TATA STEEL

TATA

Future-Ready

Resolute

Resilient

Integrated Report & Annual Accounts 2020-21

114th Year

Resilient. Resolute. Future-Ready.

At Tata Steel, innovation and responsibility have been at the core of building a sustainable enterprise and exploring possibilities towards creating a better future. Whether by developing high-strength steel or offering new solutions for construction and mobility, we relentlessly focus on delivering world-class products that are synonymous with quality and durability. We also deploy best available technologies and processes to drive resource efficiency and develop materials of the future which are superior, sustainable and affordable.

The ebbs and flows of business cycles notwithstanding, we have focussed on strengthening our balance sheet, upholding the highest standards in ethical and responsible business practices and striving towards a shared future of prosperity. Even when faced with a once-in-a-century global crisis that tested our resilience, we stayed true to our core values and worked together with our stakeholders to embrace a new normal.

About Tata Steel

Established in India as Asia's first integrated private steel company in 1907, Tata Steel today is one of the most profitable and lowest cost producers of steel in the world, with captive iron ore mines and collieries located near our manufacturing facilities in Jamshedpur and Kalinganagar. Our comprehensive portfolio of products and brands caters to multiple industries and segments, making the steel we produce an integral part of everyday life.

Tata Steel's Four Pillars of Transformation

Read more in the Chairman's message on **Page 30**

- Resilience and Agility
- Simplification and Scale
- Technology and Digital Leadership
- Enabling Planet Resilience

Contents

King Power MahaNakhon, Bangkok

A marvel of tomorrow elevating the skyline and exemplifying ingenuity and innovation, raising the bar of luxury for tomorrow.

The iconic structure is built using 2,000 tonne of Tata Tiscon rebars.

Sure, we make steel.
But #WeAlsoMakeTomorrow

ABOUT THIS REPORT

Our approach to reporting

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

Reporting principle

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

Reporting period

The information is reported for the period April 1, 2020 to March 31, 2021. For KPIs, comparative figures for the last three to five years have been incorporated in the Report to provide a holistic view.

Scope and boundary

The Report predominantly covers information with respect to Tata Steel's plants located at Jamshedpur, Jharkhand and Kalinganagar, Odisha, Raw Materials Division and Profit Centres. However, certain sections of the Report include KPIs (financial and production) of our subsidiaries, Tata Steel BSL Limited (TSBSL) and Tata Steel Long Products Limited (TSLP).

Approach to materiality

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

E Environmental

S Social

G Governance

Contributing to UN Global Goals

SUSTAINABLE DEVELOPMENT GOALS

Our capitals

- Financial capital
- Manufactured capital
- Intellectual capital
- Human capital
- Natural capital
- Social and Relationship capital

Management responsibility

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

Independent assurance

Assurance on financial statements has been provided by independent auditors Price Waterhouse & Co. Chartered Accountants LLP and on non-financial statements by Ernst & Young Associates LLP. The certificate issued by Ernst & Young Associates LLP is available on our website at www.tatasteel.com or can be accessed at https://bit.ly/3ppjwr3

Forward-looking statements

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

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

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

SUMMARY FY 2020-21

A year of resilience

The first half of the financial year witnessed disruptions caused by the pandemic. However, the domestic steel demand improved from the second half with favourable policies, increased government spending and relaxed movement norms. We managed to deliver broad-based, market-leading volume growth supported by our agile business model.

We achieved highest-ever India deliveries as well as consolidated EBITDA during FY 2020-21.

	Tata Steel (Standalone)	Tata Steel (India)	Tata Steel (Consolidated)
Crude Steel Production (MnT)	12.19 ↓7%	16.92 ↓7%	28.54 ↓7%
Deliveries (MnT)	12.36 0%	17.31 ↑2%	28.50 ↓1%
Turnover (₹ crore)	64,869 ↑7%	91,037 ↑11%	1,56,294 ↑5%
Reported EBITDA (₹ crore)	21,952 ↑45%	28,587 ↑62%	30,892 ↑71%
Reported EBITDA per tonne (₹)	17,764 ↑45%	16,515 ↑59%	10,838 ↑73%
Reported profit-after-tax (₹ crore)	13,607 ↑102%	16,695 ↑198%	8,190 ↑599%
Cash generated from operations – before tax (₹ crore)	29,729 ↑95%	39,612 ↑135%	45,031 ↑102%

Tata Steel (India) – Tata Steel standalone + Tata Steel BSL Limited (TSBSL) + Tata Steel Long Products Limited (TSLP)

Tata Steel (Consolidated) – Tata Steel India + Tata Steel Europe + Tata Steel South-East Asia + Rest of the World

Numbers pertain to FY 2020-21. The percentage increase/decrease is compared to FY 2019-20

HEALTH, SAFETY AND NEW BUSINESSES

Our new initiatives

In a year like no other, we delivered robust performance and continued to consolidate our industry leadership in India. The pandemic-induced challenges notwithstanding, we increased our deliveries, introduced new and value-added products and strengthened our health and safety standards.

Committed towards health and safety

Health

- Rapidly augmented COVID-19 testing capability to 1,000 tests per day; undertaking RT-PCR and RAT tests across operating locations
- 56% high risk cases transformed to moderate or low risk cases in FY 2020-21 related to lifestyle diseases

Safety

- Trained 13,000+ workforce on various safety standards at Safety Leadership Development Centre in FY 2020-21
- Reduced red-risk incidents by 61% Y-o-Y
- Installed 89 additional cameras at the Jamshedpur plant to enable remote operations

Progress on new businesses

TATA STEEL AASHIYANA Dream•Click•Build

Aashiyana

Our online home building platform offering Tata Steel's entire product range generated a revenue of ₹726 crore in FY 2020-21, an increase of 130% Y-o-Y

Steel Recycling Business

- Completed shredder erection
- Launched brands for Ferrous Scrap: Tata FerroBaled® and Tata FerroShred® – first in the world
- Launched first-of-its-kind app FerroHaat™ to build a digital supply chain for scrap

New Materials Business

- Enhanced manufacturing capacity of composites business
- Onboarded six manufacturing and supply partners with a focus on asset-light model
- Registered trademarks for graphene-enriched fabrics 'FABOUR' and graphene-coating solutions 'WONDRA'

Services and Solutions

- Tata Pravesh achieved best-ever yearly performance with 80,000+ installations
- Nest-In completed first major G+1 project through Light Gauge Steel Frame construction

COMBATING COVID-19

Combating the pandemic with the nation

The unprecedented health crisis triggered by the COVID-19 pandemic not only posed significant threat to human life, but also impacted livelihood.

As the containment measures brought economic activities to a halt, socio-economic fallout was significant. At Tata Steel, we rolled out multi-pronged programmes to ensure the health and safety of all stakeholders, while boosting healthcare infrastructure and providing immediate relief to the community.

Supporting the community

During the first wave of COVID-19, the Tata Steel Foundation (TSF) undertook a 10-point #CombatCovid19 programme, reaching out to more than 10.5 lakh people across India.

Reached out to
10.5 lakh
lives during the first wave

6,000+
hours of volunteering

The programme was recalibrated in early 2021 and has reached over 4.5 lakh people since. The basic objectives remain:

- Enhancing public health systems capacity for communities
- Meeting deficits of material, information and well-being
- Creating economic and other opportunities to address sociological impacts of the pandemic

The primary emphasis in 2021 has been on expeditiously closing gaps in key consumables and equipment available with public health systems that serve communities in remote areas of Jharkhand and Odisha. These include ~50,000 home isolation kits, 3,78,000 testing kits, 10 ventilators and oxygen concentrators, while more than 6,000 oximeters and 2,000 thermal scanners have been provided to frontline health workers to aid effective early detection.

Vaccination remains one of the primary goals as well as challenges. Sensing the need to increase awareness around vaccination, as well as drive large-scale vaccination, we adopted a three-pronged approach to bring communities in and around our operational areas on board. Our digital campaign, #ApnoKiSuno, focussed towards effective behavioural change communication through crowd-sourced videos from Village Heads on critical issues relating to vaccination. These videos helped secure 10,000+ registrations.

We are also helping people register online for COVID-19 vaccination. What began as an initiative in Odisha and Jharkhand has now turned into a nationwide campaign, reaching out to ~40,000 people through our #DigitalBridges programme. Moreover, it also helps reduce crowding in facilities that provide public services. Along with Tata Main Hospital, Jamshedpur and the state government, we are facilitating vaccination at seven centres in the city.

Our employee volunteering initiative, #FarRishta, has been activated to lend a helping hand at major vaccination centres in Jamshedpur. Till date, ~45,000 people have been reached out across seven states through more than 6,000 hours of volunteering.

Other initiatives under the #CombatCovid19 programme

#ThoughtforFood

Worked with the District Administration to provide warm wholesome meals to 50,000 families a day in the worst-affected settlements and slums in Jamshedpur

#StitchinTime

Engaged with communities to make 50,000 three-ply cloth masks for frontline health workers in need of Personal Protective Equipment

#CashforWork

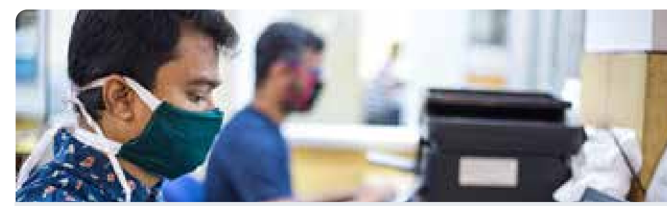
Helping increase the average income of 1,000 households by promoting kitchen gardens, linking farm produce to markets, making bags from newspapers and creating art and textile designs

#HopeSprings

Designed modules with trained psychiatrists and happiness practitioners to pre-emptively address any trauma faced by migrant labour brought upon due to the pandemic

#FriendinNeed

Created a Suicide Prevention Centre with a team of dedicated volunteers, extending emotional support during the pandemic



Supporting our team members

We set up a 24x7 COVID-19 helpline for employees across locations to disseminate accurate and quick information, including those related to HR and medical.

Speak Up, a Coronavirus Guidelines Violation Reporting Helpline, was created and used extensively for reporting any violations of quarantine rules. For employees who lost their lives to COVID-19, we have extended our social security schemes to the family, including medical benefits; this policy covers both frontline employees and shop floor workers.

The pandemic also invalidated the traditional thinking of productivity being contingent on fixed hours of work within an office environment and bust many myths around remote working. We implemented an Agile Working Model in November 2020. Flexible working provided employees the freedom to select work locations of their choice and helped them make decisions pertaining to their personal life to enable better work-life balance.

The new policies have encouraged a trust-based, outcome-driven culture as well as helped attract and retain the best talent available. Having invested in our digital platforms for improved connectivity, we could seamlessly implement the model to ensure continuity of work for employees in their respective environment, presenting more opportunities for them.

COVID-19 (CONTD.)

Medical support

We have set up health infrastructure at all our manufacturing and mining locations across Jharkhand and Odisha to ensure the health and well-being of our people and communities.

We coordinated with state governments and local administration to establish COVID Care facilities at all our operating locations.

The 1,000-bed Tata Main Hospital (TMH) at Jamshedpur in Jharkhand has 450 oxygen beds and 78 ventilator beds dedicated for COVID care. In addition, 100 oxygen beds have been provided to two subsidiary company hospitals and a 150-bed COVID care. Centre has been set up for asymptomatic patients and those showing mild symptoms.

In Odisha, the Tata Medica Super Specialty Hospital in Kalinganagar has 120 beds with provision of oxygen and ventilators dedicated to COVID Care, including a 15-bed ICU facility. Along with the Odisha Government and district administration, the NC Autonomous College at Jajpur has been converted into a 200-bed COVID Care Centre. At the Tata Steel BSL plant in Dhenkanal, a 200-bed COVID Care facility has been set up with oxygen supply and equipped with oxygen concentrators.

COVID Care facilities have also been set up at different locations. A total of 631 beds have been set up across our operational areas in Jharia, West Bokaro, Noamundi in Jharkhand as well as Joda and Gopalpur in Odisha.

We are establishing 1,500-bed COVID hospitals (facilities with oxygenated-beds) at all our manufacturing locations to augment the existing healthcare infrastructure.

Liquid medical oxygen

The second wave of the COVID-19 pandemic saw an increase in demand for oxygen for medical use. We are collaborating with all stakeholders to optimise the LMO supply chain.

55,000 tonne

Liquid medical oxygen supplied till May 2021

We have been collaborating with the central and state governments to augment the supply chain of Liquid Medical Oxygen (LMO) in the country. Under guidance from the Steel Ministry, we have been supplying LMO from our steel plants at Jamshedpur in Jharkhand and Kalinganagar and Dhenkanal in Odisha.

Regular route optimisation exercises combining different modes of transportation such as roadways, rail and air transport have resulted in improvement of turnaround time of oxygen tankers and optimisation of the entire LMO supply chain. Further, a series of initiatives involving technological process improvements at oxygen generating plants have led to an over eight-fold increase in LMO supplies from our plants from March to May 2021.

While there have been collaborative efforts from the Central Government, state governments and steel companies to manage the supply chain of LMO in the country, we have taken a proactive approach to set up large-scale COVID Care facilities with oxygenated beds close to our steel plants to enable usage of oxygen near its production source and reduce time taken for transportation of LMO to the extent possible.

Building on our core strengths

At Tata Steel, profitable growth remains the bedrock of sustainability. In a year like no other, we delivered a robust performance by leveraging our core strengths, which also validates our roadmap. Our strong free cash flows from operations enabled us to deleverage and accelerate capital deployment in immediately growth-accretive projects.

Our operational capacity in India (MnTPA)

Present	**Target capacity by 2030**
19.6	35-40

Poised to double our India capacity within a decade

The Kelpies, Falkirk, Scotland

The Kelpies are two monumental steel sculptures of horses' heads. Visually stunning and standing up to 30 metres high, they represent a truly remarkable feat of engineering.

For its strength and versatility, more than 300 tonne of Tata Steel's Celsius 355 hot-finished Structural Hollow Section was provided to create the complex frames that form the dramatic internal structure and were crucial factors in bringing The Kelpies 'to life'.

Sure, we make steel.
But #WeAlsoMakeTomorrow

ABOUT TATA STEEL

CORPORATE PORTRAIT

Forging our resolve to be future-ready

As one of the world's most geographically diversified steel producers, Tata Steel strives to be the global steel industry benchmark for value creation, corporate citizenship and business ethics. Through our completely integrated operations in India, we cater to a wide array of industries with an unparalleled focus on innovation and cutting-edge technologies. Together, with our stakeholders, we are building a sustainable enterprise that's capable of standing the test of time.

Operations
Integrated from mining to finished steel
Page 16

Products
Diverse product range across segments
Page 18

Presence
Wide presence across the country
Page 19

At Tata Steel, we leverage our innovation capabilities, technology leadership and focus on sustainability to create long-term value.

INNOVATION

Creating solutions that make a positive difference to the society with patents, new products and materials and developing in-house technologies.

TECHNOLOGY

Technology leadership is a strategic enabler to achieve sustainable differentiation and create innovative businesses.

SUSTAINABILITY

Remaining committed to conserving natural resources while ensuring sustainable growth and fostering strong relationships with communities.

Vision

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

We make a difference through:

- OUR PEOPLE
- OUR OFFERINGS
- OUR INNOVATIVE APPROACH
- OUR CONDUCT
- OUR POLICIES

Mission

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

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

Values

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

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

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

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

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

Bogibeel Bridge, Assam, India

Spanning 4.94 km across the Brahmaputra, the Bogibeel bridge – India's longest rail-cum-road bridge—shortens travel time for no less than 5 million people in Assam.

Over 75% of the rebars used in the fully welded steel-concrete composite girders are Tata Tiscon SD, capable of taking heavy loads and withstanding severe earthquakes. Helping bridge the gap between today and tomorrow.

Sure, we make steel.
But #WeAlsoMakeTomorrow.

INTEGRATED OPERATIONS

Inbuilt excellence for tomorrow and beyond

Our fully integrated operations – from mining to finished steel production – enables us to deliver superior value proposition. We invest continuously in process efficiency and state-of-the-art technology with a relentless focus on innovation.

MANUFACTURING FACILITIES IN INDIA

Jamshedpur

The Jamshedpur plant is our flagship facility and is among the first steel plants in Asia. It is also the only facility in India to produce steel at the same site continuously for over 100 years. Our sustainable growth has been driven by operational excellence and culture of continuous improvement.

In FY 2019-20, Tata Steel's subsidiary, Tata Steel Long Products Limited, (TSLP) acquired the steel business of Usha Martin Limited with specialised ~1 MnTPA alloy-based manufacturing capacity in long products, at Jamshedpur.

11 MnTPA*

Installed capacity

Kalinganagar

Commissioned in 2016, the Kalinganagar plant attained production levels at its rated capacity of 3 MnTPA in less than two years. A capacity expansion to 8 MnTPA (Phase II) is currently underway, which will augment our product portfolio with new value-added products while driving operational efficiency.

3 MnTPA

Installed capacity

Dhenkanal

Tata Steel BSL's plant in Dhenkanal is one of India's largest integrated steel mills equipped with steelmaking and finishing facilities, with downstream operations at Sahibabad (Uttar Pradesh), Khopoli (Maharashtra) and Hosur (Tamil Nadu).

5.6 MnTPA

Installed capacity

*includes Steel Works, Jamshedpur (Tata Steel) and plant at Gamharia (TSLP)

RAW MATERIALS

The making of steel involves complex metallurgical processes and technological expertise of the highest degree. We source most of our required raw materials from our captive mines, which provide supply security and enable us to keep costs low as well as drive resource efficiencies.

With over a century of experience, we strive to uphold responsible mining practices

Coal

- Sourced from two mine groups: Jharia Group and West Bokaro Group
- Jharia has a leasehold area of 5,500 acres across two colliery groups (Jamadoba and Sijua), five operating underground collieries and washing capacity of 3 MnTPA
- West Bokaro has a leasehold area of 4,300 acres, with two opencast sites, a coal washing and processing capacity of 6.5 MnTPA, and dispatch circuit and loading station of 7 MnTPA

9.5 MnTPA

Coal washing and processing capacity

Iron Ore

- Sourced from the captive mines of Noamundi in Jharkhand and Joda, Katamati and Khondbond in Odisha
- Jamshedpur and Kalinganagar procure 100% of their iron ore requirements from captive mines

100%

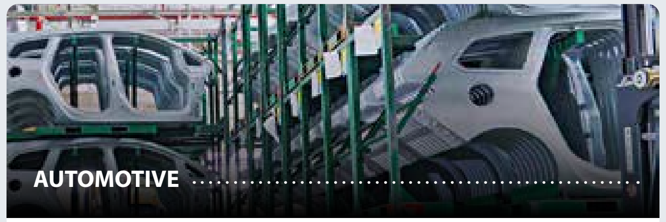
Captive iron ore sourcing

Ferro Alloys

- Supplied by the Ferro Alloys and Minerals Division (FAMD)
- Minerals sourced from manganese ore reserves of Odisha
- India's leading manganese alloy producer

PRODUCT PORTFOLIO AND GEOGRAPHIC PRESENCE

Catering to diverse customer segments



AUTOMOTIVE

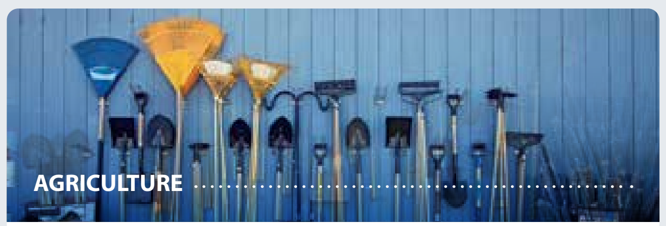
Market sub-segments	Products and brands
Auto OEMs* (B2B)	Hot-rolled (HR), Cold-rolled (CR), Coated Coils and Sheets
Auto Ancillaries (B2B) (B2ECA)	HR, CR, Coated Steel Coils and Sheets, Precision Tubes, Tyre Bead Wires, Spring Wires, Bearings

CONSTRUCTION

Market sub-segments	Products and brands
Individual House Builders (B2C)	Tata Tiscon (rebars), Tata Pravesh (steel doors and windows), Tata Shaktee (roofing sheets), Tata Pipes (plumbing pipes), Tata Structura (tubes)
Corporate and Government Bodies (B2B) (B2G)	Habinest (prefabricated houses), AquaNest Water Kiosks, Ezynest Modular Toilets, MobiNest (office cabins), Nestudio (rooftop houses), CanvaNest (EV charging station), Smart Easy Nest (for smart cities)
Infrastructure (B2B)	TMT Rebars (higher dia rebars and corrosion-resistant steel)
Housing and Commercial (B2ECA)	Tiscon Readybuild (cut and bend bars), Tata Structura (tubes), PC Strands (LRPC)**, Tata Nirman (Fine Aggregates), Tata Aggreto (Coarse Aggregates), Ground Granulated Blast Furnace Slag (Binder in concrete), WAMA – GC for walling

INDUSTRIAL AND GENERAL ENGINEERING

Market sub-segments	Products and brands
Panel and Appliances, Fabrication and Capital Goods, Furniture (B2ECA)	Tata Steelium (CR), Galvano (Coated), Tata Astrum (HR), Tata Structura (tubes), Tata Astrum (for fabrication)
LPG (B2B)	HR
Welding (B2B)	Wire rods
Transmission Power and Distribution (B2B)	Tata Astrum (for fabrication)
Process Industries (Cement, Power) (B2B)	Tata Tiscrome (ferro chrome), Tata Ferromag (ferro manganese), boiler tubes, Tata Pipes, Tata Ferroshots (Secondary Steel), Blast Furnance Slag (Cement), Metallics (Secondary Steel), Coal Tar (Chemical Industry)



AGRICULTURE

Market sub-segments	Products and brands
Agri Equipment (B2B)	Bearings
Fencing, Farming and Irrigation (B2C)	Galvanised iron (GI), wires, agricultural and garden tools, conveyance tubes

Notes:

B2B – Business to Business; **B2C** – Business to Consumer; **B2G** – Business to Government; **B2ECA** – Business to Emerging Corporate Account

*OEM: Original Equipment Manufacturer **LRPC: Low-relaxation Pre-stressed Concrete

Our footprint

(TATA STEEL LIMITED)

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

DOWNSTREAM OPERATIONS

Tubes Manufacturing and Agrico

1 **Jamshedpur**

Wires Manufacturing

1 **Jamshedpur** 2 **Tarapur**

3 **Pithampur** 4 **Indore**

Bearings Manufacturing

5 **Kharagpur**

RAW MATERIAL LOCATIONS

Iron Ore Mines and Quarries

6 **Noamundi** 7 **Joda East**

8 **Katamati** 9 **Khondbond**

Opencast Coal Mines

10 **West Bokaro**

Underground Coal Mines

11 **Jamadoba Group** 12 **Sijua Group**

RAW MATERIALS REVENUE STREAM (Ferro Alloys and Minerals)

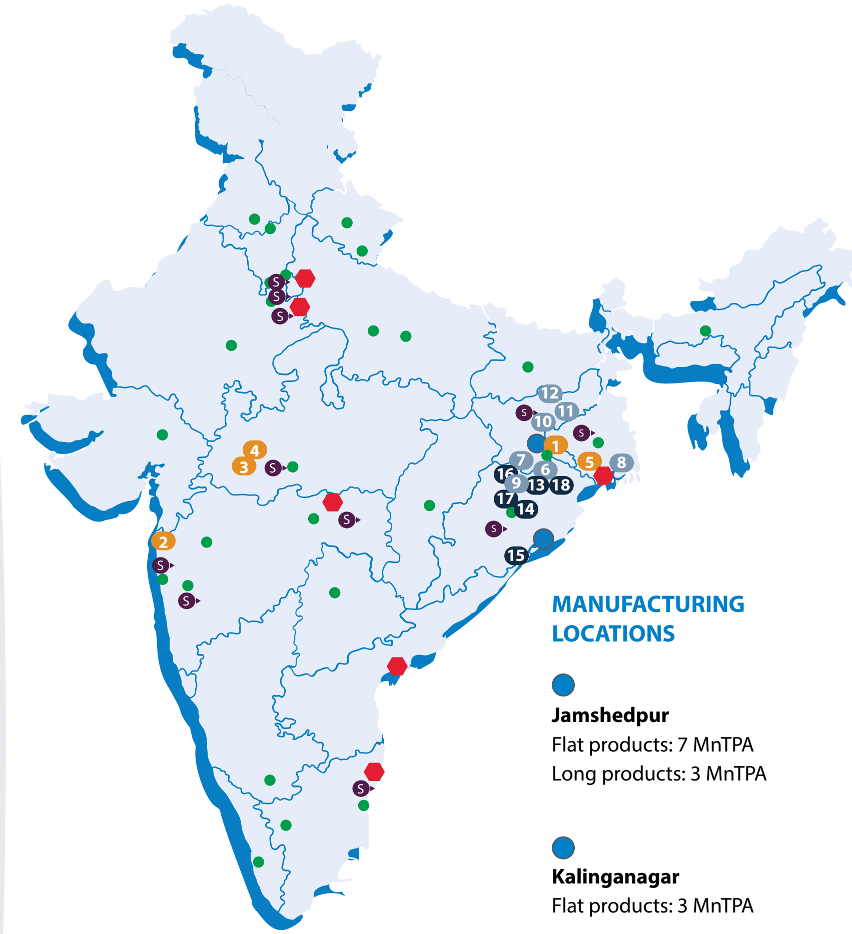
Ferro Alloys Plants

13 **Joda** 14 **Bamnipal** 15 **Gopalpur**

Manganese Mines

16 **Joda West** 17 **Bamebari**

18 **Tiringpahar**



MANUFACTURING LOCATIONS

Jamshedpur
Flat products: 7 MnTPA
Long products: 3 MnTPA

Kalinganagar
Flat products: 3 MnTPA

6
Zonal Hubs
Delhi, Faridabad, Nagpur, Kolkata, Chennai and Vijayawada

38
Steel Processing Centres
SPCs across 11 locations (Jamshedpur, Kalinganagar, Chennai, Kolkata, Faridabad, Manesar, Pune, Mumbai, Indore, Delhi and Nagpur)

27 **Sales Offices**

18 **Stockyards**

262 **Distributors**

14,688 **Dealers**

INTRODUCING OUR CAPITALS

Effective utilisation of resources

Staying true to our founding philosophy of 'profits with a purpose', we have adopted a multi-capital, integrated approach in our decision-making and disclosure practices. Communicating our business objectives using this approach helps our stakeholders identify the most significant levers for value creation and preservation.

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Financial capital

At Tata Steel, our focus is on optimising returns to the providers of our financial capital. We endeavour to maximise surplus funds from both business operations and monetisation of assets and investments.

₹64,869 cr.	₹21,952 cr.
Revenue from operations	EBITDA

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Manufactured capital

It is our constant endeavour to adopt best available technologies to maintain and upgrade facilities in our integrated steel operations for improving efficiency, safety, sustainability and reliability of our processes.

13.24 MnT	12.19 MnT	12.36 MnT
Hot Metal Production	Crude Steel Production	Deliveries

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Intellectual capital

Our focus on innovation and research reinforces our drive to improve operational efficiency, resource optimisation and sustainability. We incorporate customer requirements (current and future) in our product development while also collaborating with experts, academia, technologies providers, research institutions, etc. for our Research & Development (R&D) efforts.

₹231 crore	109	79
R&D spend	Patents granted	New products developed

Note: Above figures pertain to Tata Steel Limited

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Human capital

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

745 tcs/employee/year	0.55
Employee productivity	Loss Time Injury Frequency Rate (LTIFR)
7.4%	17.2%
Women in workforce	Affirmative Action community in workforce

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Natural capital

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

Tata Steel Jamshedpur

2.29 tCO_2/tcs	100%	2.25 m^3/tcs	0.82 m^3/tcs
CO_2 emission intensity	Solid waste utilisation	Specific freshwater consumption*	Effluent discharge intensity

Tata Steel Kalinganagar

2.44 tCO_2/tcs	99.7%	4.16 m^3/tcs	0.21 m^3/tcs
CO_2 emission intensity	Solid waste utilisation	Specific freshwater consumption*	Effluent discharge intensity

*excludes drinking water consumption

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Social and Relationship capital

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

1.61 million	83.3	844	201
Lives reached through CSR activities	Customer satisfaction index (Steel) (Score out of 100)	Suppliers trained through Vendor Capability Advancement Programme (VCAP)	Critical suppliers assessed on Responsible Supply Chain Policy

Note: tcs - tonnes of crude steel

BUSINESS MODEL (TATA STEEL LIMITED)

Steps to create long-term value

INPUTS

FINANCIAL CAPITAL

- Net Worth (₹ cr.)	91,267
- Net Debt (₹ cr.)	20,219

MANUFACTURING CAPITAL

- Steel processing centres - Own (Nos.)	38
- TSJ installed capacity - Crude Steel (MnT)	10
- TSK installed capacity - Crude Steel (MnT)	3

INTELLECTUAL CAPITAL

- Collaborations/memberships (Technical Institutes) (Nos.)	20
- Patents filed (Nos.)	119
- R&D spend (₹ cr.)	231

HUMAN CAPITAL

- Employees on roll* (Nos.)	31,189
- Investment in employee training and development (₹ cr.)	151.12
- Employee trained (Person-days)	1,98,881

NATURAL CAPITAL

- TSJ - Energy intensity (Gcal/tcs)	5.61
- TSK - Energy Intensity (Gcal/tcs)	6.24
- TSJ - Specific fresh water consumption** (m^3/tcs)	2.25
- TSK - Specific fresh water consumption** (m^3/tcs)	4.16
- Import of raw materials (MnT)	14.6
- Capital spend on environment (₹ cr.)	33

SOCIAL & RELATIONSHIP CAPITAL

- Pan-India dealers (Nos.)	14,688
- Pan-India distributors (Nos.)	262
- Customer- facing processes (Nos.)	11
- Customer service teams (Nos.)	34
- Active supplier base (Nos.)	5,071
- CSR spend (₹ cr.)	222

VALUE CREATION APPROACH

OUR VISION

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

OUR VALUES

INTEGRITY

EXCELLENCE

UNITY

RESPONSIBILITY

PIONEERING

STRATEGIC OBJECTIVES

SO1 Leadership in India

SO2 Consolidate position as global cost leader

SO3 Attain leadership position in adjacent businesses

SO4 Leadership in Sustainability

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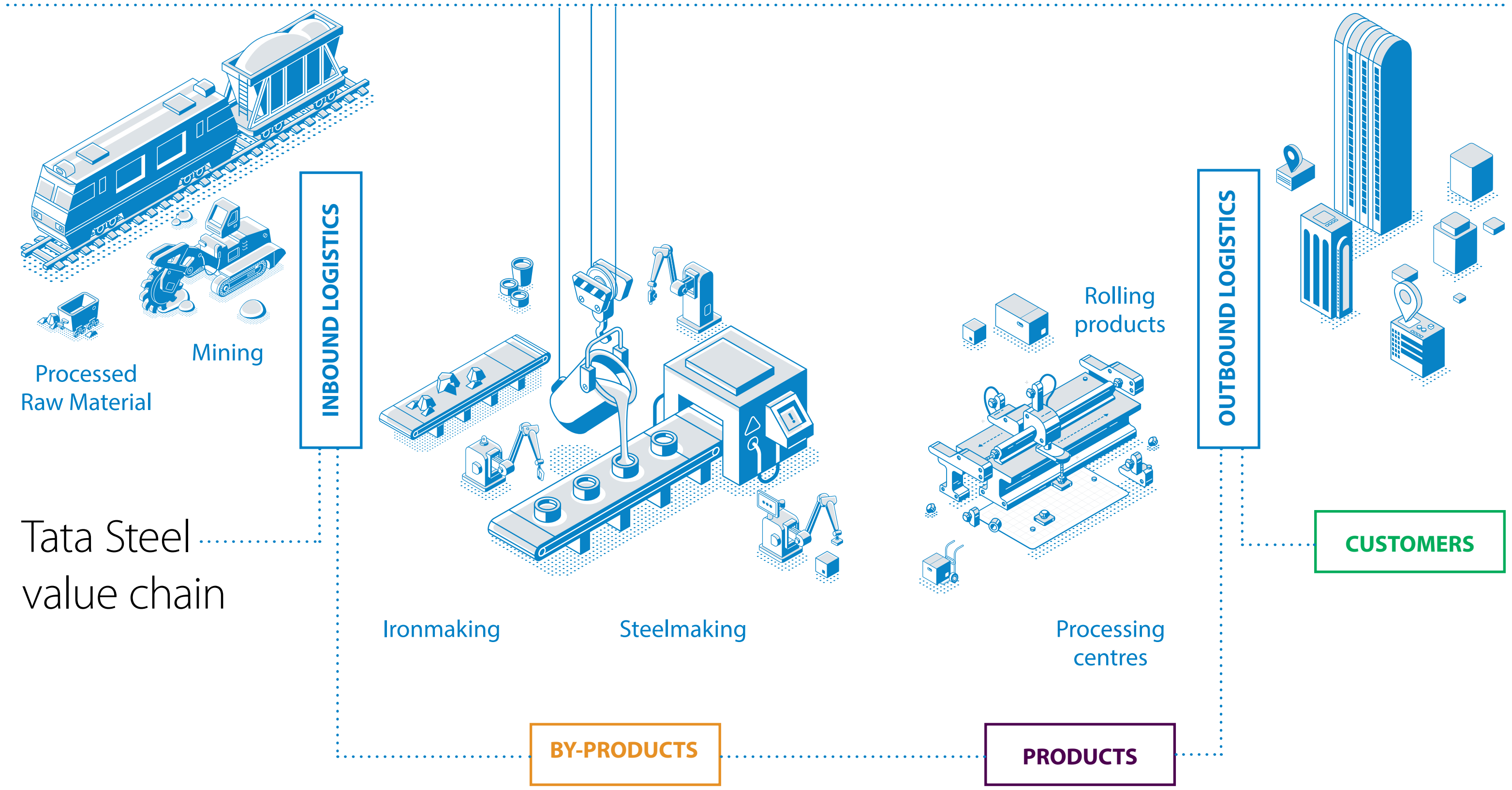


OUTPUTS

FY 2020-21 HIGHLIGHTS

12.19 MnT Crude steel production

13.24 MnT Hot Metal production

12.36 MnT Deliveries

7.4 MnT Enriched/ value-added product sales

> 12 MnT By-products generated

OUTCOMES

FINANCIAL CAPITAL

- Turnover (₹ cr.)	64,869
- EBITDA (₹ cr.)	21,952
- Savings through Shikhar25 projects (₹ cr.)	3,274

INTELLECTUAL CAPITAL

- Patents granted (Nos.)	109
- New products developed (Nos.)	79

HUMAN CAPITAL

- Health index (Score out of 16) (Nos.)	12.83
- Diversity -% women in the workforce#	7.4
- Employee productivity (tcs/employee/year)$	745
- Affirmative Action workforce (%)	17.2
- LTI (Nos.)	95
- LTIFR (Index)	0.55
- Workforce covered through formal trade unions (%)	86.1

NATURAL CAPITAL

- TSJ - CO_2 emission intensity (tCO_2/tcs)	2.29
- TSK - CO_2 emission intensity (tCO_2/tcs)	2.44
- TSJ - Solid waste utilisation (%)	100
- TSK - Solid waste utilisation (%)	99.7
- TSJ - Dust emission intensity (kg/tcs)	0.29
- TSK - Dust emission intensity (kg/tcs)	0.49
- TSJ - Effluent discharge intensity (m^3/tcs)	0.82
- TSK - Effluent discharge intensity (m^3/tcs)	0.21
- Total sites covered under biodiversity management plans (%)	52.38

SOCIAL & RELATIONSHIP CAPITAL

- Suppliers assessed based on safety (Nos.)	745
- Customer satisfaction index (Steel) (out of 100)	83.3
- Net promoter score (Out of 100) - Tata Tiscon	91
- Net promoter score (Out of 100) - Tata Shaktee	80
- Suppliers trained through VCAP@ (Nos.)	844
- Business associates trained on TCoC^ (Nos.)	1,747
- Critical suppliers assessed on Responsible Supply Chain Policy (Nos.)	201
- Quality/customer complaints (PPM)	452
- Lives reached through CSR initiatives (million)	1.61
- Loyalty score (Out of 100)	88.5

TSJ - Tata Steel Jamshedpur

TSK - Tata Steel Kalinganagar

*Employees on roll - Number of permanent employees of company (officers + non-officers) except those on deputation + doctors on contract

**excludes drinking water consumption

Diversity - % women in the workforce is defined as percentage of permanent women employees (officers + non-officers) as per Employee on Roll (EOR) report over total workforce as per EOR report (includes doctors on contract)

$ Employee productivity is defined as amount of crude steel produced (in tonne) per employee in the given year. Employee count here is segregated based on Works/ Services functions

@VCAP - Vendor Capability Advancement Programme

^"Business Associate" here means suppliers, customers, vendors, dealers, distributors, franchisees, lessors, lessees or such other persons with whom Tata Steel has any business or transactional dealings including the Business Associate's employees, agents and other representatives

VALUE CREATION IMPERATIVES

Drivers of sustainable long-term value creation

Our stakeholders comprise providers of financial capital as well as other stakeholders. Our value creation model leverages our core competencies and focusses on creating a best-in-class integrated value chain. At Tata Steel, we not only pursue financial outcomes but also invest in the sustainability and preservation of natural resources, technology, the development and well-being of our employees as well as communities to make us future-ready.

Contributing to global goals

Through our process of managing our capitals and creating value, we make significant contributions to the United Nations Sustainable Development Goals (UN SDGs).
Our priorities for sustainable development are aligned to those of India as well as the steel industry. As a responsible corporate citizen, we have mapped our capitals to the 17 SDGs.

SUSTAINABLE DEVELOPMENT GOALS

Medical Staff at Tata Main Hospital remain committed to a healthier tomorrow

Imperatives for value creation

Structural

- Balance the portfolio in favour of growing Indian market for steel products and services
- Completion of capacity expansion at Kalinganagar to reach 8 MnTPA
- Growth in long products portfolio and driving synergies from acquisitions
- Attain leadership position in Adjacent Businesses (New Materials, Services & Solutions, Mining)
- Create a sustainable business in Europe
- Simplify and consolidate Tata Steel Group companies

Financial

- Focus on deleveraging, fund profitable growth in India
- Structural cost reduction through focus on raw materials security and logistics infrastructure
- Drive operational efficiencies and cost effectiveness through structured continuous improvement programmes (Shikhar25)
- Consolidate position as global cost leader

Cultural

- Attract top talent by becoming an employer of choice
- Focus on safety leadership and strengthen processes
- Leverage digital technology to enhance efficiency and enable business transformation
- Focus on R&D and technology to achieve technology leadership in the steel industry
- Build a culture and capability of breakthrough innovation
- Foster a culture of agility

Enhancing sustainable value

Our business model is designed to create long-term value for all our stakeholders. With integrated operations across the steel value chain, we are developing world-class products and solutions, while improving efficiencies and elevating customer experience. We are also investing in best available technologies to drive business transformation in a rapidly changing world.

OUR LEADERSHIP

BOARD OF DIRECTORS

Mr. Ratan N. Tata
Chairman Emeritus

Board Committees

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

- Member
- Chairperson

Standing (Left to Right)

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

V. K. Sharma
Non-Executive Director
5 6

Peter Blauwhoff
Independent Director
1 4 6

Deepak Kapoor
Independent Director
1 3 5

Saurabh Agrawal
Non-Executive Director
1 4

Koushik Chatterjee
Executive Director and Chief Financial Officer
3 4 5

Not in picture

Parvatheesam Kanchinadham
Company Secretary & Chief Legal Officer (Corporate & Compliance)

Seated (Left to Right)

Aman Mehta
Independent Director
1 4

N. Chandrasekaran
Chairman
2

Mallika Srinivasan
Independent Director
2 6

O. P. Bhatt
Independent Director
1 2 3

CHAIRMAN'S MESSAGE

Transforming for a better future

Over the entire pandemic period, your Company's #CombatCovid19 programme and direct COVID care support has reached the lives of over one million beneficiaries, providing medical and sustenance supplies, treatment, counselling and livelihood support.

N. Chandrasekaran
Chairman

Dear Shareholders,

It is my privilege to write to you and present the Integrated Report for FY 2020-21. I hope this letter finds you safe and in good health.

The past 18 months have been dramatic in a way we have not experienced before. On one hand we have collectively faced overwhelming challenges and hardships. The human toll alone is difficult to accept, and vulnerabilities in healthcare and social safety nets across the world have been laid bare. At the same time, we have experienced advancement that we could not have imagined – from scientific breakthroughs to new ways of learning, living and working.

