximately 31 per cent of the Group's entire lease payments. The Group expects this ratio to be constant in future years.

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

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

(v) The Group had a total cash outflows of Rs. 17.10 crores for leases for the year ended March 31, 2023.

05 Other intangible assets

| Rs. in crores | |
|--------------------------------|-----------------|
| As at March 31, 2023 | |
| Carrying amounts of: | |
| Computer software (acquired) | 2.66 |
| Railway sidings (constructed) | - |
| Mining rights (acquired) | 8,713.36 |
| Total intangible assets | 8,716.02 |

| Rs. in crores | | | | |
|---|------------------------------|-------------------------------|--------------------------|-------------------------|
| | Computer software (acquired) | Railway sidings (constructed) | Mining rights (acquired) | Total intangible assets |
| Cost/deemed cost | | | | |
| Balance as at April 01, 2022 | 1.64 | 7.26 | 330.86 | 339.76 |
| Additions during the year | 2.06 | - | 6.63 | 8.69 |
| Assets acquired under business combination (Refer note 38) | - | - | 8,612.00 | 8,612.00 |
| Assets disposed / written off during the year | - | - | - | - |
| Balance as at March 31, 2023 | 3.70 | 7.26 | 8,949.49 | 8,960.45 |
| Accumulated amortisation | | | | |
| Accumulated amortisation as at April 01, 2022 | 0.45 | 7.26 | 67.61 | 75.32 |
| Charge for the year | 0.59 | - | 168.52 | 169.11 |
| Amortisation of assets disposed / written off during the year | - | - | - | - |
| Accumulated amortisation as at March 31, 2023 | 1.04 | 7.26 | 236.13 | 244.43 |
| Carrying amount | | | | |
| Balance as at March 31, 2023 | 2.66 | - | 8,713.36 | 8,716.02 |

- Notes**
- 05.01 The amortisation has been included under 'Depreciation and Amortisation Expenses' in the Consolidated Statement of Profit and Loss (Refer Note 28).
- 05.02 On transition to Ind AS, the Group had chosen to carry forward the previous GAAP carrying amount and accordingly net carrying amount on transition date was considered deemed cost.



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Consolidated financial statements

06 Investments

| | | Rs. in crores |
|--|--|-------------------------|
| | | As at March 31, 2023 |
| (i) Non-current investments | | |
| Investments carried at fair value through other comprehensive income: | | |
| (a) Investments in equity shares | | |
| (i) Unquoted | | |
| Jamipol Limited | | 19.28 |
| 800,000 equity shares of Rs. 10 each fully paid up | | |
| Total Non - current investments | | 19.28 |
| (ii) Current Investments | | |
| Investments carried at fair value through profit and loss: | | |
| (a) Investment in liquid mutual funds - | | |
| (i) Unquoted | | |
| (1) Nippon India Liquid Fund - Direct Plan - Growth | | 51.49 |
| (2) TATA Liquid Fund - Direct Plan - Growth | | 179.94 |
| (3) HDFC Liquid Fund - Direct Plan - Growth | | 189.05 |
| (4) UTI Liquid Cash Plan - Direct Plan - Growth | | 42.38 |
| (5) Aditya Birla Sun Life Liquid Fund - Direct Plan - Growth | | 27.15 |
| (6) Kotak Liquid Fund - Direct Plan - Growth | | 55.30 |
| (7) IDFC Cash Fund - Direct Plan - Growth | | 57.19 |
| (8) SBI Liquid Fund - Direct Plan - Growth | | 202.19 |
| (9) Axis Liquid Fund - Direct Plan - Growth | | 181.87 |
| (10) ICICI Prudential Liquid Fund - Direct Plan - Growth | | 56.62 |
| (11) DSP Liquidity Fund - Direct Plan - Growth | | 25.10 |
| (12) TATA Overnight Fund - Direct Plan - Growth | | 18.06 |
| (13) SBI Overnight fund - Direct Plan - Growth | | 18.06 |
| Total current investments | | 1,104.40 |
| Aggregate amount of unquoted investments | | 1,123.68 |
| Investments carried at fair value through profit or loss (FVTPL) | | 1,104.40 |
| Investments carried at fair value through other comprehensive income [Refer Note 31(b)(i)] | | 19.28 |

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

07 Loans

(Unsecured, considered good unless stated otherwise)

| | | Rs. in crores | |
|-------------------|--|----------------------|---------|
| | | As at March 31, 2023 | |
| | | Non-current | Current |
| Loan to employees | | 0.02 | 0.50 |
| | | 0.02 | 0.50 |



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Consolidated financial statements

08 Other financial assets

(Unsecured, considered good unless stated otherwise)

Rs. in crores

| | | As at March 31, 2023 | |
|-----|--|----------------------|---------|
| | | Non-current | Current |
| (a) | Interest accrued on deposits and loans | 0.27 | 0.39 |
| (b) | Security deposits | | |
| | Considered good | 37.74 | 3.48 |
| | Credit impaired | 0.40 | 0.23 |
| | Less: Allowance for credit losses | (0.40) | (0.23) |
| (c) | Bank deposits with more than 12 months maturity (Refer note 08.01) | 3.23 | 10.24 |
| (d) | Receivable against deallocation of coal block (Refer note 08.02) | - | 178.81 |
| (e) | Others (Refer note 08.03) | - | 77.23 |
| | Less: Others classified as held for sale (Refer note 41) | - | (5.38) |
| | | 41.24 | 264.77 |

Notes:

08.01 Out of the total non-current and current bank deposits Rs. 13.47 crores is earmarked.

08.02 By judgement of September 24, 2014, the Hon'ble Supreme Court cancelled allocation of 214 coal blocks including Radhikapur (East) Coal Block ('RECB') which was allotted to the Holding Company on February 7, 2006. The carrying amount in books as at March 31, 2023 towards amounts incurred by the Holding Company on RECB, prior to de-allocation aggregates to Rs.178.81 crores. Pursuant to the judgement of the Hon'ble Supreme Court, Government of India promulgated Coal Mines (Special Provision) Act, 2015 (the 'Act') for fresh allocation of the coal mines through auction. In terms of the Act, the prior allottee would be compensated for expenses incurred towards land and mine infrastructure.

The validity of the Act has been challenged by Federation of Indian Mineral Industries ('FIMI') in 2019 before the Hon'ble Supreme Court to the extent that the Act does not provide grant of just, fair and equitable compensation in a time bound manner to the prior allottees of the coal blocks. After much follow-up with the relevant authorities for recovery of compensation, the Holding Company has filed an Interlocutory Application on December 15, 2022 before the Hon'ble Supreme Court in the pending writ of FIMI seeking to expedite disbursement of the compensation.

Based on assessment of the matter by the Holding Company including evidence supporting the expenditure and claim and external legal opinion obtained by the Holding Company, the aforesaid amount is considered good and fully recoverable.

08.03 Others includes upfront amount Rs. 46.89 crores paid to government authorities upon transfer of mining lease under Minerals (Transfer of Mining Lease Granted Otherwise than through Auction for Captive Purpose) Rules, 2016.

09 Other assets

(Unsecured, considered good unless stated otherwise)

Rs. in crores

| | | As at March 31, 2023 | |
|-----|---|----------------------|---------|
| | | Non-current | Current |
| (a) | Capital advances | 43.63 | - |
| | Less: Classified as held for sale (Refer note 41) | (39.21) | |
| (b) | Indemnification assets | - | 2.29 |
| (c) | Advances to related parties (Refer Note 36) * | - | 0.00 |
| (d) | Other loans and advances | | |
| | (i) Advances with public bodies | | |
| | Considered good | 1.43 | 278.26 |
| | Considered doubtful | 6.09 | 7.91 |
| | Less : Provision for doubtful advances | (6.09) | (7.91) |
| | (ii) Other advances and prepayments | | |
| | Considered good | 15.38 | 38.88 |
| | Considered doubtful | - | 13.08 |
| | Less : Provision for doubtful advances | - | (13.08) |
| | | 21.23 | 319.43 |

* Amount below rounding off norms adopted by the Group



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

10 Inventories

(lower of cost and net realisable value)

Rs. in crores

| | As at March 31, 2023 |
|--------------------------------------|-------------------------|
| (a) Raw materials | 1,300.61 |
| (b) Finished and semi-finished goods | 822.79 |
| (c) Stores and spares | 212.57 |
| | 2,335.97 |
| Included above, goods-in-transit | |
| (a) Raw materials | 153.06 |
| (b) Finished and semi-finished goods | 78.36 |
| (c) Stores and spares | 6.63 |
| | 238.05 |

Notes:

- (i) Value of inventories stated above is after provisions of Rs. 61.95 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 Group.

11 Trade receivables

Rs. in crores

| | As at March 31, 2023 |
|--|-------------------------|
| Unsecured, considered good | 195.78 |
| Unsecured, credit impaired | 0.67 |
| | 196.45 |
| Less : Allowance for expected credit loss | (0.67) |
| Total trade receivables | 195.78 |
| Trade receivables from related parties (Refer Note 36) | 173.63 |
| Trade receivables other than related parties | 22.82 |
| Less: Allowance for expected credit losses | (0.67) |
| | 195.78 |

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

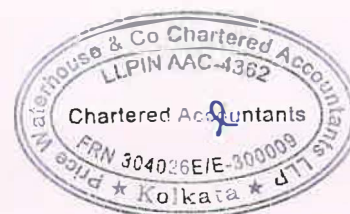
Rs. in crores

| Particulars | Unbilled | Not due for payment | Outstanding for following periods from due date of payment | | | | | Total |
|--|----------|---------------------|--|-------------------|-------------|-------------|-------------------|---------------|
| | | | Less than 6 months | 6 months - 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| As at March 31, 2023 | | | | | | | | |
| Undisputed, Considered good | - | 148.89 | 45.96 | 0.93 | - | - | - | 195.78 |
| Undisputed, Credit impaired | - | - | - | - | 0.50 | 0.17 | - | 0.67 |
| Disputed, Considered good | - | - | - | - | - | - | - | - |
| Disputed, Credit impaired | - | - | - | - | - | - | - | - |
| Total | - | 148.89 | 45.96 | 0.93 | 0.50 | 0.17 | - | 196.45 |
| Less: Allowance for credit losses | | | | | | | | 0.67 |
| Total trade receivables | | | | | | | | 195.78 |

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

Rs. in crores

| | As at March 31, 2023 |
|---------------------------------------|-------------------------|
| Balance at the beginning of the year | 0.67 |
| (Release) / Charge during the year | - |
| Utilised during the year | - |
| Balance at the end of the year | 0.67 |



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

11 Trade receivables (continued)

(iii) The Group considers its maximum exposure to credit risk with respect to customers (net of amount covered by letter of credit and allowance for credit losses) as at March 31, 2023 to be Rs. 195.78 crores.

| | Rs. in crores | | | |
|-------------------------------------|-------------------|-----------------------------|-----------------------------|-----------------|
| | Gross credit risk | Covered by letter of credit | Allowance for credit losses | Net credit risk |
| As at March 31, 2023 | | | | |
| Amount not yet due | 148.89 | - | - | 148.89 |
| One month overdue | 25.02 | - | - | 25.02 |
| Two months overdue | 9.09 | - | - | 9.09 |
| Three months overdue | 11.53 | - | - | 11.53 |
| Between three to six months overdue | 0.32 | - | - | 0.32 |
| Greater than six months overdue | 1.60 | - | 0.67 | 0.93 |
| | 196.45 | - | 0.67 | 195.78 |

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

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

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

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

| | | Rs. in crores |
|-----------|--|-------------------------|
| | | As at March 31, 2023 |
| 12 | (i) Cash and cash equivalents | |
| | (a) Balances with scheduled banks | |
| | (1) In current accounts | 52.08 |
| | (2) In fixed deposit accounts having original maturity of three months or less | 84.00 |
| | (b) Cash on hand | 0.01 |
| | Total Cash and cash equivalents | 136.09 |
| | (ii) Bank balances other than (i) above | |
| | (a) In Unclaimed Dividend Accounts @ | 2.08 |
| | (b) In fixed deposit accounts (with original maturity of more than three months and maturing within twelve months from the balance sheet date) (Refer note (ii) below) | 914.57 |
| | (c) In current account (Refer note (iii) below) | 27.45 |
| | | 944.10 |
| | @ Includes earmarked balances in unclaimed dividend accounts | 2.08 |

Notes:

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

(ii) The fixed deposit represents the earmarked balance for the amount held back against the consideration payable for acquisition of Neelachal Ispat Nigam Limited ('NINL').