The spread of the COVID-19 pandemic brought economic activity to a near-standstill in the first half of FY 2020-21. Global growth plunged 3.5% Y-o-Y in 2020 – the deepest global recession since the Great Depression. India's (FY 2020-21) GDP is estimated to have contracted by 7.7% Y-o-Y. Yet despite the dramatic toll on lives and livelihoods, resurgent demand in China and a better-than-expected post-lockdown recovery in H2 meant the effect on the global steel industry was relatively benign.

In 2021, the global economy is poised to grow 6% Y-o-Y, driven by policy support and improving consumer sentiment. The outlook for the global steel industry in 2021 is positive, benefiting from the substantial fiscal stimulus – especially infrastructure-supportive spending – by governments in the developed world and China, as well as the global manufacturing recovery.

Beyond the near-term uncertainty, it is clear that the post-pandemic world will be unavoidably different. Recent years have been marked, for example, by elevated geo-political volatility, accelerated technology disruption and greater action to mitigate climate risks, among other important global trends. The pandemic has accelerated many of these shifts, while underscoring the pace at which we need to act to remain ahead of the curve.

Tata Steel's Four Pillars of Transformation

Tata Steel Group has pursued four broad dimensions of transformation that position us strongly and boldly for the future. This strategy reflects in the steps we have taken during this difficult, pandemic-disrupted year.

1

Resilience and Agility

One of the keys to our agility and resilience was a robust risk framework, which raised early red flags related to the pandemic, giving the organisation an important head start – on the order of a month – for preparations which proved crucial.

In FY 2020-21, your Company achieved its highest ever consolidated EBITDA of ₹30,892 crore with 71% Y-o-Y growth, translating to an EBITDA per tonne of ₹10,838 and an EBITDA margin of ~20%. This was driven by higher prices, a better product mix, and operating efficiency initiatives. Your Company also recorded its highest-ever free cash flow of ₹23,748 crore, driven by efficient management of working capital and a strong focus on cash.

Two notable examples of resilience stand out. Despite challenging market conditions (India's FY 2020-21 GDP contracted 7.7% Y-o-Y), deliveries at Tata Steel India increased 2% over FY 2019-20, enabled by a seamless shift to exports in the first half of the year. Tata Steel India was cash positive in Q1FY2021, a significant achievement given the pandemic. Your Company has reclassified Tata Steel South East Asia operations to 'Continuing Operations' from 'Held for Sale', on the back of a 50% increase in EBITDA to ₹549 crore. This was enabled by higher prices and a focus on raw material cost reduction.

2 Simplification and Scale

Riding the steel cycle to deleverage far beyond targets, and successfully integrating key acquisitions, are key indicators of your Company being well-positioned for both inorganic and organic growth opportunities. As part of the enterprise deleveraging plan, Tata Steel Group completed deleveraging of net debt by ₹29,390 crore (~$4 billion) in FY 2020-21, surpassing the annual deleveraging target of $1 billion. As a result, its net debt-to-EBITDA ratio has dropped to a healthy 2.4 in FY 2020-21, from 5.8 in FY 2019-20 and 3.2 in FY 2018-19.

This success has enabled us to continue critical capital expenditure focussed on India, including the ongoing Pellet plant and Cold Roll Mill commissioning at Tata Steel Kalinganagar. Once completed, these investments will help expand margins by boosting value-added products into the existing mix.

We progressed further on simplifying the India business to create four clusters: Long Products, Mining, Downstream and Utilities & Infrastructure Services. Most notably, progress was made on the Scheme to amalgamate Tata Steel BSL and Tata Steel, with both companies' shareholders approving the Scheme at a March 2021 meeting.

Operational integration focussed on improved efficiencies has reflected in the robust financial performance of Tata Steel BSL and Tata Steel Long Products, which delivered FY 2020-21 EBITDA of ₹5,481 crore and ₹1,154 crore respectively, a marked improvement on FY 2019-20 EBITDA of ₹2,370 crore and ₹184 crore, respectively.

Tata Steel BSL's performance is particularly commendable. Its EBITDA grew 131% from FY 2019-20 to FY 2020-21, as a result of increasing use of captive raw material, combined cargo planning (inbound and outbound), and manufacturing of Tata Steel branded products at Tata Steel BSL plants at arm's length. This rapid business transformation experience will be invaluable as the steel industry's consolidation continues over the next decade.

In Europe, the pandemic-induced economic contraction saw a 11% reduction in 2020 steel demand over 2019 and created considerable challenges for Tata Steel Europe. Following the termination of the discussions with SSAB on Tata Steel Netherlands, the Company is focussed on performance and cash flows in the immediate term. The process to separate Tata Steel Netherlands and Tata Steel UK is currently underway. Tata Steel remains committed to arrive at a strategic and sustainable resolution for its European portfolio.

3 Technology and Digital Leadership

Tata Steel plants have been recognised widely for the pioneering use of advanced analytics to optimise the way raw materials are used, as well as embedding – through capability building and worker training – the ability to continue driving improvements over time. In turn, this digital analytics effort has helped raise margins by several percentage points, making Tata Steel plants among the most advanced steel plants globally.

This year, the Tata Steel Jamshedpur plant was recognised as part of the World Economic Forum (WEF) Global Lighthouse Network, in addition to our IJmuiden and Kalinganagar plants.

Beyond core technology innovation, your Company will pursue its digital sales channel. Revenue through Tata Steel India's e-commerce portal Aashiyana increased to ₹726 crore – growing 130% over FY 2019-20 – enabled by more consumer touchpoints and higher adoption by ecosystem partners.

Going forward, we will focus on six areas of technology leadership: utilising low-quality raw material; coatings of the future; mobility; carbon capture and usage; hydrogen and water.

4 Enabling Planet Resilience

Leadership in mitigating emissions, in accessing low-cost clean energy, and in providing circular economy solutions will define our sector's journey going forward. Tata Steel India and Tata Steel Europe are already recognised as 'Sustainability Champions' by the World Steel Association (WSA). Tata Steel's IJmuiden plant is among the most environmentally efficient and cost competitive steel producers in Europe and as a result, Tata Steel Netherlands is ranked in top 5 lowest CO_2 emitting heavy industries by WSA.

But we know there is much more to be done. This year, we created the long term decarbonisation plan for Tata Steel India, Tata Steel Netherlands and Tata Steel UK. In India, we ventured into the Steel Recycling business, a definitive step towards a lower footprint production process across emissions, resource-use and energy consumption. During the year, the company sent out its first raw material consignment of ferrous scrap for trials, from its Scrap Processing Plant (0.5 MnTPA capacity) at Rohtak, Haryana.

We are working to push our sustainability ambitions even further, exploring new manufacturing processes such as scrap-based electric arc furnaces and gas-based direct reduced iron; investing ahead on promising green technologies like Carbon Capture Use and Storage (CCUS); assessing the long-term supply of key inputs such as clean electricity and biomass for hydrogen production; and securing supply of carbon offsets.

Tata Steel's COVID-19 response

In this pandemic-defined year, Tata Steel has made considerable efforts to support our employees, families and communities in a number of ways. The second wave of the COVID-19 pandemic in India has seen a five to seven-fold increase in the demand for medical oxygen. As of May 2021, Tata Steel India has cumulatively supplied 55,000 tonnes of liquid medical oxygen from our installations. We also helped debottleneck oxygen transportation in the country by importing 40 cryogenic tanks, and more tanks are in the pipeline.

Over the entire pandemic period, your Company's #CombatCovid19 programme and direct COVID-Care support has reached the lives of over 1 million beneficiaries, providing medical and sustenance supplies, treatment, counselling and livelihood support. Across the Company's operating locations in Jharkhand and Odisha, over 1,600 COVID treatment beds were set up and 50,000 vaccinations administered. Over 2 million cooked meals were provided across various locations. In keeping with the ethos of the Tata Steel Group, we are continuing to deepen and broaden our efforts in timely response to the evolving nature of the pandemic.

In conclusion

As the Indian economy recovers from the pandemic, ongoing reform measures and forward-looking policies such as 'Atmanirbhar Bharat' have the potential to boost the growth trajectory. The steel industry is also entering a phase which will see better spreads enabled by robust demand and geo-political factors. The strategic moves your Company has made over the last few years has given it the structural and financial strength to capture the opportunities that arise going forward, while ensuring its resilience in the face of uncertainty and a dynamic operating environment. As we continue to position ourselves to capitalise on the opportunities of the coming decade, we will strive to be a leader in the transition to a greener economy – aiming to create a virtuous cycle of growth and returns for our shareholders.

This is the challenge ahead of us and a new frontier in an exciting journey for the Tata group. As a large and diverse conglomerate based in India, but with a global footprint, we are uniquely positioned for this leadership. Our companies are present in 150 countries, we employ over 7,50,000 people and touch the lives of 650 million consumers. I will be the first to say that we have a long journey ahead of us. But we are clear that this is the right journey we must undertake and have begun with pushing targets and ambitions forward.

Before I end, I would like to take this opportunity to thank all our employees and their families for their profound contributions in these trying times. I would also like to thank you shareholders for your continued trust, confidence, and support in the coming years.

Warm regards,

N. Chandrasekaran
Chairman

MANAGEMENT SPEAK

Focussing on all round excellence in an uncertain environment

Koushik Chatterjee
Executive Director and Chief Financial Officer

T. V. Narendran
Chief Executive Officer and Managing Director

Q. The last year, though challenging, has been rewarding for Tata Steel. What are your thoughts on the performance of Tata Steel in FY 2020-21?

The COVID-19 outbreak towards the end of FY 2019-20 brought economic activities to a near-standstill in the first half of FY 2020-21. Restrictions imposed on movement of people and business activities to contain the spread resulted in the contraction of global GDP by 3.5% in CY2020. Since then, the global economy has been recovering, driven by fiscal stimulus and accommodative monetary policies, followed by good progress in vaccination.

Despite the challenges, uncertainties and complexities due to the pandemic, Tata Steel Group delivered a strong performance in FY 2020-21. Consolidated steel production was at 28.54 MnT while total deliveries stood at 28.50 MnT, marginally below that of the previous year. Our consolidated revenues increased by 5% to ₹1,56,294 crore, driven by strong underlying performance of our India operations and improved performance of our European operations.

In India, despite a slow start in the first quarter of FY 2020-21, we delivered a strong performance for the year. Our business decisions during the year pivoted around cash flows and internal fund generations. Hence balancing of sales between domestic and export markets supported by an agile supply chain was crucial for our success in the first half, while the second half witnessed a strong economic recovery. Most of the steel consuming sectors rebounded with support from government spending, pent-up demand and easing liquidity. Our India operations (which include Tata Steel BSL and Tata Steel Long Products) generated revenues of ₹91,037 crore, up 11% Y-o-Y.

The EBITDA margin of the India business was around 31.4% and that of Tata Steel (standalone) was 33.8% which demonstrates the strength of the business.

Overall, we achieved a consolidated EBITDA of ₹30,892 crore, driven by multiple factors including improved market environment, a better product mix, continued cost takeout programmes and benefits derived through operational and financial efficiency. With disciplined capital allocation and tight working capital management, Tata Steel's full year free cash flow after capex was ₹23,748 crore. In FY 2020-21, consolidated profit after tax for Tata Steel Group stood at ₹8,190 crore, significantly above ₹1,172 crore reported a year ago. The increase was mainly due to a significant improvement in the underlying business performance resulting in a robust level of earnings for the year.

Q. Deleveraging has been your strategy for a few years now and FY 2020-21 was very successful for Tata Steel on that front. Can you walk us through this achievement?

As we mentioned earlier, our business decisions are pivoted on cash flows. During an unprecedented year like FY 2020-21 it was important to conserve cash flows using multiple levers. Using discretionary judgement towards this goal, we prioritised our capital expenditure across the Tata Steel Group level and restricted our spend to about ₹7,000 crore. Our focus on operational excellence, including working capital management and aggressive liquidity management, helped us reduce our net debt by ₹29,390 crore. As a result, our consolidated net debt at year end was at ₹75,389 crore, down 28% from FY 2019-20. While as a policy we have an annual target to reduce our gross debt by $1 billion, we have accelerated our deleveraging programme and reduced our net debt substantially during the year. Our credit metrics at the end of the year have improved substantially with Net Debt to EBITDA under 2.5x and Net Debt to Equity less than 1x on a consolidated basis. Going forward, in FY 2021-22, we intend to reduce the debt further while prioritising capital allocation on the on-going expansion project in Kalinganagar.

Q. What are the major focus areas for FY 2021-22?

Strengthening the Balance Sheet continues to be the enterprise strategy of the Company. While we are seeing a surge in COVID-19 cases in the second wave across the country, we are focussed on completing the Cold Rolling Mill complex and the Pellet Plant in Kalinganagar in the next 12 months. Both these projects are margin expansionary and are very high IRR projects. We have also restarted the work on the upstream expansion in Kalinganagar. We aim to strike an optimal balance between capital expenditure and debt repayment.

We are also expediting the simplification of Tata Steel Group portfolio and creation of four major business clusters – Long Products, Downstream, Mining, Utilities & Infrastructure Services. We are also on course to amalgamate the business of Tata Steel BSL into Tata Steel and smooth integration of Tata Steel BSL is important. We have obtained the approval of shareholders on the scheme of amalgamation and are now working towards obtaining the necessary statutory approvals. It is important to mention that since acquisition, Tata Steel BSL has reduced its leverage significantly by ~60% and therefore has significantly paid back the acquisition cost. We are also focussing on enhancing our footprint in the long products and the mining business.

We are also focussing on scaling our adjacent businesses. In Services and Solutions, we are restructuring our distribution channels to cater to different segments while enhancing our manufacturing and execution capability. As we are seeing an urgent need for enhancing health infrastructure in the country, our Nest-In prefabricated product is now being deployed in providing COVID-19 isolation centres and for expansion of COVID-19 bed capacity across the country. We are therefore scaling up capacity and capability in this space. In the New Materials business, we are investing in creating a robust new product funnel while building strategic relationships. Sustainability and climate continues to be core focus areas in our strategy and business operations. We will continue to reduce our carbon emission footprint through process innovation and operational efficiency improvements.

We are also strengthening our business enablers. Tata Steel over the past few years has invested in building its digital infrastructure, which helped tide over not only the initial phase of the pandemic but continues to provide us with the critical enabler for business analytics and automation. We will continue to invest very significantly in digital across all business processes in the Company. As a company, we are also focussing significantly on technology, and we have identified six technology leadership areas, along with the creation of enabling infrastructure, to tap into the global technology and innovation ecosystem. We will continue to progress on the technology roadmap to create innovative products, invest in new processes and rework our business model in the future. Our workforce is one of our key assets. In FY 2020-21, Tata Steel was recognised as the best workplace in manufacturing (fourth time in a row) by Great Place To Work and in the coming year we will continue to work on diversity and inclusion. All of these initiatives are part of our strategy to be future ready and build on the foundations of an agile culture across the organisation.

> **We are also focussing significantly on technology, and we have identified six technology leadership areas.**

The process to reorganise our European portfolio, including the separation of Tata Steel Netherlands and Tata Steel UK businesses, is in progress. This will lead to more focus, higher performance accountability and optimise the global footprint. The Transformation Programme aimed at improving productivity and rationalisation of costs has started delivering in the last year and we expect to accelerate it further in the year ahead.

Q. Globally many organisations are focussing on their responsibility towards sustainable business practices. What steps is Tata Steel taking on this front?

At Tata Steel, sustainability has always been core to our strategy and business operations. As a responsible corporate citizen, we firmly believe in creating long-term sustainable value for all our stakeholders. We recognise our responsibility towards our people, our communities, the environment, and the planet at large. We are taking steps aligned with the UN Sustainable Development Goals and have incorporated the same in our long-term strategy and sustainability targets. As a responsible corporate, Tata Steel supports the UN Global Compact and strives to integrate its 10 principles in all facets of the business.

We are also leveraging technology to enhance our environmental responsiveness and are on course to establishing best-in-class manufacturing and distribution facilities to improve our operational and environmental performance. Tata Steel, being a signatory to the Task Force on Climate Related Financial Disclosures, has identified transition risks and opportunities to decarbonise its operations over a period and plans to mitigate these risks across all geographies.

We have also made progress in our steel recycling business initiative, which is a definitive step towards sustainable steel production. It will enable us to achieve lower carbon emissions, resource consumption and energy utilisation. During the year under review, we despatched our first raw material consignment of ferrous scrap for trials from the state-of-the-art scrap processing plant of 0.5 MnTPA at Rohtak, Haryana. We will continue our quest to remain industry leaders in sustainability by setting new benchmarks for a better tomorrow.

Supply chain is an integral part of our operations. We have adopted a Responsible Supply Chain Policy which is based on four important principles of Fair Business Practice, Human Rights, Health and Safety and Environmental Protection.

Both, Tata Steel India and Tata Steel Europe have been recognised by the World Steel Association as Steel Sustainability Champions for the fourth year in a row. The recognition is a testament to our commitment to sustainable business practices and our continued efforts to go beyond stakeholder expectations. During FY 2020-21, we also became a member of ResponsibleSteel™ - the steel industry's first global multi-stakeholder standard and certification initiative.

Supporting communities during unprecedented times

> **As a responsible corporate citizen, we are deeply committed to providing resources and support to help the community in all possible ways during this unprecedented crisis in the country.**

We will continue to pursue our goal to be the industry leader in sustainability by reducing our CO_2 emission intensity and specific fresh water consumption, developing sustainable supply chain and contributing towards the future circular economy.

Q. While the focus on achieving growth for the business is important, the COVID-19 pandemic is still not over, and this is certainly a risk for your people. What steps have you taken to ensure the safety and well-being of your people in these times?

Yes, the pandemic continues to be very prevalent in the country and the world. As we have always maintained, our people are our first priority. We are committed to achieving 'Zero Harm' and are working on various strategies to continuously enhance the health and safety standards within the organisation.

Our primary focus during the pandemic continues to be on the safety and well-being of our employees. The frontline employees who have been running the operations, supply chain and commercial functions have been working tirelessly during the year to ensure smooth functioning of the business. We adopted the POD concept across our operations which ensured continuity of business operation while containing the infection. Using our digital tracking app 'Suraksha', we were able to continuously monitor our workforce. Risk profiling of employees provided visibility of critical skillset availability to plan and manage operations which avoided any production loss due to closure or stoppage of facility. The deployment of video-based analytics ensured adherence of social distancing and mask wearing norms. Supported by 'Anywhere, Anytime, Secure computing', we were able to seamlessly shift to a work from home model and continued production with a skeletal on-site workforce. We also proactively ramped up medical infrastructure in all our areas of operations which catered to the communities in which we operate.

Q. Tata Steel has always been recognised for its service to the community at large. Can you highlight your contributions to help the society?

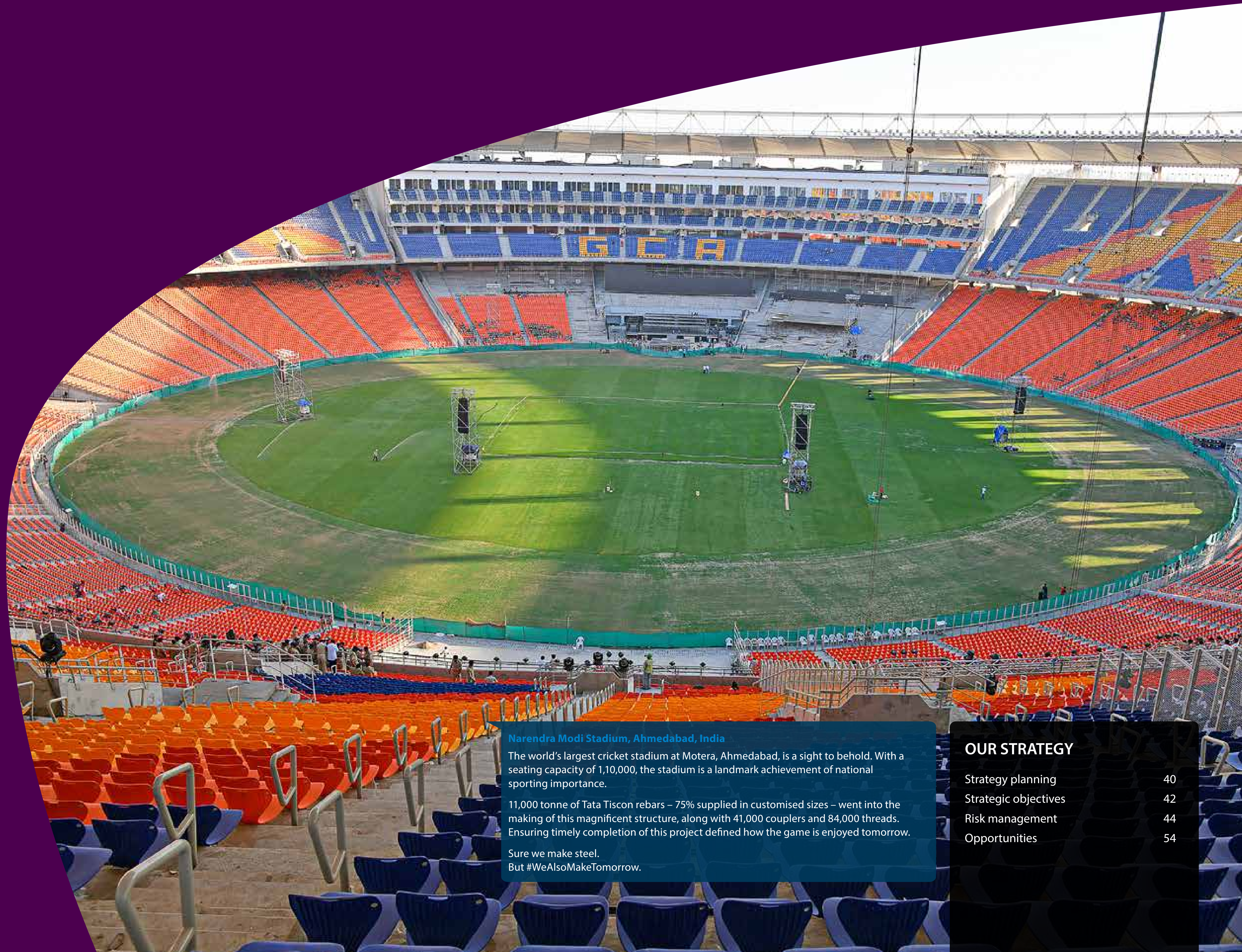
During the last year, our CSR programme reached more than 16 lakh (1.6 million) lives in the areas of health, access to drinking water, education, livelihood, sports and infrastructure development and most importantly through the interventions to support the community to combat the COVID-19 pandemic.

During the first wave of the pandemic in India, we could support about 10 lakh (1 million) citizens. We supported the communities and migrant labourers of the region with food, sustainable livelihood, provided safety support to the vulnerable communities and augmented the medical facilities at the designated hospitals for medical treatment.

In response to the health and sociological consequences of the second wave of the pandemic in recent months, we further scaled up our health and medical infrastructure. We now have around 1,600+ COVID-19 beds in the hospitals run or partnered by the Company which has all the modern facilities to treat COVID-19 patients, who are mostly from the community in and around our operations in Jharkhand and Odisha. Our frontline employees, be it doctors, nurses, paramedics, lab technicians, ward boys, volunteers and all support staff including the CSR employees, security personnel, employees manning civic facilities at different locations have been working tirelessly to support the CSR and community support programmes of the Company. As a responsible corporate citizen, we are deeply committed to providing resources and support to help the community in all possible ways during this unprecedented crisis in the country.

Creating materials of the future

At Tata Steel, we focus on developing solutions in sync with changing customer preferences. Backed by strong R&D, we have launched several value-added products. We forayed into advanced steel grades for future mobility needs and are developing alternatives to imported steel grades in the construction segment. We also entered the new materials business to explore opportunities beyond steel.



Narendra Modi Stadium, Ahmedabad, India

The world's largest cricket stadium at Motera, Ahmedabad, is a sight to behold. With a seating capacity of 1,10,000, the stadium is a landmark achievement of national sporting importance.

11,000 tonne of Tata Tiscon rebars – 75% supplied in customised sizes – went into the making of this magnificent structure, along with 41,000 couplers and 84,000 threads. Ensuring timely completion of this project defined how the game is enjoyed tomorrow.

Sure we make steel.
But #WeAlsoMakeTomorrow.

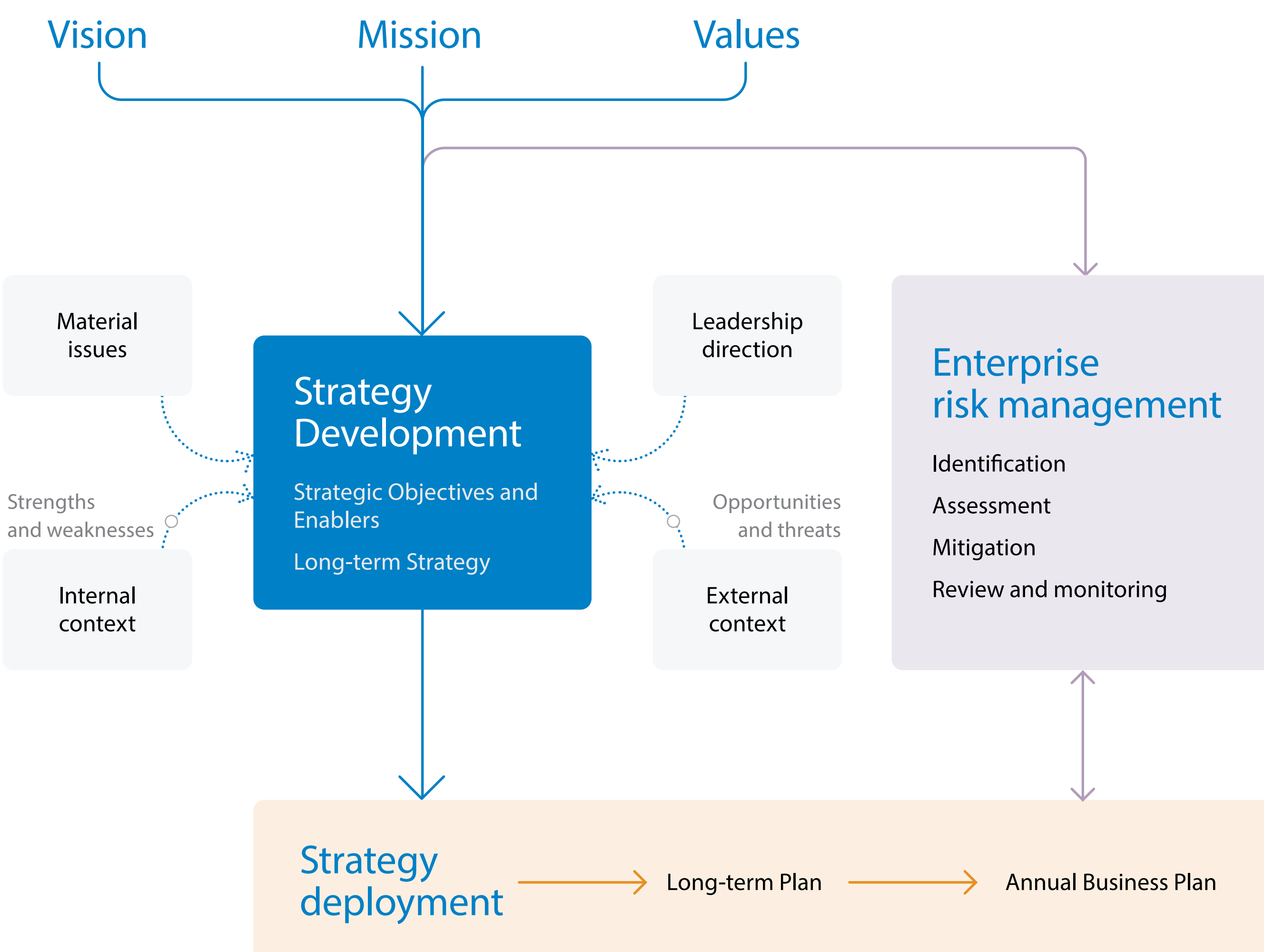
OUR STRATEGY

STRATEGY PLANNING

Thinking ahead to retain competitive edge

Our strategy planning process is influenced by the Vision, Mission and Values of the organisation, along with the strategic direction provided by the Senior Leadership Team. As part of the process, we examine both external and internal business environment and factor in potential risks and opportunities that could disrupt the industry. Materiality assessment provides insights to the changing needs of all our stakeholders.

Our long-term strategies and annual business plans are formulated as an outcome of the integrated strategy planning process. The overall strategy and plans are cascaded down to individual divisions/departments with clearly defined responsibilities across all employee levels.



We aspire to be the most valuable and respected steel company globally by 2030. In pursuit of this goal, we have refreshed our long-term strategies and extended the horizon to 2030. The priority for the next five years is to improve the structural and financial strength of the Company. This will provide the foundation for growth thereafter.

*NMB - New Materials Business
**S&S - Services and Solutions

Strategic Objectives

SO1

Leadership in India

Achieve scale to meet the growing steel demand in India and also be the most respected and preferred choice of discerning customers.

SO2

Consolidate position as global cost leader

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

SO3

Attain leadership position in adjacent businesses (NMB*, S&S**, Mining)

To achieve Tata Steel's vision of the future, it is important to explore and lead in adjacent businesses that leverage our capability and market opportunity. The approach is to have a capex-lite business model, differentiated through innovative solutions, technology and knowledge.

SO4

Leadership in sustainability

Tata Steel aspires to take a leadership role in sustainability in the steel industry. Technology will be a key enabler to address the growing challenge in a hard to abate sector such as steel.

Strategic enablers SE

Be the best place to work for in manufacturing in India

Tata Steel aspires to be the Best Place to Work for in Manufacturing, in India with a workforce that is future ready, engaged, and high performing.

Be part of the Top 5 in technology in steel industry globally

Tata Steel aspires to become the top choice of its customers by being a world-class steel technology company and demonstrating technology leadership globally.

Be the digital leader in steel industry globally

The steel industry is becoming smarter and more agile, evolving towards Industry 4.0. COVID-19 has accelerated this trend by years.

Tata Steel has made significant progress on the digital journey and aspires to use technology to be a digital leader in the steel industry globally by 2030.

Foster a culture which makes Tata Steel future ready

A well-defined culture shapes our corporate identity, paving the way for success and a lasting legacy. It is essential to focus on creating the right organisational culture that encourages agility and innovation while nurturing other traits which are ingrained in the organisation (like ethics, safety, continuous improvement, and culture of giving back to the community).

STRATEGIC OBJECTIVES

Resolute steps towards tomorrow

At Tata Steel, we aspire to be future-ready structurally, financially and culturally, in our pursuit to be the most valuable and respected steel company in the world. For our Indian operations, we have identified four Strategic Objectives (SOs) to create sustainable and profitable growth.

SO1 Leadership in India

SO2 Consolidate position as global cost leader

SO3 Attain leadership position in adjacent businesses

SO4 Leadership in sustainability

Strategic objectives	Focus areas	Key performance indicators	Goals
SO1 Leadership in India	• Increase capacity of India operations through organic and inorganic growth • Attain and retain leadership in chosen segments (current and new)	• Crude steel capacity • Market share	• 35-40 MnT Capacity by 2030 • Enter new segments and sustain #1 position in existing chosen segments
SO2 Consolidate position as global cost leader	• Continue to invest in raw material security • Cost improvement and value enhancement through structural interventions and Shikhar25 continuous improvement programmes	• Captive coal (%) • Captive iron ore (%) • Value accrual	• Maintain cost leadership at market price of raw materials • Cost reduction and value enhancement
SO3 Attain leadership position in adjacent businesses	• New Materials Business • Services and Solutions • Commercial mining	• Revenues	• Enhance revenue from adjacent businesses
SO4 Leadership in sustainability	• Benchmark in CO_2 emissions • Benchmark in water management • Value creation using circular economy business models	• CO_2 Emission Intensity: tCO_2/tcs • Specific fresh water consumption: m^3/tcs • Capacity of Steel Recycling Business (SRB): MnTPA • Value created from Industrial By-products Management Division (IBMD) business	• <1.8tCO_2/tcs by 2030 • <1.5 m^3/tcs by 2030 • Aim for water neutrality by 2030 • > 5 MnT by 2030 • Increase IBMD EBITDA by 2.4 times by 2030 over 2020

RISK MANAGEMENT

Risk landscape and mitigation measures

Macroeconomic and Market risks

COVID-19 induced restrictions may affect demand and supply chains thereby impacting sales.

Steel demand is also affected by trade barriers and protectionist policies. Fast-paced technological changes and shifting customer preferences may necessitate adoption of newer grades of steel and/or alternate materials.

Mitigation strategies

As domestic steel demand plunged due to COVID-19 induced lockdowns in Q1FY2021, sales were diverted for exports. New international markets were explored which provided better net realisations. Support was provided to distributors impacted by liquidity crunch. To support the fight against the pandemic, we designed and launched isolation and quarantine units using Nest-In and NMB solutions. During the lockdown, focus was on generating and conserving cash for exigencies.

The implementation of unlock measures in June 2020, resulted in faster than expected recovery for steel-intensive sectors. Initially the focus was on sales in non-containment zones and subsequently in improving domestic availability by reducing exports. With the improvement in demand for steel globally, the realisations improved sharply. We remain vigilant of the evolving pandemic situation and its impact on steel-intensive sectors.

In our endeavour to enhance footprint in India, we have built a diversified portfolio of product offerings for customers from a range of industries to counter slowdown in any one sector, region or segment. Dedicated marketing and sales teams service customers and build deep customer engagement by customising products, improving reliability and providing value added services. Tata Steel has invested in building a strong marketing franchise with well-regarded brands and a large network of dealers and retailers across the country. This helps in increasing the stickiness of sales and reducing the exposure to business cycles. It has also built distribution channels internationally to enable exports as and when desired.

Steel is a cyclical industry and the only way to beat this cyclicality is by offering solutions. We have forayed into ready-to-use steel for construction industry and introduced products such as steel doors and windows, furniture to enhance our retail customer base. Sustainable solutions (coated products) such as GalvaRoS and Colornova and customised solutions for the agriculture sector like Agronest have been introduced. We are also diversifying our product offering beyond steel by introducing new materials like composites, Fibre Reinforced Products, etc.

Strategic linkage

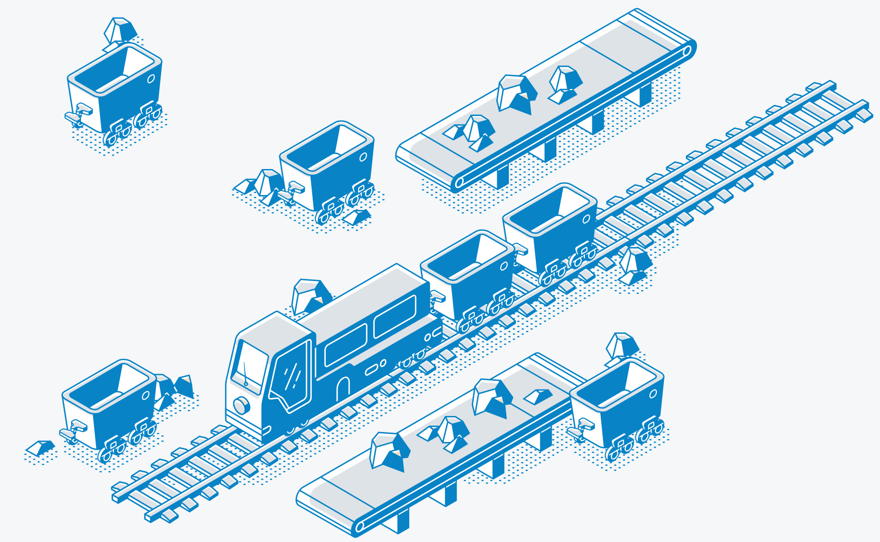
- SO1 Leadership in India
- SO3 Attain leadership position in adjacent businesses

Capitals impacted

- Financial capital
- Manufactured capital
- Social and Relationship capital

Commodity risks

Raw materials (mainly coal and iron ore) are a significant contributor to the input cost in steelmaking. These commodities have global supply chains and their prices get impacted by various factors such as dynamic geopolitical landscape, supply-demand imbalance, weather patterns, policy interventions by governments in key sourcing/consuming countries (especially China), etc. Our profitability can get significantly impacted due to the volatility in raw material prices.



Mitigation strategies

There is a significant co-relation between raw material and steel prices (sometimes with a lag). The balance risk is addressed through matching the sales tenure with the procurement tenure (e.g. annual fixed price steel contract to have an underlying fixed price iron ore) either through physical contracts or through use of hedging instruments. We have also developed a predictive analytics tool to have advance information on price direction so as to optimise buying decisions. The captive/domestic raw materials provide another avenue to guard against volatility as they have relatively stable cost/price.

Tata Steel has undertaken risk assessment to assess the capability of key vendors. We proactively engage on assessing the risk of single geography sourcing and mitigations have been put in place to diversify sourcing and/or find alternate materials.

Strategic linkage

- SO1 Leadership in India
- SO2 Consolidate position as global cost leader

Capitals impacted

- Financial capital
- Manufactured capital

Safety risks

We operate across multiple manufacturing locations and are subject to various stringent safety laws and regulations. Non-adherence to process and workforce safety requirements, safety laws and regulations may impact business continuity and reputation.

COVID-19 contagion poses risk to workforce health and safety, and may lead to business disruptions.

Mitigation strategies

We have created a strong safety governance structure and established a robust safety management system. Business Continuity Management process is institutionalised through the development of Tactical Centre for response to any major onsite emergency. The Process Safety, Centre of Excellence approach has been deployed for standardised implementation of Process Safety Framework in all high hazard processes. Safety trainings are conducted to meet the requirements of employees, contractors and other relevant stakeholders as a part of safety competency and capability enhancement initiative.

We leverage our digital ecosystem to manage the health and safety aspects arising due to the pandemic whilst ensuring business continuity. Setting up of an empowered committee of the Senior Leadership Team to tackle the COVID-19 pandemic facilitated agile decision-making and quick deployment of organisation-wide initiatives. An in-house developed prediction model is being used to predict manpower availability for up to 30 days, based on trend of COVID-19 positive cases and recoveries. Digital COVID-19 dashboard is in use to provide real-time information on COVID-19 profile of workforce, across locations. Video analytics has been leveraged to sense crowding. AI-based 'face mask detection' has been introduced within plant premises. Digital COVID-19 safety applications such as contact tracing, Suraksha scanners, and containment management have been developed. Standard operating procedures, relevant during and post COVID-19 operating environment, have been developed and disseminated across the organisation. Adherence to these is being implemented and monitored vigilantly to ensure safe workplace.

Safety Reward & Recognition has been introduced to motivate employees towards positive safety behaviour. Safety is key to our business operations and is a core business result for all employees in their performance management system.

Strategic linkage

SE Strategic enablers

Capitals impacted

- Manufactured capital
- Human capital

Operational risks

Steel industry is capital-intensive and maintenance of critical assets is vital. Conventional maintenance practices may be inadequate to deliver highest standards of equipment reliability leading to unplanned interruptions of operational processes

Mitigation strategies

With a dedicated team, Tata Steel focusses on formulation and execution of advanced maintenance practices to improve plant availability and reliability. We have developed Maintenance Technology Roadmap (MTR) for transitioning to Predictive Maintenance based regime. This will help to improve asset reliability across the steel value chain. Robust digital ecosystem, enabled leveraging data science and IoT for real-time shutdown management which was vital for ensuring optimal coordination during pandemic.

Recognition of Tata Steel's Jamshedpur and Kalinganagar units as 'Advanced 4th Industrial Revolution Lighthouse' by World Economic Forum is a testimony to the effectiveness of the organisation's investments in state-of-the-art equipment and processes.

Digital initiatives are also being undertaken to optimise inventory and improve process efficiencies to achieve benchmark availability at optimal cost.

Focused drive towards indigenisation of spares has helped in self-reliance and is also aligned to 'Make-in-India' concept. Accordingly, several vendor partners are being developed to supply world-class quality spares with minimum lead time.

We remain vigilant of the evolving pandemic situation and have taken several measures towards employee health and safety while ensuring continuity of business operations.