(iii) The current account in bank balance represents interest credit by bank in escrow account on fixed deposits of Rs. 911.17 crores.



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

13 Equity share capital

| | | Rs. in crores | |
|--|--|-------------------------|-------------------------|
| A Details of authorised, issued, subscribed and paid-up capital | | As at March 31, 2023 | |
| Authorised share capital: 75,000,000 fully paid equity shares of Rs. 10 each | | 75.00 | |
| Issued, subscribed and fully paid up : 45,100,000 equity shares of Rs. 10 each | | 45.10 | |
| Fully paid equity shares | | 45.10 | |
| B Reconciliation of number of shares outstanding | | No. of equity shares | Amount Rs. in crores |
| Equity shares of Rs. 10 each | | | |
| As at April 01, 2022 | | 4,51,00,000 | 45.10 |
| Changes in equity share capital during the year | | - | - |
| As at March 31, 2023 | | 4,51,00,000 | 45.10 |

| C Shares held by parent company | As at March 31, 2023 | |
|-------------------------------------|-------------------------|---------------|
| | No. of equity shares | % |
| Fully paid equity shares | | |
| Tata Steel Limited (Parent Company) | 3,37,86,521 | 74.91% |
| | 3,37,86,521 | 74.91% |

| D Details of shareholders holding more than 5% of outstanding shares | As at March 31, 2023 | |
|--|-------------------------|--------|
| | No. of equity shares | % |
| Fully paid equity shares | | |
| Tata Steel Limited (Parent Company) | 3,37,86,521 | 74.91% |

| E Details of shareholding of promoters | | | | |
|--|---|----------------------|----------------|--|
| Sr. No. | Equity Shares held by promoters at year end | As at March 31, 2023 | | |
| | | Number of shares | % total shares | % Change during the financial year 2022-23 |
| 1 | Tata Steel Limited | 3,37,86,521 | 74.91% | Nil |

* Considered as per the return / document filed by the Holding Company.

F Rights, preferences and restrictions attached to shares

The Holding 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 Holding Company after distribution of all preferential amounts, in proportion to their shareholding.

13 A Preference share capital

| | | Rs. in crores | |
|---|--|-----------------------------|-------------------------|
| A Details of authorised, issued, subscribed and paid-up capital | | As at March 31, 2023 | |
| Authorised Share Capital: 1,530,000,000 Non-Convertible Redeemable Preference Shares of Rs. 100 each | | 15,300.00 | |
| Issued, subscribed and fully paid up : 1,270,000,000 Non-Convertible Redeemable Preference Shares of Rs. 100 each | | 12,700.00 | |
| B Reconciliation of number of shares outstanding | | No. of preference shares | Amount Rs. in crores |
| Non-Convertible Redeemable Preference Shares of Rs. 100 each | | | |
| As at April 1, 2022 | | 1,27,00,00,000 | 12,700.00 |
| Changes in preference share capital during the year | | - | - |
| As at March 31, 2023 | | 1,27,00,00,000 | 12,700.00 |



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements
C Rights, preferences and restrictions attached to preference shares

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

For terms of redemption, refer sub-note (ii) of Note 15 - Borrowings.

14 (i) Other equity
Rs. in crores

| | As at March 31, 2023 |
|---|-------------------------|
| General reserves | 900.00 |
| Securities premium | 1,449.99 |
| Retained earnings | (1,439.51) |
| Remeasurement (loss) on defined benefit plans | (10.75) |
| Equity instruments through other comprehensive income | 14.67 |
| Cash flow hedge reverse | (1.30) |
| Total | 913.10 |

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] | Cash flow hedge reserve [Refer (f) below] | |
| Balance as at April 1, 2022 | 900.00 | 1,449.99 | 799.34 | (5.83) | 11.87 | - | 3,155.37 |
| Loss for the year | - | - | (2,248.47) | - | - | - | (2,248.47) |
| Changes in fair value of FVOCI equity instruments | - | - | - | - | 3.60 | - | 3.60 |
| Remeasurement gain / (loss) on defined benefit plans | - | - | - | (6.58) | - | - | (6.58) |
| Change in fair value of hedging instruments | - | - | - | - | - | (1.69) | (1.69) |
| Tax impact on items of other comprehensive income (OCI) | - | - | - | 1.66 | (0.80) | 0.39 | 1.25 |
| Adjustment for changes in ownership interests | - | - | 66.00 | - | - | - | 66.00 |
| Transactions with the owners in their capacity as owners | - | - | - | - | - | - | - |
| Dividend paid during the year (Refer Note 30 (b)) | - | - | (56.38) | - | - | - | (56.38) |
| Balance as at March 31, 2023 | 900.00 | 1,449.99 | (1,439.51) | (10.75) | 14.67 | (1.30) | 913.10 |

(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 Group 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

| | As at March 31, 2023 |
|---------------------------------------|-------------------------|
| Balance at the beginning of the year | 1,449.99 |
| Balance at the end of the year | 1,449.99 |

(c) Retained Earnings

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

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

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

(e) Equity instruments through other comprehensive income

The Group 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 Group transfers amounts from this reserve to Retained Earnings when the relevant equity shares are derecognised.



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

(f) Cash flow hedge reserve

- (i) The cumulative effective portion of gain or losses arising from changes in fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the Consolidated Statement of Profit and Loss when the hedged item affects the profit or loss or are included as an adjustment to the cost of the related non-financial hedged item. The Group has designated certain foreign currency forward contracts as cash flow hedges in respect of foreign exchange risks.
- (ii) During the year, ineffective portion of cash flow hedges recognised in the Consolidated Statement of Profit and Loss amounted to Rs. Nil.
- (iii) The amount recognised in cash flow hedge reserve (net of tax) is expected to impact the Consolidated Statement of Profit and Loss as below:
- within the next one year: loss of Rs. 1.30 crores.

14 (ii) Non-controlling interests

Non-controlling interests represent proportionate share held by minority shareholders in the net assets of subsidiary which is not wholly-owned by the Holding Company.

The balance of non-controlling interests as at the end of the year is as below:

| | Rs. in crores |
|--------------------------------|-------------------------|
| | As at March 31, 2023 |
| Balance at the end of the year | 429.65 |

The Holding Company acquired 95.65% equity shares in Neelachal Ispat Nigam Limited during the year ended March 31, 2023. (Refer Note 38)

(a) The table below provides information in respect of subsidiary where material non-controlling interest exists:

| Name of Subsidiary | Country of incorporation and operation | % of non-controlling interests as at March 31, 2023 | (Loss) attributable to non-controlling interests for the year ended March 31, 2023 | Non-controlling interests as at March 31, 2023 |
|-------------------------------|--|---|--|--|
| Neelachal Ispat Nigam Limited | India | 6.85% | (55.38) | 429.65 |

(b) Summarised Balance Sheet information of Neelachal Ispat Nigam Limited

| | Rs. in crores |
|------------------------------|-------------------------|
| | As at March 31, 2023 |
| Non-current assets | 11,594.27 |
| Current assets | 1,854.97 |
| Total assets (A) | 13,449.24 |
| Non-current liabilities | 6,113.42 |
| Current liabilities | 1,063.56 |
| Total liabilities (B) | 7,178.98 |
| Net assets (A - B) | 6,272.26 |

(c) Summarised profit and loss information of Neelachal Ispat Nigam Limited

| | Rs. in crores |
|---|-------------------------|
| | As at March 31, 2023 |
| Total income | 1,700.18 |
| (Loss) for the year | (1,218.31) |
| Total comprehensive income/ (loss) for the year | (4.52) |

(d) Summarised cash flow information of Neelachal Ispat Nigam Limited

| | Rs. in crores |
|--|-------------------------|
| | As at March 31, 2023 |
| Net cash used in operating activities | (1,374.50) |
| Net cash used in investing activities | (577.14) |
| Net cash from financing activities | 896.90 |
| Cash and cash equivalents at the beginning of the year | 1,077.92 |
| Cash and cash equivalents at the end of the year | 23.18 |

15 Borrowings

| | Rs. in crores | |
|--|----------------------|----------|
| | As at March 31, 2023 | |
| | Non current | Current |
| A Secured borrowings | | |
| (a) Term loan | | |
| (i) From banks (Refer sub-note (i)) | 687.92 | - |
| B Unsecured borrowings | | |
| (a) Liability component of non-convertible preference shares (Refer sub-note (ii)) | 13,979.91 | - |
| Total borrowings | 14,667.83 | - |



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

Notes:

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

| | | | | Rs. in crores |
|--------------|---|----------------|-------------------------------|----------------------|
| Currency | Terms of repayment | Maturity date | Interest rate (floating rate) | As at March 31, 2023 |
| Indian Rupee | Term loan is repayable in 20 semi - annual instalments. The Holding Company has pre-paid 16 instalments (originally scheduled to be repaid by March 31, 2029) | March 31, 2031 | 12 month MCLR | 687.92 |

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

(c) Maturity profile of borrowings is as below:

| | | Rs. in crores |
|---|--|----------------------|
| | | As at March 31, 2023 |
| Not later than one year or on demand | | - |
| Later than one year but not two years | | - |
| Later than two years but not three years | | - |
| Later than three years but not four years | | - |
| Later than four years but not five years | | - |
| More than five years | | 689.00 |
| | | 689.00 |
| Unamortised upfront fees on borrowings | | (1.08) |
| | | 687.92 |

(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 Holding Company's ability to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach. The Holding Company has complied with these debt covenants.

(ii) During the financial year ended March 31, 2022, the Holding Company issued 0.01% Non-Convertible Redeemable Preference Shares ("NCRPS") to Tata Steel Limited on private placement basis. The NCRPS are mandatorily redeemable at the end of 20 years from the date of allotment at premium of Rs. 574.63 per NCRPS. The NCRPS shall be redeemable at premium upon maturity or optional early redemption with accrued interest thereon computed on the basis of the effective yield of the instrument, at the option of the Holding Company on a quarterly basis at 3-month intervals from the date of allotment.

The dividend payment to holders of NCRPS is discretionary (non-guaranteed) and non-cumulative in nature and accordingly these are accounted for as compound financial instruments.

(iii) Debt reconciliation

| | | Rs. in crores |
|--|--|---------------|
| | | Total |
| Debt as at April 1, 2022 | | 13,391.55 |
| Cash flows (Net) | | - |
| Interest on liability component of non-convertible preference shares (Refer note 27) | | 1,273.11 |
| Amortisation of upfront fees | | 3.17 |
| Debt as at March 31, 2023 | | 14,667.83 |

(iv) The borrowings obtained by the Group from banks have been applied for the purposes for which such borrowings were taken.