Strategic linkage

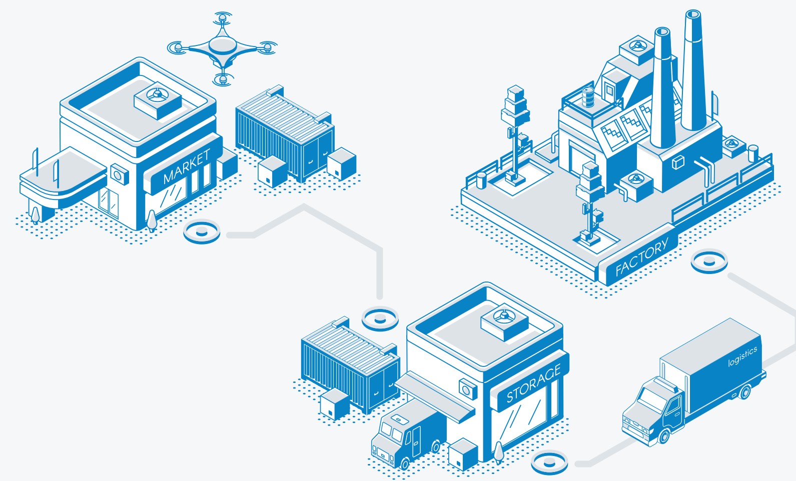
SO1 Leadership in India

Capitals impacted

- Financial capital
- Manufactured capital
- Natural capital

Supply chain risks

The supply chain network is subjected to physical and environmental destructions, trade restrictions due to geopolitical tensions and disruptions at suppliers. The developing rail, road, port infrastructure, handling facilities and dependence on outsourced partners may lead to disruption of operations.



Mitigation strategies

Tata Steel has a dedicated team focussed on managing its supply chain. We are continuously working towards diversification in sourcing and expanding our vendor base from other geographies to manage supply chain disruptions. Tata Steel has partnered with ports, shipping companies and logistics service providers including Indian Railways and trucking companies. Measures like logistics network optimisation, improving operational capacity at loading/unloading points and upgradation of existing facilities are being undertaken. Tata Steel has invested in schemes like Special Freight Train Operator (SFTO) and General Purpose Wagon Investment Scheme (GPWIS) for inducting private rakes to improve reliability of its supply chain network.

We undertook several initiatives to mitigate supply chain disruption due to the pandemic. Licences were obtained to continue operations and minimise disruption in supply chain. Exposure of crew and ships to high-risk countries was being monitored to assess potential quarantine requirements.

Close coordination with railways, trucking operators and ports ensured smooth movement of raw materials and finished goods.

As domestic sales dropped, active management of shipping vessels and ports, portfolio expansion of ports used and alignment of production plans of mills with export schedules helped to accommodate higher export volumes.

We remain vigilant of the evolving pandemic situation as we closely monitor critical elements in our supply chain.

Strategic linkage

- SO1 Leadership in India
- SO2 Consolidate position as global cost leader

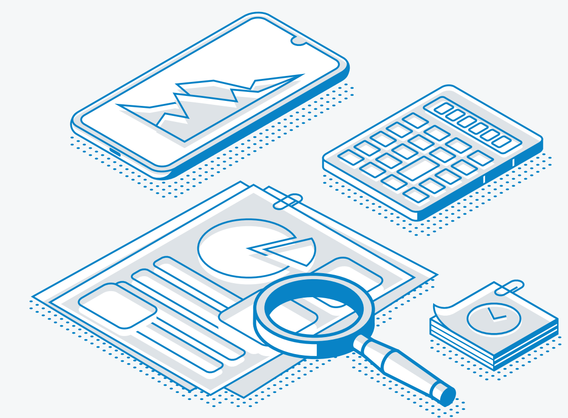
Capitals impacted

- Financial capital
- Manufactured capital

Financial risks

Tata Steel has a large debt portfolio and is exposed to volatility in financial markets which can impact the access to and cost of capital. We are also exposed to currency volatility given our import requirements, foreign currency debt as well as offshore operations. Concerns over climate change within international financial community can adversely affect credit appetite for the steel sector.

Lower than planned cashflow generation due to pandemic resurgence coupled with slow pace of vaccination may affect the targeted improvement in credit ratings.



Mitigation strategies

We are deleveraging through internal cash generation and monetisation of non-core assets. We have consciously diversified our sources of capital to tap alternate pools while exploring financing opportunities. We are continuously working towards increasing our debt maturity to provide additional flexibility to the business.

To counter the challenges posed by COVID-19, a cash war room was set up. Business decisions were pivoted to achieve cash neutrality in operations by reducing spend, managing working capital and reducing capital expenditures. Despite the challenges posed by COVID-19, we have been able to deleverage beyond the target set for the year. Capital allocation for margin expansionary growth projects in India has restarted within the contours of the targeted financial framework.

The progressive unlocking of economy has supported faster than expected recovery in steel and allied sector and a stronger cash flow position for us. However, we are keeping a close watch on pandemic resurgence as it may adversely affect the pace of economic recovery.

A dedicated team manages the currency exposure guided by the hedging policy and hedges exposure on a rolling basis.

We are focussed on reducing our carbon footprint and continue to improve our disclosure on sustainability performance through various disclosure platforms and publish sustainability KPIs in accordance with international reporting frameworks.

Strategic linkage

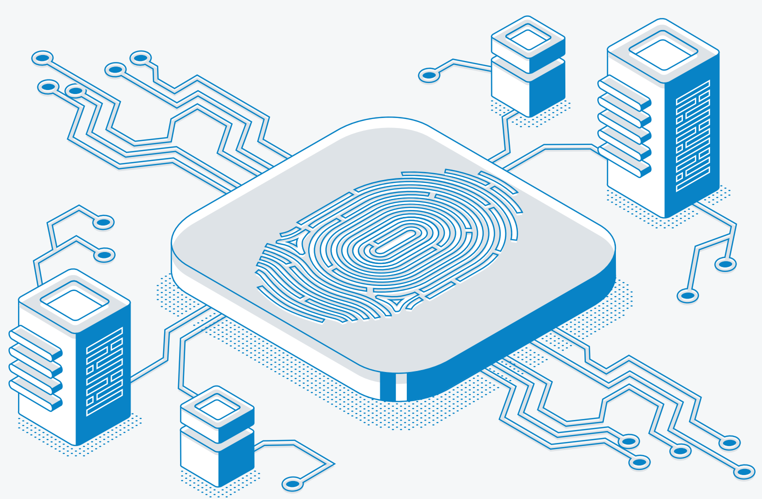
- SO1 Leadership in India
- SO2 Consolidate position as global cost leader
- SO3 Attain leadership position in adjacent businesses
- SO4 Leadership in sustainability

Capitals impacted

- Financial capital

Information security risks

We focus on enhancing our digital footprint throughout the value chain, including our customers, suppliers and other stakeholders. Transition to remote working models and accelerated adoption of digital technologies has increased vulnerability to cyber-attacks. Non-compliance to IT legislations and regulations may lead to business disruption and imposition of penalties.



Mitigation strategies

Over the years, we have made several investments for digital transformation. SAP and other corporate systems which were On-Premise have been migrated to Cloud. We have a distributed Hybrid Multi Cloud Environment with SAP and other Corporate Applications on IBM cloud, Analytics applications on Google Cloud Platform (GCP) Data Visualisation Platform on AWS and Collaborations Platform on Azure. The Edge Computing systems like Mill Execution Systems (MES) are by design kept On-Premise.

Our Network Topology is a multi-layered and ring-fenced network architecture. We are also building capacity and resilience in network through migration to Software-defined Wide Area Network (SDWAN). The adoption of next-generation SOC controls and technologies has resulted in proactive detection of unwarranted system breach and timely mitigation of the same, ensuring business continuity. Significant efforts have been made to increase awareness amongst workforce with respect to cybersecurity. This ensured seamless migration of our work processes to remote working models across our locations during the pandemic. We also implemented Advanced Threat Protection (ATP) for protecting from Phishing/Spam mails, Data Leak Prevention (DLP) over internet connections via cloud proxy and Work from Home (WFH) seamless and secure connectivity over zero. trust architecture. We have enacted various policies and procedures to ensure data privacy. Proactive software asset management to ensure compliance.

We have onboarded third parties for implementation of security safeguards and controls and subsequent identification of security deployment gaps.

Strategic linkage

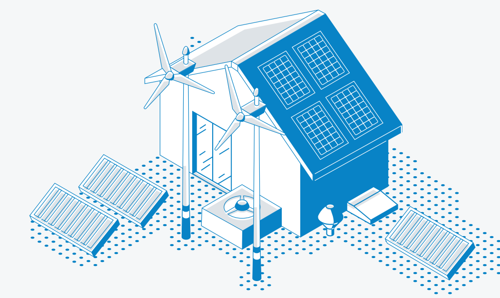
- SO1 Leadership in India
- SO2 Consolidate position as global cost leader
- SE Strategic enablers

Capitals impacted

- Financial capital
- Intellectual capital

Climate change risks

Stringent climate laws and regulations for accelerating transition to a low-carbon economy, preventing loss of diversity, technology disruptions and shifting customer preferences to alternative materials may adversely impact profit margins. The pandemic has further accelerated megatrends like climate change and increasing customer preference for sustainable products.



Mitigation strategies

Tata Steel has adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework and strengthened the internal governance, disclosures and policy advocacy for transitioning to lower carbon regime of operations. Adoption of best available technologies for Waste Heat Recovery (WHR) such as Top Recovery Turbine (TRT), Coke Dry Quenching (CDQ), use of by-product gases in power generation and other energy efficiency initiatives have resulted in improving resource efficiency, as well as reducing carbon footprint. Over the last five years, there has been significant reduction in coke rates and dust emissions, along with 100% slag utilisation ('Tata Aggreto' and 'Tata Nirman' products developed for construction purpose), increase in scrap usage, focus on scrap recycling and zero water discharge.

Tata Steel has pioneered the steel recycling business in India, and a 0.5 MnTPA plant has been set up for processing scrap.

A Centre of Excellence has been constituted to identify and implement projects for CO_2 reduction (e.g., Carbon Capture and Use, maximising scrap usage etc.). Tata Steel has signed a strategic memorandum of understanding (MoU) with the Council of Scientific & Industrial Research (CSIR) to work towards accelerating development and deployment of CCU&S technologies in the steel industry. To reduce GHG emissions through increased use of renewable energy, Tata Steel had engaged with The Energy and Resources Institute (TERI) and is working on implementation of solar power plants across locations.

Biodiversity is an important pillar in our sustainability journey and several initiatives have been taken in FY 2020-21. Over 2.98 lakh saplings of native species have been planted across locations. Sir Dorabji Tata Biodiversity Park and Ecological Importance Park have been developed at West Bokaro and Jamshedpur, respectively. Rejuvenation of water bodies have been undertaken for biodiversity conservation and water conservation.

To promote consumer behaviour of buying cleaner and greener product, Life Cycle Assessment study has been undertaken for our products. Our offerings Tata Pravesh, GGBS and Tata Structura have received GreenPro certification.

As an outcome of our efforts, Tata Steel has been recognised as a 'Sustainability Champion' by Worldsteel for four consecutive years and received the Climate Action Programme (CAP) 2.0-degree Award in the Energy, Mining and Heavy Manufacturing Sector by CII Centre of Sustainable Development. It is now part of ResponsibleSteel™, the industry's first global multi-stakeholder standard and certification initiative that helps its members improve sustainability within the steel supply chain. Tata Steel Group has been rated 'A-' in the 'Leadership Band' on Climate Disclosure in CDP's 2020 assessment. It has also been presented with several awards such as the CII-ITC Sustainability Award, IIM National Sustainability Award and CII 3R Awards 2020 for demonstrating Reduce, Reuse, Recycle principles in by-products management.

Strategic linkage

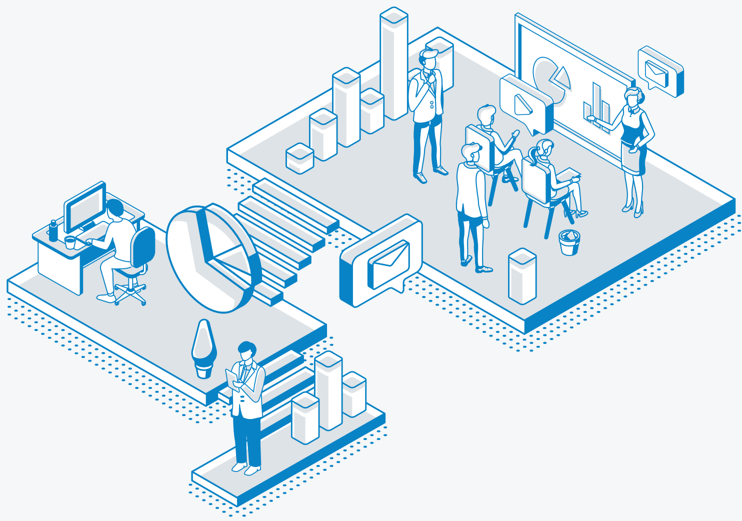
- SO1 Leadership in India
- SO4 Leadership in sustainability
- SO2 Consolidate position as global cost leader

Capitals impacted

- Financial capital
- Natural capital
- Manufactured capital
- Social and Relationship capital

Community risks

Our operations recognise a societal context shared with communities proximate to our locations and are guided by a co-created aspiration of significant and lasting betterment in the well-being of the region. This is fostered through continuous dialogue, understanding of vulnerabilities, recognition of aspirations and appreciation of cultural nuances leading to a relationship based on trust. A dilution in this approach will lead to an erosion of trust with communities, slowdown in societal impact and consequent loss of reputation or business continuity for us.



Mitigation strategies

Tata Steel anchors one of the deepest and most diverse societal development efforts based on a combination of programmes and platforms reaching more than 1.5 million lives directly every year. The impact programmes are crafted as replicable change models on themes such as education, public health, tribal identity, livelihoods, agriculture, water, disability, etc., which are based on a contemporary understanding of core development challenges of the region and closely aligned to the Sustainable Development Goals 2030 agenda. The impact ambitions are predicated on platforms for continuous dialogue across communities, with emphasis on marginalised and vulnerable groups, to create a shared agenda for the impacts to be felt by those who need them the most. These have yielded significant long-term results like more than 1,200 habitations being declared child labour free zones and 40% decline in maternal and child mortality rates in the last few years, while curating positive social capital and effective leadership amongst communities. We have a portfolio of products which is aimed at addressing societal challenges like low-cost housing, farm income enhancement while key business processes are also designed to have a clear diversity and affirmative action perspective.

This depth was particularly evident during the pandemic, where we collaborated with communities to implement a 10-point #CombatCovid19 programme which (a) addressed the information and awareness gap, (b) met deficits in essential supplies and (c) created robust systems to last beyond the lockdown. Our efforts have been recognised across national and global platforms including Government of India, Dun & Bradstreet, Confederation of Indian Industry and BRICS Business Council.

Strategic linkage

SE Strategic enablers

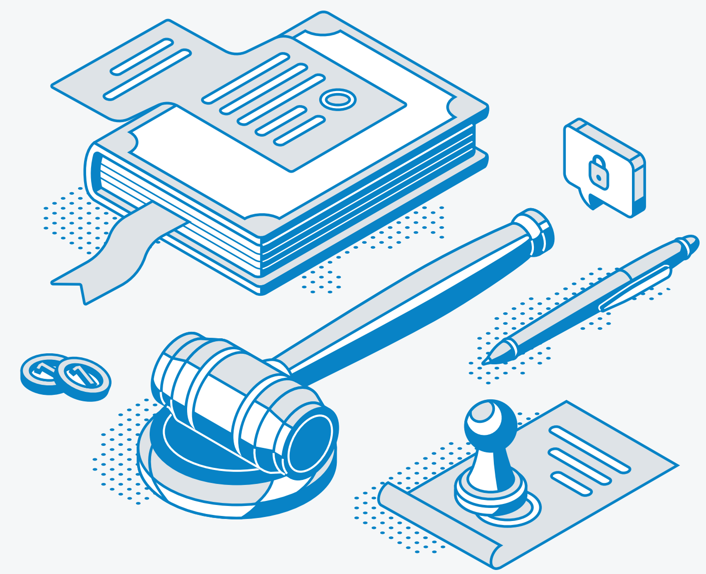
Capitals impacted

Manufactured capital

Social and Relationship capital

Regulatory risks

Our operations are governed by various statutes encompassing law and regulations for environment and climate change, trade measures, competition, taxes, mining and others. Any deviation in compliance and adherence has the potential to not only impact our operating performance but also dent our reputation. The continuously evolving regulatory scenario, resulting in changes of the statutory provisions and introduction of newer ones, make compliance more complex.



Mitigation strategies

We are continuously scanning the regulatory canvas to understand the changing statutes and their implications, along with closely monitoring restrictive trade policies globally, that could influence our procurement decisions and market footprint, to protect and generate business value. Policy Advocacy is being done to highlight the concerns of the industry on a continuous basis along with suggestions for a more practical policy regime.

We are committed to complying with existing laws and regulations and have a policy of zero tolerance to non-compliance which is an integral part of our culture and operating philosophy.

We have invested in systems and processes to drive compliance across the organisation. Employees are regularly sensitised about the need to comply and educated about the compliance requirements of the role.

Technology has been deployed to track the compliance within the required timeframe, with suitable escalations and reviews. Investments needed to comply with regulatory requirements are prioritised within the capital expenditure approval framework.

Strategic linkage

SO1 Leadership in India

SO2 Consolidate position as global cost leader

SO3 Attain leadership position in adjacent businesses

SO4 Leadership in sustainability

Capitals impacted

Financial capital

Manufactured capital

Social and Relationship capital

Natural capital

OPPORTUNITIES

Favourably positioned for growth

The pandemic has disrupted traditional business models, creating new opportunities and business models that embed sustainability. With India's continued infrastructure push and low per capital steel consumption, demand for steel is likely to increase significantly going forward. At Tata Steel, we continuously evaluate the evolving trends and respond proactively to capitalise on the emerging opportunities.

Increasing steel demand in India

The Indian economy is likely to become the third largest economy by 2030, and the steel industry will play a pivotal role in this growth journey.

With large raw material reserves, strong base of technically skilled manpower and one of the fastest growing markets in the world, India has definite structural advantages for a successful steel industry. The National Steel Policy 2017 seeks to create a globally competitive steel industry in India with 300 million tonne steelmaking capacity and 158 kg per capita steel consumption by FY 2030-31. The growth in demand will come from traditional, as well as emerging consuming sectors focussing on changing needs of customers. Government-led investment in infrastructure, rapid urbanisation, rising preference for personal mobility, growth in capital goods sector, and government focus on making India 'Aatmanirbhar' are expected to stimulate steel demand in India. The acceleration of the rural economy is also emerging as a potential demand driver for steel. The Government has taken an objective of increasing rural per capita consumption of steel from current 19.6 kg to 38 kg by FY 2030-31. With a leadership position in key market segments, world-class production facilities, and cost leadership position, Tata Steel is well poised to benefit from this large opportunity.

Evolving customer needs

As customer needs evolve, the nature of steel consumption and the channel deployed to reach the customer will also change.

Growing urbanisation will see demand for steel focussed on modularisation, amenable to the fast pace of construction and better aesthetics. In addition, with changing demographics and higher affordability, the nature of steel consumption in sectors such as automobiles, white goods and other consumer goods is fast evolving. Along with new products, there is a focus towards servitisation and providing higher convenience. A culture of customer-obsession and providing customers with the best products and experience will enable Tata Steel to be the supplier of choice for discerning customers.

Climate change driving new business models

While climate change is a key risk for a 'hard to abate' sector such as steel, it also provides an opportunity to take a leadership role in the steel industry by reducing our environmental footprint.

As the world recovers from the COVID-19 pandemic, the focus on sustainability is at the forefront with a significant amount of the global stimulus directed towards green technology. To position itself as a leader in sustainability, Tata Steel has already identified technology leadership areas in Hydrogen technology leadership areas in hydrogen technology, carbon capture and use, and reduction in specific water consumption. Tata Steel Jamshedpur is a national benchmark in CO_2 emission. Specific plans are in place to improve sustainability performance in other locations. We have ventured into the steel recycling business, leveraging the expected increase in scrap availability in India.

Steel industry leadership in technology and innovation

Leveraging in-house capabilities and building partnerships to adopt technologies of tomorrow.

Evolving consumer needs and growing focus on sustainability will require innovation in process, product, and business models supported by a strong technology management process. Organisations can create a differentiated position by focussing on creating the technology of tomorrow. Tata Steel aspires to be a technology and innovation leader in the steel industry. Towards this vision, we leverage our in-house potential and build external ecosystems through carefully curated collaborations and partnerships. The VIVA (Ventures, Innoventure and Alliances) team has been formed to explore innovation opportunities provided by the external ecosystem and accelerate our journey towards achieving technology leadership. The Innovent team focusses on consumer in innovation through a deep understanding of their emerging needs. Our collaborations with start-ups are expected to stimulate agile innovation and gain competitive edge in various parts of the value chain.

Venture into Adjacent Businesses to leverage market opportunity

Technology shifts are creating market opportunities for new materials and applications in existing and emerging sectors.

Tata Steel with its portfolio of materials is best suited to leverage this trend and, in the process, create adjacent revenue streams that complement the steel business. We are building new businesses in high-potential new materials such as Fibre Reinforced Polymer composites, medical materials and graphene.

Digitalisation – a source of competitive advantage

The future of work is evolving rapidly, accelerated by the pandemic.

Remote operations with skeletal on-site workforce is the new normal. Usage of video analytics and sensor-based plant operations is significantly disrupting traditional operations and maintenance practices. Digital is no longer just an enabler but core to the way plants operate and is key for creating and unlocking value. It is enabling a simpler, more agile, and efficient organisation. Tata Steel is also taking steps to scale Industry 4.0 technologies in its operations. During FY 2020-21, Tata Steel Jamshedpur became our second plant in India to be recognised as Industry 4.0 Lighthouses by the World Economic Forum.

Culturally ready to leverage current and future opportunities

Several initiatives undertaken over the past decades have helped ingrain a culture of ethics, safety, continuous improvement, environment consciousness and giving back to the community in the organisation.

We are respected in the industry for many 'industry-first initiatives'. Our focus on diversity and LGBTQ policies are first of its kind. We are also fostering a culture of agility, innovation, and health and wellness. Several seeding actions have been initiated, which will enable us to become culturally future ready.

Fostering enduring bonds with partners in progress

At Tata Steel, we believe that stakeholders are central to our aspiration of long-term value creation. Fostering and nurturing deep relationships with all our partners is essential for success of the Company. Backed by strong engagement platforms, we are working on several initiatives with our partners across the value chain for mutual development.

STAKEHOLDERS AND MATERIALITY

STAKEHOLDER ENGAGEMENT

United with partners for a better future

At Tata Steel, we consider our stakeholders as partners in long-term value creation. We have developed a robust stakeholder engagement process to foster and nurture relationships, which helps improve strategy development and decision-making.

Delivering on stakeholder needs, interests and expectations are core to the way we operate. In FY 2018-19, we conducted a pan-India stakeholder engagement exercise to revisit the Environmental, Social and Governance (ESG) issues that are material to value creation amid the evolving global sustainability landscape. In FY 2019-20, we launched Responsible Supply Chain Policy for our supply chain partners and encouraged them to align their business practices as per the four principles of policies (Fair Business Practices, Human Rights, Health and Safety and Environment Protection). Our key stakeholders comprise investors, customers, vendors, government and regulatory bodies, employees, communities as well as the media and industry bodies. We periodically engage with them either through focussed groups or individually. For effective communication, we use a wide range of tools and platforms such as our Company website, newsletters, e-mails, social media, online communication platforms, one to one meetings, physical/virtual conferences and meets, and press releases.

Investors

Value proposition

- Highly profitable and best-in-class assets in India
- Focus on deleveraging to create value
- Better disclosures, transparency and credibility of financials

Importance of the relationship

Providers of financial resources essential to fund growth

How we engage

- Investor and analyst meets
- Periodic meetings including one-on-one or group meetings
- Integrated Report, media updates or earnings call on Company's performance

Emphasis areas

- Focus on strong operating and financial performance
- Focus on highlighting ESG commitments and disclosure

Customers

Value proposition

Strong brands, differentiated products and solutions, engineering support, partnering for growth

Importance of the relationship

Reason for any business to exist; customers provide us an opportunity to build long-term mutually beneficial relationships

How we engage

Various digital platforms to connect with customers, influencers and channel partners. Some platforms are as follows:

- Customer e-meetings
- Multi-stakeholder platforms
- Webinars
- Zonal and similar e-meets

Emphasis areas

- Health, safety and human rights
- Product and solution offerings
- Carbon emission, water, air pollution, waste management and renewable and clean energy
- Embed sustainability in supply chain and promote circular economy

Vendor partners

Value proposition

Building capabilities through skill development, growth opportunity, safe operations, opportunity to innovate

Importance of the relationship

Provide us operational leverage to optimise value chain, be cost-competitive, sustainable and exceed customer expectations

How we engage

- Leadership meetings: CEO to CEO connect with Strategic Suppliers
- Vendor meet
- Vendor satisfaction survey
- Vendor Capability Advancement Programme
- Vendor grievance redressal committee
- Supplier day
- Vendor sustainability assessment
- 'Speak Up' Toll-free number
- 'Swagat Program'- for smooth & faster onboarding of new vendors
- 'PROCARE' Helpdesk Service for addressing issues/query

Emphasis areas

- Health, safety and human rights
- Carbon emission, water, air pollution, waste management and renewable and clean energy
- Embed sustainability in supply chain and promote responsible sourcing and circular economy

Government and Regulatory bodies

Value proposition

To be a responsible corporate citizen. Proactively track global and domestic developments for effective advocacy towards shaping future policies which will further economic and social progress of stakeholders in the country

Importance of the relationship

Ensure business continuity through compliance with all necessary legislations and regulations

How we engage

- Working with government to develop policies and legislations towards the objective of Self Reliant India (Atmanirbhar Bharat)
- Representing relevant policy issues at the central and state level to improve cost and ease of doing business
- Engagement with domain experts, and think tanks for capacity building on regulations and policy
- Increase knowledge intensity and responsiveness through research, development of white papers and active stakeholder consultation

Emphasis areas

Strategise action for working towards low-carbon growth through use of cleaner fuels, resource and energy efficiency, emission reduction technologies, carbon mitigation instruments, etc.

Employees

Value proposition

Fair wages, joint consultation system for working together, self-supervised structures, robust rewards and recognition schemes, opportunity for learning and growth and focus on employee well-being

Importance of the relationship

Key to the success of our business; their efforts are instrumental in delivering our strategies and for sustained business growth

How we engage

- Monthly online meet with the CEO & MD and informal meets with the senior leadership on regular basis
- Employee Engagement survey with Dip Check study on focus area
- Capturing Employee Net Promoter Score
- Joint forums between employee unions and management

Emphasis areas

- Talent retention
- Local sourcing of labour
- Welfare practices for non-officers

Community

Value proposition

Enable sustainable and significant improvement in the well-being of communities proximate to our operating locations through comprehensive development while also impacting them through actualising replicable change models which address core regional (district and state) development gaps

Importance of the relationship

Earning social licence to operate from communities and enhancing organisation's reputation as a responsible corporate by improving lives of communities

How we engage

- Ascertaining community needs through Public Hearings, meeting community opinion leaders, citizen groups and development experts as well as through inputs from various assessments
- CSR team engagement through (a) comprehensive Proximate Community Development themes and (b) Signature Programmes addressing specific development concerns at a larger regional scale

Emphasis areas

- Family health (through healthcare services and awareness, sanitation, water and nutrition)
- Education for the children
- Livelihood opportunities for working adults
- Public infrastructure facilities and public amenities
- Conservation of tribal culture and heritage
- Enabling grassroots governance as well as women-centric leadership for comprehensive rural development

Media

Value proposition

Disclosing and sharing relevant information and updates with the public

Importance of the relationship

Reaching out to society and various stakeholders to communicate about the brand's vision and initiatives, and drive corporate equity

How we engage

- Press Communication: Press Release, Press Meet
- Response Management for media queries
- Interviews of Leadership and Management
- Thought leadership and thematic articles
- Media events and sports engagement initiative
- Familiarisation visit to manufacturing and raw materiall sites

Emphasis areas

- Health, safety and human rights
- Environment footprint – carbon, water and energy
- Sustainability – process and products
- Circular economy

Industry bodies

Value proposition

Charter or amend policies to improve the overall performance of the industry. Sharing best practices and alignment of interests to present a unified view

Importance of the relationship

Engage with government and regulators to represent concerns of the industry and develop common solutions

How we engage

- Participate in sectoral and industrial seminars and conclaves conducted at the national and regional level
- Adequate representation at the national-level committees and sub-committees to put forth and deliberate on important issues faced by the industry

Emphasis areas

- Ensure health, safety and human rights of all stakeholders
- Manufacturing, mining, trade, quality and finance
- Sustainability, environment, water, energy, circular economy, climate change

MATERIALITY

Defining our priorities through materiality

Materiality enables us to identify, prioritise, track and report the most important sustainability issues. To identify the top 20 environmental, social and governance (ESG) issues, we conducted an extensive stakeholder engagement exercise in FY 2018-19. These issues were rated as 'high priority' by stakeholders, in addition to being key to business success in the short, medium and long term. The material economic issues were revisited through various stakeholder engagement processes and business reviews by the senior leadership.

Tata Steel's strategy and planning process incorporates the material issues by mapping them to its long-term Strategic Objectives (SOs). These issues are reviewed periodically by the respective owners and by the senior management.

Economic

SO1 SO2 SO3

Material issues	Measures	Linked key performance indicators (KPI)
Business growth	» Focus on organic and inorganic growth » Scaling of adjacent businesses » Entering into new market segments	» Crude steel production capacity » Revenue from the New Material Business, Service & Solutions, Commercial Mining Business » Revenue from High End and Downstream products and solutions
Long-term profitability	» Attain and retain leadership in chosen segments » Raw material security » Enhance operational efficiency » Shikhar25 cost management initiatives	» Market share in chosen segments » Captive coal (%) and captive iron ore (%) » EBITDA » Savings through Shikhar25 initiatives
Product and service quality	» Product and process innovation » Value engineering and customer service teams » Innovative routes to market	» Number of new products and services » Customer satisfaction index » Quality complaints » Revenue from sales on digital platforms

Strategic objectives

- SO1 Leadership in India
- SO2 Consolidate position as global cost leader
- SO3 Attain leadership position in adjacent businesses
- SO4 Leadership in sustainability

Capitals

- Financial capital
- Manufactured capital
- Intellectual capital
- Human capital
- Natural capital
- Social and Relationship capital

Environmental

SO2 SO4 SE

Material issues	Measures	Linked KPIs
CO_2 emission	» 5 Tonne Per Day (TPD) carbon capture pilot plant commissioned at TSJ – captured CO_2 being utilised for water treatment at a steelmaking unit » Collaboration with SHELL and Council for Scientific and Industrial Research (CSIR) to explore decarbonisation technologies	» GHG emission intensity » Total GHG emissions for steel making sites
Air pollution	» Upgradation of existing air pollution control equipment and installation of state-of-the-art dust control technology	» Dust emission intensity
Water consumption and effluent discharge	» Minimising freshwater consumption by upgradation of existing water treatment and cooling tower systems to increase efficiency » Reusing treated waste water from sewage and effluents for industrial purpose	» Specific freshwater consumption » Effluent discharge intensity
Energy efficiency	» Process optimisation initiatives such as waste heat recovery systems, top recovery turbine by-product gas utilisation	» Energy intensity
Renewable and clean energy	» Feasibility analysis for solar projects completed and projects initiated	» Renewable purchase obligation » Power generated through renewable sources
Waste management	» Enhance steel scrap usage in steelmaking » 100% solid waste utilisation » Enhance value from by-products	» Steel scrap supplies to LD shops » LD slag utilisation » Solid waste utilisation » Revenue from by-products
Supply chain sustainability	» Identification of critical supply chain partners and engagement with them on Tata Steel Responsible Supply Chain Policy	» Number of partners made aware on Tata Steel Responsible Supply Chain Policy » Number of partners assessed on Tata Steel Responsible Supply Chain Policy
Biodiversity	» Biodiversity Management Plans (BMPs) for Jamshedpur and Kalinganagar developed (BMPs developed for 11 locations cumulatively till FY 2020-21) » Over 2.98 lakh saplings of native species planted across locations in FY 2020-21	» Total sites covered under BMPs
Circular economy	» Steel scrap processing unit commissioned at Rohtak, Haryana with a 0.5 MnTPA capacity » Advocacy with various government and industry bodies to build scrap utilisation networks	» Capacity of steel recycling business

MATERIALITY (contd.)

Social

SE

Material issues	Measures	Linked KPIs
Occupational Health and Safety (OHS)	» Build Safety Leadership capability at all levels to achieve zero harm » Improve competency and capability for hazard identification and risk management » Achieve zero harm to contract employees by strengthening deployment of Contractor Safety Management Standard » Reduction in safety incidents on road and rail to ensure zero fatalities inside plant premises » Excellence in Process Safety Management (PSM) » Establishment of industrial hygiene and improvement in occupational health	» LTIFR » TRIFR » LTI » Fatalities » Health Index
Labour relations	» Concluded wage revision with structural changes » Introduction of Connected Workforce Management, POD working system (for COVID-19) and People Care to ensure employee safety	» Performance in Employee Engagement Survey
Drinking water	» Enabling community-led access to safe drinking water for identified households	» Number of water harvesting structures constructed/repaired » Number of lives reached
Local sourcing of labour	» Recruiting indigenous (SC/ST) people in the workforce » Improving vendors' share of business from SC/ST communities by training them to match our requirements for various products and services	» Number of local suppliers » Business volume of local suppliers » % of Affirmative Action (AA) community in the workforce
Talent retention	» Provide flexibility to employees through agile working policy » Creating an inclusive workspace to attract and retain diverse talent including Persons with Disabilities (PWDs) and LGBTQ+ community » Development of workforce capability through various programmes	» Attrition rate (overall) » Percentage of women in workforce » Investment in employee training and development

Governance

SO1 SO2 SO3 SO4 SE

Material issues	Measures	Linked KPIs
Technology, product and process innovation	» Focus on technology, digital and disruptive innovation overlaid on a culture of continuous improvement » Addressing environmental concerns by developing and implementing breakthrough technologies progressively at larger scale » Building a sustainable business portfolio, which is resilient against steel business cyclicality	» Number of patents received » Number of new products developed » Number of start-ups engaged » Number of alliances created » Number of breakthrough projects
Going beyond compliance and setting trends for future regulations	» Setting up Steel Recycling Business (SRB) for foray into organised scrap play in India » Adoption of best available technologies and implementing projects for resource efficiency and reducing carbon footprint » Strengthened collaborations with technical institutes, technology start-ups and academia for technology leadership, climate change and other environmental issues » Diversity and Inclusion Policies for women in workforce, persons with disabilities (PWDs) and LGBTQ+ community; for example, women in all shifts in mines	» Capacity of SRB » Performance on various environmental parameters – air, water, waste » Number of collaborations with external partners » Workforce diversity indicators - % women/PWDs/LGBTQ+ in workforce
Greater sustainability disclosures	» Consistent improvement in our disclosures through the <IR> Framework, worldsteel indicators and UNGC Communication on Progress » Engagement with ESG rating agencies for improving disclosure practices and enhance access to sustainable finance » Updating Tata Steel website periodically to enhance transparency and meet stakeholder requirements	» Scores and achievements in: » CDP » DJSI assessment » worldsteel recognitions » ESG ratings
Greater stakeholder engagement	» Enhancement of specialised channels such as public meetings, vendor-focussed committees, 'Speak Up' toll-free number, platforms such as conference and construction conclave, zonal and similar events » Setting up special COVID-19 care helplines and medical facilities	» Performance in various surveys conducted periodically for Stakeholder categories, including: » Customer Satisfaction Survey » Vendor Satisfaction Survey
Responsible advocacy for the steel and mining sector	» Effective policy formulation to improve the ease and cost of doing business in our areas of operation by ensuring a level playing field and advocating global best practices.	» Advocacy for improving cost of doing business and ease of doing business
Technical knowledge transfer and capacity building for relevant partners	» Collaboration with suppliers through Supplier Relationship Management Programme » Conduct Vendor Capacity Advancement Programmes (VCAP) for suppliers » Engagement with customers through Early Vendor Involvement (EVI) and Value Analysis and Value Engineering (VAVE) initiatives » Awareness sessions for suppliers, Steel Processing Centres (SPCs) and distributors on Ethics, Health and Safety, Responsible Supply Chain Policy and other relevant issues	» Number of VCAP sessions conducted » Number of awareness sessions conducted » Number of supply chain partners made aware on Responsible Supply Chain Policy » Number of EVI and VAVE projects

Setting benchmarks in value creation

We integrate the six capitals towards achieving long-term sustainability and value creation, while embracing different skills, continuous innovation, sustainable growth and a better quality of life.

CAPITALS

Financial capital

At Tata Steel, financial capital is generated annually from surplus arising from the current business operations and through financing activities, including raising of debt and equity aligned with market conditions and internal strategic planning, as well as optimal asset monetisation.

23.16%
PBET/Turnover

14.38%
Return on Capital Employed

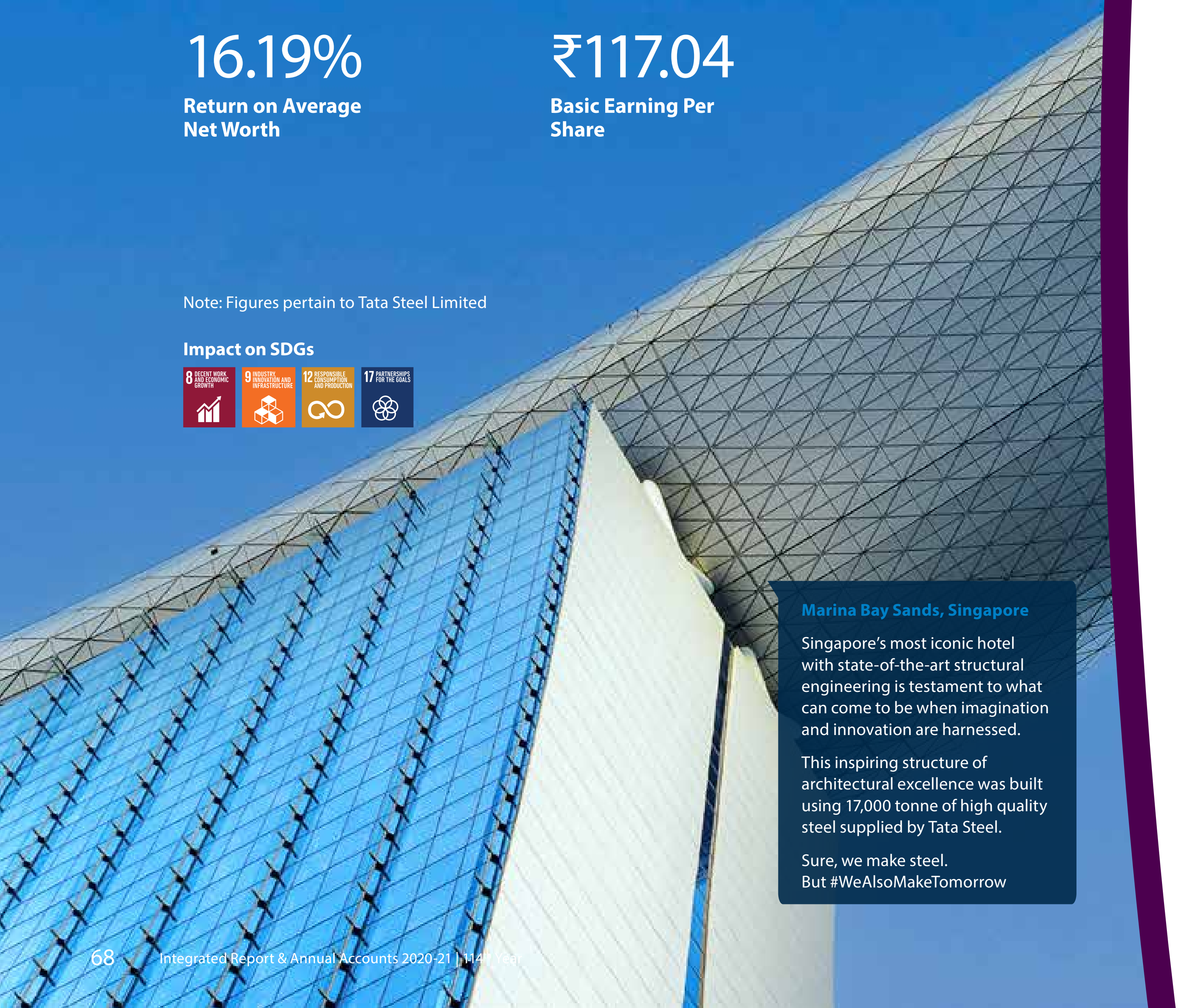
16.19%
Return on Average Net Worth

₹117.04
Basic Earning Per Share

Note: Figures pertain to Tata Steel Limited

Impact on SDGs

8 DECENT WORK AND ECONOMIC GROWTH | 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 17 PARTNERSHIPS FOR THE GOALS



Marina Bay Sands, Singapore

Singapore's most iconic hotel with state-of-the-art structural engineering is testament to what can come to be when imagination and innovation are harnessed.

This inspiring structure of architectural excellence was built using 17,000 tonne of high quality steel supplied by Tata Steel.

Sure, we make steel.
But #WeAlsoMakeTomorrow

Strategic linkage

SO1 SO2

Material issues addressed

- **Business Growth**
- **Long term Profitability**

- Executed long term export contract and export advance of $940 million
- Enhance capital allocation to strategic capex program in India, in order to complete the 5 MnT expansion in Kalinganagar
- Continued focus on EBITDA improvement initiative (Shikhar 25 - operational improvement programs)
- Driving Business Transformation through adoption of Digital Technologies
- Arrangement of liquidity buffers through issue of Rupee Bonds from Banks under RBI Targeted Long Term Repo Operations (TLTRO), raised long term Rupee Term Loans to lengthen maturity profile

How we manage our financial capital

We have a robust financial planning process that assesses the requirement of funds for sustainable business operations as well as for investment towards business sustainability and growth opportunities.

The fund requirement over business surplus and retained earnings are met by raising funds as per market conditions to reduce finance cost and having flexible terms in line with the cyclical nature of the steel industry. We work towards aligning our debt maturity profile to the long gestational nature of steel projects, and maintaining flexible capital structure in line with the business needs. This results in savings on interest cost and ensures the desired liquidity levels. Foreign exchange risks are actively managed with adequate hedging.

The funds generated are allocated to strategic investments in subsidiaries, joint ventures, inter-corporate loans and investments in capital assets. The surplus funds are invested in short-term instruments. Deleveraging is one of our key focus areas. Internal cash flows generated from operations are used to reduce our debts as per the annual targets.

Further, our operational KPIs are compared with internal and external benchmarks to achieve best production, higher productivity and yields. We continuously undertake cross-functional improvement programmes under Total Quality Management (TQM) and Shikhar25 for operational efficiency, product mix optimisation, waste reduction and recycling, energy efficiency and procurement optimisation. Our innovative marketing initiatives and various ongoing digital programmes provide better customer connect and reach, and higher realisations. These initiatives result in cost optimisation and ensure positive cash flows from operations.

Managing capital inputs

₹21,832 crore
Cash operating profit

₹3,241 crore
Raised through equity

The year under review witnessed substantial business interruptions in the first half followed by strong recovery during the second half as business sentiments improved.

- Earned cash operating profit from standalone operations of ₹21,832 crore (before changes of working capital and tax payments) primarily through better market realisations in the second half
- Contribution by shareholders through full payment of partly paid-up equity shares amounting to ₹3,241 crore
- Maintaining liquidity
  - Raised ₹4,935 crore through Rupee Bonds from banks under RBI Targeted Long Term Repo Operations (TLTRO)
  - Raised long-term Rupee Term Loans of ₹4,000 crore to lengthen maturity profile
  - Actively used trade finance products – tied up long-term export contract and export advance of $940 million

Managing capital outcomes

₹13,229 crore

Repayment of borrowings (net of proceeds)

- The Company slowed down the growth in capital expenditure and focussed on sustainable capital expenditure across its production facilities
- The Company focussed on deleveraging during the second half of the current year, therefore made repayment of borrowings (net of proceeds) amounting to ₹13,229 crore
- Higher declaration of dividend to the shareholders
- Focus on strategic investments in its subsidiaries and joint ventures, granted inter-corporate deposits and investments in mutual funds
- Standard & Poor's (S&P) reversed the credit rating downgrade undertaken at the beginning of the year. All the rating agencies have reversed to a stable outlook by the end of the year

Strategic Focus

- In anticipation of severe disruption in business cash flows, management focussed on cash flows and shore up liquidity to ensure the sustainability of operations for an elongated pandemic scenario
- Strategic cash war room for strict ground-level monitoring of the cash, targeted on fixed cost reduction, monitoring of working capital
- The key emphasis of the Management is on balancing growth ambitions and maintaining liquidity and a healthy balance sheet

Achievement

- Effective cash flow management, liquidity conservation and de-risking
- Managing liquidity facilitated debt rationalisation and restructuring
- Successful implementation of e-invoice in Tata Steel with effect from October 1, 2020, ensured no business disruption and proper compliance
- Rationalisation of Portfolios

Way Forward

Deleveraging balance sheet through internal cash flows from the business through continuous improvement initiatives driven by cross-functional teams under Shikhar25 program

Aligning debt maturity profile to the long gestational nature of steel projects

Maintaining flexible capital structure in line with the business needs

Allocate funds to efficient and value-accretive opportunities

Management of cash flows

₹508 crore

Net increase in cash and cash equivalents

During the year under review, the net increase in cash and cash equivalents was ₹508 crore as against increase of ₹449 crore in the previous year due to increase in operating profits, release from working capital, control over capital expenditure and receipt from partly paid-up equity shares. The surplus cash generated was used mainly in repayment and pre-payment of borrowings.

Increase in Turnover

₹64,869 crore

The turnover during the current period was ₹64,869 crore, higher by 7% over previous year primarily due to increase in steel prices while the deliveries were at par.

Increase in EBITDA

₹21,952 crore

The EBITDA during the current period was ₹21,952 crore, higher by 45% over previous year due to increase in steel prices and lower input cost mainly in imported coal.

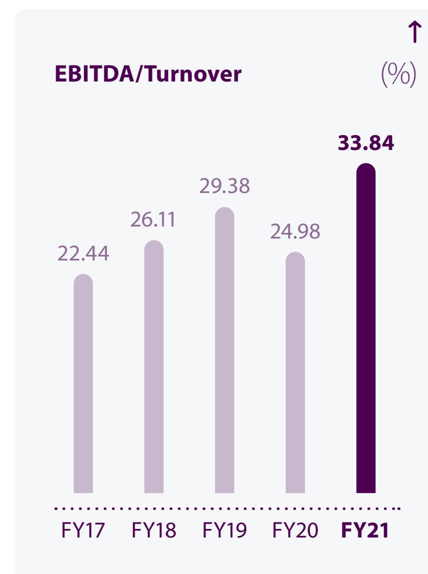
Capital Expenditure

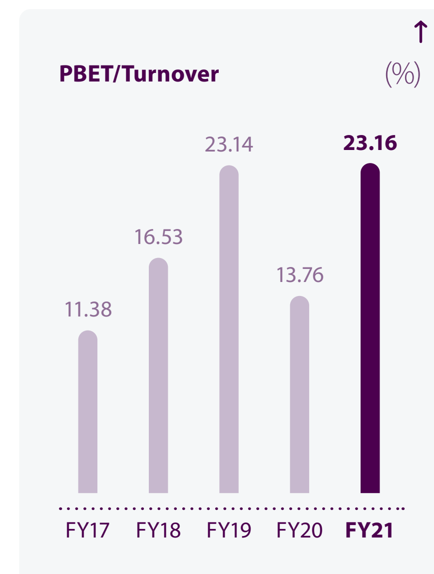
₹2,122 crore

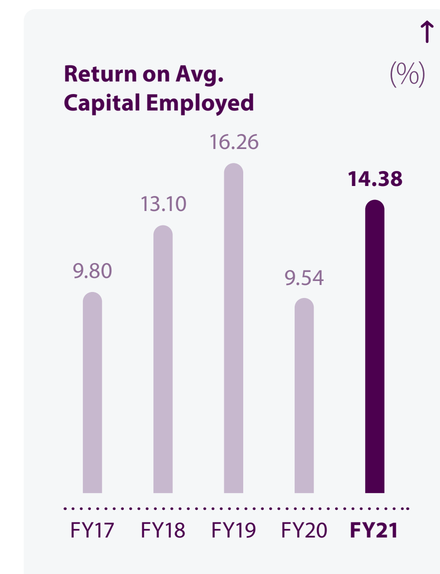
Capital expenditure was ₹2,122 crore, lower by 55% than the previous year primarily to conserve the cash for liquidity during the pandemic.

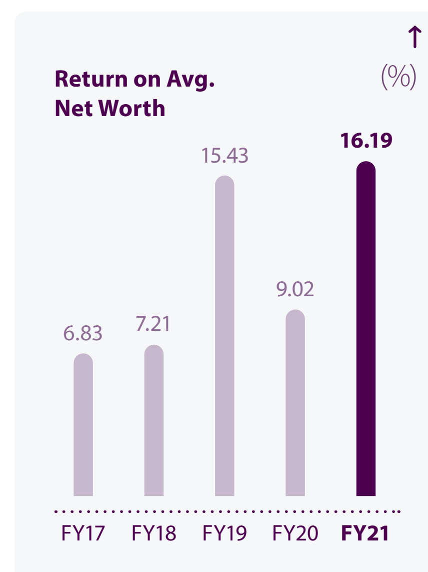
Key performance indicators

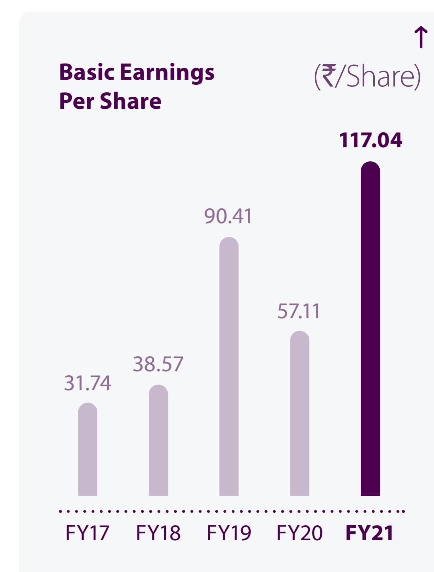
↑ Good if increases ↓ Good if decreases

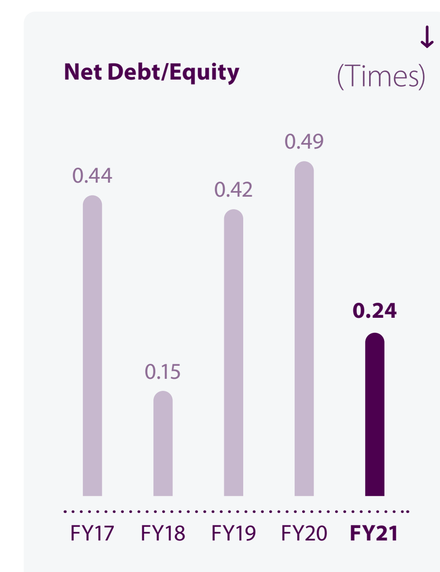












Manufactured capital

Tata Steel continuously invests in improving the efficiency of its ironmaking, steelmaking and rolling facilities and warehouses, along with logistics, while ensuring the safety and reliability of its operations. We plan to augment our production capacity through a combination of organic and inorganic growth opportunities. Our steelmaking operations have secure raw material supply from captive iron ore mines, which contributes to our cost leadership.

12.19 MnT
Crude Steel Production

12.36 MnT
Deliveries

0.5 MnTPA
State-of-the-art Scrap Processing Plant setup at Rohtak

Impact on SDGs

Strategic linkage

SO1 SO2

Material issues addressed

- **Business growth**
- **Long-term profitability**
- **Product and service quality**
- **Technology, product and process innovation**

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

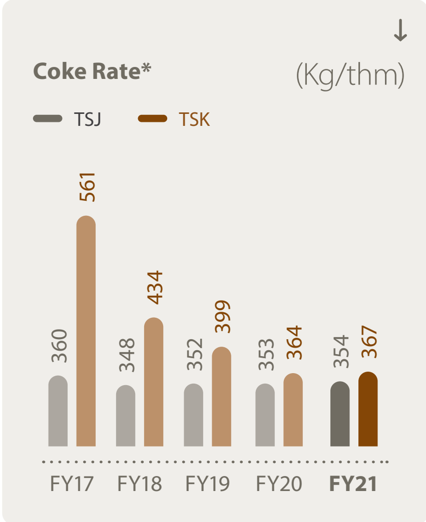
Tata Steel Jamshedpur (TSJ)

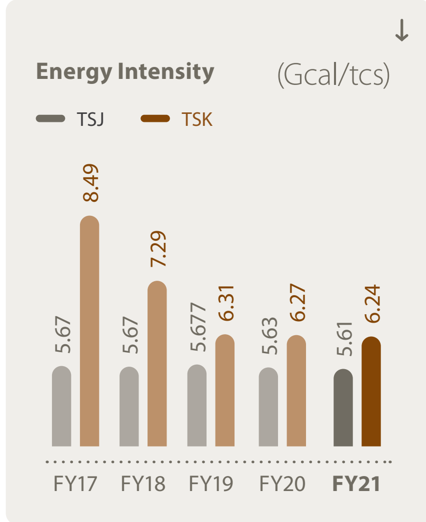
The Jamshedpur plant is our flagship facility. Our continuous improvement efforts over the years have helped sustain production levels and deliver operational excellence.

Despite the pandemic-induced challenges, our crude steel production stood 9.34 MnT. We achieved the best ever Pulverised Coal Injection (PCI) rate, reduced waste generation, improved waste utilisation, and maximised energy and material efficiency. Our consistent focus on asset management using data analytics and predictive modelling resulted in more than 92% overall average plant availability of key manufacturing units at Jamshedpur.

Availability of critical manufacturing units at TSJ in FY 2020-21

Coke ovens	>99%
Agglomerates	>90%
Blast furnaces	>91%
Steel making	>93%
Rolling mills	>88%





* Defined as amount (in kilograms) of coke (fuel made from heating coal) used to produce one ton of hot metal (liquid iron) during iron making process

↓ Good if decreases

Tata Steel Kalinganagar (TSK)

We undertook various initiatives to overcome pandemic-related restrictions.

We operated with about 40% workforce, POD system (for tracing of groups), thermal screening, travel history checking at gates, and maximising testing – while meeting production and maintenance requirements. With the lockdown easing in June 2020, the Kalinganagar facility started moving towards its rated capacity with critical KPIs such as fuel rate in blast furnace and hot metal and scrap in Steel Melting Shops witnessing improvements. In-house power generation, which includes captive power plant, and Coke Dry Quenching power also reached the best ever generation, reducing dependence on purchased power. TSK got certified for the EHSMS Management Systems - ISO 45001:2018 and ISO 14001:2015 in FY 2020-21.

The Kalinganagar Plant has embarked on its second phase of expansion which will ramp up production capacity to 8 MnTPA. The construction of Pellet Plant and Cold Rolling Mill (CRM) aimed at supporting the agglomerate mix for the blast furnace and catering to high-strength cold-rolled products gained momentum during the year. These projects along with augmentation of raw material handling facilities are expected to be commissioned in FY 2021-22.

Raw Material Mining and Processing

Tata Steel is one of India's most integrated steel companies with captive mines of iron ore and coal supplying to its manufacturing facilities. The highest standards of environment management are followed in mining locations while using the best available technologies.

Iron and Steel Making

We produce steel through the conventional blast furnace route. Raw materials are converted to hot metal and crude steel through various processes including coke making, sinter making and pelletisation. The processes are designed to deliver high productivity with the available resources while managing slag rate and steelmaking requirements.

Rolling and Processing

The rolling mills help in manufacturing a diverse product mix with customised shapes, sizes, and various chemical and technical properties. Aligned with customer specifications and requirements, these products undergo stringent quality checks and assurance processes. We also produce a range of value-added products for the retail markets and provide customised solutions to industrial buyers.

Steel Recycling Business

As an initiative to be future-ready and establish the supply chain for scrap, we had set up our Steel Recycling Business in FY 2018-19. The first steel scrap processing unit was commissioned at Rohtak in Haryana, with an initial capacity of 0.5 MnTPA in FY 2020-21. With the first unit templatised, we plan to replicate such modular units across India.

One Supply Chain

Tata Steel has a long-integrated value chain that extends from mining to finished steel products with an interconnected network of suppliers, mines, ports, manufacturing locations, stockyards, processing facilities, channel partners and customers.

The organic and inorganic expansion over the years has added to the complexity of multi-location operations. Tata Steel's Supply Chain Management handles planning, sourcing, delivery and logistics of ~100 MnT materials which includes raw materials, finished goods and by-products. With the integration of Supply Chain functions into 'One Supply Chain', there is an increased focus on end-to-end margin management in raw materials and finished goods through synergies between hubs. VIU (Value-In-Use) based cost models have been built for the distribution of raw materials (coal-coke and metallics) across sites for achieving global optima. Similar work is in progress for products leveraging integrated IT solutions and differentiated customer delivery strategy. During the year under review, several initiatives were taken up to make our Supply Chain future-ready and sustainable through infrastructure investments, technological excellence and engagement with supply chain partners for deployment of Responsible Supply Chain Policy.

Outbound logistics is about 60% dependent on railways and 40% on roadways at various locations. It consists of a network of warehouses and Steel Processing Centres (SPCs), ensuring timely delivery and transportation of finished products to meet on-time delivery expectations of customers. This is enabled by a network of hubs and stockyards at strategic locations across India to ensure delivery cycles are as low as 48 hours from stockyards.

By-products Management

Our Industrial By-products Management Division (IBMD) manages a variety of by-products and scrap generated across the entire steel value chain and has adopted circular economy principles as an integral part of its business values.

A dedicated Marketing & Sales organisation for by-products focusses on expanding profitability through marketing initiatives and downstream value enhancement of by-products.

In FY 2020-21, the accelerated weathering facility for LD slag has enabled significant ramp-up of the utilisation of processed slag in construction of national highways. A new by-product value-creation centre with modern processing equipment has been commissioned at Tata Steel Jamshedpur to facilitate higher scrap consumption at LD shops for reducing GHG emissions.

Our Assets

Mining and Beneficiation

Facilities/Equipment

- Iron ore, coal, chrome and manganese ore mines
- State-of-the-art mining and mineral processing technology
- Beneficiation plant
- Logistics and handling facilities

Iron and Steelmaking

Facilities/Equipment

- Bell-less top charge high-capacity blast furnaces
- Basic oxygen furnace for steelmaking
- Coke, sinter and pelletising plants
- Raw material handling facilities
- Online granulation of blast furnace slag
- Stamp charging battery
- Coke Dry Quenching (CDQ)
- Desulphurisation facility
- Secondary steelmaking

Rolling Mills

Facilities/Equipment

- Flat and long products mills
- Wire rods/drawing facilities
- Tube-making facility
- Slab to coil facility
- Billet to bar/rod facility
- Rolling Tandem Mill for pickling and rolling
- Hot dip galvanising facility

By-products Processing

Facilities/Equipment

- Metal recovery plant
- Slag processing plant

Way forward

- Improve availability and utilisation of plants to best-in-class levels
- Scale up Steel Recycling Business
- Completion of Cold Rolling Mill complex and Pellet Plant at Tata Steel Kalinganagar

Intellectual capital

At Tata Steel, we aspire to be among top five in technology in steel industry globally. Developing technological capability and infrastructure while fostering a culture of innovation is critical to achieving our stated objectives. Further, the pandemic has reinforced the importance of digital technology adoption in creating and unlocking value in the new normal.

79
New Products Developed

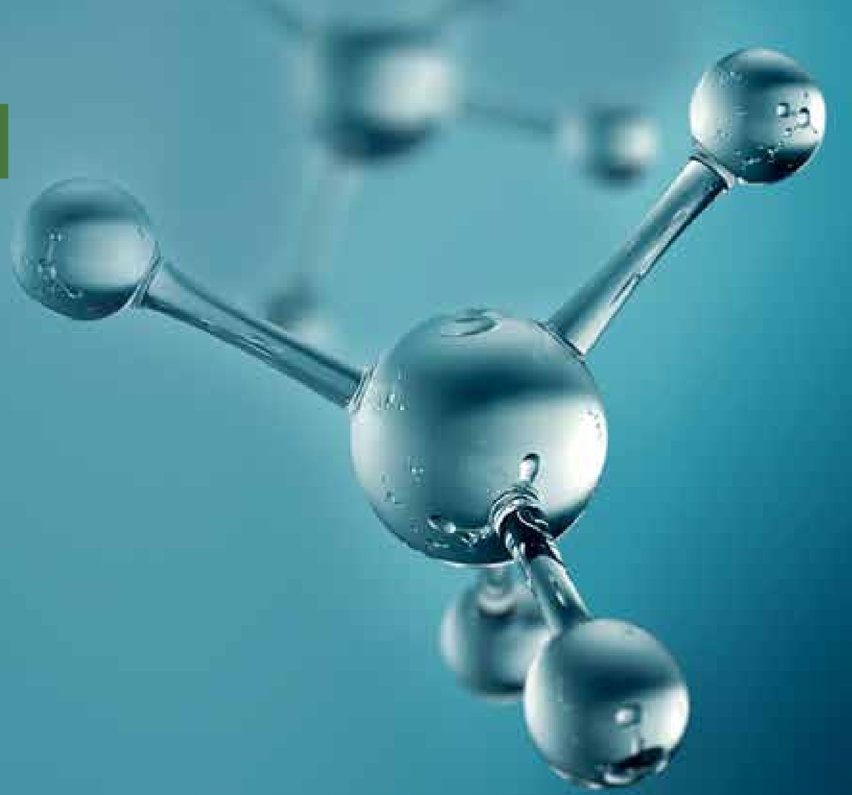
5 tonne/day
CO_2 capture pilot plant commissioned at TSJ

₹3,274 cr.
Shikhar25 savings

109
Patents granted

Impact on SDGs

9 Industry, Innovation and Infrastructure | 12 Responsible Consumption and Production | 13 Climate Action



Strategic linkage

SO1 SO2 SO3 SO4 SE

Material issues addressed

- **Business growth**
- **Product and service quality**
- **Technology, product and process innovation**
- **Going beyond compliance and setting trends for future regulations**
- **Water consumption & effluent discharge**
- **CO_2 emission**
- **Circular economy**
- Enhancing customer experience and engagement using digital technology
- Focus on technology, digital and disruptive innovation complementing a culture of continuous improvement
- Addressing environmental concerns by developing and implementing breakthrough technologies progressively at scale
- Building a technology enabled and sustainable business portfolio, enhancing knowledge based differentiation

Fostering a culture of innovation

A key aspect in our technology leadership journey is the breakthrough projects in Technology Leadership Areas. We continue to make strong progress on projects aimed at utilising low-quality raw materials, new and innovative coatings on steel, development and deployment of carbon capture and usage technologies, generation and use of hydrogen in steel value chain, materials for mobility of the future, and water efficiency.

We are leveraging in-house capabilities as well as external expertise through strategic collaborations to build an ecosystem which can accelerate deployment of breakthrough technologies at scale. A core team comprising Ventures, Innoventure and Alliance Management is working to enable this.

During the year under review, a Memorandum of Understanding was signed with the Council of Scientific and Industrial Research on setting up a Centre of Excellence in carbon capture and utilisation. Multiple start-ups have also been on-boarded to accelerate our technology journey. Incubation of in-house IP has resulted in steelmaking slag being commercialised as a soil conditioner. Branded as Dhurvi Gold, it has witnessed an encouraging customer response during pilot sales. A separate business unit, Tata Steel Industrial Consulting (TSIC), has been set up to monetise in-house knowledge and expertise.

Breakthrough Consumer-In Innovation remains a focus area for Innovent, which incubates and implements new business ventures centred around latent consumer needs and white spaces. During FY 2020-21, Tata Steel added various new solutions in line with the Innovent motto, 'Creating Next Gen Solutions – Personalised and Sustainable - with Access to All'. Green Construction Blocks, which enhances speed of construction and adheres to green building norms, was piloted in four markets in India with encouraging sales. The drive towards sustainability in Urban Infrastructure and Rural segments also continued with solutions such as ChargeNest (EV Charging Infrastructure) and AgroNest (Smartwarehouse for prolonging onion life) test marketing with various customer segments. Lumiere French Doors was commercially launched and added to the portfolio of homemaking products. The development and incubation process continued with portfolio of new solutions. Innovent is also spearheading TomorrowLab – an exciting competition platform that saw 181 in-house teams participate with out-of-the-box ideas over three months. These efforts have resulted in recognition within and outside Tata Group with 11 innovation awards from Golden Globe Tigers, Business Leadership and Innovista.

Research & Development infrastructure

Our strong R&D team with specialisation in multiple fields has delivered on several projects in the domains of sustainability, cost reduction and new product development. A pilot plant of 5 tonne per day has been successfully commissioned at Jamshedpur to capture CO_2 from blast furnace gas.

The captured CO_2 is being utilised for water treatment at a steel making unit. Laboratory scale studies have shown the possibility of producing electric vehicle battery materials from low-grade manganese ore. A pilot plant to upscale the process is underway. We have successfully developed a nanoparticle embedded polymeric Ready-to-Paint coating on steel. This is new to the world, eliminates multiple steps in the customer's line and adds important additional properties to the steel surface without sacrificing formability. The coating is currently at the trial stage at the customer end. We have developed a 'new to the world' advanced high strength steel for automatic wheel disc application. Along with high strength, the material possesses high stretch-flangeability (formability) which will help wheel disc manufacturers produce complex shape and light weight wheel discs.

Jamshedpur's Jubilee Diamond at Dorabji Tata Park in Jamshedpur, built using Tata Structura Steel Hollow Sections

Nest-In's ChargeNest Electric Vehicle charging station in Jamshedpur

Key product developments and process innovation

The pandemic has changed customer behaviour significantly, and our offerings have been in sync with customer preferences for green products and solutions. We have ventured into developing advanced steel grades for future mobility needs and developing alternatives to imported steel grades in the construction segment.

We have also developed advanced high strength coated steel and obtained DP600GA (Dual Phase Galvannealed) and DP600GI (Dual Phase Galvanised) approvals. We also obtained approval for the passenger vehicle skin panel, a first for Tata Steel, made from bake-hardenable steel grade BH180GA.

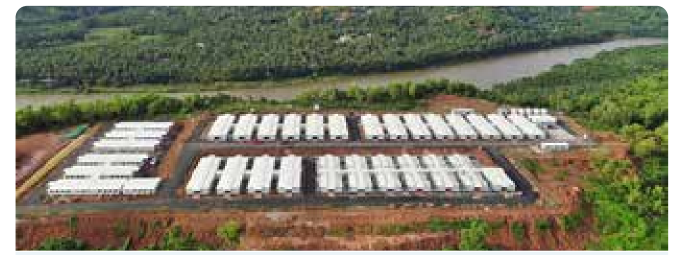
In long products, we commercialised Fe500 CRS (40mm) which was supplied for constructing the new Parliament House. We have also collaborated with CII Green Business Centre and relevant stakeholders in the Indian Steel sector to develop GreenPro framework for steel rebars, for first time in India. GreenPro Ecolabel enables the end-users to make an informed choice about buying steel having the lowest environment impact.

In the raw materials space, we continue to focus on reducing alumina in iron ore and ash in coal without impacting yield.

Key developments in other materials

New Materials Business (NMB)

NMB was set up with the vision to explore opportunities in materials beyond steel. During the year under review, NMB completed its third year of operation and has currently three material verticals – Composites, Graphene and Medical Materials & Devices.



Nest-In provided modular solutions for the 551-bed greenfield hospital at Kasaragod, Kerala

Composites

The Composites business of NMB focusses on 3 market segments: Industrial, Infrastructure and the Railways. Current product offerings include:

Industrial

Pressure vessels, tanks, customised chemical handling equipment

Infrastructure

Pipes, poles, smart architecture

Railways

Panels, windows, troughs

In FY 2020-21, the Composites business entered into new products such as isolation cabins, modular toilets and Fiber Reinforced Polymer (FRP) staircase. It also announced itself as an integrated solutions provider to Indian Railways when it delivered a fully furnished first AC coach to Modern Coach Factory, Raebareli.

During the pandemic, NMB in close coordination with the Services and Solutions team worked with group companies to design, build and install a 551-bed greenfield hospital in record time at Kasaragod, Kerala.

GRAPHITI, a 100-tonne per annum integrated Graphene manufacturing plant in Jamshedpur

Graphene

In FY 2020-21, we commissioned a 100 tonne-per-annum integrated Graphene manufacturing plant. This is one of the largest single unit graphene production centres in the world. Graphene-doped products and graphene-coated products which can be used in diverse sectors such as materials handling, textiles, packaging, among others, are currently being tested and are in different stages of commercialisation.

Graphene Lab, Jamshedpur Works

Medical Materials and Devices

With a vision to create an affordable and global standard health technology solution for India, NMB has ventured into the space of medical materials and devices. The initial focus is on Hydroxyapatite and fish-based Collagen in partnership with two start-up companies. NMB's ambition is to move up the value chain to medical devices, thereby reducing import dependency in the sector.

Digital transformation

At Tata Steel, we have been driving business transformation enabled by digital technologies. Through digital interventions across its value chain, we have been able to drive EBITDA improvements, remodel work practices by enhancing digital maturity and, in the process, have become more insightful, intelligent and agile.

Cloud, Data & Artificial Intelligence (AI) are the building blocks of Tata Steel's digital transformation journey. We have made substantial investments to augment network, computing, and cyber security capabilities. We have moved ~85% of our servers to the cloud over the last 3 years in one of the biggest cloud migration programmes in Asia. Our cyber security cell is equipped with the necessary expertise and tools to pre-empt cyber threats and intrusions.

The investments made on building a robust infrastructure proved critical during FY 2020-21, when a large part of the organisation was forced to operate remotely due to the pandemic. Without any special efforts, we were able to seamlessly connect to the Company's network while working from home and continued production even with a skeletal workforce present at the mines and plants. With ~8,000 employees logging into enterprise applications and ~3,500 virtual meetings taking place each day, we were running business as usual with no adverse impact on employee productivity. Through the Suraksha Platform, we ensured health and safety of our employees. Video analytics was used to identify people without face coverings, and pre-empt and detect violation of social distancing at shop floors, canteens and on roads. Suraksha Scanners enabled security personnel at entry gates scan RFID cards through smart phones and extract relevant information on Travel Declaration and Suraksha Compliance of our contract workforce. These initiatives were bundled together and accessed through a single dashboard, thereby ensuring immediate response. Our digital response to COVID-19 was ranked among the top 6% globally by Gartner.

We are also transforming from a process-driven company to a data driven one. The objective is to use data to generate better business insights and drive decision making, coupled with streamlined and robust business processes. As a testimony to our efforts during the year under review, Tata Steel Jamshedpur (TSJ) steel plant was recognised as World Economic Forum's Advanced 4th Industrial Revolution Lighthouse for showing leadership in applying advanced technologies to drive financial and operational impact. With this, Tata Steel now has three manufacturing sites in the Global Lighthouse network, with Tata Steel Kalinganagar Plant (India) and IJmuiden (the Netherlands) being the other two sites.

Our e-commerce platforms such as Aashiyana, DigECA, and Compass provided alternate channels for driving sales and customer connect. Through digital interventions, we achieved a 30% reduction in customer complaint resolution time. The Vendor Performance Improvement Programme platform which has been designed to cover the contractor workforce in all locations for safety, security and productivity, provides end-to-end visibility of work patterns of the workforce across plants and helps pre-empt unsafe incidents while improving productivity.

To digitally enable operations, Tata Steel has developed multiple asset-specific algorithms to predict failures as well as residual life of equipment. This has minimised failure scenarios for mission-critical equipment and eliminated unplanned downtime. The Smart Asset Maintenance Platform is helping achieve higher asset availability at lower maintenance cost, across equipment from mines to rolling mills through enhanced sensorisation and building predictive analytics solutions.

We have revamped our procurement process by introducing digital catalogue-based buying, commodity price prediction-aided buying, analytics-powered negotiation tools for Category Managers and end-to-end contract lifecycle management and analytics. Our Procurement 4.0 platform has enabled ~50% reduction in vendor registration cycle time and ~20% reduction in order processing cycle time.

Total Quality Management and Shikhar25

Total Quality Management (TQM) way of working is embedded in the culture of Tata Steel. TQM techniques are regularly deployed in operations and maintenance processes for achieving consistent quality and efficient performance. Shikhar25 is a focussed EBITDA improvement programme, which promotes efficiency, sustenance and right behaviours across departments of Tata Steel.

The programme is aimed at improving operational efficiency, energy efficiency, lower costs, optimise product mix, reduce and recycle waste through impact centres across Tata Steel. During the pandemic-impacted year, we revisited the various aspects of fixed cost to ensure reduced expenditure and maintain healthy cashflow. Also, with increased production capacities, the emphasis has been on simplifying and synergising operations across sites for optimal utilisation of resources to reduce cost. During the year under review, a total of 931 projects were implemented and savings of ₹3,274 crore accrued across the organisation.

Way forward

- Accelerate innovation and technology leadership through strategic collaborations with multiple research and industrial organisations and partnerships with start-ups
- Grow adjacent revenue streams by commercialising in-house IP and knowledge through new products in new markets and services
- Achieve growth in other materials with world class technologies and products

Human capital

At Tata Steel, we believe that developing and maintaining a conducive work culture is imperative for an organisation to attain its full potential. We are focussed on sustaining an engaged and skilled workforce that is capable of delivering on the commitments to our stakeholders and making us 'future ready' structurally, financially and culturally. As part of our Strategy 2030, we aspire to become the 'Best Workplace in Manufacturing Sector'.

745
Employee productivity (tcs/employee/year)

22 women
Deployed from the first batch as heavy machinery operators under Tejaswini 2.0 initiaitve

13,900+
Workforce were trained on various safety standards

Impact on SDGs

Celebrating diversity and inclusion for a better tomorrow

Strategic linkage

SE

Material issues addressed

- **Occupational health and safety**
- **Labour relations - fair wages**
- **Local sourcing of labour**
- **Talent retention**

- Creating a safe and healthy workplace
- Investing in people and striving to be employer of choice
- Care for the communities and people we reach in our operating areas through our CSR practices

Human Resource Management (HRM)

Human resource has always been a key differentiator for Tata Steel. Our ability to deliver long-term value rests on the principles of participative management. This culture of working together – management and union – has ensured over 92 years of industrial harmony. Our culture exemplifies our core values and nurtures innovation, creativity and diversity. It encourages high performance through continuous development and opportunities for growth, enhancing engagement and experience through our distinctive reward and recognition programmes.

HRM goals

1. Best Workplace in Manufacturing Sector in India
2. Improve employee productivity
3. 25% diversity in workforce by 2025
4. To be a benchmark in employee engagement and experience

Agility with care, driven by digital

The pandemic has accelerated workplace transformations worldwide. We brought digitalisation into sharp focus to ensure employee safety through data driven decision-making. We also worked relentlessly towards ensuring our employees' well-being, both physical and mental, by encouraging them to use the Employee Assistance Programmes (EAPs). For ensuring business continuity, several initiatives were introduced:

- Agile working policy – among the first across industry to enable employees to work remotely from anywhere in India
- Connected workforce system – to enable real-time tracking and access control of workforce to ensure safety and well-being during the pandemic
- POD working system – an innovative manpower modularisation; each 'POD' comprises a self-sufficient group with operation and maintenance workforce; 4,000+ PODs created in less than two weeks across locations
- Rewards Hub – launched a one-stop platform for accessing all officers related policies and benefits
- Introduction of employee net promoter score to measure employee experience across key touchpoints
- People Care, 24x7 COVID-19 helpline was introduced to support employees during the pandemic
- Digital onboarding and induction programme for ~450 trainees; 62,000+ e-learning assignments
- Advocated for 12-hour shift and received approval from Government of Jharkhand

Tata Steel was recognised by the United Nations Global Compact Network India for its efforts on 'Being Focused on People during and post COVID-19'.

Safety governance

Our safety governance structure is driven by the Safety Health & Environment committee of the Board (chaired by an independent director) and the Apex Safety Council (chaired by CEO & MD). The Safety Excellence Journey (SEJ) committee (chaired by Vice President, Safety Health & Sustainability) under the guidance of the Apex Safety Council works for policy formulations. Their directives are cascaded through the six Apex Safety subcommittees (each chaired by one Vice President), which further cascades to Divisional Implementation Committees (chaired by respective divisional Vice President) and Area Implementation Committees (chaired by department chiefs). Execution of leadership directives is ensured through robust review mechanism across the organisation.

We have been working on six safety strategies – build safety leadership capability at all levels to achieve zero harm, strengthen deployment of contractor safety management standard, improve competency and capability for hazard identification and risk management, improve road and rail safety, excellence in process safety management, and establish industrial hygiene and improve occupational health. The enablers of different strategies are embedded with the executive's annual performance contract and are linked with remuneration.