16 Provisions

Rs. in crores

| | As at March 31, 2023 | |
|---|----------------------|---------------|
| | Non current | Current |
| (a) Provision for employee benefits | | |
| (i) Post-employment defined benefits | 17.51 | 15.33 |
| (ii) Compensated absences | 93.44 | 3.35 |
| (b) Other provisions (Refer note 43) | | |
| (i) Provision for VAT, entry tax and sales tax | - | 80.55 |
| (ii) Provision for cross subsidy surcharge payable | - | 7.44 |
| (iii) Provision for interest on income tax | - | 20.68 |
| (iv) Provision for mine restoration costs and other activities | 27.77 | 12.42 |
| (v) Contingent liability recognised on business combination | 0.29 | - |
| (vi) Others (Provision in relation to Mines Development and Production Agreement) | - | 8.20 |
| Total provisions | 139.01 | 147.97 |



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

17 Deferred tax liabilities (net)

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

Rs. in crores

| | As at March 31, 2023 |
|--------------------------------|-------------------------|
| Deferred tax liabilities | 2,954.79 |
| Deferred tax assets | (1,667.72) |
| Deferred tax liabilities (net) | 1,287.07 |

The balances comprises temporary differences attributable to:

Rs. in crores

| Balance as at March 31, 2023 | Deferred tax liabilities/ (assets) as at March 31, 2022 | Additions relating to acquisitions during the year (Refer Note 38) | Recognised in profit or loss | Recognised in other comprehensive income | Deferred tax liabilities/ (assets) as at March 31, 2023 |
|--|---|--|------------------------------|--|---|
| Deferred tax liabilities | | | | | |
| (i) Property, plant and equipment and intangible assets | 156.87 | 2,712.52 | (25.33) | - | 2,844.06 |
| (ii) Redemption of non-convertible preference share investments | - | - | 88.08 | - | 88.08 |
| (iii) Fair valuation of equity instruments designated as FVOCI | 3.01 | - | - | 0.80 | 3.81 |
| (iv) Inventory | - | 47.92 | (29.81) | - | 18.11 |
| (v) Others | - | - | 0.73 | - | 0.73 |
| | 159.88 | 2,760.44 | 33.67 | 0.80 | 2,954.79 |
| Deferred tax assets | | | | | |
| (i) Amount allowable on payment basis as per section 43B of the Income Tax Act, 1961 | (5.33) | - | (39.40) | (1.76) | (46.49) |
| (ii) Amount allowable under the Income Tax Act, 1961 on deferred basis | (5.85) | (1.03) | (2.94) | (0.39) | (10.21) |
| (iii) On unabsorbed depreciation and carry forward of business losses | - | (1,385.51) | (225.51) | - | (1,611.02) |
| | (11.18) | (1,386.54) | (267.85) | (2.15) | (1,667.72) |
| Deferred tax liabilities (net) | 148.70 | 1,373.90 | (234.18) | (1.35) | 1,287.07 |

Notes:

- As part of business combination accounting [Refer Note 38 to the consolidated financial statement], the Group has recognised deferred tax liabilities on the additional taxable temporary differences arising on account of fair valuation of identifiable assets acquired and liabilities assumed and deferred tax assets on the unabsorbed depreciation and carry forward business losses.
- As per the provisions of Ind AS 12, the Group has recognised gross deferred tax assets of Rs. 1,385.51 crores, on unabsorbed depreciation and carry forward business losses of earlier years, considering that sufficient taxable temporary differences will be available against which the unused tax losses and unused tax credits shall be utilised.
- 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 Statement of Profit and Loss | Year ended March 31, 2023 |
|--|------------------------------|
| Current tax | - |
| Deferred tax | |
| In respect of the current year | (234.18) |
| | (234.18) |
| Total tax expense (Refer reconciliation below) | (234.18) |

Rs. in crores

| The income tax expense for the year can be reconciled to the accounting profit as follows: | Year ended March 31, 2023 |
|--|------------------------------|
| Loss before tax | (2,538.03) |
| Income tax expense calculated at enacted income tax rate of 25.168% | (638.77) |
| Effect of expenses that are not deductible in determining taxable profit | 103.05 |
| Deferred tax liability recognised on redemption of NCRPS | 88.08 |
| Effect of Net finance cost of NCRPS not deductible | 223.53 |
| Deferred tax assets recognised on used tax losses and unused tax credits | (16.19) |
| Others | 6.12 |
| Income tax expense recognised in Statement of Profit and Loss | (234.18) |



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

18 Trade payables

Rs. in crores

| | As at March 31, 2023 |
|---|-------------------------|
| Current | |
| (i) Total outstanding dues of micro and small enterprises | 134.42 |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | |
| (a) Trade payables for supplies and services | 2,712.27 |
| (b) Trade payables for accrued wages and salaries | 61.84 |
| Total Trade Payables | 2,908.53 |
| Trade payable to related parties (Refer Note 36)* | 1,730.92 |
| Trade payable other than related parties | 1,177.61 |
| Total Trade Payables | 2,908.53 |

* includes payable to Tata Steel Long Products Limited Superannuation Fund

Notes:

(i) Ageing of trade payables is as below

Rs. in crores

| Particulars | Unbilled | Not due | Outstanding for following periods from due date of payment | | | | Total |
|-----------------------------|---------------|-----------------|--|---------------|--------------|-------------------|-----------------|
| | | | Less than 1 year | 1 - 2 years | 2 - 3 years | More than 3 years | |
| As at March 31, 2023 | | | | | | | |
| (i) MSME | 11.70 | 117.78 | 3.36 | - | - | 1.58 | 134.42 |
| (ii) Others | 481.79 | 1,226.14 | 529.75 | 503.38 | 17.04 | 16.01 | 2,774.11 |
| (iii) Disputed dues - MSME | - | - | - | - | - | - | - |
| (iv) Disputed dues - Others | - | - | - | - | - | - | - |
| Total | 493.49 | 1,343.92 | 533.11 | 503.38 | 17.04 | 17.59 | 2,908.53 |

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



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Consolidated financial statements

19 Other current liabilities

Rs. in crores

| | As at March 31, 2023 |
|---|-------------------------|
| (a) Advances from customers (Refer note 19.01) | 258.00 |
| (b) Other payables | |
| (i) Employee recoveries and employer contributions (Refer note 19.02) | 17.57 |
| (ii) Statutory liabilities (GST, TDS, etc.) | 109.59 |
| (iii) EPCG indemnified liabilities | 19.80 |
| (iv) Liabilities for renewable energy purchase obligation | 23.61 |
| Total other current liabilities | 428.57 |

Notes:

19.01 Amount of revenue recognised during the year ended March 31, 2023, from amounts included in the advances from customers outstanding at the beginning of the year is **Rs. 118.98** crores.

19.02 Includes dues of **Rs. 12.14 crores** towards interest and penalty on delay in payment of provident fund, which has been created as per the provisions of The Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

20 Other financial liabilities

Rs. in crores

| | As at March 31, 2023 | |
|---|----------------------|---------------|
| | Non current | Current |
| (a) Interest payable | | |
| (i) Interest accrued but not due on borrowings | - | 0.73 |
| (ii) Interest accrued on trade payables and others | - | 7.12 |
| (b) Creditors for capital supplies and services | - | 37.86 |
| (c) Unpaid dividends | - | 2.08 |
| (d) Consideration kept in Escrow Account (Refer note (i) below) | 828.21 | 113.45 |
| (e) Other credit balances (Refer note (ii) below) | - | 122.97 |
| Total Other financial liabilities | 828.21 | 284.21 |

(i) The Holding Company has completed the acquisition of NINL during the financial year. Out of the total consideration paid for acquisition Rs. 911.17 crores kept in Escrow Account held for resolution of the litigations and payment if required or release to the sellers at the expiry of the specified period.

(ii) Includes net amount payable to Usha Martin Limited (UML) **Rs. 80.37 crores** towards purchase consideration pursuant to the Business Transfer Agreement for acquisition of steel business and liability towards employee family benefit scheme **Rs. 5.61** crores.

21 (i) Current tax liabilities (net)

Rs. in crores

| | As at March 31, 2023 |
|--|-------------------------|
| Provision for tax [net of tax paid of Rs. 367.28 crores] | 53.90 |
| Total current tax liabilities (net) | 53.90 |

21 (ii) Income tax assets (Non current) (net)

Rs. in crores

| | As at March 31, 2023 |
|--|-------------------------|
| Advance tax and Tax Deducted at Source [net of provision of Rs. 263.10 crores] | 84.11 |
| Total non current tax assets (net) | 84.11 |

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



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

22 Revenue from operations

Rs. in crores

| | Year ended March 31, 2023 |
|--|------------------------------|
| (a) Revenue from contracts with customers | |
| (i) Sale of products | 7,971.15 |
| (ii) Sale of power | 61.95 |
| (iii) Income from services | 513.55 |
| (b) Other operating revenue | |
| (i) Sale of other products and product scrap | 445.13 |
| Revenue from operations | 8,991.78 |

Notes:

(a) Reconciliation of revenue recognised with contract price

Rs. in crores

| | Year ended March 31, 2023 |
|--------------------------------|------------------------------|
| Contract price | 9,015.52 |
| Adjustment for: | |
| Refund liabilities | (23.74) |
| Revenue from operations | 8,991.78 |

(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 | 7,570.10 | 401.05 | 7,971.15 |
| (ii) Sale of power | 61.95 | - | 61.95 |
| (iii) Income from services | 513.55 | - | 513.55 |
| Total revenue from contracts with customers | 8,145.60 | 401.05 | 8,546.65 |

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

Rs. in crores

| | Year ended March 31, 2023 |
|-----------------|------------------------------|
| (i) Customer 1 | 1,079.64 |
| (ii) Customer 2 | 1,885.05 |
| | 2,964.69 |

(d) Contract balances

Rs. in crores

| | As at March 31, 2023 |
|---|-------------------------|
| Trade receivables (Gross) (Refer Note 11) | 196.45 |
| <u>Contract assets</u> | |
| Contract assets | 20.52 |
| <u>Contract liabilities</u> | |
| Advance from customers (Refer Note 19) | 258.00 |

23 Other income

Rs. in crores

| | Year ended March 31, 2023 |
|---|------------------------------|
| (a) Interest income | |
| (i) Interest income earned on financial assets that are not designated at FVTPL | |
| - Bank deposits carried at amortised cost | 31.86 |
| - Other financial assets carried at amortised cost | 7.29 |
| (b) Dividend income | |
| (i) From equity investments * | 5.33 |
| (c) Net gain on fair value changes | |
| (i) Net gain on fair value changes of financial assets carried at FVTPL (Current) | 21.34 |
| (ii) Net gain on sale of current investments | 121.14 |
| (d) Gain on cancellation of forward contracts | 14.21 |
| (e) Liabilities no longer required written back ** | 60.33 |
| (f) Other non-operating income | 42.63 |
| Total other income | 304.13 |

Note :

* Includes dividend on equity instruments designated as fair value through other comprehensive income held as at the reporting date, amounting to Rs. 5.33 crores for the year ended March 31, 2023.