Goal: Achieve Zero Harm

Key initiatives for safety and health

Build safety leadership capability at all levels to achieve zero harm

Impact created

~25%
(FY20: 127, FY21: 95)
Reduction in lost time injuries

~17%
(FY20: 346, FY21: 287)
Reduction in first aid cases

~87%
(FY20: 08, FY21: 01)
Reduction in Process Red Risk Incidents

~61%
(FY20: 52, FY21: 20)
Reduction in Red Risk Incidents

100
Past fatal incidents recommendations have been implemented at 3,235 identified locations

43,500+
Workforce trained on standard operating guideline for COVID-19

Improve competency and capability for hazard identification and risk management

Impact created

13,976
Workforce members trained on various safety standards at Safety Leadership Development Centre

80%
Employees trained on simplified safety standard through E-learning modules

Ensuring contractor safety

Impact created

745
High-risk job vendors were assessed across locations; 68 were approved for 4-star rating and one for 5-star rating

21
Training modules for critical equipment and process were developed under the Vendor Skilling-2.0 programme, leading to 311 contractor employees being certified as multi-skilled

Ensuring COVID-19 safety protocols across our operating locations

Elimination of safety incidents on road and rail

Impact created

- Zero road fatalities sustained over the last six years
- Deployment of model loading /unloading point at 13 locations
- Deployment of Driver's Fatigue Monitoring System (DFMS) for heavy vehicle safety

Excellence in Process Safety Management (PSM)

Impact created

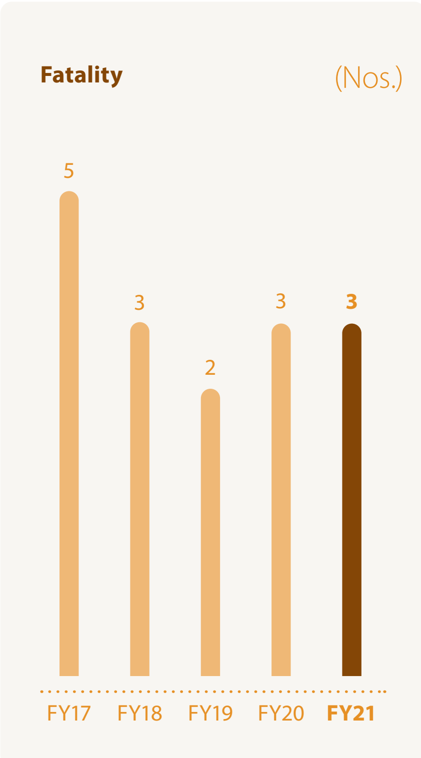
- Tata Steel received Safety and Health Recognition 2020 from worldsteel for its Best Practice in 'Digitalisation of Process Safety Performance Indicators' at the latter's Safety and Health Recognition 2020
- The Process Safety Management Centre of Excellence (PSM CoE) concept has been rolled out in 14 new departments across Tata Steel

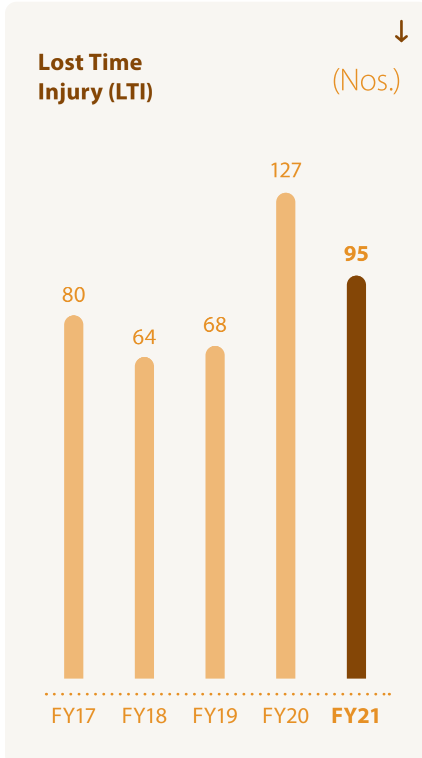
Establish industrial hygiene and improve occupational health

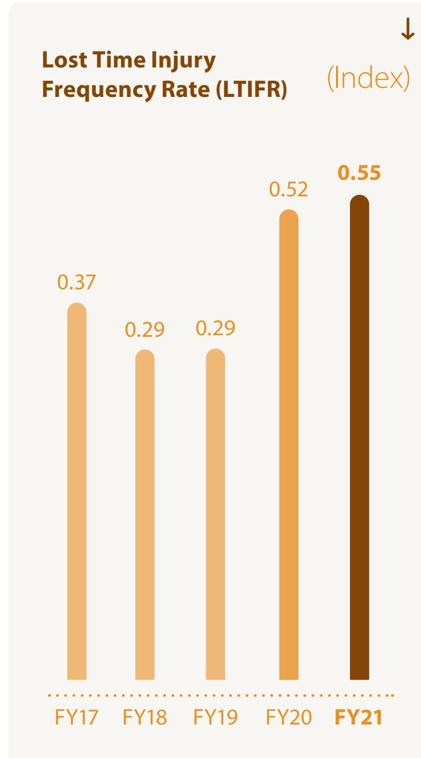
Impact created

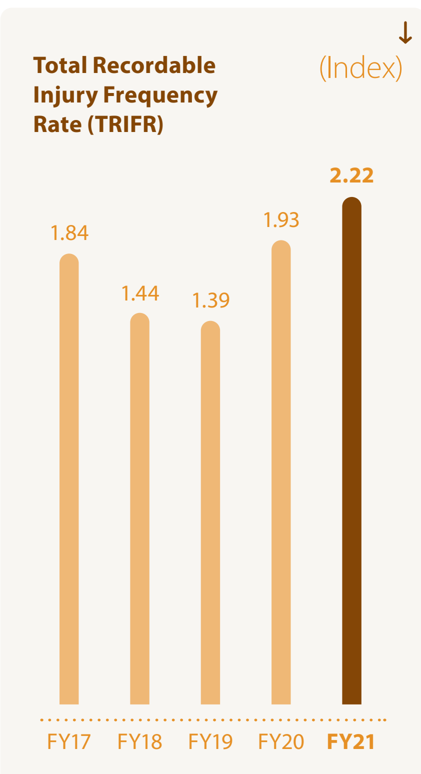
- 56% of the high-risk cases were transferred to moderate or low risk with changes in their lifestyle
- Health Index improved from 12.70 in FY 2019-20 to 12.83 in FY 2020-21
- Workplace ergonomic risk factors reduced through 47 ergonomic control measures
- Actual exposure level of occupational health-related hazards were accurately assessed in 12 departments through a Quantitative Industrial Hygiene Assessment

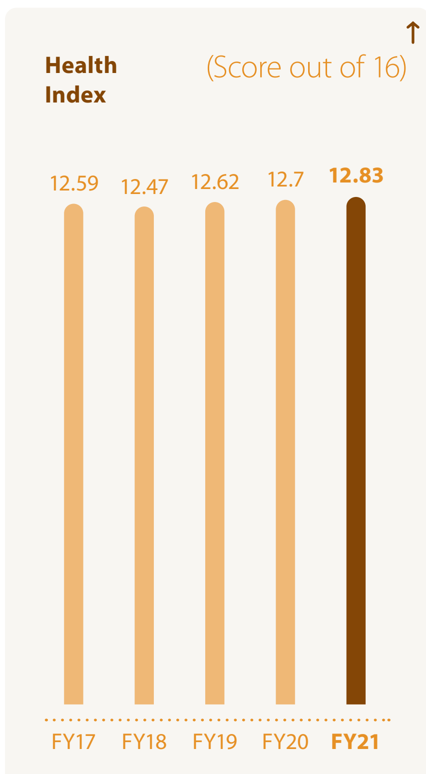
↑ Good if increases ↓ Good if decreases

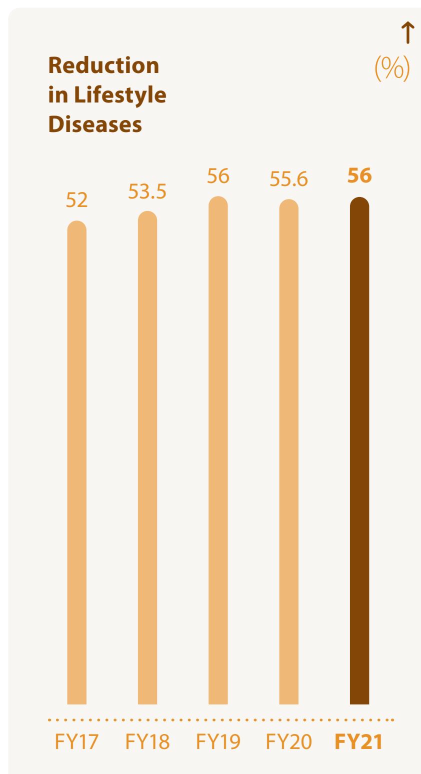












Capability Development

Tata Steel has a 'Workforce Capability and Capacity Framework' to assess capability needs across the workforce for skill and competence building, customer focus, organisational performance, innovation, health, safety, environment, and business ethics. In line with the changing business needs, we evaluate and improve our training infrastructure, methodologies and programmes. State-of-the-art 'smart class infrastructure', connecting training centres across locations, have been installed at six training locations, in line with the need to build a future-ready workforce. Customised awareness programmes and focussed campaigns on relevant aspects of sustainability were conducted for our employees and for our extended ecosystem of suppliers and the community. Through various online training interventions, despite the challenges posed by the COVID-19 outbreak, the training reach increased from 54% in FY 2019-20 to 73% in FY 2020-21 (with 100% reach/coverage for officers). Initiatives such as the School of Excellence (SOE) were strengthened in prioritised areas of Steel Plant Operations and Maintenance with the objective of developing world-class technical competencies in our employees. During FY 2020-21 SOEs were made operational.

Tata Steel Digi-e-Shala was launched in July 2020, for students, working professionals and organisations, with an aim to offer learning and development services to the external world. In view of the unprecedented COVID-19 situation, these e-learning initiatives were offered free of cost to the stakeholders. 26 Tata Group companies benefited from this initiative with ~7,000 unique employees enrolled for the e-learning modules.

The first batch of 22 women heavy machinery operators at our Noamundi iron mine

State-of-the-art 'smart class infrastructure'

Diversity and Inclusion

Diversity and inclusion is a way of life to ensure fair and equal opportunity for all employees. MOSAIC (the Diversity and Inclusion Committee) drives diversity and inclusion indicatives across the four aspects of Gender, Person with Disabilities (PwDs), LGBTQ+, and different sections of society (e.g., Affirmative Action Community). During FY 2020-21, we deployed the first batch of 22 women as heavy machinery operators at the Noamundi iron mine, ensured active presence in Tata group's 'We@ Tata' programmes, and introduced physical and digital infrastructural changes to make the workplace more inclusive. Continuous efforts are also being made on hiring as well as retaining and developing women leaders, which have led to an increase in gender diversity and a reduction in attrition of female employees from 8% to 6%.

Unique policies to drive diversity and inclusion:

- Menstrual Leave Policy, Employee Resource Group 'WINGS' for LGBTQ+ and Take Two Policy.
- Policy rolled out on equal rights for LGBTQ+ employees to enable partners of our colleagues to avail all benefits meant for spouse
- Launched 'Indradhanush ke kai Rang' – a campaign to celebrate LGBTQ+ community

Employee productivity

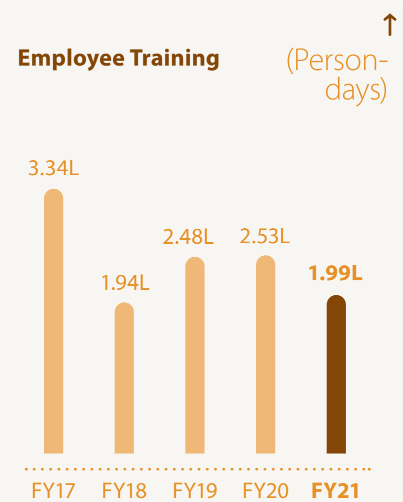
We continued on our productivity improvement journey through various focussed initiatives. To remain competitive, improving productivity is of utmost importance. We continue to strive to achieve benchmark performance in this area. Technology and Agility played a crucial role in minimising the impact of COVID-19 on the organisational performance with our productivity remaining at 745 tonne/employee/year. During FY 2020-21, we undertook several initiatives such as throughput improvement and other operational excellence projects, value engineering, cycle time reduction, along with efforts to identify redundancy through right skilling, Sunhere Bhavishya Ki Yojna (SBKY). We also made significant progress in simplifying the organisation's structure, systems and processes. Employees were also sensitised on productivity improvement through various programmes.

Best Workplaces™ in Manufacturing — Great Place To Work. INDIA 2021

Great Place To Work. Certified DEC 2020–NOV 2021 INDIA

Rewards and recognition

- Certified as India's Best Workplaces by 'Great Place to work' under the category of 'Large Organisation' for the 4th time
- Adjudged as one of the winners of India's Best Manufacturing Workplaces in Manufacturing 2021 by the Great Place to Work Institute for the 4th time
- Recognised as IWEI's Top Employers 2020 for the commitment demonstrated to advancing equality for LGBT+ community
- Digi-e-shala won the Steelie Award 2020 constituted by World Steel Association for Excellence in Education and Training
- Won the regional championship in both student and industry category in Steel Challenge-14 on virtual steelmaking organised by worldsteel
- Recognised in three categories at DivHERsity Award, 2021: DivHERsity Policies, Women Returnee Program and Women L&D Program



L = Lakh

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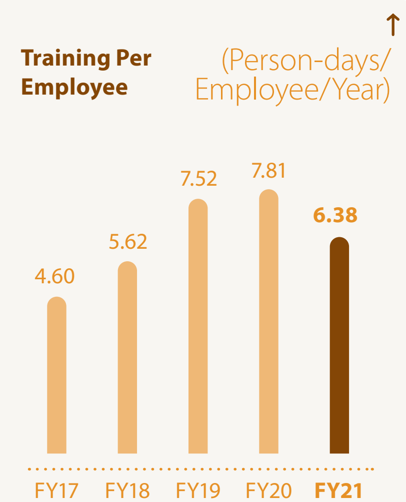


↑ Good if increases

Human rights

Tata Steel is committed to upholding human rights across its value chain. Our commitment is reflected in the due diligence and implementation framework, governed by the following policies:
(for more information, visit www.tatasteel.com).

- Tata Code of Conduct (TCoC)
- Social Accountability Policy
- Responsible Supply Chain Policy
- Corporate Social Responsibility (CSR) Policy
- Affirmative Action Policy
- Prevention of Sexual Harassment (POSH) and Anti Sexual Harassment Initiative (ASHI)
- Safety Principles and Occupational Health Policy
- Data Privacy Policy
- Whistleblower Policy
- Equal Opportunity Employer Policy

We actively seek to strengthen our mechanism to prevent and mitigate adverse human rights issues through SA8000 audits of our workplace. Appropriate corrective and remedial measures (checks and balances) have been identified to address any non-compliances. Tata Steel Jamshedpur Works underwent SA8000 recertification audit in FY 2019-20, and successfully retained the certification till July 2022.

Approach to protecting human rights

Full-time employees

Tata Steel is an equal opportunity employer and does not discriminate on the basis of gender, caste, religion or disability. During recruitments, we exercise positive discrimination in favour of socially disadvantaged communities, provided the candidates fulfil our merit-based criteria. Our systems and processes in this regard are monitored for compliance and are subject to continuous improvements through the SA8000 standards and third-party verification. MOSAIC sensitises the workforce to undertake initiatives on promoting diversity.

Supply chain partners

The Tata Steel Responsible Supply Chain Policy (released in 2020) sets out the expectations and minimum standards on fair business practices, health & safety, human rights and environmental performance that our supply chain partners need to adhere. During FY 2020-21, we engaged with our supply chain partners through awareness sessions and assessments based on the policy requirements. Specific corrective action plans have been identified based on non-compliance to the requirements of four principles of the policy (including human rights) and we are working with our supply chain partners to address these. These principles also form a critical part of our Business Associates Code of Conduct and all our business associates (includes supply chain partners) are mandated to endorse it before working with Tata Steel.

Contract workers

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

Indigenous communities

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

Natural capital

Optimising resources, investing for a sustainable future

Steel is integral for infrastructure building and plays a key role in economic development and nation-building. However, steelmaking is a resource-intensive process and creates environmental impact in form of emissions and effluents. We are committed to using the most efficient production routes, minimising waste generation and mitigating the negative impact on the environment.

41% TSJ

46% TSK

Reduction in specific fresh water consumption since FY 2016-17

34% TSJ

62% TSK

Reduction in stack dust emission intensity since FY 2016-17

Impact on SDGs

Rated 'A-'

(Leadership band) for Climate Change and Supply Chain disclosure in CDP 2020

Ensuring sustainable practices with our Long Pipe Conveyor at West Bokaro, Jharkhand

Sure, we make steel.
But #WeAlsoMakeTomorrow

Strategic linkage

SO2 SO4

Goals

	2025 Goals	2030 Goals
Climate change	Achieve CO_2 emission intensity of <2 tCO_2/tcs for Tata Steel India	Achieve CO_2 emission intensity of <1.8 tCO_2/tcs for Tata Steel India
Water	Achieve specific freshwater consumption of 2 m^3/tcs across all steelmaking sites	» Achieve specific freshwater consumption of <1.5 m^3/tcs across all steel making sites » Aim for water neutrality
Circular economy	Achieve material efficiency of 99% at all steelmaking sites	» Sustain material efficiency at 100% at all steelmaking sites » Increase IBMD EBITDA by 2.4 times over 2020 » Build recycling business in steel and other materials (>5 MnTPA)
Biodiversity	Develop and implement Biodiversity Management Plans (BMPs) for all operations sites (including raw material locations)	Aspire for no net loss of biodiversity
Dust emission	Achieve specific dust emission intensity of 0.4 kg/tcs for Tata Steel India	Achieve benchmark dust emission intensity by adopting best available technology
Supply chain	Coverage of 100% critical supply chain partners for ESG risk assessment and collaborate for risk mitigation	Integrate ESG performance of partners in procurement decision-making
Product sustainability	Cover 100% of steelmaking and downstream sites under Life Cycle Assessment	Disclose environment performance of 100% of products
ResponsibleSteel™ certification	Certification of all steelmaking sites	-

Material issues addressed

- CO_2 emission
- Water consumption and effluent discharge
- Waste management
- Renewable and clean energy
- Biodiversity
- Energy efficiency
- Air pollution
- Circular economy
- Supply chain sustainability

Our approach to managing natural capital is underpinned by our strategies on low carbon transition, reducing dependence on freshwater consumption, pollution control, maximising value from waste and exploring opportunities in the circular economy and enhancing biodiversity across the value chain.

We focus on operational excellence through our 'Prevent, Minimise, Recover, Reuse and Recycle' approach. We invest regularly to upgrade manufacturing and distribution facilities to improve operational and environmental performance. We have implemented environmental management systems in accordance with ISO 14001:2015, which provides the necessary framework for managing compliance and improving environmental performance. During FY 2020-21 ₹32.72 crore was invested on environmental management system upgradations focussed on improving air emissions, water management, imbibing circular economy principles and conservation of biodiversity. We operate state-of-the-art accredited laboratories for environmental performance assessment.

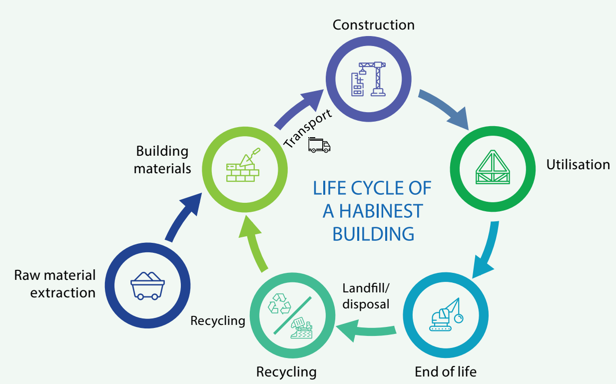
Air emissions

Jubilee Park, Jamshedpur

Clean air to breathe is a basic human right, and Tata Steel is committed to maintaining the quality of air in its operating areas.

We strive to reduce the negative impact of our operations on the quality of air through maintenance and upgradation of Air Pollution Control Equipment (APCE). We are conducting Source Apportionment studies of Jamshedpur Works and its surrounding areas within a radius of 20 kilometres to identify key sources of air pollution, their contribution to overall ambient air quality in the region, and accordingly develop air quality management plans. Our continuous efforts for reducing stack emission load has resulted in the reduction of dust emission intensity by 34% and 62% since FY 2016-17 at TSJ and TSK, respectively.

Life Cycle Assessment



Life Cycle Assessment (LCA) is a method for assessing a product's environmental impact considering its various life cycle stages.

We use LCA effectively to understand our products' environmental impact as well as to use its outcome for product-related environmental disclosures. During FY 2020-21, a comparative LCA study was carried out between our HabiNest structure and a similar type of conventional structure. The study was carried out for a 2,400 square feet classroom building.

GHG management

Jamshedpur Works

GHG emissions from Indian steelmaking operations (million tCO_2)

Steelmaking Sites	Scope	FY17	FY18	FY19	FY20	FY21
Tata Steel Limited (TSJ+TSK)	Scope 1	25.53	26.52	27.14	26.53	**24.84**
	Scope 1.1	3.69	3.96	4.53	4.53	**4.51**
	Scope 2	1.11	1.17	1.17	1.08	**0.95**
	Scope 3	(2.21)	(1.99)	(1.81)	(1.75)	**(1.98)**
	Overall	28.11	29.66	31.03	30.39	**28.31**

Emissions based on CO_2 Data Collection User Guide V9.5, Worldsteel Association

We are committed to steering the business to low carbon pathways and prepare future-ready portfolio by building resilience for transition and physical climate change risks.

While we believe that steel is an integral part of the solution for transitioning to a low-carbon economy, we recognise the significant challenge which the steel sector is besieged with for deep decarbonisation. We are working on deployment of key enablers for deep decarbonisation, including the use of more scrap in steelmaking, use of alternate fuels such as natural gas and hydrogen, and deployment of carbon capture and storage/utilisation technologies. We continue to adopt the best available technologies for waste heat recovery such as Top Recovery Turbine (TRT), Coke Dry Quenching (CDQ), use of by-product gases in power generation and other energy efficiency measures, resulting in improvement of resource efficiency as well as reduction of carbon footprint.

We are actively engaging with technology companies, academia, companies from other sectors having similar challenges on development and scale-up of deep decarbonisation technologies such as CCUS, hydrogen generation and its use in steelmaking, use of biomass and other alternate ironmaking routes. Tata Steel has signed an agreement with Shell India Markets Private Limited to evaluate and co-develop short- and long-term options for improvement in energy efficiency, optimisation of demand around carbon-intensive products and services and others. Additionally, Tata Steel and the Council of Scientific & Industrial Research (CSIR) have signed an MoU to collaborate on CCUS.

We are a signatory to the Task Force on Climate-related Financial Disclosures (TCFD) for climate change and have identified transition risks and opportunities to decarbonise our operations in the long-term. Specific mitigation and contingency plans for each of the identified risks have been integrated within our long-term strategy. While the pandemic affected production marginally, Jamshedpur Steel Works remains the national benchmark in BF-BOF based integrated steel plants. Renewable energy projects with a combined potential of ~150 MW have been initiated based on a phase-wise roadmap across sites. Our engagements and support in leading initiatives such as Responsible Steel, Net Zero Steel Pathway methodology project, Assessment of Low-Carbon Transition (ACT), World Economic Forum's Mining and Metal Blockchain Initiative and worldsteel's STEP-UP programme demonstrate our resolve towards long-term decarbonisation strategy.

Tata Steel Group was recognised by CDP in Leadership band (A-) for climate and supply chain disclosures.

Water management

Water Pond, CRM Bara, Jamshedpur

Steel plants use a large amount of water for a variety of purposes, including cooling, dust suppression, cleaning, temperature control (heat treatment), and transport of waste materials (ash, sludge, and mill scale).

Our operations in India are located near rivers (Subarnarekha for Jamshedpur plant and Baitarani for Kalinganagar plant) which provides us a strategic advantage. Our efforts on water conservation hinge on minimising withdrawal of fresh water from rivers and maximising the recycling of treated effluents within the plants as well as domestic sewage. Specific fresh water consumption of TSJ (2.25 m^3/tcs in FY 2020-21, excluding drinking water consumption) is one of the lowest in the steel industry in India. In our pursuit to make Jamshedpur the first city in India to achieve zero sewage discharge into the river, two Sewage Treatment Plants (STPs) with capacity of 45 million litres per day (MLD) and 16 MLD have been installed in the city and treated water from the STPs is being reused in plant operations. During FY 2020-21, we successfully completed the CRM Bara Rejuvenation Project resulting in the creation of a larger rainwater harvesting facility, improvement in water table of local area and increase in biological diversity. Technological advances coupled with adoption of best practices, such as reusing of treated town sewage water for industrial purpose at Jamshedpur works, recycling of industrial effluent at all sites and recovery of storm runoff water at Kalinganagar works has enabled reduction of specific fresh water consumption by 41% and 46% at TSJ and TSK, respectively since FY 2016-17.

Biodiversity

Sir Dorabji Tata Botanical Park, Noamundi

Tata Steel has been actively working with several organisations to enhance its performance in biodiversity conservation and significantly reduce its impact on the ecosystem and biodiversity.

Our Indian operations are not located in any of the identified biodiversity hotspots or protected areas. During FY 2020-21, we developed BMPs for Jamshedpur and Kalinganagar, planted over 2.98 lakh saplings of native species across locations, developed a 12-hectare Ecological Importance Park on MSW Dumpsite at Jamshedpur and rejuvenated the 5.6 hectare CRM Bara Pond at Jamshedpur. By FY 2020-21, we have developed BMPs for 11 locations and plan to cover 100% of our sites by 2025.

Circular economy

Steel Recycling Plant, Rohtak, Haryana

Solid waste management

Tata Steel endeavours to remain an industry benchmark in managing solid waste and creating value using 3R (Reduce, Reuse & Recycle) principles of the circular economy.

We handle about >12 MnTPA of by-products spanning 25+ product categories comprising 250+ Stock Keeping Units (SKUs). The wide range of industrial by-products serves as key raw materials to various industries such as cement, chemical, construction, among others. During FY 2020-21, we achieved process solid waste utilisation of >99% at TSJ and TSK, and focussed synergy initiatives have enabled knowledge transfer and horizontal deployment of best practices across our recently acquired facilities of TSBSL and TSLP.

By leveraging digital technologies, Tata Steel has created a resilient ecosystem for by-product management, which helped in successfully addressing the challenges posed by COVID-19. Agile and connected supply chain helped increase efficiency of material movement and ensure safer operations. The accelerated weathering facility for LD slag has enabled us to ramp up the utilisation of processed slag in the construction of national highways and downstream products such as soil conditioners, paver blocks, among others. During FY 2020-21, supplies of Ground Granulated Blast Furnace Slag (GGBS) started from Kalinganagar and has been successfully established in the market.

Tata Steel commenced operations of a future-ready by-product processing and value creation centre with modern baling units and mechanised processing facility in Jamshedpur. The Metal Recovery Plant (MRP) is now operational at Dhenkanal and Gamharia plants as well, helping to enhance internal consumption of by-products and offer value-added products for external markets.

Tata Steel won the prestigious CII 3R Awards 2020 at the CII International Conference for demonstrating the 3R (Reduce, Reuse, Recycle) principles in by-products management.

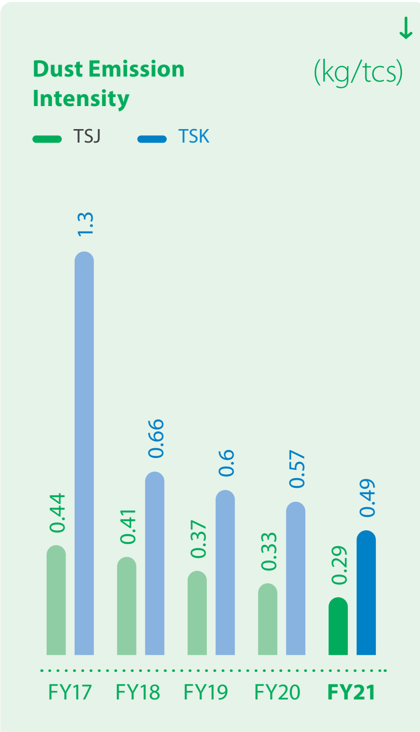
By 2030, we target to achieve material efficiency of 100% while sustaining solid waste utilisation of 100% across all locations and increasing EBITDA by 2.4 times from by-product business.

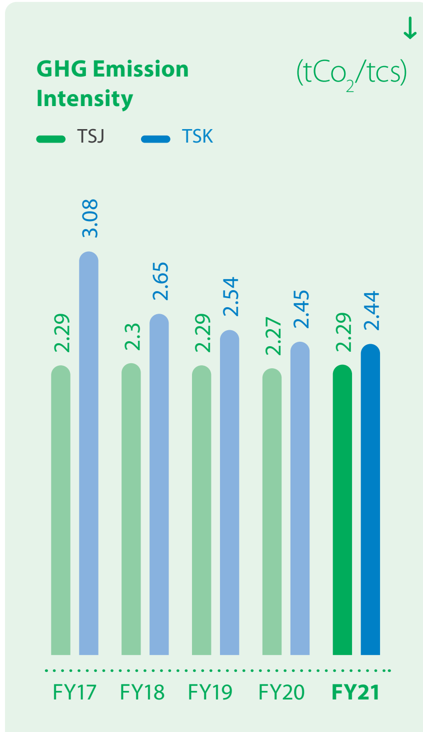
Steel recycling business

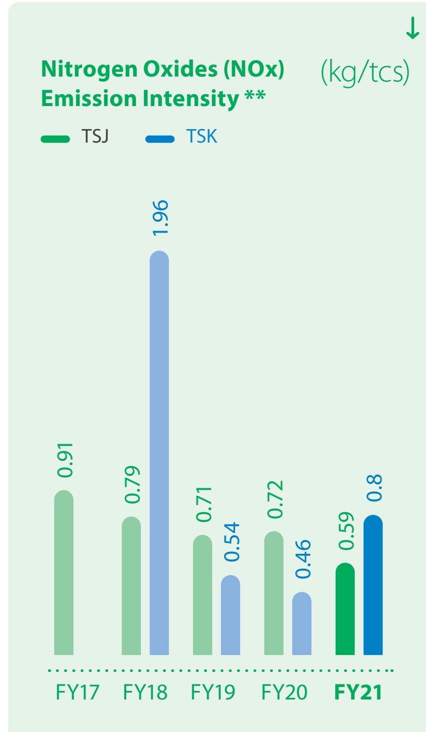
Steel has the unique property of being infinitely recyclable. Primarily, the Electric Arc Furnace (EAF) method for steelmaking, with lower carbon footprint, is used for re-melting of steel.

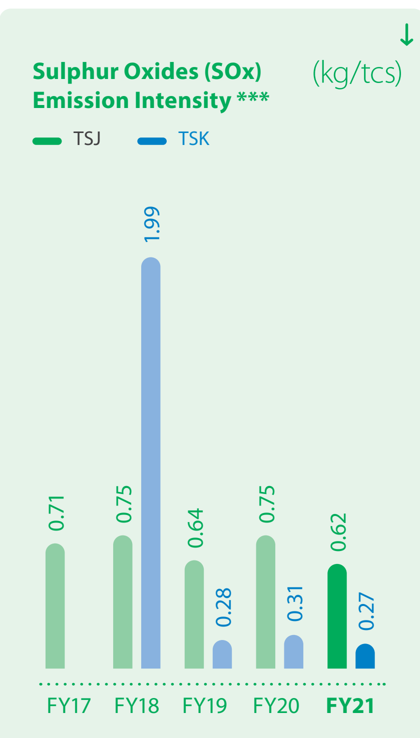
Higher usage of scrap for steelmaking in India is currently limited due to lower availability of scrap and a fragmented scrap supply chain. To be future-ready and establish the supply chain for scrap, we set up our steel recycling business in FY 2019-20. We successfully commissioned our first steel scrap recycling plant of 0.5 MnTPA in September 2020 at Rohtak, Haryana. It is a state-of-the-art plant with mechanised equipment such as shredder, baler, material handler for processing, handling and producing high-quality scrap. Steel scrap is procured from market segments such as End of Life Vehicle (ELV) scrap, obsolete household scrap, industrial scrap, etc. This scrap is processed through mechanised equipment and the high-quality processed scrap is supplied to electric arc furnaces (EAFs), induction furnaces (IFs) and foundries for downstream steelmaking. We have launched various first-of-its-kind initiatives in the global scrap industry such as branding of Scrap, FerroHaat app for buying and selling scrap, among others.

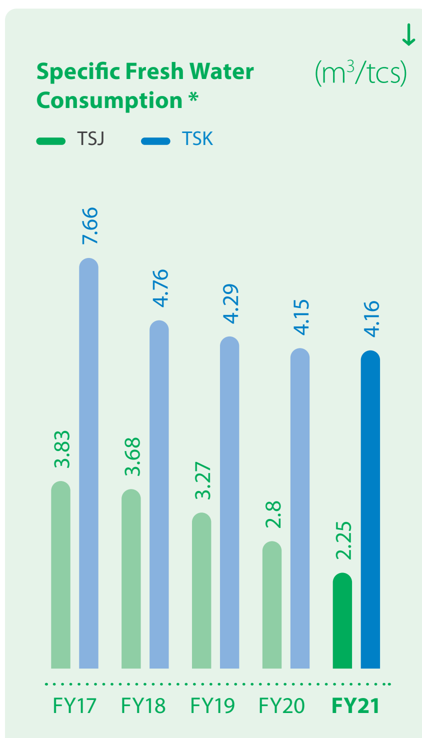
↑ Good if increases ↓ Good if decreases

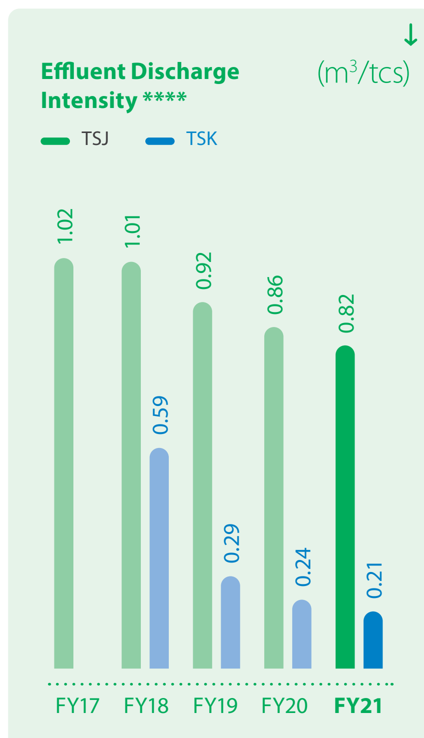






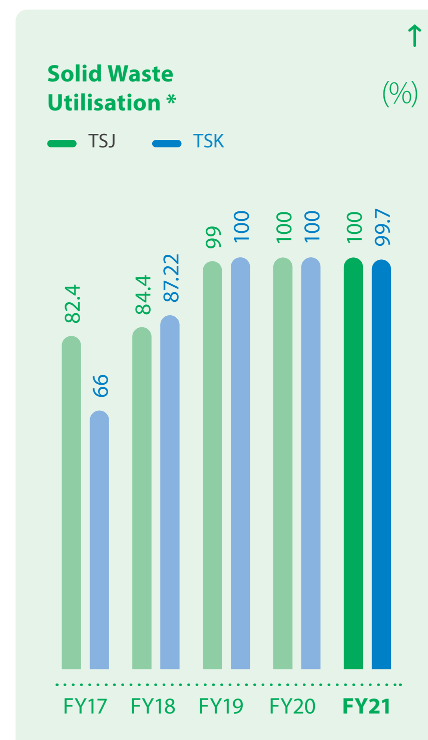


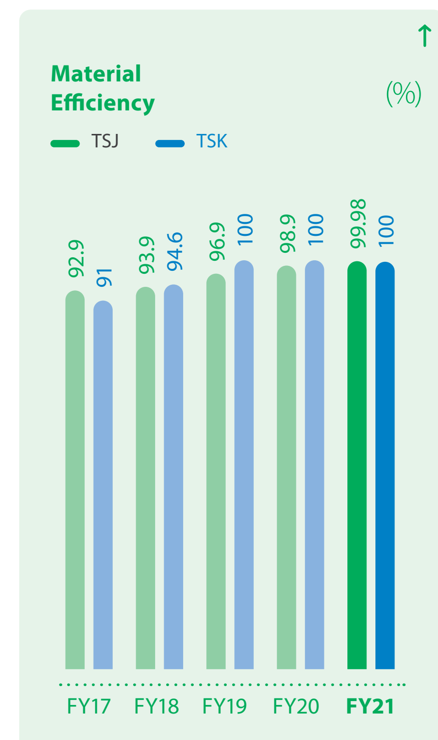




* Defined as freshwater consumption per tonne of crude steel produced excluding drinking water consumption
**Defined as amount of nitrogen oxides (in kilograms) emitted from stacks for producing one ton of crude steel
***Defined as amount of sulphur oxides (in kilograms) emitted from stacks for producing one ton of crude steel
****Defined as effluent discharged (in cubic metres) from operational premises for producing one ton of crude steel

Tata Steel regularly organises tree plantation drives across locations





Way forward

In line with our strategic goal of being the industry leader in sustainability, we will continue investing in technologies and processes to further improve our performance on GHG emissions, water management, waste utilisation and biodiversity management. We are also accounting for possible regulatory, market and climate change in the future by continually evaluating risks and opportunities and adapting accordingly through various interventions such as expanding our steel recycling business, improving by-product business, carrying out life cycle assessments and embedding the principles of circular economy

*Defined as amount of solid waste used internally or externally + sold outside as a percentage of total solid waste generation

Social and Relationship capital

At Tata Steel, we believe that to sustain a successful business, it is imperative to build long-term relationships based on mutual trust, respect and benefits. It protects the organisation through business and economic cycles.

Our relentless pursuit towards meeting the emerging needs of our customers, creating of value for our suppliers and driving inclusive growth for our communities we serve, has contributed to creating significant social and relationship capital.

1.61 million
Lives reached through CSR initiatives

83.3
Customer Satisfaction Index (Steel) (out of 100)

201
Critical suppliers assessed on Responsible Supply Chain Policy

Impact on SDGs

Our Customers

Strategic linkage

SO1 SO3

Material issues addressed

- **Business growth**
- **Product and service quality**
- **Long-term profitability**
- **Greater stakeholder engagement**
- **Technology, product and process innovation**

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

Initiatives for building relationship with customers

Tata Steel has been focussing not only on existing but also on latent and evolving needs of its customers across B2B (Business Accounts), B2C (Individual Consumers) and B2ECA (Emerging Corporate Accounts) by offering differentiated products, services and solutions.

A challenging year such as FY 2020-21 required a different approach towards our customers – of empathy and support through innovative engagement. FY 2020-21 became a year of forging stronger relationships with our customers and of renewed commitment to quality both in terms of product and service delivery. Further, our multiple digital initiatives emerged as a big gamechanger during the pandemic and enabled us enter unserved territories, creating opportunities to serve new customers and new markets. FY 2020-21 therefore was dedicated to forging stronger relationships with customers and renewing our commitment to quality both in terms of product and service delivery.

Transformational initiatives for customer relationship

B2B segment

COMPASS aims at digitally enabling the supply chain to maximise visibility for customers and OTIF (on time in full) to better track inventory and supply chain from production to last-mile delivery

Launched **e-DRIVE**, a digital platform developed in-house, to transition tech-support activities traditionally involving high physical engagement to virtual medium using 3D viewer software and Microsoft tools

Launched **#Converse to Construct-Conversations that build Tomorrow**, a platform to engage with different stakeholders of the construction sector to share and co-create ideas that would enable adoption of faster, sustainable and modern construction practices in line with global benchmarks

B2ECA segment

DigECA, a digital solution for ECA business, created real-time, segmental visibility of sales for channel partners and end customers

Tata Astrum Super, the premium brand of Hot Rolled Cut to Length Sheets, completed two years, recording 30% growth; it aims to address the pain points of the fragmented mix of comparatively small retailers and fabricators

Conducted monthly **Safety Workshops and Webinars on Best Practices in MSME space,** aligned with the commitment of safety and customer engagement, by leveraging the digital medium during the COVID-19 period

B2C segment

Enhanced our reach through e-selling platform, **Aashiyana** by acquiring customers who would otherwise have not visited the offline stores; Aashiyana clocked ₹726 crore in revenue in FY 2020-21, more than doubling its year-ago performance

Launched **Tata Basera 2.0**, the Tata group level synergy programme for individual home builders; Tata Power Solar, Voltas Beko and Tata Cliq have been on-boarded on this programme

Brought the entire distribution channel on one platform, **Sampoorna**, by creating a common interface for channel partners, their workforce and dealers; 48 distributors of Tata Tiscon and their workforce of 700 ASOs (Area Sales Officers) and BMs (Business Managers) were included

Fostering strong and long-lasting relationships with customers

Felicitating channel partners

Other key customer and market initiatives in FY 2020-21

Automotive

FY 2020-21 was a year of extremes from a demand perspective.

- To overcome the challenges posed by the pandemic, we leveraged our digital platforms to strengthen our relationships with key customers in strategic segments through several Technical Cross Learning sessions
- We also transformed Customer Service Team (CST) approach of nurturing the automotive relationships into a digi-intensive engagement forum

Engineering Segment

- By developing API grades upto X70 from the Kalinganagar plant, Tata Steel has been able to make significant inroads in the Oil & Gas segment by securing approvals from major oil producing companies
- Tata Steel increased its share of business with major national players in the Lifting & Excavation and Pre-Engineered Building segments by enriching the product offering and increasing engagements

Construction

Collaboration with worldsteel (through ConstructSteel forum) to increase steel intensity in construction in India.

- Golden Home Consumer programme – Tata Tiscon's loyalty and advocacy programme for individual house builders (IHBs) transformed itself into a digital avatar during COVID-19, reaching out to 8,000+ consumers and getting recognised for customer-centric excellence in business leader of the year award. A Golden Home Consumer is one who buys 3 tonne of Tata Tiscon within a year for building their house
- Tata Tiscon provided safe shopping experience for consumers, increasing its footprint in the rural hinterland through active engagement with the mason community under the MITR programme. The programme has 24,000+ masons who contribute to 30%+ volume for the brand
- Celebrating 20 years of its launch, Tata Shaktee reached out to over 2,000 farmers across the country via physical and digital meets conducted on Kisan Diwas. Fabricator loyalty programme, Shakteeman also saw its highest enrolment of over 8,000 fabricators, achieving ~8,000 tonne of sales. The brand connected with over 5 crore people through various campaigns on social media

ECA Segments

With over 152 customer engagement initiatives conducted virtually to create over 18,000 touchpoints, ECA brands continued to focus on value creation and building on customer relationships.

- Launched new Coated Brands from Tata Steel BSL – Galvanized Plain Regular Spangle, Galvalume and Colour Coated – which are Restriction of Hazardous Substance compliant
- For entry into new product and market segments and which promote sustainability in line with the changing consumer requirements
- Continued to nurture customer relationships through the Ecafez online platform where several online training workshops, events with the Bengal Chamber of Commerce & Industry (BCC&I), Indian Chamber of Commerce (ICC), quality-focussed webinars, micro-segment specific engagement programmes like 'Panorama' (for panel industry) and 'Solarix' (for solar industry) were conducted

Services and Solutions

In the past few years, Tata Steel has launched various innovative products and services, with two major offerings: Tata Pravesh Steel doors and windows, and Nest-in, a smart steel-based modular construction solution.