** Liabilities no longer required written back includes, foreign currency payables Rs. 30.16 crores.



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

24 Cost of materials consumed

Rs. in crores

| | Year ended March 31, 2023 |
|--|------------------------------|
| Opening stock | 979.27 |
| Add: Purchases of materials | 6,981.48 |
| Add: Acquired under business combination (Refer Note 38) | 193.05 |
| | 8,153.80 |
| Less: Closing stock | 1,300.61 |
| Total cost of materials consumed | 6,853.19 |

25 Changes in inventories of finished and semi-finished goods

Rs. in crores

| | Year ended March 31, 2023 |
|--|------------------------------|
| Finished and semi-finished goods | |
| Opening stock | 301.71 |
| Add: Acquired under business combination (Refer Note 38) | 131.72 |
| Less: Closing stock | 822.79 |
| Net increase in finished and semi-finished goods | (389.36) |

26 Employee benefits expense

Rs. in crores

| | Year ended March 31, 2023 |
|---|------------------------------|
| (a) Salaries and wages | 346.42 |
| (b) Contribution to provident and other funds | 28.39 |
| (c) Staff welfare expenses | 15.79 |
| Total employee benefits expense | 390.60 |

27 Finance costs

Rs. in crores

| | Year ended March 31, 2023 |
|--|------------------------------|
| (a) Interest expenses | |
| (i) Non-convertible redeemable preference shares (Refer Note 15) | 1,273.11 |
| (ii) Bank borrowings and others | 101.22 |
| (iii) Leases | 8.03 |
| (b) Unwinding of discount on provisions | 1.06 |
| (c) Other borrowing costs | 4.02 |
| Total finance costs | 1,387.44 |

28 Depreciation and amortisation expense

Rs. in crores

| | Year ended March 31, 2023 |
|---|------------------------------|
| (a) Depreciation of property, plant and equipment (Refer Note 03) | 525.78 |
| (b) Depreciation of right-of-use assets (Refer Note 04) | 20.88 |
| (c) Amortisation of intangible assets (Refer Note 05) | 169.11 |
| Total depreciation and amortisation expense | 715.77 |



TATA STEEL LONG PRODUCTS LIMITED**Notes to the Consolidated financial statements****29 Other expenses****Rs. in crores**

| | Year ended March 31, 2023 |
|--|--------------------------------------|
| (a) Consumption of stores and spare parts | 947.63 |
| (b) Fuel oil consumed | 312.16 |
| (c) Purchase of power | 189.60 |
| (d) Rent | 6.91 |
| (e) Repairs to buildings | 24.38 |
| (f) Repairs to machinery | 436.69 |
| (g) Insurance | 17.05 |
| (h) Rates and taxes | 57.86 |
| (i) Freight and handling charges | 455.30 |
| (j) Commission, discounts and rebates | 5.42 |
| (k) Packing and forwarding | 9.47 |
| (l) Royalty | 167.78 |
| (m) Conversion charges | 86.70 |
| (n) Other expenses | |
| (1) Legal and professional fees | 21.49 |
| (2) Advertisement, promotion and selling expenses | 0.40 |
| (3) Travelling expenses | 9.23 |
| (4) Net Loss on foreign currency transactions | 17.46 |
| (5) Corporate social responsibility expenses | 7.72 |
| (6) Loss on disposal of property plant and equipment | 1.82 |
| (7) Net loss on fair value changes of financial assets /liabilities carried at FVTPL | 0.83 |
| (8) Other general expenses | 98.70 |
| Total other expenses | 2,874.60 |



TATA STEEL LONG PRODUCTS LIMITED**Notes to the Consolidated financial statements****30 Capital management****(a) Risk management**

The objective of the Group's capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Group. The Group 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 Group monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

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

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

| | Rs. in crores |
|--|-----------------------|
| | As at |
| | March 31, 2023 |
| Equity share capital | 45.10 |
| Other equity | 913.10 |
| Total equity (A) | 958.20 |
| Non-current borrowings | 14,667.83 |
| Lease liabilities | 89.62 |
| Gross debt (B) | 14,757.45 |
| Total capital (A+B) | 15,715.65 |
| Gross debt as above | 14,757.45 |
| Less : Current investments | 1,104.40 |
| Less : Cash and cash equivalents | 136.09 |
| Less : Other balance with banks (including non-current earmarked balances) | 5.31 |
| Net debt (C) | 13,511.65 |
| Net debt to equity ratio (Refer Note (i) below) | 6.50 |

(i) Net debt to equity ratio has been computed based on average of opening and closing equity.

(b) Dividend on equity shares

| | Rs. in crores |
|---|-----------------------|
| | As at |
| | March 31, 2023 |
| Dividend declared and paid during the year | |
| Final dividend for the year ended March 31, 2022 of Rs. 12.5 per fully paid share | 56.38 |
| Proposed dividend not recognised at the end of the reporting period | - |

31 Disclosures on financial instruments**(a) Financial risk management**

The Group'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 Group, 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 Group'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 Group'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 Group's policies and the Group'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 review and approve 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 Group. The Group'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 the Group's policy and procedures which involve credit approvals, establishing credit limits and continually monitoring the credit worthiness of customers to which the Group 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 the Group's finance department. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements. The Group 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.



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

(ii) Liquidity risk management

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

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

a. Financing arrangement

The Group has unutilised fund based arrangement with banks for Rs. 1,694.84 crores. The Group has also Non-Fund based facilities with banks for Rs. 1923.18 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 Group's derivative and non-derivative financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period. Cash flows in foreign currencies are translated using the period end spot rates.

| As at March 31, 2023 | Carrying value | Contractual cash flows | Rs. in crores | | |
|--|------------------|------------------------|--------------------|---------------------------|----------------------|
| | | | less than one year | between one to five years | More than five years |
| Financial liabilities | | | | | |
| Borrowings including interest obligations | 687.92 | 1,108.48 | 58.22 | 232.88 | 817.38 |
| Liability component of non-convertible preference shares capital | 13,979.91 | 85,678.01 | - | - | 85,678.01 |
| Lease liabilities | 89.62 | 155.89 | 15.91 | 58.13 | 81.85 |
| Trade payables | 2,908.53 | 2,908.53 | 2,908.53 | - | - |
| Derivative liabilities | 2.70 | 2.70 | 2.70 | - | - |
| Other financial liabilities | 1,112.42 | 1,112.42 | 284.21 | 828.21 | - |
| | 18,781.10 | 90,966.03 | 3,269.57 | 1,119.22 | 86,577.24 |

(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 Group transacts business in local currency and in foreign currencies (primarily US Dollars). The Group 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 Group, as per its risk management policy, uses forward contract derivative instruments primarily to hedge foreign exchange fluctuations.

| | USD in crores | |
|---|---------------|----------------|
| | As at | March 31, 2023 |
| Financial assets | | |
| Trade receivables | - | - |
| Net exposure to foreign currency risk (Assets) | | |
| Financial liabilities | | |
| Trade payables | 9.00 | - |
| Derivatives | | |
| Foreign exchange forward contracts | 10.80 | - |
| Net exposure to foreign currency risk (Liabilities) | | |
| Net exposure to foreign currency risk (Assets - Liabilities) | | |

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 Group's profit before tax and profit after tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all currencies other than US Dollars is not material.

| | Rs. in crores | |
|--|-----------------------------|----------------------------|
| | Impact on profit before tax | Impact on profit after tax |
| | Year ended March 31, 2023 | Year ended March 31, 2023 |
| Increase in rate of 1 USD against Rs. by 10% | - | - |
| Decrease in rate of 1 USD against Rs. by 10% | - | - |



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group'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 Group's profit before tax and profit after tax is affected through the impact on floating rate borrowings, as follows

| | Rs. in crores | |
|---|-----------------------------|----------------------------|
| | Impact on profit before tax | Impact on profit after tax |
| | Year ended March 31, 2023 | Year ended March 31, 2023 |
| Increase in interest rate by 100 basis points | (6.89) | (5.16) |
| Decrease in interest rate by 100 basis points | 6.89 | 5.16 |

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) Securities Price risk

The Group is exposed to price risks arising from fair valuation of Group's investment in mutual funds. The carrying amount of the Group's investments designated as at fair value through profit or loss at the end of the reporting period (Refer Note no 6(ii)).

| | Rs. in crores | |
|----------------------|-----------------------------|----------------------------|
| | Impact on profit before tax | Impact on profit after tax |
| | Year ended March 31, 2023 | Year ended March 31, 2023 |
| NAV -Increase by 1%* | 11.04 | 8.26 |
| NAV -Decrease by 1%* | (11.04) | (8.26) |

* Holding all other variables constant

(v) Commodity Price risk

Exposure to market risk with respect to commodity prices primarily arises from the Group's purchase of imported coal for production of finished goods. Cost of raw materials forms the largest portion of the Group's cost of sales. Market forces generally determine prices for the coal purchased by the Group. 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 Group. However, steel prices follow the trend of commodity prices over a period and provide a natural hedge to the business.

Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. The Group, 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 Group 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, 2023.

| As at March 31, 2023 | Amortised cost | Fair value through other comprehensive Income | Derivative Instruments in hedging relationship | Derivative Instruments not in hedging relationship | Fair value through profit or loss | Rs. in crores | |
|-------------------------------|------------------|---|--|--|-----------------------------------|----------------------|------------------|
| | | | | | | Total carrying value | Total fair value |
| Financial assets | | | | | | | |
| Investments in Mutual fund | - | - | - | - | 1,104.40 | 1,104.40 | 1,104.40 |
| Investment in body corporates | - | 19.28 | - | - | - | 19.28 | 19.28 |
| Trade receivables | 195.78 | - | - | - | - | 195.78 | 195.78 |
| Loans | 0.52 | - | - | - | - | 0.52 | 0.52 |
| Cash and cash equivalents | 136.09 | - | - | - | - | 136.09 | 136.09 |
| Other bank balances | 944.10 | - | - | - | - | 944.10 | 944.10 |
| Derivative assets | - | - | - | 1.12 | - | 1.12 | 1.12 |
| Other financial assets | 306.01 | - | - | - | - | 306.01 | 306.01 |
| Total | 1,582.50 | 19.28 | - | 1.12 | 1,104.40 | 2,707.30 | 2,707.30 |
| Financial liabilities | | | | | | | |
| Borrowings | 14,667.83 | - | - | - | - | 14,667.83 | 12,040.88 |
| Lease liabilities | 89.62 | - | - | - | - | 89.62 | 89.62 |
| Trade payables | 2,908.53 | - | - | - | - | 2,908.53 | 2,908.53 |
| Derivative liabilities | - | - | 1.53 | 1.17 | - | 2.70 | 2.70 |
| Other financial liabilities | 1,112.42 | - | - | - | - | 1,112.42 | 1,112.42 |
| Total | 18,778.40 | - | 1.53 | 1.17 | - | 18,781.10 | 16,164.15 |



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

(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.

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

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

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

Fair value hierarchy

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

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

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

| Rs. in crores | | | | |
|---|-----------------|-------------|--------------|-----------------|
| As at March 31, 2023 | Level 1 | Level 2 | Level 3 | Total |
| Financial assets | | | | |
| Investment in mutual funds | 1,104.40 | - | - | 1,104.40 |
| Derivative assets | - | 1.12 | - | 1.12 |
| Investment in equity instruments at FVTOCI (Unquoted) | - | - | 19.28 | 19.28 |
| Total | 1,104.40 | 1.12 | 19.28 | 1,124.80 |
| Financial liabilities | | | | |
| Derivative liabilities | - | 2.70 | - | 2.70 |

Rs. in crores

Reconciliation of Level 3 fair value measurement is as below :

| | As at March 31, 2023 |
|--|-------------------------|
| Opening balance | 15.68 |
| Changes in fair value recognised in Other Comprehensive Income | 3.60 |
| Closing balance | 19.28 |

Valuation technique used for Level 3 investments

Fair valuation of the equity investments as at March 31, 2023 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. 2.40 crores and Rs. 2.32 crores respectively.

(iii) Derivative financial instruments

Derivative instruments used by the Group 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 Group does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

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

| Rs. in crores | |
|----------------------------------|-------------------------|
| | As at March 31, 2023 |
| Foreign currency forwards | 1.58 |
| Classified as: | |
| Non-current assets | - |
| Current assets | 1.12 |
| Non-current liabilities | - |
| Current liabilities | 2.70 |

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

| USD in crores | |
|---------------------------|-------------------------|
| | As at March 31, 2023 |
| Foreign currency forwards | 12.35 |



TATA STEEL LONG PRODUCTS LIMITED**Notes to the Consolidated financial statements****32 Earnings per equity share**

| | Year ended March 31, 2023 |
|---|------------------------------|
| Net loss for the year (Rs. in crores) | (2,248.47) |
| Weighted average number of equity shares outstanding during the year (Nos.) | 4,51,00,000 |
| Nominal value per equity share (Rs.) | 10 |
| Basic and diluted earnings per equity share (Rs.) | (498.55) |

Note:

- (i) The Holding Company did not have any potentially dilutive securities.

33 (a) Contingent liabilities: Claims against the Group not acknowledged as debts**Rs. in crores**

| | As at March 31, 2023 |
|---------------------------|-------------------------|
| (a) Income tax | 0.11 |
| (b) Customs duty | 33.49 |
| (c) Demand from suppliers | 1.52 |
| (d) Excise duty | 721.85 |
| (e) Sales tax | 23.09 |
| (f) Service tax | 33.33 |
| | 813.39 |

The details of significant demands are as below:

Notes:

1. Custom Duty: Rs. 33.49 crores - 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 Holding Company's classification as steam coal. The Holding Company has filed an appeal against the aforesaid order in the Customs, Excise and Service Tax Appellate Tribunal, Kolkata. The Holding 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 Holding Company has recognised a provision in the year ended March 31, 2021.

2. Excise Duty: Rs. 512.89 crores (For improper availment of Cenvat credit) - The dispute pertains to improper availment of Cenvat credit on common input and input services for the period 2005-2006, 2006-07 and 2007-08. Against the order of adjudication by the learned Commissioner, NINL had filed a Writ Petition before the Hon'ble High Court on the ground of delayed adjudication by the learned Commissioner. The order passed by the Commissioner was without authority of law and ultra vires the scheme introduced vide Section 73 of the Finance Act, 2010, where under provisions of Rule 6 of the Cenvat Credit Rules, 2004 was retrospectively amended. The Company had complied the statutory conditions prescribed under Sec.73 of the Finance Act, 2010 and proportionately reversed Cenvat credit amounting to ₹ 0.72 crores with due intimation to the Commissioner. The Hon'ble High Court had been pleased to admit the writ petition and further as an interim measure directed that there shall be no coercive measures for recovery of the alleged tax demand.

Hon'ble Odisha High Court heard the case on December 7, 2022 and permitted to file an appeal in Tribunal and required appeal has been filed before Central Excise, Customs & Service Tax, Kolkata. The potential liability, as at March 31, 2023 is ₹ 512.89 crores.

3. Excise duty: Rs. 181.02 crores (Transfer of Cenvat credit on merger of KMCL) - The dispute involved in the present case relates to transfer of Cenvat credit lying in the books of accounts of Konark Met Coke Limited (KMCL) to NINL as result of merger of KMCL with the Company. There is no legal impediment for transfer of such credit in terms of Rule 10 of Cenvat credit Rules (CCR). Matter is pending with Commissionerate of Central Excise, Customs & Service Tax, Bhubaneswar. The potential liability, as at March 31, 2023 is ₹ 181.02 crores.

4. Service tax: Rs. 33.33 crore (Demand of Service Tax under RCM)- NINL is granted lease of mines by Govt of Odisha. For the said mining project, NINL sought forest clearance so that forest land falling under the said project can be utilised for non-forestry purposes and accordingly such clearance was granted from Ministry of Environment, Forest and Climate Change, Govt of India, on payment of charges, namely "Net Present Value" (NPV), in the Compensatory Afforestation Fund Management and Planning Authority Fund, Government of India (CAMPFA Fund). An investigation was initiated by Director General of Goods & Services Tax Intelligence (DGGI) and letter has been issued demanding Service Tax/GST on these payments on the ground that Service Tax/GST is payable on these amount under Reverse Charge Mechanism (RCM) and Show Cause Notice was issued demanding Service Tax. A reply was submitted stating that such payment are against sovereign/ public authorities under statute and hence it cannot be considered as provision of service as it is collected as per the provision of the relevant statute for performing mandatory and statutory functions under any provision of law are not to be treated as service provided for consideration.

Learned Principal Commissioner (GST&CE) confirmed such demand on 30 September, 2022. Subsequently, NINL have filed an appeal before CSTAT, Kolkata on December 13, 2022. The potential liability, as at March 31, 2023 is ₹ 33.33 crores.



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| Rs. in crores | |
|--|---------------------------------|
| (b) Contingent liabilities: Other matter for which the Group is contingently liable | As at March 31, 2023 |
| (i) Renewable energy purchase obligation | 6.33 |
| (ii) Excise Duty | 30.41 |
| (iii) Water Conservation fund | 32.35 |
| (iv) Electricity charges | 4.39 |
| | 73.48 |

The details of significant demands are as below:

The amount of Rs. 32.35 crores has been demanded Irrigation Department in 2017 under the by Orissa Irrigation Act, 1959. Orrisa High Court has granted a stay in NINL's favour.

(c) Cross subsidy surcharge payable to power distribution companies

In 2012-13, the Holding 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, the Holding 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 Holding Company filed a case before the Odisha Electricity Regulatory Commission ("OERC") for relief which was denied and consequently the Holding Company had filed a case before Appellate Tribunal of Electricity ("ATE"). Appeal filed by the Holding Company before ATE was allowed and the matter stands remitted back to the OERC for reconsideration afresh. On 01.02.2021, OERC directed NESCO to compute the quantum of electricity supplied to the State Grid afresh. Against this, TSLPL filed an Appeal before APTEL and got interim stay order on 31.3.2021. However, on 05.12.2022, APTEL admitted TSLPL's appeal but vacated the interim stay granted earlier. The matter is at present pending before APTEL for further hearing. As a matter of prudence, pending finalisation of the matter, an amount of Rs. 7.44 crores (Including delayed payment surcharge) has been provided in the books.

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

34 Estimated amounts of contracts remaining to be executed on capital account (Property, plant and equipment) and not provided for is Rs. 94.36 crores net of advances of Rs. 2.71 crores.

35 Exceptional items

Acquisition related expenditure

Acquisition related expenditure represents expenses incurred on stamp duty and registration fees for a portion of land parcels and buildings transferred in the name of the Holding Company, which were part of the acquired business from Usha Martin Limited.



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

36 Related party transaction

A List of related parties

| Name of the related Party | Relationship |
|---|--|
| Tata Sons Private Limited | Company having significant influence in the Parent Company |
| Where control exists | |
| Tata Steel Limited | Holding Company |
| Others with whom transactions have taken place during the current or previous year | |
| The Tata Pigments Limited (Subsidiary of Tata Steel Utilities and Infrastructure Services Limited) Kaimali Global Shared Services Limited (Subsidiary of Tata Steel Utilities and Infrastructure Services Limited) The Indian Steel and Wire Products Limited Tata Metaliks Limited Tata Steel Utilities and Infrastructure Services Limited Tata Steel Global Procurement Company Pte. Ltd. Tata Steel Foundation Medica TS Hospital Pvt. Ltd. Tata Steel Mining Limited | Fellow Subsidiary |
| TM International Logistics Limited mjunction services limited Jamipol Limited (Joint venture of fellow subsidiary) Tata BlueScope Steel Private Limited (Joint Venture of fellow subsidiary) Tata NYK Shipping PTE limited Himalaya Steel Mills Services Private Limited (Joint Venture of fellow subsidiary) TKM Global Logistic Limited (Joint venture with Joint venture of Tata Steel Limited) | Joint venture with Tata Steel Limited |
| Tata International Limited Tata Communication Limited Tata Consultancy Services Limited Tata 1mg Healthcare Solutions Private Limited Tata Limited Tata Asset Management Private Limited Tata AIG General Insurance Company Limited | Subsidiary and Joint venture of Tata Sons Private Limited |
| Mr. Ashish Anupam | Key Management personnel - Managing Director (MD) |
| Mr. T V Narendran Mr. Koushik Chatterjee Mrs. Meena Lall Mr. Debashish Bhattacharjee Dr. Sougata Ray Mr. Ansuman Das Mr. Srikumar Menon Mr. Shashi Kant Maudgal Mrs. Neeta Kamnaker | Key Management personnel - Non-Executive Director (NED) |
| Tata Steel Long Products Limited Employee Provident Fund Trust Tata Steel Long Products Limited Superannuation Fund Tata Steel Long Products Limited Gratuity Fund | Post Employment Benefit Plans (PEBP) as per Ind AS 24 |

B Particulars of transactions during the year

| Name of the related party | Nature of relationship | Year ended 31 March, 2023 |
|----------------------------------|---|------------------------------|
| Tata Steel Limited | Holding Company | 1,347.13 |
| Tata International Limited | Subsidiary of Tata Sons Private Limited | 270.16 |
| Total - Sale of goods | | 1,617.29 |
| Tata Steel Limited | Holding Company | 54.14 |
| Total - Sale of power | | 54.14 |
| Tata Steel Limited | Holding Company | 603.27 |
| Total - Services rendered | | 603.27 |



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B Particulars of transactions during the year (continued)

| Name of the related party | Nature of relationship | Year ended 31 March, 2023 |
|--|---|------------------------------|
| Tata Steel Limited | Holding Company | 1,623.24 |
| Tata Steel Global Procurement Company Pte. Ltd. | Fellow subsidiary | 2,835.82 |
| The Indian Steel and Wire Products Limited | Fellow subsidiary | 4.35 |
| Tata Steel Mining Limited | Fellow subsidiary | 61.09 |
| Tata BlueScope Steel Private Limited | Joint venture of Fellow subsidiary | 16.47 |
| Jampol Limited | Joint venture of Fellow subsidiary | 26.90 |
| Tata Limited | Subsidiary of Tata Sons Private Limited | 0.41 |
| Total - Purchase of goods | | 4,568.28 |
| Tata Steel Limited | Holding Company | 31.75 |
| Tata Steel Global Procurement Company Pte. Ltd. | Fellow subsidiary | (3.05) |
| Tata International Limited | Subsidiary of Tata Sons Private Limited | 13.60 |
| Total - Reimbursement of expenses | | 42.30 |
| Tata Steel Limited | Holding Company | 10.32 |
| Tata Metaliks Limited | Fellow subsidiary | 0.05 |
| Total - Purchase of property, plant and equipment | | 10.37 |
| Tata Steel Limited | Holding Company | 46.91 |
| Tata Steel Utilities and Infrastructure Services Limited | Fellow subsidiary | 4.83 |
| The Tata Pigments Limited | Fellow subsidiary | 5.82 |
| The Indian Steel and Wire Products Limited | Fellow subsidiary | 0.01 |
| Tata Steel Foundation | Fellow subsidiary | 1.55 |
| Tata Consultancy Services Limited | Subsidiary of Tata Sons Private Limited | 3.17 |
| Tata AIG General Insurance Company Limited | Joint venture of Tata Sons Private Limited | 9.75 |
| Tata Communication Limited | Subsidiary of Tata Sons Private Limited | 3.50 |
| TM International Logistics Limited | Joint venture of Tata Steel | 69.00 |
| TKM Global Logistic Limited | Joint venture of Joint venture with Tata Steel | 0.08 |
| Mjunction services limited | Joint venture of Tata Steel | 2.57 |
| Kalimati Global Shared Services Limited | Fellow subsidiary | 0.10 |
| Tata 1mg Healthcare Solutions Private Limited | Step down subsidiary of Tata Sons Private Limited | 0.07 |
| Medica TS Hospital Pvt. Ltd. | Fellow subsidiary | 0.11 |
| Himalaya Steel Mill Services Pvt. Ltd. | Joint venture of Fellow subsidiary | 1.05 |
| Tata Asset Management Private Limited | Subsidiary of Tata Sons Private Limited | 0.08 |
| Total - Services received | | 148.60 |
| Jampol Limited | Joint venture of Fellow subsidiary | 5.33 |
| Total - Dividend income | | 5.33 |
| Tata Steel Limited | Holding Company | 42.23 |
| Total - Dividend paid | | 42.23 |
| Mr. Ashish Anupam | MD | 4.66 |
| Total - Short term employee benefits | | 4.66 |
| Mr. Ashish Anupam | MD | 0.13 |
| Total - Post employment benefits | | 0.13 |
| Sitting fees | Non- Executive Directors | 0.20 |
| Commission | Non- Executive Directors | 0.50 |
| Tata Steel Limited | Holding Company | 1,273.11 |
| Total - Interest expense recognised | | 1,273.11 |
| Tata Steel Long Products Limited Employee Provident Fund Trust | PEBP | 4.78 |
| Tata Steel Long Products Limited Superannuation Fund | PEBP | 3.74 |
| Tata Steel Long Products Limited Gratuity Fund | PEBP | 3.99 |
| Total - Contribution made | | 12.51 |