- Tata Pravesh: Tata Pravesh came out with a comprehensive COVID Care programme for all its distributors and 250+ privilege dealer partners. It also carried out a nationwide sanitisation exercise following WHO guidelines for safety and business continuity of the channel. FY 2020-21 also witnessed the launch of Tata Pravesh's new brand campaign, 'Akela hi Kaafi hai', with the widely loved Gajraj Rao as the celebrity endorser. Tata Pravesh installations grew 40% in FY 2020-21 over FY 2019-20
- Nest-In: Nest-In deploys various approaches to engage with customers at all stages of the customer life cycle. Orders worth ₹104 crore were received during the year, up ~14% over the previous year. Steps have been taken to further strengthen customer relationships by leveraging digital tools

GalvaRoS (GPRS), Galvanova (GL) and Colornova (CC)

Our Suppliers

Strategic linkage

SO2 SO4

Material issues addressed

- **Long-term profitability**
- **Technical knowledge transfer and capacity building for relevant partners**
- **Supply chain sustainability**
- **Greater stakeholder engagement**
- **Local sourcing of labour**

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

Suppliers' Sustainability Expo

Supplier Relationship Management (SRM) programme

The SRM programme is aimed at building collaborations with strategic vendors for managing and enhancing value delivery through supplier-led innovation. During FY 2020-21, multiple sessions were conducted on new and emerging technologies and processes across various improvements areas such as quality, delivery, productivity, safety and sustainability. The sessions, conducted with our strategic vendor partners, helped create value for both Tata Steel and its supplier partners while creating a value pipeline.

CEO to CEO connect with strategic suppliers

A new structured programme of CEO to CEO connect was started in FY 2020-21 in which CEO & MD and the Senior Leadership team of Tata Steel interact with global CEOs and leadership team of select strategic suppliers. The objective is to strengthen business relationships, share future business plans and identify high-impact innovation ideas which can be pursued collaboratively.

Engagement with raw material suppliers

Developing supplier partnerships through long-term projects in the imported coal value chain is critical for reducing the overall cost of production in the long run. Understanding strategic plans of key suppliers and creation of mutually beneficial products have helped maximise the supply of coal that has higher value-in-use (VIU) and is most suitable for our coke plant configuration. We have ensured raw material supply security by developing new relationships in Russia, Canada and Indonesia.
We have also created alternative supply chain models for coking coal, enabled by vendor-managed inventory at Indian ports. This has facilitated supply chain security, credit enhancement and optimisation of inventory, leading to efficient management of complex multi-site operations. The four key areas for collaboration focusses on carbon capture, usage and storage, coal quality optimisation, mining and beneficiation technology and processes, and ironmaking and steelmaking technologies for improving Tata Steel's sustainability.

Responsible Supply Chain Policy

Our Responsible Supply Chain Policy (RSCP) aims at encouraging supply chain partners to integrate sustainability principles in their decisions and processes in line with Tata Steel's commitment to sustainable business practices. The Policy focusses on sensitising suppliers about the need to implement sustainable business practices and inculcate the same culture in their supply chain. The Policy is guided by four principles: Fair Business Practices, Health & Safety, Human Rights, and Environmental Protection. We started the sustainability assessment journey with our critical vendor partners. More than 200 suppliers were assessed in FY 2020-21 with a spend coverage of around 33%.

Indigenisation and localisation

In view of the highly dynamic and ever-changing business landscape impacted with the pandemic, global geopolitical challenges, there is a high risk of impact on the Tata Steel supply chain and increased risk for disruption. While Tata Steel has always worked on localisation, in FY 2020-21 Tata Steel has increased

Strategic Supplier Meet

the efforts and focus on indigenisation and localisation across multiple categories of buy like raw material spares, and process consumables. A detailed roadmap for indigenisation has been created for the next three years.

Vendor development

The vendor development programme and vendor capability advancement programme aims to partner and support suppliers to enhance their capability through continuous improvement, creating a competitive vendor base across Tata Steel. During FY 2020-21, we initiated 32 vendor development programmes, which led to improving vendor capability through a structured approach, value creation and operational improvements in productivity, plant availability, reduction of rework, improved delivery compliance and higher quality of supplies. Moreover, the safety performance of suppliers also improved. Vendor capability and skill development training programmes in TQM, finance, specific trade-related skill development, operational excellence, ethics, safety, cost management and sustainability covered 844 suppliers. Over 12,000 contracted workforce were trained under the skill certification programme by the Capability Development team.

We have reached a 100% certified contracted workforce through our skill certification programmes.
Skilling 2.0 was initiated in FY 2020-21 focussing on developing a multi-skill workforce. Further, to support local communities and encourage the inclusion of marginalised sections of the society, we help develop entrepreneurial capabilities by creating positive differentiation through our Affirmative Action (AA) programme. Nearly 33% of our supply chain partners are local, of which 71 are AA suppliers and DP vendors (displaced due to greenfield project).

During FY 2020-21, we ensured continuity of vendor operations through necessary interventions across states. We also ensured that no pay cut was instituted by the local service providers and the contract workforce was paid as per agreed terms. Assistance was provided to vendor partners from across India, by ensuring availability of vehicles, racks and issuing letters for hassle-free transportation.

Many digital initiatives such as Digi-Bill (e-submission of Invoices), digital platform for paperless transactions for inbound material delivery, Margdarshak, for tracking and re-routing vehicles, among others were deployed to manage the supply chain and ease the transactions carried out by our suppliers.

Way forward

We will cover more suppliers under the sustainability assessment programme in FY 2021-22 and then categorise our supplier partners in 5 major bands – Basic, Improving, Established, Mature and Leading. We also intend to identify key ESG risks in supply chain and collaborate with partners for risk mitigation and integrate ESG performance of supply chain partners in procurement decision-making

More collaborative initiatives on responsible procurement will be undertaken with our key suppliers such as refurbishment of equipment through strategic engagement with MRO vendors and multiple initiatives on reduced carbon emission

We are actively working on the implementation of innovative and structured financing solutions such as Receivable Purchase Agreement with major suppliers and ramping up vendor-managed inventory coverage

Our Communities

Strategic linkage

SE

Material issues addressed

- **Greater stakeholder engagement**
- **Drinking water**
- Articulating globally relevant change models to address core challenges to the significant and lasting well-being of communities proximate to our operations

Tata Steel serves communities particularly the most marginalised and voiceless sections across more than 4,500 villages in nine districts of Jharkhand and Odisha. In alignment with our core philosophy, we envision an enlightened, equitable society in which every individual realises his/her potential with dignity. This vision is enabled through the work Tata Steel's Corporate Social Responsibility team does with tribal and excluded communities to co-create transformative, efficient, and lasting solutions to their development challenges.

During the world's fight against the pandemic, we stood by the most underserved communities, directly reached a million people across 24 states of India.

Goal: Reach >10 million lives by 2030 through CSR initiatives

Goals	Initiatives	Achievements
Meeting material, information and well-being deficits	**#ThoughtforFood** Providing hot and nutritious cooked meals and dry ration to the needy	**27.43 lakh meals** served across all locations **48,000 ration and hygiene** packets distributed till date across the three districts of Kolhan division (Jharkhand) 324 donors have contributed **₹72.24 lakh**
	#StitchinTime Providing masks to the frontline warriors of COVID	**1,01,659 masks** produced till date **194 households** were engaged in mask making **100 individuals from prison** have contributed by making 16,500 masks **₹9.5 lakh** disbursed as income
	#DigitalBridges and #DigitalBridges 2.0 Meeting information gaps and awareness creation among people	**Digital Bridges** **575 Sahiyyas** and Anganwadi workers across Jharkhand and Odisha have been reached **1,68,167 people** reached out through Mobile Medical Units (MMUs), tele-consultations, on-site trainings, expected delivery date tracking **Digital Bridges 2.0** **94,349 migrant workers** reached out across 24 states/Union Territories **72,830 individuals** from 244 Gram Panchayats across Jharkhand and Odisha reached out through direct digital conversations and indirectly, with information and support **6,544 people** screened for home/government quarantine
	#FarRishta Digitally enabled conversations and volunteering opportunities through volunteers	**65,201*** women, children and men reached till date **4,297* volunteers** have shared their time and talent till date* **20** states/Union Territories and 41 cities *Repeat engagement / Repeat volunteers
	#FriendinNeed Providing emotional support to stressed people	**578 individuals** called the befriending service till date **309 callers** sought emotional support on stress and depression **202 callers** were citizens who needed extended services
	#HopeSprings Meeting well-being gap with the non-medical staffs	**40,828 returning workers** reached with warm meal, ration and hygiene kit on National Highway 33 **2,500 returning workers** provided with dry ration packets at Ganjam district of Odisha **₹9.83 lakh raised** through generous contributions by 47 donors **1,712** women, men and children provided with medical assistance

Goals	Initiatives	Achievements
Creating economic opportunities	**#FromtheFarm** Tie up with Zomato and Swiggy for online vegetable selling thus creating income for the farmers	**16,333 kg** of vegetables distributed **1,566 orders** received on Zomato and Swiggy including some offline orders **203 farmers** currently supported through the value chain **₹7.32 lakh** disbursed as income till date
	#CashforWork Involving individuals and groups in an array of income generation activities like kitchen garden, wall writing, paper bag making etc.	**2,860 households reached** **₹27.15 lakh income** disbursed through creation of kitchen gardens, wall-writings, paintings, paper bags, musical instruments and woodcrafts
Establishing platforms to amplify impact	**#StrongerTogether** Formation of the most successful global setup in response to disaster management. Effective and efficient reach of activities in response to COVID-19 ensuring seamless coordination with Non-Governmental Organisations (NGOs) or Civil Society Organisations (CSOs) and district administration of East Singhbhum	**10,562 returning workers** surveyed across **11 blocks** of East Singhbhum by **9 partner organisations** of District Response Coordination Group **Over 71,500 lives have been reached** through the healthcare services provided in the hospitals with support of Tata Steel CSR and the same is included in the overall lives reached under #CombatCovid19 programme

Tata Steel continued with the community development programmes and CSR initiatives, despite restrictions due to the COVID-19 pandemic. The Maternal and Newborn Survival Initiative (MANSI) continued to fully support expecting mothers as well as new-born and infants. Healthcare services were available to those with chronic ailments. A lockdown learning model was devised for the Thousand Schools programme for rural children, especially girls facing challenges with access to digital devices and networks, potentially driving increased dropouts and permanent learning disruption. The model equipped volunteer and government school teachers with digital access who then teach children in small COVID-safe clusters using customised teaching learning material thus saturating 90% of children in eight blocks and 60% in 11 blocks. Farming communities were supported to continue their livelihoods. Technical institutes operated by Tata Steel continued to function with online classes ensuring the vocational training available to youth continues unabated.

Development programmes undertaken in FY 2020-21 and their impact

Signature Programmes: Actualise change models which address core development gaps in Jharkhand and Odisha, while being replicable at a national scale

Initatives	Impact	SDGs
A society where the health and survival of women and children before, during, and after childbirth is a priority reaching out to 58,000 people	» Reached 56,545 mothers and children enabling reach of ASHA (Accredited Social Health Activist) system to their home » Operation Sunshine, the digital intervention of project MANSI (Maternal And Newborn Survival Initiative) enabled tracking of 3,101 high-risk cases till Q4FY2021. Amidst the severe restrictions due to pandemic, we were able to successfully address 86.23% of the high-risk cases whereas 9.55% were cases under observation. This became possible with a combination of physical and digital means of operation » Sexual and reproductive health knowledge to 3,770 adolescents	2, 3, 17
A society where all children go to school and have access to high-quality education to prepare them for a successful future covering 19 blocks of Jharkhand and Odisha	» Over 2,51,000 children's lives impacted through Education Signature Programme » The Lockdown Learning Model, devised during pandemic to provide learning support to the children reached over, 1.36 lakh children » A first of its kind non-financial partnership with the University of Turku, Finland is in place from February 2021 onwards to create learning content, combining best-in-class Finnish methods and the local context of our children » 32,000 members of community formed 2,346 Child Rights Protection Forums. » Communities run 54 Community Education Resource Centres Odisha blocks reaching 4,600 youth and a footfall of 23,000+ people » Complying to Right to Education Act, SMCs have made School Development Plans (SDPs) ratified through Gram Sabhas to be part of Gram Panchayat Development Plans (GPDPs) worth ₹100 crore. ₹54.80 crore has been mobilised by the community through the Panchayats with a purpose of rejuvenation and upgradation of school facilities enabling an environment for improvement in education	4, 8, 10, 17

Initatives	Impact	SDGs
Empowered tribal communities with voice and agency to lead their development agenda, residing in an ecosystem that recognises and appreciates tribal values and living reaching out to six tribes	» Samvaad ecosystem reached 28,180+ people in FY 2020-21 » Samvaad 2020 went bridgital to keep the dialogue going with its YouTube channel having 10,300 viewers, participation of 157 tribes, 25 Indian states and four nations » Through Aatithya (Tribal Cuisine), Jamshedpur citizenry enjoyed delicacies from home cooks belonging to 12 tribes across 10 states in collaboration with Indian Hotels Company Limited and delivery partner Zomato marking sales of ₹1 Lakh over five days of the Samvaad Conclave » Rhythms of the Earth, the Samvaad Music Collective released the musical compositions Birsa Ker Raij curated in collaboration with eminent folk singer Padma Shri Mukund Nayak and Abua Disum Abua Raij (Our Land, Our Rule) marking the statehood day of Jharkhand » During the COVID-19 pandemic, most of the language centres went digital to continue the language learning. 510 language learning centres are operational reaching 16,947 language learners	10, 12, 11
A vibrant Jamshedpur - Kalinganagar corridor where local communities participate in and lead a significant enhancement in their social, natural and cultural capital reaching out to 71 panchayats and 10% of its population (92,000 households)	» Under the Development Corridor project, Government PRI representatives, along with Tata Steel Foundation succeeded in organising its first-ever Digital Gram Sabha in four panchayats recording presence of 80+ people on digital medium and ~300 people in person. The 'threat of COVID-19' helped to co-create an opportunity for devising a digitised platform for connecting the unconnected and secluded. One of the Gram Sabhas witnessed more than 50% women's participation	1, 4, 5, 9, 10, 11

Proximate Community Development (PCD) Programmes: Enable sustainable and significant betterment in the well-being of communities proximate to our operating locations

Initatives

Addressing needs of communities and key stakeholders by focussing on:
(a) ensuring access to comprehensive primary healthcare, (b) sustained availability of safe drinking water,
(c) enhancing household incomes through agriculture, its associated activities and skill-based training for employment and entrepreneurship, (d) enabling basic school education (at least till grade 10) for all children as well as supporting education through scholarships to meritorious students, (e) addressing urban child labour and re-introducing children to the educational mainstream, (f) improving nutritional levels of families as well as that of children in public schools,
(g) sensitisation of society towards Persons with Disabilities (PWDs), (h) nurturing sporting talent among the youth and
(i) engendering community self-reliance by deepening grassroots governance mechanisms in villages particularly focussing on women leaders

Impact

- Over 0.35 million lives have been reached through our PCD programmes in FY 2020-21. This is apart from what is achieved under #CombatCovid19 initiative
- Over 1 million people provided with primary healthcare services across the operating locations of Jharkhand and Odisha
- An increase of ₹65,000 in 24,693 farmers' incomes has been enabled through several agricultural related livelihood interventions
- 21 water harvesting structures constructed largely for agricultural use and partly for domestic use
- 848 children covered from ~3,000 target numbers with 316 mainstreamed till date (187 mainstreamed in FY 2020-21). 13 residential and non-residential facilities in Jamshedpur functioning under Masti Ki Pathshala (MKP). Pandemic brought difficulties for some children and to enable quick support to them 'Children off The Streets' programme launched under MKP which now reaches to 87 children in three centres. In overall MKP programme, 40% children are female
- 2,540 SC/ST students supported for their education in form of Jyoti Fellowship and Tata Steel Scholarship
- Construction of the Mid-day meal kitchen in Chaibasa, West Singhbhum has been completed and shall be handed over to Annamrita Foundation for operations and management. It will cater to ~63,000 school-going children of West Singhbhum district
- 1,576 youth enrolled in placement and self-employment linked skill enhancement programmes, out of which 290 completed the training and 172 youth placed/self-employed. Due to pandemic, placements were delayed and are expected to be completed in early FY 2021-22
- 4,173 youth enrolled in capacity building trainings and 3,232 youth completed the trainings
- 2,303 persons reached through Sabal Centre and various disability linked programmes
- On February 26, 2021, the contributions over the past 3 years of SABAL – Centre for Abilities towards honouring the spirit and talent of persons with disabilities were recognised by the Deputy Chief Disability Commissioner, Government of India and the State Disability Commissioner, Government of Jharkhand
- Over 80,230 people were provided drinking water through various facilities
- ~12,000 women reached under empowerment programmes through Self Help Groups
- 3,770 youth engaged through different sports activities
- 12 Initiatives of Change sessions conducted in FY 2020-21 and 384 people undergone interactive and reflective Initiatives of Change sessions

SDGs

#CombatCovid19 #FarRishta initiative: Children attending an online session during the lockdown

Embed a societal perspective in key business decisions

Initatives	Impact	SDGs
Ensuring community interests are considered in business strategy through (a) continually engaging our employees across geographies to utilise their talent and resolve pressing issues faced by communities in daily life, (b) a unique and immersive experience of life in rural India for a broad cross-section of employees to see community perspectives and empathise with their issues and (c) meaningful engagement of our business ecosystem's key upstream and downstream partner organisations and their employees to enhance effectiveness of their community development initiatives	» Volunteering initiative went digital in form of #FarRishta programme due to pandemic » 21,106 hours of volunteering achieved in FY 2020-21 addressing 114 social challenges » 41 cities in 20 states/Union Territories of India covered through digital volunteering » Our volunteering platform has been extended to 15 companies nationwide including Tata Steel BSL, TSML, TSLP, JCAPCPL and TSDPL » 65,201* women children and men reached through 5,219* volunteers under digital volunteering programme. (*Repeat beneficiaries and volunteers)	

Leading with integrity

At Tata Steel, integrity is one of our core values that drive the organisation-wide culture. We uphold the highest standards in transparent, accountable, fair and ethical business conduct, keeping in mind the interest of all our stakeholders. Tata Steel was adjudged the most Ethical Company in the world for the tenth time by Ethisphere®, which validates our unwavering commitment.

Sands InfinIT, Kochi, Kerela

The twin towers of the tallest building in Smart City, Kochi—Sands InfinIT Project—have used 461 tonne of our Sm@rtFAB pre-fabricated welded wire mesh solution in addition to 100 tonne of Tubes. The use of Sm@rtFAB has helped decrease construction time by 30 to 40% while reducing dependence on available labour, bringing tomorrow closer.

Sure, we make steel.
But #WeAlsoMakeTomorrow

GOVERNANCE

COMPLIANCE AND ETHICS

Strengthening foundations for tomorrow

At Tata Steel, we manage our businesses responsibly and in compliance with the statutory requirements of the locations in which we operate.

Compliance

We do not tolerate any violation of laws, codes of conduct or internal regulations. The management is fully committed to compliance and the senior leaders serve as anchors and have a pivotal role to play in implementing the compliance interventions.

The compliance management framework is managed by the in-house compliance function. The function is headed by the Company Secretary and Chief Legal Officer (Corporate and Compliance), who is primarily responsible for overseeing and managing regulatory compliances. The function is adequately staffed with compliance managers who are responsible for establishing business and industry-specific standards in all units across the organisation. Adherence to compliance obligations is among the subjects covered in audits by the Tata Steel Internal Audit function. Observations from such audits are placed before the Audit Committee and the Board of Directors.

Corporate ethics

Ethical behaviour is intrinsic to the way we conduct our business. We comply with all regulatory laws and corporate governance guidelines and adopt the global best practices. Guided by the Tata Code of Conduct (TCoC), we have deployed the Management of Business Ethics (MBE) framework that reflects our commitment to shared values and principles.

Pillars of MBE framework

Leadership Engagement

Compliance Structure

Communication and Training

Measurement of Effectiveness

At the beginning of each year, objectives and strategies related to the MBE are set at the corporate level, which are then cascaded to divisions and departments, ensuring alignment across the organisation. An appropriate tone is set at the top with the leaders as role models and effectively designed policies and robust processes playing a pivotal role in instilling 'Values' in our employees.

Whistle-blower cases* (Nos.)

Received	Closed	Open
777	541	236

Sexual harassment cases (Nos.)

Received	Closed	Open
21	15	6

Training on ethics

Category	Person-hours
Officers	26,458
Frontline employees	5,086
Contract employees	15,380

*exclusive of sexual harassment

Tata Steel won the World's Most Ethical Company award in 2021, by the Ethisphere® Institute for the tenth time.

Leadership Engagement

The governance structure of Tata Steel is an amalgamation of the oversight of the Board (through various committees) and the central Ethics Team. It includes Divisional Ethics Coordinators, Departmental Ethics Coordinators (DECs) and Ethics Champions. The Chief Ethics Counsellor has the overall responsibility of driving MBE initiatives and reports to the CEO&MD, who is also the Principal Ethics Officer. Leadership engagement on topics such as sustainability, corporate social responsibility, corporate governance and membership in different industry bodies helped the organisation augment its reputation at local, national and international levels.

Compliance Structure

Tata Steel has established the standards of ethical conduct required of its stakeholders through TCoC procedures and other applicable guidelines and polices such as Whistle-blower Policy for Directors and Employees, Whistle-blower Policy for Business Associates, Whistle-blower Protection Policy for Business Associates, Gifts and Hospitality, and Conflict of Interest Policy for Employees and Prevention of Sexual Harassment Policy. Policies on Anti-Bribery Anti-Corruption and Anti-Money Laundering were released in November 2019. We have put in place an implementation framework through focussed classroom training as well as web-based training. All our policies are accessible through the Ethics Compliance Register- DARPAN on the Company's intranet as well as on the mobile app.

Communication and Training

For reinforcing TCoC and the policies related to it, a multi-year training and communication programme encompassing classroom and online sessions has been implemented. These programmes are customised to different platforms based on the target audience such as leadership team, employees, vendors and contract employees. 'Ethics Month' was organised on the theme, Responsible Me, Responsible We in July 2020. Various events such as round-table conferences involving the senior leadership, panel discussions and townhall sessions for employees, webinars for steel processing centres. Snippet story, 'Neeti Katha' was released on key aspects of behavioural issues and sub-letting of the Company's assets. All the events were conducted online.

During FY 2020-21, training and communications were conducted through online platforms due to the ongoing COVID-19 pandemic. Various sessions to cover employees and vendors were also organised. To aid clarification of ethics-related dilemma, a new portal, Kashmakash, was launched.

1,747

Business associates* trained on TCoC

*"Business Associate" here means suppliers, customers, vendors, dealers, distributors, franchisees, lessors, lessees or such other persons with whom Tata Steel has any business or transactional dealings including the Business Associate's employees, agents and other representatives.

Measurement of Effectiveness

The effectiveness of the ethics programme is measured by the number of concerns, reported, poll surveys, MBE survey, benchmarking exercises and internal MBE assessments. The feedback is incorporated into the annual plan for MBE deployment.

SUSTAINABILITY STRATEGY

Deeply imbibed sustainability strategy

Tata Steel has imbibed the vision of the Founder by integrating responsibility towards planet Earth in our operations, ensuring the health and safety of people at our workplaces, balancing economic prosperity and generating social benefits for the community.

Sustainability is deep rooted in the culture of the organisation and this commitment is embedded in the Company's Vision which balances the aspiration of being steel industry benchmark in value creation and corporate citizenship.

The sustainability approach of the Company is articulated in Sustainability Policy which is supported by other policies such as Corporate Social Responsibility, Environment, Energy, Climate Change, Biodiversity Management, Affirmative Action, Social Accountability, Responsible Supply Chain, Human Resource policies, etc. These policies reinforce the integrated thinking and balance the impact and outcome of the six capitals viz. Financial, Manufactured, Intellectual, Human, Social and Relationship, and Natural. We have systems in place to capture the voice of stakeholders periodically and review our long-term strategy in line with evolving stakeholder expectations. Tata Steel has adopted the materiality assessment as a process to capture stakeholder voice and embed these material issues in our strategic planning process.

The sustainability agenda at Tata Steel is driven by the CSR & Sustainability and Safety, Health & Environment Committees of the Board with an organisation-wide governance structure around it. The scope and membership of the Board-level Committees have been detailed in the Corporate Governance Report. At the Corporate level, various committees, including the Apex Safety Committee, Apex Environment Committee, Apex HRD Committee, Apex CSR Committee, Apex R&D Committee and Quality and Production reviews periodically assess the progress on material issues and apprise the Board on a quarterly basis.

During the year, Tata Steel became a member of ResponsibleSteel™ – steel industry's first global multi-stakeholder standard and certification initiative that helps its members achieve their sustainability goals by providing an independent certification standard and programme. This membership will provide an opportunity to benchmark with peer companies, improve our systems and processes and enhance reputation while reducing risk.

A Municipal Solid Waste Dump in Jamshedpur has been converted into Dalma View Point, a 5-acre green picnic spot

Awards and recognition

'Best Company to Work For' in 2020
Business Today

Excellence in Waste Management
Confederation of Indian Industry 3R Awards 2020

Excellence in Water Management 2020
Confederation of Indian Industry National Award

Certified as the Best Workplace in Manufacturing 2021
Great Place to Work® Institute

Top Employer for LGBT+ inclusion
India Workplace Equality Index (IWEI)

Advanced 4th Industrial Revolution Lighthouse (Tata Steel's Jamshedpur Steel Plant)
World Economic Forum

Safety & Health Excellence Recognition 2020 for Digitalisation of Process Safety Performance Indicators (PSPI) driving better business results
worldsteel

India's Most Valuable Metals & Mining Brand in 'India 100 2020'

14th amongst the Top 25 Global Brands in Mining, Iron & Steel
Brand Finance Annual Report

Innovative Environmental Project
Confederation of Indian Industry – Environmental Best Practices Award 2020

Top 25 Innovative Indian Companies in 2020
Confederation of Indian Industry

World's Most Ethical Companies 2021
Ethisphere®

'Excellence in Digital Communications' and 'Excellence in Education and Training'
worldsteel's Steelie Award 2020

Certified as a Great Place to Work organisation in India for the fourth time
Great Place to Work® Institute

[1] Sustainability Champions 2020
Tata Steel India and Tata Steel Europe for the third consecutive year

[2] Among Top 5 Steel Companies
Dow Jones Sustainability Indices (DJSI) Corporate Sustainability Assessment 2020

[3] Best Organisation Contributing in Sports through CSR
FICCI India Sports Awards 2020

[4] Climate Action Programme (CAP) 2.0° - Oriented Award
Confederation of Indian Industry

[5] Silver Shield in the Manufacturing and Trading Sector for Excellence in Financial Reporting 2019-20
Institute of Chartered Accountants of India

[6] Rated 'A-' (Leadership band) for Climate Change disclosure and Supply Chain disclosure
CDP

1


2

Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

3


4


5


6

CDP SUPPORTER 2020

Statutory Reports

BOARD'S REPORT

To the Members,

Your Directors take pleasure in presenting the 6th Integrated Report (prepared as per the framework set forth by the International Integrated Reporting Council) and the 114th Annual Accounts on the business and operations of Tata Steel Limited ('**Tata Steel**' or '**Company**'), along with the summary of the standalone and consolidated financial statements for the financial year ended March 31, 2021.

A. Financial Results

(₹ crore)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from operations	64,869.00	60,435.97	1,56,294.18	1,48,971.71
Total expenditure before finance cost, depreciation (net of expenditure transferred to capital)	43,103.65	45,574.40	1,25,789.92	1,31,144.14
Operating Profit	21,765.35	14,861.57	30,504.26	17,827.57
Add: Other income	637.89	404.12	895.60	1,821.99
Profit before finance cost, depreciation, exceptional items and tax	22,403.24	15,265.69	31,399.86	19,649.56
Less: Finance costs	3,393.84	3,031.01	7,606.71	7,580.72
Profit before depreciation, exceptional items and tax	19,009.40	12,234.68	23,793.15	12,068.84
Less: Depreciation and amortisation expenses	3,987.32	3,920.12	9,233.64	8,707.67
Profit / (Loss) before share of profit / (loss) of joint ventures & associates, exceptional items & tax	15,022.08	8,314.56	14,559.51	3,361.17
Share of profit / (loss) of Joint Ventures & Associates	-	-	327.34	187.97
Profit / (Loss) before exceptional items & tax	**15,022.08**	**8,314.56**	**14,886.85**	**3,549.14**
Add / (Less): Exceptional Items	2,773.05	(1,703.58)	(1,043.16)	(4,929.58)
Profit before tax	**17,795.13**	**6,610.98**	**13,843.69**	**(1,380.44)**
Less: Tax Expense	4,188.51	(132.82)	5,653.90	(2,552.90)
(A) Profit / (Loss) after tax	**13,606.62**	**6,743.80**	**8,189.79**	**1,172.46**
Total Profit / (Loss) for the period attributable to:				
Owners of the Company	-	-	7,490.22	1,556.54
Non-controlling interests	-	-	699.57	(384.08)
(B) Total other comprehensive income	408.74	(648.87)	(7,211.01)	4,482.83
(C) Total comprehensive income for the period **[A + B]**	14,015.36	6,094.93	978.78	5,655.29
Retained Earnings: Balance brought forward from the previous year	**32,106.96**	**27,694.90**	**18,127.82**	**14,056.43**
Add: Profit for the period	13,606.62	6,743.80	7,490.22	1,556.54
Less: Distribution on Hybrid perpetual securities	242.34	266.15	242.34	266.15
Add: Tax effect on distribution of Hybrid perpetual securities	60.99	66.97	60.99	66.97
Add: Other Comprehensive Income recognised in Retained Earnings	61.34	(345.18)	(7,627.26)	4,459.24
Add: Other movements within equity	(138.68)	-	(187.98)	40.32
Balance	45,454.89	33,894.34	17,621.45	19,913.35
Which the Directors have apportioned as under to:-				
(i) Dividend on Ordinary Shares	1,145.93	1,489.67	1,144.75	1,488.13
(ii) Tax on dividends	-	297.71	-	297.4
Total Appropriations	**1,145.93**	**1,787.38**	**1,144.75**	**1,785.53**
Retained Earnings: Balance to be carried forward	**44,308.96**	**32,106.96**	**16,476.70**	**18,127.82**

Notes:

(1) As on March 31, 2021, in respect of NatSteel Holdings Pte. Ltd. (**'NSH'**) and Tata Steel (Thailand) Public Company Ltd. ('**TSTH**') which were earlier classified as "Held for Sale", Tata Steel Group (**'TSG'**) has reviewed the developments and progress and concluded that the conditions for such a classification are no longer met.

In accordance with Ind AS 105, "Non-current Assets Held for Sale and Discontinued Operations", the assets and liabilities of these businesses have been re-classified from 'Held for Sale' as at March 31, 2021 and the results have been re-classified from "Discontinued Operations" to "Continuing Operations" during the year along with restatement of the previous periods to conform to such a re-classification.

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

a) Impairment charges (net of reversal) of ₹1,954 crore in respect of property, plant and equipment (including capital work-in-progress), right-of-use assets and other assets primarily at Tata Steel Europe (**'TSE'**), mining operations carried out in Canada, South-East Asian Operations, offset by reversal at Tata Steel Special Economic Zone Limited.

b) Loss on liquidation of subsidiaries amounting to ₹10 crore at TSE.

c) Net Provision for Employee Separation Scheme (**'ESS'**) amounting to ₹444 crore primarily under Special Scheme at Company's Jharia Collieries amounting to ₹467 crore, offset by credit for ESS under Sunehere Bhavishya Ki Yojana (**'SBKY'**) scheme amounting to ₹23 crore at Tata Steel Limited (Standalone).

d) Fair valuation loss on investment in debentures of a joint venture company amounting to ₹50 crore at Tata Steel Limited (Standalone).

Partly offset by,

e) Restructuring and write back of provisions which primarily includes write-back of provisions at TSE ₹88 crore.

f) Reversal of fair value loss ₹1,230 crore on reclassification of South East Asia businesses, earlier recognised as 'Held for Sale'.

g) Reversal of impairment of investments provided earlier in one of the associates of TSG ₹70 crore.

h) Profit on sale of subsidiaries includes profit of ₹26 crore on realisation of deferred consideration at TSE.

The exceptional items (Consolidated Accounts) in financial year 2019-20 primarily include:

a) Impairment charges ₹3,197 crore in respect of property, plant and equipment (including capital work-in-progress and capital advances, right-of-use assets and intangible asset) primarily at Tata Steel Europe, mining operations carried out in Canada, Tata Steel Special Economic Zone Limited, and at Tata Steel BSL Limited (**'TSBSL'**) along with impairment of Goodwill at Bhubaneshwar Power Private Limited.

b) Fair value loss of non-current assets classified as 'held for sale' of South-East Asian operations ₹1,175 crore.

c) Provision for demands and claims amounting to ₹196 crore relating to certain statutory demands and claims on environment and mining matters including ₹86 crore relating to SVLDRS – Sabka Vishwas Legal Dispute Resolution Scheme at Tata Steel Limited (Standalone).

d) Provision for Employee Separation Scheme under Sunehere Bhavishya Ki Yojana scheme amounting to ₹107 crore at Tata Steel Limited (Standalone).

e) Restructuring provisions amounting to ₹161 crore at TSE.

f) Expenses incurred on stamp duty and registration fees for a portion of land parcels and mines acquired as part of business combination ₹27 crore and provision for coal block performance guarantee ₹134 crore at Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited).

g) Provision for impairment of doubtful capital advances amounting to ₹42 crore at TSBSL.

h) Provisions for severance pay amounting to ₹16 crore at Tata Steel Thailand.

i) Fair valuation loss on investment in preference shares held at one of the associate companies amounting to ₹250 crore at Tata Steel Limited (Standalone).

Partly offset by,

j) Restructuring and write-back of provisions which primarily includes write-back of liabilities no longer required at Tata Steel BSL Limited amounting to ₹154 crore and settlement credit received at The Indian Steel & Wire Products Ltd. amounting to ₹18 crore.

k) Profit on sale of subsidiaries amounting to ₹149 crore and profit on liquidation of group companies amounting to ₹41 crore at TSE.

l) Net gain on disposal of Subsidiaries amounting to ₹13 crore at NatSteel Holdings.

m) Gain on recovery of advances earlier provided for amounting to ₹1 crore at Tata Steel Limited (Standalone).

1. Dividend Distribution Policy

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (**'SEBI Listing Regulations'**) the Board of Directors of the Company (the **'Board'**) formulated and adopted the Dividend Distribution Policy (**'Policy'**).

The Policy is annexed to this report (**Annexure 1**) and is also available on our website at https://www.tatasteel.com/media/6086/dividend-policy-final.pdf

2. Dividend

For financial year 2020-21, the Board has recommended a dividend of ₹25/- per fully paid-up Ordinary (equity) Share (previous year: ₹10/- per fully paid-up Ordinary (equity) Share) and in respect of the outstanding partly paid-up Ordinary (equity) Shares of the Company on which call money remains unpaid as on the date of book closure for the dividend payment, the dividend will be paid in proportion to the amount paid-up on such shares i.e. ₹6.25 per partly paid-up Ordinary (equity) Share of ₹10/- each (paid-up ₹2.504 per share) [previous year: ₹2.504 per partly paid-up Ordinary (equity) Share].

The Board has recommended dividend based on the parameters laid down in the Dividend Distribution Policy and dividend will be paid out of the profits for the year.

The dividend on Ordinary Shares (fully paid-up as well as partly paid-up) is subject to the approval of the Shareholders at the Annual General Meeting (**'AGM'**) scheduled to be held on Wednesday, June 30, 2021 and will be paid on and from Friday, July 2, 2021.

Based on the Ordinary Shares (fully paid-up as well as partly paid-up) as on the date of this report, the dividend, if approved would result in a cash outflow of of ₹2,996.60 crore. The dividend on Ordinary Shares (fully paid-up as well as partly paid-up) is 250% of the paid-up value of each share. The total dividend pay-out works out to 22% (previous year: 17%) of the net profit (on Standalone basis).

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the shareholders effective April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961.

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, June 19, 2021 to Wednesday, June 30, 2021 (both days inclusive) for the purpose of payment of the dividend and AGM for the financial year ended March 31, 2021.

3. Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profit for financial year 2020-21 in the statement of profit and loss.

4. Capex and Liquidity

During the year under review, the Company, on a consolidated basis, spent ₹6,979 crore on capital projects across India, Europe and Canada, largely towards essential sustenance and replacement schemes, while moderating the spend on ongoing growth projects in India (Kalinganagar plant and Tata Steel Mining Limited).

The Company's liquidity position, on a consolidated basis, is ₹20,082 crore as on March 31, 2021, comprising ₹13,113 crore in cash and cash equivalent and balance in undrawn credit lines.

5. Management Discussion and Analysis

The Management Discussion and Analysis as required in terms of the SEBI Listing Regulations is annexed to the report (**Annexure 2**).

B. Integrated Report

In keeping with the Company's valued tradition of "thinking about society and not just the business", in 2016, we transitioned from compliance based reporting to governance based reporting by adopting the <IR> framework developed by the International Integrated Reporting Council.

Our 6th Integrated Report highlights the measures taken by Company that contributes to long-term sustainability and value creation, while embracing different skills, continuous innovation, sustainable growth and a better quality of life.

C. Operations and Performance

1. Impact of COVID-19 on operations

The outbreak of COVID-19 pandemic has led to an unprecedented health crisis and has disrupted economic activities and global trade, while weighing on consumer sentiments.

During the year under review, the Government of India had imposed stringent nationwide lockdowns, in phases, which severely impacted manufacturing activities. Though the Steel and Mining sectors were allowed to operate under the Essential Services Maintenance Act, 1968 they were subject to certain guidelines. Steel demand was affected as key steel consuming sectors struggled to operate amidst weakening economic activities, working capital constraints, shortage of manpower, and logistical issues.

In Europe, the outbreak of COVID-19 further accentuated the sustained weak steel demand. The share of steel imports to total consumption in the European Union continued to remain at elevated levels which was a cause of concern.

The risk-intelligent culture embedded across the Company helped in developing and adopting a multi-pronged strategy to effectively respond to the evolving pandemic situation. The health and safety of our employees and the communities in which we operate continue to be the foremost priority of the Company. To mitigate the risks and challenges faced by the Company during the pandemic, the Company enhanced safety and hygiene norms at offices, implemented work from home, staggered shift timings for safety of employees and leveraged digital platforms for its day-to-day operations. During the challenging times, the Company maintained its liquidity position by minimising cash outflows and maintaining a judicious mix of funding instruments to fulfil its operational requirements.

Further details on the impact of COVID-19 on the Company's operations, cash flow, liquidity and profitability as well as the Company's contribution to the community in wake of the pandemic is provided in the Management Discussion and Analysis as annexed to this report.

2. Tata Steel Group

During the year under review, the Tata Steel Group (**'TSG'**) recorded total deliveries of 28.50 MnT (previous year: 28.88 MnT). The steel deliveries decreased at Tata Steel Europe (**'TSE'**) and NatSteel Holdings (**'NSH'**), partly off-set by higher deliveries at Tata Steel BSL Limited (**'TSBSL'**), Tata Steel Long Products Limited (**'TSLP'**) and Tata Steel Thailand (**'TSTH'**). Despite disruptions due to COVID-19 pandemic, the Company contributed to deliveries through higher exports.

The Company was able to balance deliveries between domestic and export markets, to counter pandemic-led demand disruptions in the Indian steel market in the first half of the year.

The turnover of TSG was ₹1,56,294 crore during the financial year 2020-21 (previous year: ₹1,48,972 crore), an increase of 5% over the previous year primarily contributed by Indian operations on account of higher steel realisations and deliveries. Further, the EBITDA of TSG was ₹30,892 crore, significantly higher during the financial year 2020-21 as compared to ₹18,103 crore in the previous year, an increase of ~71% owing to higher revenues, due to increased steel prices, lower input cost, and favourable foreign exchange movement at overseas entities.

During the year under review, TSG reported a consolidated profit after tax of ₹8,190 crore which is significantly higher than the profit of ₹1,172 crore in the previous year. The increase was mainly due to improvement in EBITDA, lower exceptional charge, partly offset by lower interest income at TSE primarily from refinancing activities and higher tax charge in India due to higher profits against deferred tax reversals in the previous year and increase in deferred tax charge at Europe as compared to deferred tax credit in the previous year.

3. India

During the year under review, total deliveries at Tata Steel Limited (Standalone) were at 12.36 MnT (previous year: 12.32 MnT). Turnover was ₹64,869 crore (previous year: ₹60,436 crore), increase of ~7% than that of the previous year. EBITDA from Tata Steel Limited (Standalone) was ₹21,952 crore (previous year: ₹15,096 crore), 45% higher than that of the previous year.