TATA STEEL LONG PRODUCTS LIMITED

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C Balances outstanding

| Name of the related party | Relationship | As at March 31, 2023 |
|--|---|-------------------------|
| Tata Steel Limited | Holding company | 173.63 |
| The Indian Steel & Wire Products Ltd * | Fellow subsidiary | 0.00 |
| Total - Trade receivables | | 173.63 |
| Tata Steel Limited | Holding company | 20.03 |
| Total - Financial assets | | 20.03 |
| Tata Steel Limited | Holding company | 936.27 |
| Tata Steel Global Procurement Company Pte. Ltd. | Fellow subsidiary | 758.15 |
| Tata Steel Utilities and Infrastructure Services Limited | Fellow subsidiary | 4.97 |
| The Indian Steel and Wire Products Limited | Fellow subsidiary | 0.01 |
| The Tata Pigments Limited | Fellow subsidiary | 0.92 |
| Tata Steel Mining Limited | Fellow subsidiary | 7.02 |
| Medica TS Hospital Pvt. Ltd. | Fellow subsidiary | 0.02 |
| mjunction services limited | Joint venture of Tata Steel Limited | 1.63 |
| TM International Logistics Limited | Joint venture of Tata Steel Limited | 8.54 |
| Tata BlueScope Steel Private Limited | Joint venture of Fellow subsidiary | 5.38 |
| Jampol Limited | Joint venture of Fellow subsidiary | 2.55 |
| Tata Communication Limited | Subsidiary of Tata Sons Private Limited | 0.41 |
| Himalaya Steel Mill Services Pvt Ltd | Joint venture of Fellow subsidiary | 0.52 |
| Tata Limited | Subsidiary of Tata Sons Private Limited | 0.18 |
| Kalimati Global Shared Services Limited | Fellow subsidiary | 0.05 |
| Total - Trade payables for supplies and services | | 1,726.62 |
| Tata Steel Long Products Limited Employee Provident Fund Trust | PEBP | 1.36 |
| Tata Steel Long Products Limited Superannuation Fund | PEBP | 0.30 |
| Tata Steel Long Products Limited Gratuity Fund | PEBP | 1.23 |
| Total - Payable to PEBP | | 2.89 |
| Tata International Limited * | Subsidiary of Tata Sons Private Limited | 0.00 |
| Total - Advances paid | | 0.00 |
| Jampol Limited (At cost) | Joint venture of Fellow subsidiary | 0.80 |
| Total - Investments | | 0.80 |
| Tata Steel Limited | Holding Company | 13,979.91 |
| Total - Non-convertible preference shares | | 13,979.91 |
| Mr. Ashish Anupam | MD | 4.00 |
| Total-Trade payables for accrued wages and salaries | | 4.00 |

* Amount below rounding off norms adopted by the Group



37 Employee benefits

37.01 - Post employment defined contribution plans

| | Rs. in crores |
|---|------------------------------|
| | Year ended March 31, 2023 |
| Amount recognised in the Consolidated Statement of Profit and Loss | |
| (i) Provident fund contribution* | 9.94 |
| (ii) Superannuation fund [@] | 3.74 |
| | 13.68 |

* 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 Group does not carry any further obligations, apart from the contributions made on a monthly basis which is recognised as expense in the Consolidated Statement of Profit and Loss.

@ The Group has a superannuation plan for the benefit of its employees. This benefit is defined contribution scheme as the Group 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 Group 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 Group is expected to make regular contributions to the Trust. The fund is managed by an insurance Group 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 the group 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 Group rendering services for more than twenty years will receive long service award on all causes of exit as per the Group'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 Group grants approval for provisions of special retirement benefits to Managing Directors. The retirement benefit includes 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 Group. 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 Group and disclosed as defined benefit plan.

(b) Risk analysis

The Group 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 |
|-----|---|---------------------------------|
| (i) | Reconciliation of opening and closing balances of obligation | As at March 31, 2023 |
| a. | Opening defined benefit obligation | 56.79 |
| b. | Acquired through business combination (Refer Note 38) | 84.59 |
| c. | Current service cost | 5.84 |
| d. | Interest cost | 8.14 |
| e. | Remeasurement (gains)/losses | 7.07 |
| f. | Benefits paid | (8.33) |
| g. | Acquisitions (credit)/cost | 0.19 |
| | Closing defined benefit obligation | 154.29 |

| | | |
|------|--|---------------------------------|
| (ii) | Movements in the fair value of the plan assets are as follows | As at March 31, 2023 |
| a. | Opening fair value of plan assets | 57.69 |
| b. | Acquired through business combination (Refer Note 38) | 21.33 |
| c. | Interest income | 7.44 |
| d. | Remeasurement gains/(losses) | 0.86 |
| e. | Contributions from the employer | 74.22 |
| f. | Benefits paid | (8.25) |
| g. | Acquisitions (credit)/cost | 0.19 |
| | Closing fair value of plan assets | 153.48 |

| | | |
|-------|---|---------------------------------|
| (iii) | Reconciliation of fair value of assets and obligations | As at March 31, 2023 |
| a. | Fair value of plan assets | 153.48 |
| b. | Present value of obligation | 154.29 |
| | | 0.81 |
| c. | Amount recognised in the Balance Sheet | |
| | - Retirement benefit obligations - Non-current | 0.81 |
| | - Prepaid Gratuity - Other non-financial current assets | - |
| | | 0.81 |

| | | Rs. in crores |
|------|--|--------------------------------------|
| (iv) | Amounts recognised in the Statement of Profit and Loss | Year ended March 31, 2023 |
| | Employee benefit expenses | |
| a. | Current service cost | 5.84 |
| b. | Net interest expense | 0.70 |
| | | 6.54 |
| | Other Comprehensive income | |
| a. | Return on plan assets excluding amount included in employee benefits expense | (0.86) |
| b. | Actuarial (gain)/loss arising from changes in financial assumptions | 0.75 |
| c. | Actuarial (gain)/loss arising from changes in experience adjustments | 6.32 |
| | | 6.21 |
| | Total defined benefit costs | 12.75 |

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

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



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| (vi) Principal assumptions used for the purposes of the actuarial valuations | As at March 31, 2023 |
|--|--|
| a. Discount rate (per annum) | 7.10% to 7.30% |
| b. Expected rate of salary increase (per annum) | 7.00% to 8.00% |
| c. Mortality rate | 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 |

(vii) The weighted average duration of the defined benefit plan obligation representing average duration for active members is 6 to 13 years

(viii) The Group expects (best estimate) to contribute Rs. 0.38 crores to the plan during the next financial year.

(ix) Sensitivity analysis

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

| Assumption | Rs. in crores |
|--|-------------------------|
| | As at March 31, 2023 |
| a. Discount rate increase by 1% | Decrease by 13.83 |
| b. Discount rate decrease by 1% | Increase by 14.36 |
| c. Expected salary growth increase by 1% | Increase by 9.73 |
| d. Expected salary growth decrease by 1% | Decrease by 10.35 |

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 Group 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 Group'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, 2023 |
| a. Opening defined benefit obligation | 0.71 |
| b. Current service cost | 0.04 |
| c. Interest cost | 0.05 |
| d. Remeasurement (gains)/losses | (0.01) |
| e. Benefits paid | (0.08) |
| Closing defined benefit obligation | 0.71 |

| (ii) Reconciliation of fair value of assets and obligations | Rs. in crores |
|---|-------------------------|
| | As at March 31, 2023 |
| a. Fair value of plan assets | - |
| b. Present value of obligation | 0.71 |
| | 0.71 |
| c. Amount recognised in the Balance Sheet | |
| - Retirement benefit obligations - Non-current | 0.66 |
| - Retirement benefit obligations - Current | 0.05 |
| | 0.71 |



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| | | Rs. In crores |
|-------------------|--|---|
| (iii) | Amounts recognised in the Statement of Profit and Loss | Year ended March 31, 2023 |
| | Employee benefit expenses | |
| | a. Current service cost | 0.04 |
| | b. Net interest expense | 0.05 |
| | | 0.09 |
| | Other Comprehensive income | |
| | a. Actuarial (gain)/loss arising from changes in financial assumptions | (0.01) |
| | b. Actuarial (gain)/loss arising from changes in experience adjustments | 0.00 |
| | | (0.01) |
| | Total defined benefit costs | 0.08 |
| (iv) | Principal assumptions used for the purposes of the actuarial valuations | As at March 31, 2023 |
| | a. Discount rate (per annum) | 7.20% |
| | b. Expected rate of salary increase (per annum) | Not applicable |
| | c. Mortality rate | Indian Assured Lives Mortality (2006 - 2008) Ult. |
| | d. Withdrawal rate | |
| | - Ages from 20-25 | 1.00% For all age group |
| | - Ages from 25-30 | |
| | - Ages from 30-35 | |
| | - Ages from 35-50 | |
| | - Ages from 50-55 | |
| - Ages from 55-65 | | |

(v) The weighted average duration of the defined benefit plan obligation representing average duration for active members is 10 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, 2023 |
| a. Discount rate increase by 1% | | Decrease by 0.06 |
| b. Discount rate decrease by 1% | | 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, 2023 |
| | a. Opening defined benefit obligation | 12.80 |
| | b. Interest cost | 0.87 |
| | c. Remeasurement (gains)/losses | 1.11 |
| | d. Benefits paid | (0.79) |
| | Closing defined benefit obligation | 13.99 |
| (ii) | Reconciliation of fair value of assets and obligations | As at March 31, 2023 |
| | a. Fair value of plan assets | - |
| | b. Present value of obligation | 13.99 |
| | | 13.99 |
| | c. Amount recognised in the Balance Sheet | |
| | - Retirement benefit obligations - Non-current | 13.18 |
| - Retirement benefit obligations - Current | 0.81 | |
| | 13.99 | |



| | | Rs. in crores |
|-------|---|------------------------------|
| | | Year ended March 31, 2023 |
| (iii) | Amounts recognised in the Statement of Profit and Loss | |
| | Employee benefit expenses | |
| a. | Net interest expense | 0.87 |
| | | 0.87 |
| | Other Comprehensive income | |
| a. | Actuarial (gain)/loss arising from changes in financial assumptions | (0.31) |
| b. | Actuarial (gain)/loss arising from changes in experience adjustments | 1.42 |
| c. | Actuarial (gain)/loss arising from changes in demographic assumptions | - |
| | | 1.11 |
| | Total defined benefit costs | 1.98 |

| | | As at March 31, 2023 |
|------|--|--------------------------------------|
| (iv) | Principal assumptions used for the purposes of the actuarial valuations | |
| a. | Discount rate (per annum) | 7.20% |
| b. | Pension inflation rate (per annum) | 6.00% |
| c. | Mortality rate | LIC (2012-15) 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) The weighted average duration of the defined benefit plan obligation representing average duration for active members is 11 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 |
|-------------------|---------------------------------------|-------------------------|
| | | As at March 31, 2023 |
| Assumption | | |
| a. | Discount rate increase by 1% | Decrease by 1.39 |
| b. | Discount rate decrease by 1% | Increase by 1.65 |
| c. | Pension inflation rate increase by 1% | Increase by 1.65 |
| d. | Pension inflation rate decrease by 1% | Decrease by 1.41 |