During the year under review, the crude steel production in Tata Steel Limited decreased by 7% to 12.19 MnT mainly owing to lower production on account of decrease in demand due to the lockdown in Q1FY2021.

TSBSL achieved crude steel production and sales of 4.08 MnT and 4.31 MnT, respectively. This was due to higher exports and improvement in demand in domestic markets in the second half of the year. Despite the nationwide lockdown during financial year 2020-21, TSBSL's EBITDA stood at ₹5,481 crore, an increase of 131% compared to the previous year. TSBSL also achieved significant gross debt rationalisation due to improved financial performance.

TSLP achieved crude steel production of 0.65 MnT while deliveries stood at 0.64 MnT, owing to higher demand and higher availability of finished goods.

Total deliveries of Tata Steel from its Indian operations (including TSBSL and TSLP) stood at 17.31 MnT which is marginally higher than the previous year. The turnover was ₹91,037 crore, an increase by ~11% than previous year and EBITDA (excluding inter-company eliminations and adjustments) was ₹28,587 crore, 62% increase than previous year, both owing to increase in steel realisations, higher steel deliveries, and higher sales of by-products and other materials. Moreover, lower operational cost led to improvement in EBDITA.

4. Europe

During the year under review, liquid steel production from European operations was 9.56 MnT (previous year: 10.26 MnT), a decrease of 7% than previous year. Deliveries from European operations decreased by around 5% to 8.82 MnT primarily due to overall weakness in economic activities. Due to the COVID-19 pandemic, the first half of the financial year 2020-21 was challenging for TSE with lower demand and lower selling prices. However, there was strong recovery during the second half of the financial year 2020-21. Turnover from operations was ₹56,051 crore (previous year: ₹55,939 crore). Despite the headwinds from COVID-19 and higher cost of emission rights, there was improvement in EBITDA due to better control of costs and benefits from the transformation programme.

D. Key Developments

Amalgamation

Amalgamation of Bamnipal Steel Limited and Tata Steel BSL Limited into and with Tata Steel Limited

The Board of Directors of the Company, at its meeting held on April 25, 2019, approved the amalgamation of Bamnipal Steel Limited and Tata Steel BSL Limited, into and with the Company by way of a composite scheme of amalgamation (**'Scheme'**).

Pursuant to the orders of the Hon'ble National Company Law Tribunal (**'NCLT'**), Mumbai Bench, a meeting of the equity shareholders was convened and held on Friday, March 26, 2021, to consider and if thought fit, approve the Scheme. The Scheme was approved by the shareholders by requisite majority at the said meeting.

Pursuant to the shareholders' approval, the Company filed the "Company Scheme Petition" with the NCLT, Mumbai Bench with the prayer that the Scheme of Amalgamation of Bamnipal Steel Limited and Tata Steel BSL Limited into and with Tata Steel Limited be sanctioned with effect from the Appointed Date as defined in the Scheme and be binding on the Petitioner Companies and all its shareholders, creditors, stakeholders and all concerned persons. The Scheme will be implemented once sanctioned by the NCLT.

Upon implementation of the Scheme, the equity shareholders of Tata Steel BSL Limited will be entitled to fully paid shares of Tata Steel Limited in the ratio as set out in the Scheme. The Scheme will enable the companies to realise benefits of greater synergies between their businesses, yield beneficial results and avail pooled resources in the interest of maximising value to the shareholders and other stakeholders.

Acquisitions and Investments

Investment in Tata Metaliks Limited

Pursuant to the conversion of Warrants issued on preferential basis by Tata Metaliks Limited (**'TML'**) at a price of ₹642/- per Warrant, on September 25, 2020, the Company acquired 34,92,500 equity shares of ₹10/- each of TML, by exercising its right to subscribe to one equity share per warrant of face value of ₹10/- each, aggregating to ₹224.22 crore (25% was paid on application). As a result of this, the Company's holding in TML increased from 55.06% to 60.03%.

Business and portfolio restructuring

Update on European Portfolio

As part of its efforts to arrive at a strategic resolution for its European portfolio, during the year under review, the Company had discussions with SSAB Sweden for the potential divestment of Tata Steel's Netherland business including Ijmuiden steelworks. However, the discussions did not materialise. Tata Steel is committed to making the European operations simpler, leaner, and sustainable.

Portfolio Restructuring

The Company had previously announced that it is embarking on a comprehensive strategic organisation level restructuring to conslidate its diversified business portfolio of Tata Steel Group (**'TSG'**) companies. The strategic objective is to group the TSG companies under four distinct clusters viz. (a) Long Products (b) Downstream (c) Mining and (d) Utilities and Infrastructure Services, each controlled through a subsidiary company (**'Cluster Hold Co.'**), which will be responsible for nurturing and scaling the business of its respective cluster to become a leading strategic player in the industry.

In line with the above objective, the Company during the period under review, transferred its holding in (a) Tata Steel Special Economic Zone Limited, (b) The Tata Pigments Limited, (c) Jamipol Limited and, (d) Nicco Jubilee Park Limited to Tata Steel Utilities and Infrastructure Services Limited, (Company's wholly-owned subsidiary) and its holding in (a) Jamshedpur Continuous Annealing and Processing Company Private Limited, and (b) Tata Bluescope Steel Private Limited to Tata Steel Downstream Products Limited, (Company's wholly-owned subsidiary).

Financing and Debt

Issue of Debt Securities

During the financial year 2020-21, the Company allotted the following Unsecured, Rated, Listed, Redeemable, Non-Convertible Debentures ('**NCDs**') of face value of ₹10,00,000/- each to identified investors on a private placement basis:

Number of NCDs	Coupon Rate (%)	Date of Allotment	Amount (₹ crore)	Tenure	Date of Maturity
10,250	7.85	April 17, 2020	1,025	3 years	April 17, 2023
5,100	7.85	April 22, 2020	510	3 years	April 21, 2023
10,000	Floating Coupon	April 27, 2020	1,000	3 years	April 27, 2023
5,000	Series A: Floating Coupon	April 30, 2020	500	3 years	April 28, 2023
5,000	Series B: 7.95	April 30, 2020	500	3 years 6 months	October 30, 2023
10,000	8.25	May 20, 2020	1,000	3 years	May 19, 2023
4,000	Floating Coupon	June 3, 2020	400	3 years	June 2, 2023

Exercise of Call Option in respect of Non-Convertible Debentures and Perpetual Hybrid Securities

On November 13, 2020, the Board of Directors (**'Board'**) of the Company approved the proposal to exercise Call Option to redeem the following Unsecured, Rated, Listed Non-Convertible Debentures (**'NCDs'**) / Perpetual Hybrid Securities (**'PHS'**) in the form of NCDs of the Company, as per their terms of issue:

Particulars of NCDs / PHS	Amount (₹ crore)	Date of Redemption
10.25% NCDs	670	December 22, 2020
10.25% NCDs	3,350	January 6, 2021
11.80% PHS	1,500	March 18, 2021
11.50% PHS	775	May 11, 2021

First and Final Call on Partly Paid-up Ordinary (equity) Shares

On February 9, 2021, the Board approved the making of the first and final call of ₹461/- (comprising ₹7.496 towards face value and ₹453.504 towards securities premium) per partly paid-up equity share (**'First and Final Call'**) on 7,76,36,788 outstanding partly paid-up equity shares of face value ₹10/- each, issued by the Company, on a Rights basis, pursuant to the Letter of Offer dated January 22, 2018.

Pursuant to the First and Final Call, the Stakeholders' Relationship Committee (**'SRC'**), duly authorised by the Board, on March 24, 2021 approved the conversion of 7,02,49,241 partly paid-up equity shares of face value ₹10/- each into fully paid-up equity shares of face value ₹10/- each, against which the first and final call money of ₹461/- (comprising ₹7.496 towards face value and ₹453.504 towards securities premium) per share was received.

Further, the reminder-cum-forfeiture notice dated April 14, 2021 was sent to holders of partly paid-up shares on which the call money remained unpaid.

On April 23, 2021, the SRC approved the conversion of 73,888 partly paid-up equity shares of face value ₹10/- each into fully paid-up equity shares of face value ₹10/- each, against which the first and final call money of ₹461/- (comprising ₹7.496 towards face value and ₹453.504 towards securities premium) per share was received.

The converted shares rank *pari passu* with the existing fully paid-up equity shares.

Credit Rating

In April 2021, S&P Global Ratings revised the issuer credit rating of the Company from 'B+' Outlook: Stable to 'BB-' Outlook: Stable and revised the Long-term foreign currency issuer credit rating for ABJA Investment Co. Pte. Ltd., a wholly-owned subsidiary of the Company, from 'B+' Outlook: Stable to 'BB-' Outlook: Stable.

The revision in rating was triggered due to strong operating momentum and significant reduction in the Company's debt levels as compared to March 2020.

E. Sustainability

The Company's philosophy of steel production is deep rooted in the principles of zero harm, resource efficiency, circular economy, minimising ecological footprint and care for community and workforce. The sustainability approach of the Company is aligned with its overall vision to be industry leaders in the areas of climate change, water, waste and biodiversity. Underpinning this approach are strategies on low carbon transition, reducing dependence on freshwater consumption, maximising value from waste and exploring opportunities in the circular economy, enhancing biodiversity in the areas where the Company has its operations, building a sustainable and resilient supply chain and customer focussed product stewardship.

The Company has adopted the UN Sustainable Development Goals (**'UNSDG'**) and linked it with its long-term strategy and has revised its sustainability targets. Aspirations of taking our carbon emissions to <2tCO_2/tcs, mitigating dependence on fresh water by lowering specific fresh water consumption to <2m3/tcs, enhancing value proposition on circular economy and scaling up the steel recycling business are significant facets of this strategy. Tata Steel in Europe aims to decarbonise as required under the European regulations.

The Company is a signatory to the Task Force on Climate-related Financial Disclosures (**'TCFD'**) for climate change and has identified transition risks and opportunities to decarbonise its operations over a period of time. Specific mitigation and contingency plans for each of the identified risks have been integrated within the Company's long-term strategy. Tata Steel in Europe has embraced a target to reduce its CO_2 emissions by 30% by 2030, compared to 2018, and to achieve carbon neutrality of its steel making operations by 2050.

The Company had identified supply chain sustainability as a key material issue and in order to take this forward, the Tata Steel Responsible Supply Chain Policy was adopted in February 2020. During the year under review, the Company initiated the deployment of the Supply Chain Policy through multiple communications across segments of supply chain partners to set the expectations on four important principles of the policy viz. Fair Business Practice, Human Rights, Health and Safety and Environment Protection. Further, the Company also initiated third-party assessment on the compliance of the above mentioned four principles for the critical supply chain partners. During the year under review, the Company also became a member of ResponsibleSteel ™ - steel industry's first global multi-stakeholder standard and certification initiative.

The Company is committed to serving its customers through a portfolio of eco-friendly products and disclosure of the environmental impact of its products by using Life Cycle Assessment (**'LCA'**) methodology. During the year under review, the Company conducted a comparative LCA study for a steel intensive construction structure – HabiNest, that has a functionally similar conventional structure and published a whitepaper on the superior environmental footprint of HabiNest. The Company also collaborated with CII Green Business Centre for developing the GreenPro standard for Steel Rebars.

In Europe, almost the entire product range is certified to be at the BES 6001 sustainable sourcing standard. Tata Steel Europe has also published Environmental Product Declarations (**'EPD'**), setting out the environmental characteristics of products throughout their life-cycle, for a large number of its products manufactured in Europe. The Company has developed a tool to assess the sustainability of all new products against the products they replace, in a semi-quantitative manner. The Sustainability Assessment Profiler is a unique framework supporting the Company's mission to become sustainable in every sense, creates value propositions related to sustainability and supports customer engagement. The framework considers environmental, social and economic aspects over the complete product life cycle in a consistent manner in an approach that puts the Group ahead of other international steel companies. The Sustainability Assessment Profiler achieved recognition in Tata Group's flagship innovation platform, winning the 2020 Innovista award in the Implemented Innovation category.

In order to augment the efforts of the Company to conserve biodiversity at its operational sites in India, the Company has constituted a Centre of Excellence for Biodiversity Management to strategically formulate and implement Biodiversity Management Plans (**'BMPs'**). During the year under review, the Company planted more than 2.98 lakh of native tree saplings across locations, reclaimed 100-hectares Pundi dump at West Bokaro to create Sir Dorabji Tata Biodiversity Park and developed a 12-hectares Ecological Importance Park on municipal solid waste dump site at Jamshedpur.

The continued focus on 'Sustainability' has led Tata Steel Limited and Tata Steel Europe, to be recognised as Sustainability Champions by World Steel Association for four consecutive years. The Company ranked amongst the top 5 global steel companies in Dow Jones Sustainability Indices (**'DJSI'**) Corporate Sustainability Assessment 2020 and retained its position in the DJSI Emerging Markets Index for the 9th year in a row. The Company also received dual recognition at the 14th edition of CII National Award for Excellence in Water Management 2020 for its continuous efforts and commitment to water sustainability. Also, Tata Steel's Plant at Jamshedpur was awarded the 'Most Sustainable Company' award by Indian Institute of Metals in the integrated steel plant category.

Environment

The Company has not only adopted environment-friendly processes and deployed state-of-the-art digital real-time monitoring system to monitor its stack emissions, air and effluent quality, but it is also leveraging technology to enhance environmental responsiveness. The Company continues to be amongst the top global steel industries in environmental sustainability, climate and water disclosures.

The Company is committed to responsible use and protection of environment through resource conservation, pollution control, and sustainable practices for waste management. The Company focusses on operational excellence through "Reduce, Reuse, Recover and Recycle " approach. The Company continues its pursuit of establishing best-in-class facilities and channelising its investment to upgrade manufacturing and distribution facilities to improve operational and environmental performance. The Company maintains accredited laboratories for environmental performance assessment.

The Company has implemented environment, health and safety management system in accordance with international standards ISO 14001 and ISO 45001, which provides the necessary framework for managing compliance and improving environmental performance.

The Safety, Health, & Environment Committee of the Board provides oversight and necessary guidance on environmental matters. The Company has dedicated Environment Management teams at all its operating locations, globally. The Company endeavours to practice responsible advocacy on regulatory issues and actively participates in various national and international organisations on diverse issues.

During the year under review, the Company achieved Indian benchmark figures in CO_2 emission intensity, specific stack dust emissions and specific water consumption. The Company endeavours to set steel industry benchmark in environmental performance. In Europe, the Company launched Roadmap+ in December 2020, a large-scale investment programme worth ~€300 million intended to improve environmental performance at its IJmuiden steelworks between 2020 and 2030 by addressing the concerns of the surrounding community on areas such as dust, noise and odours. This represents a further development and deployment of the original Roadmap 2030, launched in 2019.

Climate Change

Climate change is one of the most pressing issue the world faces today and the Company recognises its obligation to work towards mitigation of climate change related risks and strives to reduce its carbon footprint across all geographies.

The Company is committed to being aligned with India's Nationally Determined Contribution and the European Union's commitment on Climate Change. In India, the Company has successfully reduced its carbon footprint by over 25% in the last fifteen years by improving resource efficiency and adoption of best available technologies and strives to achieve carbon emission intensity of <2tCO_2/tcs by 2025.

The Company has in place its long-term decarbonisation plan and is in the process of deployment of key enablers for deep decarbonisation including use of more scrap in steelmaking, fuel switching from oil and coal to natural gas, innovating in alternative reductants such as biomass and hydrogen and, to address residual carbon emissions, the deployment of carbon capture, use and storage (**'CCUS'**) technologies as and when they become technically and commercially viable.

Climate-related risks have in recent years become central to Tata Steel Europe's (**'TSE'**) risk management process. This includes climate-related physical risks such as those linked to rising sea levels and extreme weather events (e.g. storms, flooding, droughts, severe winds), and transition risks which include technological, policy and market changes to adapt to a lower-carbon economy.

For the steel industry, transition risks include increased unit costs within Emissions Trading Systems (both UK and EU) and a reduction in the free allocation of CO_2 allowances under those schemes. In addition, steel producers in the Netherlands are subject to Netherlands' specific carbon tax which, under certain conditions, may come on top of any EU Emissions Trading Systems costs.

One of the major challenges facing the steel sector is the ambition to move towards low carbon steelmaking with key stakeholders putting pressure on the industry to make a step change in CO_2 emissions.

Tata Steel UK and Tata Steel Netherlands (**'TSN'**) are working in partnership with governments on the shared objective of creating an achievable, long-term plan to support the steel sector's transition to a competitive, sustainable and low carbon future.

In Europe, together with the Dutch Government, TSN has laid out its CO_2 reduction ambitions through an Expression of Principles document in which it has further refined its plans for decarbonisation to support the goals under the Dutch Climate Agreement. TSN is considering multiple technological and operating options in order to achieve these ambitions, and is in discussion with the government, regulators and other stakeholders.

In the UK, the Government published its Industrial Decarbonization Strategy in March 2021, the stated aim of which is to create a thriving industrial sector aligned with the net zero target, without pushing emissions and business abroad, with the costs and risks shared fairly between industry, its customers and the taxpayer. The strategy also includes certain funding to undertake engineering and design studies for industrial decarbonisation 'clusters', including in South Wales, where Tata Steel's blast furnaces are located.

The Company is committed towards alignment with TCFD Framework for Climate Change related Risk and Opportunity assessment and mitigation. Recognition of TSG by CDP in Leadership Band (A-) for the climate and supply chain disclosures is testimony of the Company's long-term commitment to climate change mitigation and adaptation.

Health and Safety

Health and Safety Management remains the Company's foremost priority and we are committed to achieve 'Zero Harm'. In pursuit of this objective, the Company continues to work on six strategies viz. build safety leadership capability at all levels to achieve zero harm, achieve zero harm to contract employees by strengthening deployment of contractor safety management standard, improve competency and capability for hazard identification & risk management, improve road & rail safety across the Company, excellence in process safety management, and establish industrial hygiene and improve occupational health.

During the year under review, the Company undertook proactive measures to minimise the impact of the COVID-19 pandemic on the Company's workforce through agile decision-making and timely deployment of several policies and measures for the benefit of the employees. A novel initiative, the 'POD concept', was implemented to tackle the spread of COVID-19 within the Company premises. Self-sufficient groups of people having self-contained set of skills to do an intended job have been formed and deployed at manufacturing and raw material locations as well as at profit centres.

The Company took several initiatives to improve the health and safety standards of its employees, including rolling out a reward and recognition policy for Indian operations to encourage positive safety behaviour among employees. Further, to boost employee morale during the pandemic situation, the Company organised the 'SHE Excellence Award' on virtual platform, recognizing and rewarding employees / departments for their remarkable contribution towards maintaining 'safety' within the Company.

The Company took initiative to enhance the competency of the workforce and provided safety training at the Safety Leadership Development Centre formed by the Company. For effective learning and deployment of Safety Standards across organisation, 14 Safety Standards were simplified and e-learning modules were developed. The Company took several efforts in training the majority workforce in simplified safety standards through these e-modules. The Company's efforts were recognised through the 'Brandon Hall Group Excellence Award 2020'.

Contractor's safety has always been a priority for the Company. During the year under review, the Company provided state-of-the-art health check-up facility for its contractual employees at Jamshedpur, India.

Further, the initiative to roll out Process Safety through 'Centre of Excellence' methodology gained momentum. Currently, the process safety has been rolled out to 74 departments across locations as well as amongst Tata Steel Group Companies. The Company has been awarded for its best practice in "Digitalization of Process Safety Performance Indicators" by the World Steel Association under Safety & Health Excellence Recognition 2020.

Further, the Company has taken initiatives in leveraging digital technology in the field of health and safety through digitalisation of dashboard for effective control of Process Safety Performance Indicators and developing of Smart Signaling System for the railway tracks to avoid derailment at its plant locations in Jamshedpur and Kalinganagar.

Towards Occupational Health, the Company has implemented Industrial Hygiene hazard control measures to minimise the exposure level at Jamshedpur and Kalinganagar. Ergonomic control measures were taken across Jamshedpur and other raw material locations to achieve the best mutual adjustment of man and his work environment. Further, in order to develop competency in First Aid and CPR for emergency situations, 5,325 employees were trained across India. High risk cases of about 56%, relating to life style diseases, have been transformed to moderate or low risk category, through the Company's theme-based health awareness campaigns and Wellness@workplace programme.

Employees' fatality remains the topmost safety concern for the Company. It is with deep regret that we report four fatalities in TSG. During the year under review, two distinct Safety campaigns viz. 'Slip/trip/fall' and 'Moving Machinery Risk perception & Risk elimination' were launched across locations to address gaps and improve safety awareness. Monthly review of red risk incidents by senior leadership helped in achieving ~61% reduction of red risk incidents vis-à-vis previous year. Deployment of various safety initiatives has helped in achieving ~25% reduction in 'Lost-Time-Injury' cases and ~17% reduction in first-aid cases vis-à-vis previous year.

At Tata Steel Europe, health and safety continues to be of utmost priority. In a year dominated by the COVID-19 pandemic, the Company responded with pace and with a coordinated agile approach in order to protect the health and well-being of all employees and stakeholders. This resulted in those who could work from home doing so, supported by the appropriate tools, systems, policies and guidelines in line with national requirements. Employees in the manufacturing processes continued to operate successfully with new social distancing rules and procedures in place. Effective communication and engagement was key to maintain safe and healthy working environment and to recognise the challenges to employees physical health, mental health and well-being throughout the year. With this backdrop, the overall safety performance of the Company improved and the Company reported no fatalities in Europe during the year.

Research and Development

In line with the aspiration to be amongst the top innovation and technology driven steel companies globally, the Company continues to strengthen its Technology Leadership Areas (**'TLAs'**). Cross functional teams have been constituted and projects have commenced based on TLAs. During the year under review, the Research and Development (**'R&D'**) team of the Company has developed an artificial neural network based model to predict the mechanical properties of various steel grades rolled in Thin Slab Casting and Rolling (**'TSCR'**) plant of Tata Steel, at Jamshedpur. This system assures continuous quality maintainence of the coils rolled in TSCR.

In order to utilise and generate value from the captive low grade raw materials, R&D team has completed the lab scale studies to utilise captive Low-Grade Manganese Ore and produce high value products such as Electrolytic Manganese Metal and High Purity Manganese Sulphate to cater to the requirements of the 'battery' manufacturing industry. The Company is under process to set up a pilot plant to upscale this process.

Conservation of the environment and sustainability has always been an important area for the Company. The Company strives towards reducing its carbon footprint and in alignment to this, Amine absorption based 5 TPD (ton per day) CO_2 capture form blast furnace gas has been installed at LD#1, Jamshedpur. The recovered CO_2 will be utilised in water treatment as well as bottom purging of LD vessels at LD#1.

Amongst the notable new product development, the R&D team of the Company has developed a novel process of manufacturing Variable Thickness Tube and the Company is engaging with customers to commercialise the technology. The Company has also developed a corrosion resistant hybrid coating formulation based upon an organometallic complex and organic resin and has undertaken plant trials for the same.

In Europe, the R&D team has contributed to the development of various new products and has been involved in the development and implementation of new process control models and other process improvements. The Company has progressed in its product developments which includes the Valast®450 (an abrasion resistant steel grade for the engineering sector), and XPF®800 for tubes (a cost-effective high-strength alternative to Boron steel used in automotive twist beam applications). The Company has also introduced various process improvements which includes reduction of defects in the galvanising lines by tuning the burner settings, improved strip steering control to prevent tail end damage, and improved control of annealing processes (implementation of the OSCAR model in the Zodiac-line), thereby reducing the number of reject products. During the year under review, the Company also implemented the STORM model in the Hot Strip Mill 2 at Ijmuiden, Netherlands. Further, R&D has also been vital in getting many potential new products to reach higher level of Technology Readiness throughout the year and support the customer interactions on a technical level.

R&D continues to help the Company in its drive to become more sustainable and more environmental friendly. The HIsarna project has demonstrated its potential to solve many of the current issues faced by the steel industry in dealing with circularity and climate change. R&D will continue to support this development and be heavily involved in the technical discussions for upscaling the process in India and IJmuiden. Two other important aspects that have been worked on are the capture of CO_2 (engineering study) and the use of zinc containing reverts. To increase the effectiveness and robustness of the technology development for the Company, the Central Technology Committee coordinates the delivery of the TSE technology roadmap. This Committee ensures that priorities and gaps in the delivery of technology are identified and dealt with in an appropriate manner.

New Product Development

During the year under review, the Company developed 79 new products in India. For superior customer experience, the Company has adopted best-in-class manufacturing practices, invested in product branding and developed its products to best serve its customers. The focus of new product developement in hot rolled steel segment has been directed towards automotive structural and wheel applications along with strong entry into the line-pipe and pressure vessel segment. Products with special attributes such as highstretch-flangeability, higher radial fatigue life, heat treatable automotive steels, line-pipe steels with excellent low temperature impact toughness have been successfully commercialised. For cold rolled products segment, the Company received multiple Auto Original Equipment Manufacturers (**'OEM'**) approvals for CRDP780. Also, during the year under review, the Company commercialised Fe500 CRS to be used in the construction sector. For coating segment, the Company also entered into 'functional secondary coatings' market and got approval for lubrication-coated GA (T-COAT) in exposed panel application. Amongst first of its kind, the Company obtained approval for skin panel for passenger vehicles based upon bake-hardenable grade BH180 GA. In the long products segment, the Company commercialised high strength, high ductility rebar grade – Fe500 SD, from New Bar Mill.

During the year under review, 16 new products were launched in Europe. These launches include major developments for engineering, packaging and construction markets. A notable example of product launch includes TCCT® Protact® (Tata Steel Europe's polymer coated packaging steel brand) for aerosol applications. TCCT® is a novel, REACH compliant alternative to Electrolytic Chromium Coated Steel (**'ECCS'**), and is the first packaging steel electrocoating system developed since fifty years. Switching to this substrate will provide customers a sustainable, food-safe, and future-proof packaging steel solution. The Company developed Magizinc® 310 for solar panel frame applications, providing customers with a 25-year guarantee of corrosion performance in service.

In the construction sector, the Company launched Colorcoat Urban® Seam Façade, a self-supporting façade system, certified to meet stringent new fire regulations in the residential metal facades segment. Additionally, the Company extended its offerings in high strength linepipe for offshore oil & gas applications, and commercialised a tubular solution for trailer landing legs, requiring tight tolerance control. Furthermore, the automotive sector continued to extend and commercialise its advanced high strength steel portfolio through additional routes to market.

Customer Relationship

The year under review commenced with nationwide lockdown due to the COVID-19 pandemic. This has impacted the global economy including the domestic economy. During such challenging times, the Company took an approach of empathy, support and innovativeness to engage with its customers. The Company's digital initiatives served as a big game changer during the pandemic and helped the Company to connect with customers in unserved territories and markets. The year under review was therefore dedicated to forging stronger relationship with customers and renewing our commitment to quality both in terms of products and services.

During the year under review, the Company continued its efforts to enhance its relationship with automotive manufacturers and their value chain partners. Considering the changing business requirements, the Company focussed on multi-locational top ancillaries from regional to central level. In the wake of the need to shift to virtual customer engagements in B2B space, the Company launched the first ever in-house digital Value Analysis & Value Engineering (**'VAVE'**) platform called "e-DRIVE: Digital Relationship Initiatives for Value Excellence" to enable seamless integration of 3D viewer software and Microsoft tools in transforming tech-support activities thereby providing the customer with a virtual engagement medium. The Company also transformed the supply chain experience for its customers through its digital solution COMPASS which provides a digital platform to customers and OTIF (**'On Time in Full'**) to track inventory.

During the year under review, 'Golden Home Consumer' - Tata Tiscon's loyalty and advocacy programme for Individual House Building segment, was digitalised and the brand touched 8,000+ consumers. The Company's efforts were recognised and the Company was awarded for 'customer centric excellence' in

Business leader of the year awards 2021. Tata Tiscon increased its footprint by providing safe shopping experience to consumers through implementation of safety guidelines. The positive experience of consumers led to an increase in NPS by 10% over the previous year.

During the year under review, Tata Basera, a programme for Individual Home Builders, launched its revamped version – Tata Basera 2.0. Leveraging the digital footprint of partner brands, consumers of Tata Basera can avail facilities across India.

Tata Shaktee, the Company's flagship brand in the field of galvanised corrugated sheets realised year-on-year growth of over 7.6%. Tata Shaktee reached out to over 2,000 farmers across India via Kisan Meets conducted on the occasion of Kisan Diwas. The Company's e-selling digital platform 'Aashiyana' which caters to multiple B2C brands crossed a turnover of ₹726 crore as against ₹316 crore in the previous year. The fabricator loyalty programme Shakteeman enrolled over 8,000 fabricators, the highest ever so far, achieving sales of over 8,000 tonnes for the year. As COVID-19 precautions hindered physical engagements, digital became the key medium for connecting with stakeholders. Tata Shaktee connected with over five crore people through various campaigns on digital media.

B2ECA (Business to Emerging Corporate Accounts) consisting of brands such as Tata Astrum (HR), Tata Steelium (CRCA) and Galvano (GPZS) showed resilience, with sharp recovery post COVID-19 impact in first quarter of the year under review. The Company through its subsidiary, Tata Steel BSL Limited, launched new coated brands such as GalvaRoS (GPRS), Galvanova (GL) and Colornova (CC) for entry into new product & market segments and promote sustainability.

During the COVID-19 pandemic, the Company continued to nurture the customer relationship through 'Ecafez', an online platform where training workshops, events, quality focussed webinars, Micro-segment specific Engagement Programmes like "Panorama (for Panel Industry)" and "Solarix (for Solar Industry)" were conducted. DigEca, a digital solution for ECA business, has created real-time, segment visibility of sales for channel partners and end customers.

For the B2B construction segment, the Company has launched #Converse to Construct-Conversations that builds Tomorrow- a platform to interact and share ideas with different stakeholders of the construction sector that would enable adoption of faster, sustainable and modern construction practices in line with global benchmarks. The Company has also collaborated with the World Steel Association (through ConstructSteel forum) to support them in their efforts to improve steel intensity in construction in India.

In the Services and Solutions segment, the Company has two major offerings – Tata Pravesh Steel doors and windows and NEST-IN, a smart steel based modular construction solution. The entire consumer decision journey was reimagined with introduction of Artificial Intelligence (**'AI'**) powered chatbots, virtual showrooms and online billing to contactless installation service. The team also designed the #Shutoutcorona campaign to educate consumers about 'the new normal' guidelines. Due to the initiatives taken by the Company, Tata Pravesh installations grew by 40% in financial year 2020-21 over the previous year. The Company also launched Tata Pravesh's new brand campaign 'Akela hi Kaafi hai'.

NEST-IN has built competency in developing and sustaining long-term value-creating partnerships with its customers and channel partners by leveraging digital tools like (i) CRM platform for end-to-end system monitoring, control and over-view of customers, (ii) customer meets and technical discussions through webinars (iii) bringing real-life experiences to the customers using AR-VR (Augmented Reality - Virtual Reality) for key solutions, (iv) launch website for better customer experience and dissemination of information, and (v) dedicated Key Account Managers for high "lifetime order value" customers.

In Europe, the Company partners with customers to help them excel in their market, co-creating more responsible and sustainable value throughout the entire value chain. As part of its Transformation Programme, the Company has improved its integrated initiatives such as the 'Commercial Topline' for driving quality improvements, and has undertaken initiatives to optimise the product mix, and identify and capture additional opportunities in the market. 'Commercial Excellence' improvement has been acknowledged in the Tata Business Excellence Model assessment. The Company also has a value chain transformation programme previously known as 'Ops 1 & 2' which focusses on performance throughout the value chain. European operations are increasing its focus on business development to achieve a balanced portfolio in terms of both products and customer setup. The Company maintains its differentiation strategy, which aims to increase the proportion of high margin differentiated products. As part of the strategy, the Company has launched various new products in Europe during the year. These launches include major developments for the engineering, automotive, packaging, and construction markets. Along with products, the Company also offers services such as eCommerce webshops, coil sales utilising Dutch flower auction methodology, Track and Trace, Early Vendor Involvement, Design and Engineering support, Building Information Modelling, Life Cycle Analysis, and Technical Support.

Corporate Social Responsibility

The objective of the Company's Corporate Social Responsibility ('**CSR**') initiatives is to improve the quality of life of communities through long-term value creation for all stakeholders. The Company has in place a CSR policy which provides guidelines to conduct CSR activities of the Company. The CSR policy is available on the website of the Company at https://www.tatasteel.com/media/11804/tata-steel-csr-policy-latest-2019.pdf

For decades, the Company has pioneered various CSR initiatives and continues to remain focussed on improving the quality of life. During the year under review, the Company has impacted the lives of around 1.61 million people from the most vulnerable sections of society, including initiating a large-scale national programme in response to the COVID-19 pandemic. The Company implements its CSR programmes primarily through the Tata Steel Foundation, which works in close collaboration with public systems and partners.

The Company's signature CSR programmes are recognised as models of positive change addressing critical development issues at scale in school education, maternal and neonatal health, tribal identity and building of a multi thematic corridor of well-being connecting its operational hubs in Jharkhand and Odisha. The Company also focuses on development imperatives of communities proximate to its operations especially indigenous tribal groups through multiple initiatives including enhancing household livelihoods, eliminating child labour and empowering women, youth and Persons With Disabilities.

During the year under review, the Company spent ₹221.98 crore on CSR activities. The Annual Report on CSR activities, in terms of Section 135 of the Companies Act, 2013 (**'the Act'**) and the Rules framed thereunder, is annexed to this report (**Annexure 3**).

F. Corporate Governance

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

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

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

Meetings of the Board and Committees of the Board

The Board met six times during the year under review. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI Listing Regulations. The Committees of the Board usually meet the day before or on the day of the Board meeting, or whenever the need arises for transacting business. Details of composition of the Board and its Committees as well as details of Board and Committee meetings held during the year under review are given in the Corporate Governance Report.

Selection of New Directors and Board Membership Criteria

The Nomination and Remuneration Committee (**'NRC'**) engages with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole as well as for its individual members with the objective of having a Board with diverse backgrounds and experience in business, finance, governance, and public service. Thereafter, the NRC recommends to the Board the selection of new Directors.

Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgement, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner. The Company has in place a Policy on appointment & removal of Directors.

The salient features of the Policy are:

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

During the year under review there were no changes in the Policy and the same is available on the website of the Company at https://www.tatasteel.com/media/6816/policy-on-appointment-and-removal-of-directors.pdf

Familiarisation Programme for Directors

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

During the year under review, no new Independent Directors were inducted to the Board. Details of orientation given to the existing Independent Directors in the areas of strategy/ industry trends, operations & governance, and safety, health and environment initiatives are available on the website of the Company at https://www.tatasteel.com/media/12333/familiarization-programme-for-independent-directors-for-website.pdf

Evaluation

The Board evaluated the effectiveness of its functioning, of the Committees and of individual Directors, pursuant to the provisions of the Act and the SEBI Listing Regulations.

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

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

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

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

In a separate meeting of the IDs, the performance of the Non-Independent Directors, the Board as a whole and Chairman of the Company were evaluated taking into account the views of Executive Directors and other Non-Executive Directors.

The Nomination and Remuneration Committee reviewed the performance of the individual directors and the Board as a whole.

In the Board meeting that followed the meeting of the Independent Directors and the meeting of the NRC, the performance of the Board, its Committees, and individual directors were discussed.

In the coming year, the Board intends to enhance focus on sustainability and digital interventions.

Remuneration Policy for the Board and Senior Management

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

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship between remuneration and performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay, reflecting short, medium and long-term performance objectives appropriate to the working of the Company and its goals.

The salient features of the Policy are:

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

During the year under review, there has been no change to the policy. The policy is available on the website of the Company at https://www.tatasteel.com/media/6817/remuneration-policy-of-directors-etc.pdf

Particulars of Employees

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

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

Directors

Re-appointment of Director retiring by rotation

In terms of the provisions of the Act, Mr. Saurabh Agrawal (DIN: 02144558), Director of the Company, retires at the ensuing AGM and being eligible, seeks re-appointment.

The necessary resolution for re-appointment of Mr. Saurabh Agrawal forms part of the Notice convening the AGM scheduled to be held on Wednesday, June 30, 2021.

The profile and particulars of experience that qualify Mr. Agrawal for Board membership, are disclosed in the said Notice.

Independent Directors' Declaration

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

In the opinion of the Board, there has been no change in the circumstances which may affect their status as independent directors of the Company and the Board is satisfied of the integrity, expertise, and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board. Further, in terms of Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, Independent Directors of the Company have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

Key Managerial Personnel

In terms of Section 203 of the Act, the Key Managerial Personnel of the Company are Mr. T. V. Narendran, Chief Executive Officer & Managing Director, Mr. Koushik Chatterjee, Executive Director & Chief Financial Officer and Mr. Parvatheesam Kanchinadham, Company Secretary & Chief Legal Officer (Corporate & Compliance). During the year under review, there has been no change in the Key Managerial Personnel.

Audit Committee

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

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

During the year under review, there were no instances when the recommendations of the Audit Committee were not accepted by the Board.

Internal Control Systems

The Company's internal control systems commensurate with the nature of its business, the size, and complexity of its operations and such internal financial controls with reference to the Financial Statements are adequate.

Risk Management

The Company has developed and institutionalised an Enterprise Risk Management (**'ERM'**) process which is based on international standards like Committee of Sponsoring Organization of the Treadway Commission (**'COSO'**) and ISO 31000. The Company follows coordinated risk assurance and the ERM process is integrated with Corporate Audit, Strategy & Business Planning, Corporate Legal and Compliance functions. This brings further rigour in driving the ERM process across the organisation as well as across several TSG companies. An in-house built IT system has been deployed across the organisation to enable recording and review of risks through live dashboards and real-time monitoring of data.

The Risk oversight function consists of the Board of Directors, Risk Management Committee (**'RMC'**), and Group Risk Review Committee (**'GRRC'**) to oversee the risk management policy and provide guidelines for implementing the ERM framework and ERM process across the Company and develop a risk intelligent culture within the organisation. The RMC, amongst others, reviews the key risks, progress of ERM implementation across locations and challenges faced. During the year under review, the RMC and the Board of Directors of the Company approved and adopted the 'risk appetite' of the organisation. The risk apetitte is aligned to the Company's Vision and is driven by the following:

- Health and safety of our employees and the communities in which we operate are our prime concern and our operating strategy is focused on the above objective.
- All business decisions are aligned to the Tata Code of Conduct.
- Management actions are focussed on continuous improvement.
- Environment and Climate Change impacts are assessed on a continuous basis and business decisions support systems including capital allocation considers impact of climate through the internal carbon pricing framework.
- The long-term strategy of the Company is focussed on generating profitable growth and sustainable cashflows that creates long-term stakeholder value.

Risk Owners may accept risk exposure to their annual and long-term business plans, which after implementation of mitigation strategies, is aligned to the Company's risk appetite.

The Company has formed a dedicated business vertical to ensure deployment of the ERM process across the organisation. The team is led by Group Head – Corporate Finance & Risk Management who acts as the Chief Risk Officer (**'CRO'**) of the Company. The ERM team scans the external environment for developments which may throw up risks for the organisation and risk flags are sent out to the Business Units (**'BU'**). BUs engage in identification and management of bottom-up risks, which are periodically reviewed as per defined ERM process. The risks are escalated and aggregated for reporting to GRRC and RMC. This is complemented by a top-down process, which helps in identification of strategic and enterprise level risks.

During the year under review, the Company undertook a Risk Maturity Assessment through an external partner to assess the maturity of the ERM process. The Board is pleased to report that with a score of 4.63 on a scale of 5, the Company has been recognised to be ahead in the risk maturity curve compared to its peers in mining & metal sector and marginally behind the highest scoring organisations (across sectors).

The Company's risk intelligent culture enabled it to manage the uncertainties in an unprecedented business environment during the year under review. As the COVID-19 situation evolved, "scenario-based risk assessment" was facilitated across the Company. Further, business decisions were pivoted to achieve cash neutrality in operations by reducing spend, managing working capital and reducing capital expenditures. Operating regime was recalibrated in response to the decline in domestic demand. Supply chain disruptions were managed through obtaining necessary licenses to ensure movement of raw materials and finished goods. In view of sluggish domestic steel demand, risk to sales was mitigated through enhanced exports and new international markets were targeted.