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)

| | | Rs. in crores |
|-----|---|-------------------------|
| | | As at March 31, 2023 |
| (i) | Reconciliation of opening and closing balances of obligation | |
| a. | Opening defined benefit obligation | 0.69 |
| b. | Acquired through business combination (Refer Note 38) | 2.99 |
| c. | Interest cost | 0.20 |
| d. | Current Service Cost | 0.13 |
| e. | Remeasurement (gains)/losses | (0.35) |
| f. | Benefits paid | (0.14) |
| | Closing defined benefit obligation | 3.52 |



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

| | | Rs. in crores |
|------|---|-------------------------|
| | | As at March 31, 2023 |
| (ii) | Reconciliation of fair value of assets and obligations | |
| a. | Fair value of plan assets | - |
| b. | Present value of obligation | 3.52 |
| | | 3.52 |
| c. | Amount recognised in the Balance Sheet | |
| | - Retirement benefit obligations - Non-current | 2.88 |
| | - Retirement benefit obligations - Current | 0.64 |
| | | 3.52 |

| | | Rs. in crores |
|-------|---|------------------------------|
| | | Year ended March 31, 2023 |
| (iii) | Amounts recognised in the Statement of Profit and Loss | |
| | Employee benefit expenses | |
| a. | Net interest expense | 0.33 |
| | | 0.33 |
| | Other Comprehensive income | |
| a. | Actuarial (gain)/loss arising from changes in financial assumptions | (0.57) |
| b. | Actuarial (gain)/loss arising from changes in experience adjustments | 0.22 |
| c. | Actuarial (gain)/loss arising from changes in demographic assumptions | - |
| | | (0.35) |
| | Total defined benefit costs | (0.02) |

| | | As at March 31, 2023 |
|------|--|--|
| (iv) | Principal assumptions used for the purposes of the actuarial valuations | |
| a. | Discount rate (per annum) | 7.20% to 7.30% |
| b. | Medical cost - % of annual entitlement utilised (per annum) | 20.00% |
| c. | Mortality rate | LIC Annuitants (2012-15) Ultimate/Indian Assured Lives Mortality (2012-14) (modified) Ult |
| 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) The weighted average duration of the defined benefit plan obligation representing average duration for active members is **9 to 16 years**.

(vi) Sensitivity analysis

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

| | | Rs. in crores |
|-------------------|------------------------------|-------------------------|
| Assumption | | As at March 31, 2023 |
| a. | Discount rate increase by 1% | Decrease by 0.45 |
| b. | Discount rate decrease by 1% | Increase by 0.55 |

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 Holding Company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Holding Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Holding 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 Holding 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 Holding Company has recognised/(reversed) interest rate guarantee shortfall amounting to Rs. 0.34 crores in the Statement of Profit and Loss and also recognised excess of liabilities over trust assets amounting to Rs. 1.17 crores. Further during the year, the Holding Company's contribution of Rs. 5.11 crores to the Provident Fund Trust has been expensed under the 'Contribution to Provident and Other Funds' in Note 26. Additionally, during the year ended March 31, 2023, the Holding Company contributed Rs. 0.54 crores to the trust, which 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, 2023 |
|----------------------------------|-------------------------|
| a. Discount rates | 7.20% |
| b. Expected yield on plan assets | 7.55% |
| c. Guaranteed Interest Rate | 8.15% |

37.03 Other contributions

(i) **Employees Pension Scheme** - Total amount charged to the Consolidated Statement of Profit and Loss for the year Rs. 3.50 crores.

(ii) **Employees State Insurance** - Total amount charged to the Consolidated Statement of Profit and Loss for the year Rs. 0.04 crore.

Contribution to these schemes are made by the Group as per the statute.

37.04 The Holding Company has assessed the impact of the 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-1/1(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 (supported with a view from a legal expert), the aforesaid matter is not likely to have any impact and accordingly, no provision has been made in these Financial Statements.



38 Business Combinations

Acquisition of Neelachal Ispat Nigam Limited

The Holding Company on July 4, 2022 had completed the acquisition of Neelachal Ispat Nigam Limited ("NINL") for a total consideration of Rs. 12,100.00 crores as per the terms and conditions of Share Sale and Purchase Agreement (SPA) executed on March 10, 2022.

As part of the transaction, following have been completed -

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

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

TSLP has further invested Rs. 600 crores in the equity shares of NINL after acquisition, towards capital expenditure, initial working capital and operating cost to restart the plant. The Company's holding in NINL's equity shares is 92.68% as on March 31, 2023.

The aforesaid acquisition will provide an inorganic growth opportunity for the Group to grow in the long products business and leverage the captive iron ore mines of NINL.

(i) Details of consideration

| Particulars | Rs. in crores |
|---|-----------------|
| Cash paid for acquisition of equity shares of NINL | 7,539.46 |
| Total consideration for acquisition of equity shares on NINL | 7,539.46 |

(ii) The fair value of assets and liabilities recognised as a result of the acquisition are as follows

| Particulars | Rs. in crores |
|--|------------------|
| Non-current assets | |
| Property, plant and equipment | 2,510.58 |
| Right-of-use assets | 622.97 |
| Capital work-in-progress | 143.08 |
| Other intangible assets | 8,612.00 |
| Other financial assets | 7.89 |
| Income tax assets (net) | 0.78 |
| Other non-current assets | 0.38 |
| | 11,897.66 |
| Current assets | |
| Inventories | 357.18 |
| Cash and cash equivalents | 1,077.92 |
| Other financial assets | 0.74 |
| Other current assets | 58.85 |
| | 1,494.69 |
| Total assets (A) | 13,392.35 |
| Non-current liabilities | |
| Borrowings | 4,560.54 |
| Lease liabilities | 3.65 |
| Provisions | 66.60 |
| Deferred tax liabilities (net) | 1,373.90 |
| | 6,004.69 |
| Current liabilities | |
| Lease liabilities | 0.44 |
| Trade payables | 191.65 |
| Other financial liabilities | 69.44 |
| Provisions | 92.26 |
| Other current liabilities | 438.78 |
| | 792.57 |
| Total liabilities (B) | 6,797.26 |
| Fair value of identifiable net assets (A - B) | 6,595.09 |



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

(iii) Calculation of goodwill on business combination

| Particulars | Rs. in crores |
|--|-----------------|
| Consideration for acquisition of equity shares | 7,539.46 |
| Add : Fair value of non-controlling interests | 251.32 |
| Less : Fair value of identifiable net assets | (6,595.09) |
| Goodwill | 1,195.69 |

Goodwill is attributable to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of NINL. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

Goodwill arising on this acquisition is not deductible for tax purposes.

(iv) Consideration - cash outflow during the year

| Particulars | Rs. in crores |
|--|------------------|
| Cash paid for acquisition of equity shares of NINL | 7,539.46 |
| Cash paid for acquisition of non-convertible preference shares of NINL | 4,560.54 |
| Total consideration | 12,100.00 |
| Less : Cash and cash equivalent balances acquired | (1,077.92) |
| Less : Advance against equity instrument | (1,210.00) |
| Net outflow of cash - investing activities | 9,812.08 |

(v) Acquisition related costs

No material cost was incurred towards the acquisition.

(vi) Impact of acquisition on the results of the Group

a The acquired business contributed **Rs. 1,645.55 crores** of revenue from operations and **Rs. 1,508.36 crores** loss before exceptional items to the Group for the year ended March 31, 2023.

b If the business combinations had been effected at April 1, 2022, the revenue from operations of the Group would have been **Rs. 1,652.17 crores** and the loss before exceptional items for the year would have been **Rs. 1,701.39 crores**. The management consider these 'pro-forma' numbers to represent an approximate measure of the performance of the Group on an annualised basis.

However to provide a reference point for comparison in future periods, the aforesaid annualised pro-forma numbers to be read in conjunction with the NINL's business plan of operating at full capacity of 1.10 MTPA for the entire financial year ending March 31, 2024 as against gradual stabilisation of production to that level in March 2023 from the acquisition date when the plant was not in operations and was shut down from March 2020.

39 The Board of Directors of the Company and Tata Steel Limited ("the Parent Company") approved the Scheme for Amalgamation of the Company into the Parent Company ("the Scheme") at their respective meetings held on September 22, 2022. The Board of Directors recommended an exchange ratio of 67 fully paid-up equity shares of Re. 1 each of the Parent Company for every 10 fully paid-up equity shares of Rs. 10 each held in the Company. The Company had submitted the Scheme to Stock Exchanges on October 11, 2022 and received no objection/ no adverse observations from the National Stock Exchange of India Limited and BSE Limited respectively vide letters dated March 31, 2023. The Company has subsequently filed the Scheme with the Hon'ble National Company Law Tribunal ("NCLT"), Cuttack Bench on April 05, 2023 for approval.



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

40 Goodwill

Rs. in crores

| A. Movement in goodwill during the year | Year ended March 31, 2023 |
|---|------------------------------|
| Opening balance | 6.16 |
| Add : Additions during the year due to acquisitions (Refer Note 38) | 1,195.69 |
| Closing balances | 1,201.85 |

B. Impairment tests for goodwill

- (i) The Goodwill of Rs. 6.16 crores represents the goodwill accounted on the acquisition of Steel Business (CGU) from Usha Martin Limited. The entire goodwill as mentioned above is attributable to the aforesaid acquired business CGU i.e. Integrated steel manufacturing plant. The outcome of the impairment assessment as on 31 March 2023 has not resulted in any impairment of goodwill.
- (ii) The carrying value of goodwill of Rs. 1,195.69 crores relates to the goodwill that arose on the acquisition of Neelachal Ispat Nigam Limited (CGU). The Recoverable Value of the CGU has been assessed based on higher of fair value less costs to sell and value in use for the underlying businesses.

The fair value less costs to sell model uses cash flow forecasts based on the most recently approved financial plan for FY24. Beyond FY24, the cash flow forecasts is based on strategic forecasts which cover a period i.e. estimated time to extract the total usable mineral reserves for mining business and six years for steel business and future projections taking the analysis out to perpetuity which includes capital expenditure for capacity expansion of steel making facilities from the current 1.1 MTPA to 4.56 MTPA by FY 29 as well as estimated EBITDA changes due to implementation of the expansion strategy and operating the assets.

Key assumptions to the fair value less costs to sell model are changes to selling prices and raw material costs, steel demand, amount of capital expenditure needed for expansion of the existing facilities, EBITDA, and a post-tax discount rate of 10.10%. The estimates of capital expenditure for capacity expansion of steel making assets is based on management's internal estimates of implementing the expansion strategy.

For the fair value less costs to sell model, a 4.00% growth rate is used to extrapolate the cash flows beyond the specifically forecasted period of six years in respect of which strategic forecasts have been prepared. The outcome of the impairment assessment as on 31 March 2023 has not resulted in any impairment of goodwill.

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

41 Assets classified as held for sale

To optimise available crude steel production, the Holding Company had initiated the construction of 0.5 MTPA Special Bar and Wire Rod-Combi Mill. However, due to strategic reasons the Board of directors of the Company decided to transfer the mill (project) to The Indian Steel & Wire Products Ltd (ISWP) along with all the Capital advances, Capital Work in Progress etc. within next twelve months. Therefore, the Group recorded the above mentioned assets [Capital Advances Rs. 39.21 crores, Capital work in progress Rs. 12.56 crores and Deposits Rs. 5.38 crores] as 'held for sale' in accordance with Ind AS 105: Non-current Assets Held for Sale and Discontinued Operations.

The Company has measured 'the Assets' at lower of carrying value and fair value less costs to sell amounting to Rs. 57.15 crores. The fair value of 'the Assets' were determined as fair value of other assets (consideration approximating the cost) 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)).

42 Segment reporting

- (i) The Group is in the business of manufacture of steel and allied products and accordingly, steel and allied products is the only reportable segment in accordance with Ind AS 108 – Operating Segments.
- (ii) All non-current assets of the Group are located in India.

(iii) Details of revenue based on geographical location of customers is as below:

Rs. in crores

| | Year ended March 31, 2023 |
|--------------------|------------------------------|
| (i) India | 8,145.60 |
| (ii) Outside India | 401.05 |
| Total | 8,546.66 |

(iv) Customers who contributed 10% or more to the Group's revenue

Rs. in crores

| | Year ended March 31, 2023 |
|-----------------|------------------------------|
| (i) Customer 1 | 1,079.64 |
| (ii) Customer 2 | 1,885.05 |
| Total | 2,964.69 |



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Consolidated financial statements

43 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 | Contingent liability recognised on business combination | Others |
|--|---|---|------------------------|---|---|---|
| Carrying amount as at beginning of the year | 2.63 | 6.01 | 20.68 | 29.29 | 0.29 | 3.48 |
| Additions relating to acquisitions | 90.37 | - | - | - | - | - |
| Add : Provision made during the year | 0.84 | 1.43 | - | 11.35 | - | 4.72 |
| Less : Amount paid during the year | 13.28 | - | - | 0.45 | - | - |
| Less : Amount reversed during the year | 0.01 | - | - | - | - | - |
| Carrying amount as at the end of the year (Refer Note (16(b))) | 80.55 | 7.44 | 20.68 | 40.19 | 0.29 | 8.20 |
| 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 | Demand for electricity charges and labour related matters on acquired steel business | Provision in relation to Mines Development and Production Agreement |
| Expected timing of resultant outflow | On decision by competent authority | | | Upon closure of mines or during the mining | On decision by competent authority | |
| Indication of uncertainty about those outflows | The above matters are under dispute with authorities | | | 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 | 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 |



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Consolidated financial statements

44 Assets hypothecated as security

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

| | | Rs. in crores |
|--|-------------------------------|------------------------------|
| | | Year ended March 31, 2023 |
| Non-current assets | | |
| <i>First charge (against term loan from banks)</i> | | |
| (i) | Property, plant and equipment | 3,384.83 |
| (ii) | Leased assets | 116.40 |
| | | 3,501.23 |
| Current assets | | |
| <i>First charge (against working capital requirement from Banks)</i> | | |
| (i) | Inventories | 2,264.01 |
| (ii) | Trade receivables | 196.05 |
| (iii) | Cash and cash equivalents | 136.09 |
| (iv) | Other balances with banks | 5.48 |
| (v) | Loans | 0.50 |
| (vi) | Other financial assets | 265.20 |
| (vii) | Other current assets | 319.44 |
| | | 3,186.77 |

45 Details relating to the Holding Company's subsidiary are as follows.

| Name of subsidiary | Principal activity | Place of incorporation and operation | Proportion of ownership interest and voting power held by the Holding Company |
|-------------------------------|------------------------|--------------------------------------|---|
| | | | Year ended March 31, 2023 |
| Neelachal Ispat Nigam Limited | Manufacturing of steel | India | 93.15%* |

The Company on July 4, 2022 had completed the acquisition of Neelachal Ispat Nigam Limited ("NINL") for a total consideration of Rs. 12,100.00 crores as per the terms and conditions of Share Sale and Purchase Agreement (SPA) executed on March 10, 2022.

* Represents ownership based on share capital.



TATA STEEL LONG PRODUCTS LIMITED

Notes to the Consolidated financial statements

46 Disclosure of additional information as required by Schedule III

| Particulars | Net Assets | | Share in profit or (loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|--|---------------------------------|----------------------|------------------------------------|----------------------|--|----------------------|--|----------------------|
| | As % of consolidated net assets | Amount Rs. in crores | As % of consolidated profit/(loss) | Amount Rs. in crores | As % of consolidated other comprehensive income / (Loss) | Amount Rs. in crores | As % of consolidated total comprehensive income/(Loss) | Amount Rs. in crores |
| A Parent | | | | | | | | |
| Tata Steel Long Products Limited | 210.00% | 2,014.30 | 48.00% | (1,085.49) | (23.00)% | 0.80 | 48.00% | (1,084.69) |
| B Subsidiaries | | | | | | | | |
| Neelachal Ispat Nigam Limited | 655.00% | 6,272.22 | 54.00% | (1,218.34) | 132.00% | (4.52) | 54.00% | (1,222.86) |
| C Adjustments due to consolidation | (765.00)% | (7,328.32) | (2.00)% | 55.36 | (8.00)% | 0.29 | (2.00)% | 55.65 |
| Total | 100.00% | 958.20 | 100.00% | (2,248.47) | 101.00% | (3.43) | 100.00% | (2,251.90) |
| D Non-Controlling Interests | | | | | | | | |
| Neelachal Ispat Nigam Limited | | 429.65 | | (55.38) | | (0.29) | | (55.67) |
| Consolidated (loss) / profit after tax and net assets | | 1,387.85 | | (2,303.85) | | (3.72) | | (2,307.57) |

47 The following table depicts the details of balances outstanding in respect of transactions undertaken with a company struck off under section 28 of the Companies Act, 2013:

| Sr No | Name of struck off Company | Rs. in crores | | |
|-------|---------------------------------|----------------------|--|--|
| | | As at March 31, 2023 | Nature of transactions with struck-off Company | Relationship with the struck-off Company |
| 1 | KEONJHAR MINERALS (P) LTD* | 0.00 | Purchase of goods | Vendor |
| 2 | SPRAYING SYSTEMS(INDIA)PVT.LTD* | 0.00 | Purchase of goods | Vendor |
| 3 | SAP COMMUNICATION PVT. LTD* | 0.00 | Purchase of goods | Vendor |
| 4 | SUZUSONS CARE PVT. LTD* | 0.00 | Purchase of goods | Vendor |
| 5 | K.G.KHOSLA COMPRESSORS LTD | 0.10 | Purchase of goods | Vendor |
| 6 | PARAMOUNT SINTERS P.LTD | 0.05 | Purchase of goods | Vendor |
| 7 | VALLAB ENGINEERS PVT LTD | 0.03 | Purchase of goods | Vendor |
| 8 | JAYASWALS NECO LTD | 0.01 | Purchase of goods | Vendor |
| 9 | ASHCROFT INDIA PVT. LTD* | 0.00 | Purchase of goods | Vendor |
| 10 | PRANAM POWERMECH PVT. LTD* | 0.00 | Purchase of goods | Vendor |
| 11 | GEOMIN CONSULTANTS PVT LTD* | 0.00 | Purchase of goods | Vendor |

* Amount below rounding off norms adopted by the Group

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

49 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company except for amounts aggregating to Rs. 0.06 crores as at March 31, 2023 which is held in abeyance due to pending legal cases. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary of the Holding Company during the year ended March 31, 2023.

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

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

(b) The Holding Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries other than investment of Rs. 12,700 crores during the year towards acquisition of Neelachal Ispat Nigam Limited ("NINL"), [which thereby became a subsidiary of TSLP (Refer Note 1)] / subscription to shares of NINL out of funds received (through issuance of non-convertible redeemable preference shares by the Holding Company) from the Parent Company of the Holding Company, Tata Steel Limited. The aforesaid investments of Holding Company in NINL is cancelled in these consolidated financial statements.

The acquisition, inter alia, provides inorganic growth for the Group to grow in long products business and leverage the captive mines of NINL. The acquisition was made in accordance with the process run by Department of Investment and Public Asset Management, Government of India and other applicable regulatory requirements. With the above and given the transaction involves no camouflage to hide any beneficiaries, no further disclosures, in this regard, are required.

52 The Subsidiary of the Holding Company was granted mining lease by the Government of Odisha for a period of 50 years (from 2017). The Subsidiary during the period (after July 4, 2022) has commenced plant and mining operations and has submitted a progressive mine closure plan to the mining authorities. The Subsidiary assessed with their inhouse technical experts, that the mining pits are being prepared and operations are currently limited to the surface level of mines and the extent of mining does not give rise to any obligation for mines restoration cost as at the balance sheet date.

53 The Holding Company has made an investment in a subsidiary (company). Further the Group has invested in thirteen mutual fund schemes during the year. The Group has not granted secured/ unsecured loans/ advances in the nature of loans to any Company/Firm/Limited Liability Partnership/Other Party during the year other than loan to ten employees. The Group did not stand guarantee or provided security to any Company/Firm/Limited Liability Partnership/Other party during the year. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans are as per the table given below:

| Rs. in crores | |
|---|-------|
| | Loans |
| Aggregate amount granted/ provided during the financial year | |
| -Others | 0.05 |
| Balance outstanding as at March 31, 2023 in respect of the above case | |
| -Others | 0.03 |



TATA STEEL LONG PRODUCTS LIMITED
Notes to the Consolidated financial statements

54 The Group has done an assessment to identify Core Investment Company (CIC) including CICs in the Group as per the necessary guidelines of Reserve Bank of India (including Core Investment Companies (Reserve Bank) Directions, 2016). The Companies identified as CICs at Group level are Tata Iron and Steel Limited, TATA Capital Limited, TATA Industries Limited, TATA Sons Private Limited, TATA Steel Services Limited, T S Investments and Talace Private Limited.

55 Litigations have been initiated or are pending against the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

56 The Holding Company has not raised loans during the year on the pledge of securities held in its subsidiary.

57 The Group has incurred cash loss of Rs. 1,588.00 crores during the current financial year.

58 The Group has not been declared wilful defaulter by any bank or financial institutions or government or any government authority.

59 The Group has not traded or invested in crypto currency or virtual currency during the financial year.

60 The Group has complied with the number of layers prescribed under the Companies Act, 2013, read with the Companies (Restriction on number of Layers) Rules, 2017.

61 Consolidated financial statements for the year ended March 31, 2023 include financial statements of NNIL effective July 4, 2022.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number - 304026E/E-30C009



Pinaki Chowdhury
Partner
Membership No. 057572

Place: Kolkata
Date: April 25, 2023

Signatures to Notes 1 to 61

For and on behalf of the Board of Directors



T V Narendran
Chairman
DIN: 03083205



Ashish Anupam
Managing Director
DIN: 08304201



S K Shrivastav
Chief Financial Officer

Place: Mumbai
Date: April 25, 2023



Santar Bhattacharya
Company Secretary