To reduce dependence on global commodity supply chains, captive coal, iron ore and pellet inventory were ramped up to reduce the buy, post normalisation of operations and improve profitability. Investments made by the Company over the years on digital transformation, ensured seamless migration of the work processes to remote working models across locations. The Company also engaged in assessing the risk of single geography sourcing and mitigations have been put in place to diversify sourcing and / or find alternate materials.

Implementation of focussed risk mitigation strategies coupled with improvement in the global and domestic macro environment has improved the Company's risk profile in second half of the financial year 2020-21. Despite the challenges posed by COVID-19, the Company has been able to deleverage beyond the target set for the year.

The Company continues to be vigilant of the evolving pandemic situation to proactively manage risks, as they emerge in financial year 2021-22. Health and safety of employees and the communities in the vicinity of our operations, continues to be the top-most priority for the Company, whilst simultaneously ensuring continuity of our business operations.

During the year under review, the Company has made significant progress in its journey towards risk intelligence. The Company has been adjudged the 'Masters of Risk in Metals & Mining' and 'Risk Technology' at the 7th edition of The India Risk Management Awards.

Vigil Mechanism

The Company has in place a Vigil Mechanism that provides a formal channel for all its Directors, employees and business associates including customers to approach the Chairman of the Audit Committee or Chief Ethics Counsellor and make protected disclosures about the unethical behaviour, actual or suspected fraud or violation of the Tata Code of Conduct (**'TCoC'**). No person is denied access to the Chairman of the Audit Committee.

The Vigil Mechanism includes policies viz. the Whistle-Blower Policy for Directors & Employees, the Whistle-Blower Policy for Business Associates, the Whistle-Blower Protection Policy for Business Associates, the Gift and Hospitality Policy, the Conflict of Interest Policy for Employees, the Anti-Bribery & Anti-Corruption (**'ABAC'**) Policy and the Anti-Money Laundering (**'AML'**) Policy.

The Whistle-blower Policies for Directors & Employees, Business Associates and TCoC encourage every Director, employee, and Business Associate to promptly report any actual or possible violation of the TCoC or any event that he or she becomes aware of that could affect the business or reputation of the Company. This policy includes 'reporting of incidents of leak or suspected leak of Unpublished Price Sensitive Information (**'UPSI'**)' as required in terms of the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.

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

The ABAC and AML policies primarily covers risk assessment, third party due diligence, training & awareness, and audit & reporting.

The Gift and Hospitality Policy aims to provide guidance to directors, officers and employees or persons who perform services for or on behalf of the Company on what is appropriate and acceptable, and what is not acceptable, for offering, giving and accepting gifts and hospitality. The Policy is in consonance with ABAC and AML policies.

The Company has a Conflict of Interest policy that requires employees to act in the best interest of the Company without any conflicts and declare conflicts, if any (real, potential or perceived).

The Whistle-blower Reward and Recognition Guidelines for employees has been implemented to encourage employees to genuinely blow the whistle on any misconduct or unethical activity taking place in the Company. The disclosures reported are addressed in the manner and within the time frames prescribed in the Whistle-blower Policy.

During the year under review, a Third-Party Whistle-Blowing helpline service was made effective through an external service provider, KPMG Advisory Services Private Limited, across the Company as well as the TSG. The Ethics helpline services includes toll free number, web access, postal services and e-mail facilities. This helpline service acts as a platform within the Tata Steel Group Companies, to raise concerns on unethical behaviour and enhance 'zero tolerance towards unethical activities'.

During the year under review, the Company also undertook a series of communication and training programmes for internal stakeholders, vendors and distributors, with the aim to create awareness amongst them about the Company's values, TCoC and other ethical practices of the Company. E-Learning modules on AML Policy and POSH Policy were launched by the Company during the financial year 2020-21 to sensitise the employees on the relevant laws and policies. The Company introduced a structured yet informal platform "Stay in Touch" for its employees to interact with Chief Ethics Counsellor to understand the issues and integrate employees with the Company's culture through an open discussion. The Company also undertook various theme-based campaigns, town hall, and departmental events. 'Neeti Katha / Neeti Sanchar' i.e. story-telling through snippet series on the scenarios of 'ABAC', 'Integrity' and 'Respectful workplace' were shared with employees as part of the awareness campaign. The Company also celebrated the month of July as Ethics Month with all communication and programmes centred around the theme "Responsible Me Responsible We". These engagement programmes have helped in reinforcing employee involvement in driving the Management of Business Ethics.

The Company has developed a robust system to raise concerns on unethical behaviour, taken efforts to make stakeholders aware of such systems as well as of their responsibility to report such concerns and practice non-retaliation. The strong mechanism to address such concerns instils in our stakeholders the confidence to report ethical violations. The Company has also leveraged digital platforms for training and communication, thereby resulting in greater clarity on the subject and system amongst the stakeholders.

The Company takes pride in winning one of the World's Most Ethical Companies (**'WME'**) award for the 10th time by Ethisphere Institute, USA.

During the year under review, the Company received 777 whistle-blower complaints of which as on March 31, 2021, 541 complaints were investigated and appropriate actions were taken and investigations were underway for the remaining 236 complaints. Majority of these pending complaints were received during the quarter ended March 31, 2021.

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

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

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

During the year under review, the Company received 21 complaints of sexual harassment, of which 15 complaints have been resolved by taking appropriate actions and 6 complaints are under investigation. These 6 complaints have been received during the months of February and March 2021.

Related Party Transactions

In line with the requirements of the Act and the SEBI Listing Regulations, the Company has formulated a Policy on Related Party Transactions and the same can be accessed on the Company's website at https://www.tatasteel.com/media/5891/policy-on-related-party-transactions.pdf

During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were at arm's length and in the ordinary course of business. Prior omnibus approval is obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis. The Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Act. Also, there were no material related party contracts entered into by the Company.

Accordingly, the disclosure of related party transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for financial year 2020-21 and hence does not form part of this report.

Details of related party transactions entered into by the Company, in terms of Ind AS-24 have been disclosed in the notes to the standalone / consolidated financial statements forming part of this Integrated Report.

Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance system established and maintained by the Company, work performed by the internal, statutory, cost, and secretarial auditors and external agencies including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during financial year 2020-21.

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

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

b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

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

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

e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

Business Responsibility Report

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

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

Subsidiaries, Joint Ventures and Associates

The Company has 209 subsidiaries and 49 associate companies (including 28 joint ventures) as on March 31, 2021. During the year under review, the Board of Directors reviewed the affairs of material subsidiaries. There has been no material change in the nature of the business of the subsidiaries.

We have, in accordance with Section 129(3) of the Act prepared Consolidated Financial Statements of the Company and all its subsidiaries, associates and joint ventures which form part of the Integrated Report. Further, the report on the performance and financial position of each subsidiary, associate and joint venture and salient features of their Financial Statements in the prescribed Form AOC-1 is annexed to this report (**Annexure 6**).

In accordance with the provisions of Section 136 of the Act and the amendments thereto, read with the SEBI Listing Regulations the audited Financial Statements, including the consolidated financial statements and related information of the Company and financial statements of the subsidiary companies are available on our website www.tatasteel.com

The names of companies that have become or ceased to be subsidiaries, joint ventures and associates during the year under review are disclosed in an annexure to this report (**Annexure 7**).

Auditors

Statutory Auditors

Members of the Company at the AGM held on August 8, 2017, approved the appointment of Price Waterhouse & Co., Chartered Accountants LLP (Registration No. 304026E/E300009), Chartered Accountants, as the statutory auditors of the Company for a period of five years commencing from the conclusion of the 110th AGM held on August 8, 2017 until the conclusion of 115th AGM of the Company to be held in the year 2022.

In terms of the provisions relating to statutory auditors forming part of the Companies Amendment Act, 2017, notified on May 7, 2018, ratification of appointment of Statutory Auditors at every AGM is no more a legal requirement. Accordingly, the Notice convening the ensuing AGM does not carry any resolution on ratification of appointment of Statutory Auditors.

The report of the Statutory Auditor forms part of the Integrated Report and Annual Accounts for FY 2020-21. The said report does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Statutory Auditors did not report any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

Cost Auditors

In terms of Section 148 of the Act, the Company is required to maintain cost records and have the audit of its cost records conducted by a Cost Accountant. Cost records are prepared and maintained by the Company as required under Section 148(1) of the Act.

The Board of Directors of the Company has, on the recommendation of the Audit Committee, approved the appointment of M/s. Shome & Banerjee as the Cost Auditors of the Company (Firm Registration No. 000001) for the year ending March 31, 2022.

M/s. Shome & Banerjee have vast experience in the field of cost audit and have been conducting the audit of the cost records of the Company for the past several years.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended, the remuneration of ₹20 lakhs plus applicable taxes and reimbursement of out-of-pocket expenses payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the Members of the Company. Accordingly, a resolution to this effect forms part of the Notice convening the AGM.

Secretarial Auditors

Section 204 of the Act, *inter alia*, requires every listed company to annex to its Board's report, a Secretarial Audit Report, given in the prescribed form, by a Company Secretary in practice.

The Board had appointed Parikh & Associates, (Registration No. P1988MH009800) Practicing Company Secretaries, as the Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year 2020-21 and their Report is annexed to this report (**Annexure 8**). There are no qualifications, observations, adverse remark or disclaimer in the said Report.

Annual Return

The Annual Return for financial year 2020-21 as per provisions of the Act and Rules thereto, is available on the Company's website at https://www.tatasteel.com/media/13904/annual-return-2021.pdf

Significant and Material Orders passed by the Regulators or Courts

There has been no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and the Company's future operations. However, Members' attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the Financial Statements.

Particulars of Loans, Guarantees or Investments

Particulars of loans, guarantees given or investments made during the year under review in accordance with Section 186 of the Act is annexed to this report (**Annexure 9**).

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Details of the energy conservation, technology absorption and foreign exchange earnings and outgo are annexed to this report (**Annexure 10**).

Deposits

During the year under review, the Company has not accepted any deposits from public in terms of the Act. Further, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Secretarial Standards

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

G. Acknowledgements

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic. We thank our customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

We thank the Government of India, the State Governments and the Governments in the countries where we have operations and other regulatory authorities and government agencies for their support and look forward to their continued support in the future.

On behalf of the Board of Directors

sd/-
N. CHANDRASEKARAN
Chairman
DIN: 00121863

Mumbai
May 5, 2021

ANNEXURE 1
Dividend Distribution Policy

1. Preamble

1.1 The Dividend Distribution Policy (hereinafter referred to as the **'Policy'**) has been developed in accordance with the extant provisions of the Companies Act, 2013 and SEBI regulations.

1.2 The Board of Directors (the **'Board'**) of Tata Steel Limited (the **'Company'**) has adopted the Policy of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **'Listing Regulations'**) at its meeting held on April 20, 2017.

1.3 Under Section 2(35) of the Companies Act, 2013, "Dividend" includes any interim dividend. In common parlance, "dividend" means the profit of a company, which is not retained in the business and is distributed among the shareholders in proportion to the amount paid-up on the shares held by them. In case of listed companies, Section 24 of the Companies Act, 2013 confers on SEBI, the power of administration of the provisions pertaining to non-payment of dividend.

2. Effective Date

The Policy shall become effective from the date of its adoption by the Board i.e. April 20, 2017.

3. Purpose, Objectives and Scope

3.1 T he Securities and Exchange Board of India (**"SEBI"**) vide its Gazette Notification dated July 8, 2016 has amended the Listing Regulations by inserting Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy in place by the top five hundred listed companies based on their market capitalisation calculated as on the 31st day of March of every year.

3.2 As the Company is one of the top five hundred companies as on March 31, 2016, the Board has laid down a broad framework for distribution of dividend to its shareholders and / or retaining or plough back of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders.

3.3 Declaration of dividend on the basis of parameters in addition to the elements of this Policy or resulting in amendment of any element or the Policy will be regarded as deviation. Any such deviation on elements of this Policy in extraordinary circumstances, when deemed necessary in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board.

3.4 The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted hereon, progressive dividend, which shall be consistent with the performance of the Company over the years.

4. Parameters to be Considered While Declaring Dividends

4.1 Financial Parameters

a) Magnitude of current year's earnings of the Company: Since dividend is directly linked with the availability of earning over the long haul, the magnitude of earnings will significantly impact the dividend declaration decisions of the Company.

b) Operating cash flow of the Company: If the Company cannot generate adequate operating cash flow, it may need to rely on outside funding to meet its financial obligations and sometimes to run the day-to-day operations. The Board will consider the same before its decision whether to declare dividend or retain its profits.

c) Return on invested capital: The efficiency with which the Company uses its capital.

d) Cost of borrowings: The Board will analyse the requirement of necessary funds considering the long-term or short-term projects proposed to be undertaken by the Company and the viability of the raising funds from alternative sources vis-à-vis plough back its own funds.

e) Obligations to lenders: The Company should be able to repay its debt obligations without much difficulty over a reasonable period of time. Considering the volume of such obligations and time period of repayment, the decision of dividend declaration shall be taken.

f) Inadequacy of profits: If during any financial year, the Board determines that the profits of the Company are inadequate, the Board may decide not to declare dividends for that financial year.

g) Post dividend EPS: The post dividend EPS can have strong impact on the funds of the Company, thus, impacting the overall operations on day-to-day basis and therefore, affects the profits and can impact the decision for dividend declaration during a particular year.

4.2 Proposals for major capital expenditures

The Board may also take into consideration the need for replacement of capital assets, expansion and modernisation or augmentation of capital asset including any major sustenance, improvement and growth proposals.

4.3 Agreements with lending institutions / Bondholders / Debenture Trustees

The decision of dividend pay-out shall also be affected by the restrictions and covenants contained in the agreements as may be entered into with the lenders of the Company from time to time.

4.4 Statutory requirements

The Company shall observe the relevant statutory requirements including those with respect to mandatory transfer of a certain portion of profits to any specific reserve such as Debenture Redemption Reserve, Capital Redemption Reserve etc. as provided in the Companies Act, 2013, which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

5. Factors that May Affect Dividend Payout

5.1 External Factors

- Macroeconomic conditions: Considering the current and future outlook of the economy of the Country, the policy decisions that may be formulated by the Government and other similar conditions prevailing in the global market which may have a bearing on or affect the business of the Company, the management may consider retaining a larger part of the profits to have sufficient reserves to meet the exigency during unforeseen circumstances.
- Cost of raising funds from alternative sources: If the cost of raising funds to pursue its planned growth and expansion plans is significantly higher, the management may consider retaining a larger part of the profits to have sufficient funds to meet the capital expenditure plan.
- Taxation and other regulatory provisions: Dividend distribution tax or any tax deduction at source as required by applicable tax regulations in India, as may be applicable at the time of declaration of dividend. Any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company at the time of declaration of dividend.

5.2 Internal Factors

- The Company's long-term growth strategy which requires to conserve cash in the Company to execute the growth plan.
- The liquidity position of the Company including its working capital requirements and debt servicing obligations.
- The trend of the performance / reputation of the Company that has been during the past years determine the expectation of the shareholders.

6. Target Dividend

6.1 T he Company has adopted a progressive dividend policy, intending to maintain or grow the dividend each year.

6.2 The Company targets to pay dividend up to 50% of profit after tax of the Company subject to the applicable rules and regulations.

7. Circumstances Under which the Shareholders Can or Cannot Expect Dividend

7.1 The Board shall consider the factors provided above under Clause 4 and 5 above, before determination of any dividend payout after analysing the prospective opportunities and threats, viability of the options of dividend payout or retention, etc.

7.2 The decision of dividend payout shall, majorly be based on the aforesaid factors considering the balanced interest of the shareholders and the Company.

8. Manner of Dividend Payout

8.1 Given below is a summary of the process of declaration and payment of dividends, and is subject to applicable regulations.

8.2 In case of final dividends:

a) Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.

b) The dividend as recommended by the Board shall be approved / declared at the annual general meeting of the Company.

c) The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date / book closure period as per the applicable law.

8.3 In case of interim dividend

a) Interim dividend, if any, shall be declared by the Board.

b) Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.

c) The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date as per the applicable laws.

d) In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the annual general meeting.

9. Policy as to how the Retained Earnings will be Utilised

9.1 The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run.

9.2 The decision of utilisation of the retained earnings of the Company shall be based on the following factors:

- Long-term strategic plans
- Augmentation / Increase in production capacity
- Market expansion plan
- Product expansion plan
- Modernisation plan
- Diversification of business
- Replacement of capital assets
- Balancing the Capital Structure by de-leveraging the Company
- Other such criteria as the Board may deem fit from time to time.

10. Provisions in Regard to Various Classes of Shares

10.1 The Company has only one class of equity shareholders and does not have any issued preference share capital. However, in case the Company issues different class of equity shares at any point in time, the factors and parameters for declaration of dividend to different class of shares of the Company shall be same as covered above.

10.2 The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.

10.3 The dividends shall be paid out of the Company's distributable profits and / or general reserves, and shall be allocated among shareholders on a pro-rata basis according to the number of each type and class of shares held.

10.4 Dividend when declared shall be first paid to the preference shareholders of the Company, if any as per the terms and conditions of their issue.

11. Applicability of the Policy

11.1 The Policy shall not apply to

- Determination and declaring dividend on preference shares as the same will be as per the terms of issue approved by the shareholders;
- Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;
- Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

12. Reporting and Disclosure

As prescribed by Regulation 43A of the Listing Regulation, this Policy shall be disclosed on the Company's website and the Annual report.

13. Review of the Policy

13.1 This Policy shall be subject to review as may be deemed necessary as per any regulatory amendments.

13.2 Such amended Policy shall be periodically placed before the Board for adoption immediately after such changes.

14. Compliance Responsibility

Compliance of this Policy shall be the responsibility of the Company Secretary of the Company who shall have the power to ask for any information or clarifications from the management in this regard.

ANNEXURE 2
Management Discussion and Analysis

I. Overview

The objective of this report is to convey the Management's perspective on the external environment and steel industry, as well as strategy, operating and financial performance, material developments in human resources and industrial relations, risks and opportunities and internal control systems and their adequacy in the Company during the financial year 2020-21. This report should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Integrated Report. The Company's financial statements have been prepared in accordance with Indian Accounting Standards (**'Ind AS'**) complying with the requirements of the Companies Act, 2013, (**'Act'**) and regulations issued by the Securities and Exchange Board of India (**'SEBI'**), each as amended from time to time.

II. External Environment

1. Macroeconomic condition

Global GDP contracted by 3.5% in 2020 as governments in both developed and emerging economies took measures to contain the spread of the COVID-19 virus. While the decline was sharper than the global financial crisis in 2009, but the scale of the fiscal response to the COVID-19 crisis was unprecedented and three times bigger than 2008-09 financial crisis. The response by policy makers prevented a collapse that would have been at least three times worse, and the medium-term losses for the global economy are expected to be smaller than the global financial crisis.

While China is forecasted to continue its rapid growth in 2021, Latin America and the Eurozone is expected to lag behind. US saw overall GDP decline of 3.5%. India's economy rebounded quickly from one of the world's longest and most stringent lockdowns, which also came with steepest fall in GDP in Q2. Real GDP grew by 0.4% in Q3FY2021 after a contraction in the previous two quarters. Real GDP is estimated to have contracted by ~8% in FY 2020-21.

2. Economic Outlook

The accelerating rollout of COVID-19 vaccines in many advanced economies has set the stage for rapid recovery in the second half of this year and into 2022. Advanced economies will remain less affected by the virus this year and beyond, with low-income countries and emerging markets suffering more which is a contrast to 2009. While, the global economy is expected to recover to its pre-pandemic level of output in 2022, the emerging-market and developing economies are expected to take until 2023 to recover to the pre-pandemic level.

Policy rates in the United States, Eurozone, United Kingdom, and Japan will remain near zero, well beyond 2021. Emerging-market and developing economies may take until 2023 to recover to the pre-pandemic level. Divergent recovery paths are likely to create wider gaps in living standards across countries compared to pre-pandemic expectations.

3. Indian Economy

India witnessed a gradual resumption of economic activity from Q2FY2021. The initial recovery was driven by government spending on infrastructure, exports and rural economy. The recovery gained momentum since August 2020 with pickup in consumption demand driven by festive buying and return of urban consumption. However, the growth projections for FY 2021-22 have been revised to be below 11% due to the acute resurgence of the virus in the country, as many cities and states went into lockdown. While the growth will depend upon the trajectory of the pandemic, the overall impact on the economy is expected to be less severe than last year.

India is expected to witness a full economic recovery in H2FY2022 driven by (a) ongoing vaccination supporting the current recovery momentum; (b) restart of investment cycle with significant spending on infrastructure and (c) continued recovery in consumption supported by urban demand, accentuated by work-from-home and preferences for personal mobility along with rising rural income and affordability. However, normal growth levels would be seen in FY 2022-23 only, provided no further economic disruption occurs and success of the ongoing vaccination drive.

III. Steel Industry

1. Global Steel Industry

Disruption on both demand and supply resulted in global steel demand in 2020 to fall by 0.2% against a growth of 3.7% in 2019. The total demand in 2020 was 1,772 MnT against 1,775 MnT in 2019. The impact of COVID-19 has been much more benign for the steel industry due to resurgent demand in China and better than expected post lockdown recovery globally in second half of 2020. China and Turkey were two key countries that saw an increase in finished steel demand of 9% and 13% respectively in 2020. North America and the European Union (**'EU'**) have experienced strong decline in steel demand owing to the COVID-19 pandemic. Both regions experienced demand decline of around 11%-16%. India also contributed to global decline, as steel consumption in India declined by 13.7% to 88.5 MnT in 2020 against 102.6 MnT in 2019.

Up to 30% of global steelmaking capacity (excluding China) was idled or production at steel mills significantly reduced in response to a pandemic-induced drop in demand. However, the recovery in automotive production and white goods manufacturing was quicker than expected when the strictest lockdown measures were lifted. The construction sector was less affected, as it was supported by government stimulus schemes in many regions. As a result, steel prices rallied in all regions in late 2020.

2. Outlook for steel industry

Steel demand is expected to be strong due to recovery in manufacturing businesses around the world and global fiscal stimulus supporting infrastructure projects. The outlook for 2021 is expected to be positive because of the unprecedented fiscal stimulus provided by the governments across Europe, the US, Japan, Korea, Russia and China. These stimulus packages are expected to spur growth in these nation's respective infrastructure sectors, boosting steel demand. China is expected to grow by 5% in 2021 with continuation of healthy demand conditions especially in the first half of 2021. Steel demand in key emerging economies (like India, Turkey) and Europe is expected to witness double digit recovery while Asia and Middle-East are likely to grow by 5%.

While it is expected that steel prices will consolidate closer to historical levels, prices are likely to remain high supported by (i) strong iron ore prices, (ii) rebound in coking coal prices, (iii) positive impact from stimulus plans, and (iv) improved business confidence from the roll-out of vaccines. Strong rebound of demand in 2021, in addition to supply-side reforms in China could lead to higher steel prices globally.

Political and geopolitical developments, such as a reduction in government stimulus programmes, policies to cut emissions and trade wars, could increase pressure on the steel sector.

3. Indian Steel Industry

India's steel industry has also suffered the production loss due to lockdown last year and recovered gradually since then, initially driven by export followed by gradual recovery in domestic demand. Strong rebound in manufacturing and infrastructure development activity has led to a sharp rise in both production and consumption of steel in India. In 2021, India's steel demand is expected to grow by 20% over 2020, taking the demand higher than the pre-pandemic level of 103 MnT, driven by strong infrastructure spending and sustained demand of automotive and consumer durables.

The key opportunities boosting the steel demand are as follows:

- Government's focus on strengthening the domestic manufacturing base under the flagship "Atmanirbhar Bharat" programme. The Production Linked Incentive scheme has been introduced to boost the manufacturing sector in industries like automobile & auto components, consumer durables, solar equipment, telecom, etc. These are expected to boost steel consumption.
- Government has announced an investment of over ₹1 trillion in infrastructure over the next 5 years. This would be a key growth driver not only for steel industry but will also be a multiplier of growth across the sectors, boosting steel demand from sectors such as transportation, real estate and infrastructure.
- Emergence of new trends after COVID-19 such as work from home, preference to physical distancing would create additional demand for furniture, personal mobility, etc. In addition, the rise in e-commerce activity will support the growth of warehousing and light commercial vehicles.

However, the downside to these opportunities are as follows:

- Resurgence of infections leading to fresh lockdowns, both localised as well as regional / national level resulting in disruption in economic activity.
- Heavy dependence of agriculture sector on monsoon. In last 2 years, a normal monsoon has supported the growth in agriculture sector.
- Slower recovery in contact-based services, which is an integral part of Indian economy and affects lives & livelihood of service sector.

IV. Operational Performance

1. Tata Steel Group

During the year under review, the consolidated steel production for Tata Steel Group (**'TSG'**) was 28.54 MnT recording a 7% decrease over that of the previous year, primarily due to disruptions arising out of COVID-19. TSG recorded total deliveries of 28.50 MnT as against 28.88 MnT in the previous year which was marginally lower by 1%. The steel deliveries decreased at Tata Steel Europe by 5% and at NatSteel Holdings by 25% due to lower demand. This decrease was off-set by higher deliveries at Tata Steel BSL Limited (**'TSBSL'**) by 4%. Further, deliveries at Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited) increased by 25% and at Tata Steel Thailand by 9% due to higher availability of finished products and higher demand. The deliveries at Tata Steel (Standalone) were at par, despite disruptions arising out of COVID-19.

The turnover of TSG was at ₹1,56,294 crore during FY 2020-21, an increase of 5% over the previous financial year due to increase in realisations across geographies, partly offset by marginal decline in deliveries.

The EBITDA of TSG was ₹30,892 crore during the FY 2020-21 as compared to ₹18,103 crore in the previous year due to improvement in realisations along with lower cost and favourable exchange rate movement at other foreign entities.

TSG reported a consolidated profit after tax of ₹8,190 crore during FY 2020-21 as against a profit of ₹1,172 crore in FY 2019-20. The increase was mainly due to higher operating profits attributable to increase in the steel prices across geographies during FY 2020-21 along with lower cost and lower exceptional charge as compared to that of the previous year, partly offset by higher tax expenses mainly at Tata Steel (Standalone) due to higher profits. Moreover, the previous year included re-measurement of deferred tax liabilities based on the new lower rate of Income tax prescribed under Section 115BAA of the Income Tax Act, 1961 along with creation of deferred tax assets at some of the foreign entities as against creation of deferred tax liabilities during the current fiscal primarily at Tata Steel Europe.

2. Tata Steel Limited (Standalone)

The turnover and profit / (loss) figures of Tata Steel Limited (Standalone) are given below:

(₹ crore)

	FY 21	FY 20
Turnover	64,869	60,436
EBITDA	21,952	15,096
Profit before tax (PBT), before exceptional	15,022	8,315
Profit before tax (PBT)	17,795	6,611
Profit after tax (PAT), before exceptional	10,834	8,447
Profit after tax (PAT)	13,607	6,744

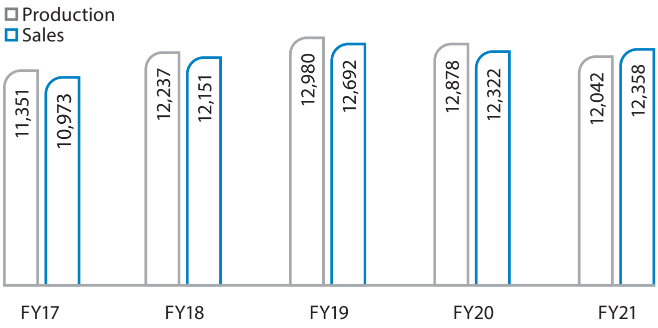
a) Operations

(mn tonnes)

	FY 21	FY 20	Change (%)
Hot Metal	13.24	14.09	(6)
Crude Steel	12.19	13.16	(7)
Saleable Steel	12.04	12.88	(6)
Sales	12.36	12.32	0

The saleable steel production and sales trend over the years are as follows:

Production and Sales of Steel Division (kt)



During the year under review, the saleable steel production stood at 12.04 MnT which is ~6% lower over previous year and saleable steel sales stood at 12.36 MnT which is marginally higher than FY 2019-20. The hot metal production stood at 13.24 MnT which is ~6% lower than that of previous year as the plant operated at lower levels due to nation-wide COVID-19 lockdown.

i) Tata Steel Jamshedpur

During the year under review, Tata Steel Jamshedpur (**'TSJ'**) had produced crude steel of 9.34 MnT, lower than 10.19 MnT produced during FY 2019-20 due to COVID-19 lockdowns and business disruption. During FY 2020-21, there have been certain operational improvements such as increase in agglomerate consumption, lower consumption of ferro alloys, lime, refractories and specific energy. The Company has continuous operational improvement programmes through Shikhar 25, which is a focused EBIDTA improvement programme which works across departments of Tata Steel to improve operational efficiency, lower costs, optimise product mix, reduce and recycle waste and energy efficiency.

ii) Tata Steel Kalinganagar

During the year under review, Tata Steel Kalinganagar (**'TSK'**) had produced lower crude steel of 2.85 MnT as against 2.96 MnT in previous year, due to COVID-19 lockdowns and business interruptions. During the year under review, TSK achieved best ever power generation in house, captive power plant and Coke Dry Quenching power thereby reducing the purchased power requirement. The product mix in FY 2020-21 comprised low carbon, medium & high carbon, IF and peritectic micro alloy grades, which served different market segments such as LPG, Tube making, Tin plating, Construction & Projects, Lifting and Excavation, Automotives, Heavy Engineering, etc.

TSK has embarked upon second phase of expansion which will take its production capacity to 8 MnT per annum. Pellet Plant and Cold Rolling Mill (**'CRM'**) construction activities have gained momentum including the augmentation of raw material handling facilities.

TSK ensures better socio-economic development of the people in the peripheral areas of its operations, focusing on health, education, infrastructure development, livelihoods, skill upgradation and women empowerment among others.

b) Marketing and Sales Initiatives

During the year under review, the Company recorded sales of 12.36 MnT, which is marginally higher over the previous year. This increase is attributable to higher ex ports during the beginning of the financial year to combat the adverse impact of COVID-19 and nation-wide lockdown. Demand started to pick up from the second half of the financial year.

The break-up of sales in our various segments and the break-up of domestic sales to exports are as follows:

(₹ crore)

	FY 21	FY 20
Automotive & Special products	1.57	1.45
Branded Products, Retail & Solutions	3.42	3.82
Industrial Products & Projects	4.05	4.61
Domestic	**9.04**	**9.88**
Exports	2.41	1.50
Domestic + Exports	**11.45**	**11.38**
Transfers (Wires, Tubes, IBMD, Agrico)	0.91	0.94
Total Deliveries	**12.36**	**12.32**

The key business initiatives and achievements in the FY 2020-21 are given below:

Automotive and Special Products: The year under review started on a daunting note with demand plunging by 44% and 57% in Personal Vehicle (**'PV'**) and Commercial Vehicle (**'CV'**) segment respectively on a Y-o-Y basis by H1FY2021. However, the onset of the festive season in September 2020 brought significant uptick in demand also supported by the need for personal mobility in pandemic times. The impressive revival in demand in H2FY2021 ensured that the sector ended the year with a de-growth of only 11% and 18% in PV and CV respectively (Y-o-Y). Tata Steel registered annual sales of 1.57 MnT with an increase in market share over FY 2019-20 across all products (including outer skin panel, high tensile steel segment). The year ended with an overall market share of 43% as against 35% in FY 2019-20 on standalone basis. Tata Steel continues to command market leadership with high SOB (Share of Business) in all new model launches including entry into import intensive OEMs.

Tata Steel continues to be a differentiator through its offerings to automotive customers amidst changing business realities including an enhanced focus on ancillary space by bringing in corporate level focus in large ancillaries, solution oriented offerings and broadening supply chain capabilities through new processing partners. It has helped us improve the sales experience of our customers when they do business with us. Also, the launch of a first of its kind digital VAVE (Value Analysis & Value Engineering) platform "e-DRIVE" helped take our customer engagement to a new level in these tough times.

Branded Products and Retail: During the year under review, Branded Products sales was 3.42 MnT (38% of total domestic sales of FY 2020-21).

The B2C segment achieved sales volume of 1.51 MnT in FY 2020-21. Tata Shaktee achieved a sales growth of ~4% over FY 2019-20 with a volume of 190kT from TSJ against 183 kT in FY 2019-20, with the scale up of new products such as WAMA (for walling application) and Long Length GC sheets contributing to the increase in sales. Tata KOSH has achieved sales of 27 kT in FY 2020-21, despite COVID-19 led disruptions. In addition, TSBSL integration led to 27 kT (11% of Total Sales) of Tata Shaktee Sales and 43kT (61% of total Sales) of Tata Kosh sales through the Company's channel in FY 2020-21.

In FY 2020-21, B2ECA (Business to Emerging Corporate Accounts) business clocked a volume of 1.91 MnT and in the process serviced 9,000+ customers. Value Added Products contributed 24% of overall ECA Volumes. This was achieved through market development and access to key micro segments (Railways, Wagons, Transmission Line Tower, PEB, Solar, Appliances) and introduction of segment specific 41 new products. ECA business launched 3 New Coated Brands from Tata Steel BSL "GalvaRoS, Galvanova and Colornova" for entry into new product and market segments like Appliances, Solar, Commercial Building. The New Coated Brands promote sustainability in line with the changing consumer requirements. DigEca, a digital solution for ECA business, has created real-time, segmental visibility of sales by channel partners to ECA customers.

Industrial Products, Projects and Exports: The vertical registered a strong performance on the back of exports in H1FY2021 and recovery in Construction, Engineering and Valued Added segments in H2FY2021 resulting in sales of 6.46 MnT for the year (~6% growth Y-o-Y).

Tata Steel continued its focus on Engineering segments and Value-Added Products (**'VAP'**) through an enriched product portfolio. Precision Tubes segment grew by 12% Y-o-Y from 107 kT to 120 kT registering the highest ever sales in any fiscal year. Despite the impact of the pandemic, sales in MCHC (Medium Carbon / High Carbon) and LPG segment also grew marginally over FY 2019-20. Sales of high strength and corrosion resistant rebars together grew by 39% Y-o-Y. Engineering Segment also achieved best ever sales with a growth of 5% Y-o-Y driven by 3.5 times growth in Oil & Gas segment through approvals from major Oil Marketing Companies for API X65 & API X70. The Company increased its market share in Lifting & Excavation segments with a growth of 14% Y-o-Y and increased its presence in niche segments comprising of solar, transmission towers, crash barriers and special structural grades with a growth of 58% Y-o-Y. Engineering Segments also increased dispatches through costal route by 25% over last year bringing in cost savings.

In Construction space, the Company has maintained its focus on offering services and solutions through Cut & Bend with Tiscon Readybuild sales at 106 kT in FY 2020-21. The Company has also supplied ~109 kT rebars (~11% of total project sales) to 29 Marquee projects in India.

Steel exports in FY 2020-21 increased to ~2.41 MnT to combat the pandemic affected H1FY2021 and contributed to ~20% of Tata Steel sales. In order to maximise exports, the Company started using two more ports (Kolkata & Vishakhapatnam) in addition to the regular ports for break-bulk shipments. Customers from 7 new countries were added to the Company's portfolio which helped increase exports during Q1FY2021. In its pursuit to enrich sales mix, the Company doubled its VAP export sales in FY 2020-21 to 240 kT. In our drive to improve agility, the Company concluded an end-to-end paperless trade transaction enabled by Blockchain. It is a first of its kind transaction in the steel industry and has helped reduce the payment cycle time from 2 weeks to 4 working days.

Services & Solutions: During the year under review, the Company has consolidated its position in the Services & Solutions space through continuous innovation, to provide customer-centric offerings and better consumer experience in a pandemic affected uncertain market. In FY 2020-21, Tata Pravesh Doors and Windows registered a system turnover of ₹145 core. The installation figures have increased to 80K units in FY 2020-21, a Y-o-Y increase of 40%. Nest-In, the construction solutions brand from Services & Solutions, has received an order book of ₹104 crore and executed orders worth ₹55 crore in FY 2020-21. In response to a stagnating sanitation market, Nest-In successfully scaled up its shelter solutions, registering a growth of ~113% in this segment (₹38 crore in FY 2019-20 as against ₹81 crore in FY 2020-21).

Digital Initiatives: Tata Steel Aashiyana an initiative providing early inspiration, engagement & e-commerce for Individual Home Builder (**'IHB'**) achieved turnover of ₹726 crore in FY 2020-21 with growth of 122% over FY 2019-20. Tata Basera has expanded its reach to 255+ districts. The Tata Basera programme offers special benefits from 5 Tata Group companies to IHB across 7 brands. These digital initiatives have helped serve 5,545 unique pin code thus allowing us to serve new markets and enabled meeting customer requirement specially during pandemic period.

Apart from Aashiyana, Tata Steel has also scaled up various digital initiatives in multiple customer segments viz (B2C, B2B & B2ECA). Compass, a digital supply chain visibility solution was rolled out to B2B customers & DigEca, an initiative that captures lead management for ECAs received traction from its distributors & customers. Digital projects such as Magibox have helped improve product value realisation.

c) Engineering & Projects

Engineering & Projects (**'E&P'**) continued to support Tata Steel's growth and sustenance plan by ensuring project progress amidst the COVID-19 pandemic. In line with the Company's long-term vision to attain leadership position in India, capacity expansion project of Tata Steel Kalinganagar phase 2 (3 MnTPA to 8 MnTPA), some Raw Material locations, sustenance projects at Tata Steel Jamshedpur and other locations were continued. Quick adaptation to the new normal was done and commissioning of various projects were successfully completed with limited local and remote support from technology supplier.

The Company continued to focus on attractive opportunities to deploy capital optimally to increase the future returns of the business. These projects will enhance our downstream capabilities, increase high added value capacities and reduce costs. Besides these, the compliance related projects on improving the environment related parameters were pursued.

During FY 2020-21, the team focused on building a future ready organisation with the driving theme being Agility, Value creation, Building Deep Capabilities, adapting Future ready construction practices and indigenisation while achieving manufacturing excellence. We strengthened our master plans across locations through effective and efficient conceptualisation, design and engineering capabilities and considering efficient technologies, environment and sustainability.

In digitalisation journey, capex programmes customised various digital initiative's such as Integrated Project Management System, which aimed at integrating project information at a common platform; i3M, Connected Man, Machines and Materials for better traceability of critical enablers, 2D to 3D modeling conversion, for creating 3D based assembly sequence & constructability validation and Virtual Reality platform, virtual construction, virtual assembly and virtual commissioning. Smart construction practices such as digital work platform was adapted which enabled online monitoring of remote work place activities.

Various initiatives were undertaken to ensure adherence to COVID-19 protocols while continuing construction at project sites and manufacturing work. Adapting quickly to the new normal, all the capability building sessions and awareness programmes were conducted online. Detailed planning was done after assessment of shift-wise and location-wise minimum manpower requirements. Support facilities such as canteen, transportation and medical service arrangements were geared up with strict adherence to COVID-19 protocol including extensive sanitisation and social distancing norms. Central CCTV monitoring for all locations helped to ensure compliance to utilisation of personal protective equipment and kits (including masks) by the people at work sites.

Other daily management activities were seamlessly carried out through virtual platforms. Collaboration was done with supplier partners to workout win-win situation in terms of revising delivery schedules of material. Restricted movement from employee residence's and labour camps, sanitisation of sites and transport vehicles helped in containment of the pandemic at our project construction sites to a large extent.

d) Sustainable Steel Business Initiatives

i) New Materials Business

The New Materials Business (**'NMB'**) was set up with the vision of making the Company future ready by insulating revenues from the cyclicity of the steel business and to explore advanced material solutions. NMB has currently three material verticals – Composites, Graphene and Medical Materials & Devices.

Fibre Reinforced Polymer ('FRP') Composites: The business is focused on an asset light model with successful tie ups with partners of choice for production and supply of composite products. NMB Composites has marked its presence already in the Industrial, Infrastructure and Railway segments.

The business focusses on building scale in the industrial sector through internal capability development and building long-term relationship with customers. Successful large project executions would enable the Composites to establish itself as one of the leading players in the industry. Leveraging on group synergies would further strengthen this position in the market.

The division also plays a significant role in providing the nation with clean drinking water with the offerings of FRP Pipes and Pressure Vessels. The other key areas of growth in the infrastructure is building smart cities with modern solutions which are functionally superior and aesthetically appealing.

The Railways segment focusses on providing the best-in-class railway interiors to the Indian passenger. With the successful roll-out of the interior furnishing of the AC I coach to Modern Coach Factory in FY 2020-21, the journey is set to provide comfort and luxury to Indian railway passengers.

In FY 2020-21, NMB Composites division registered a substantial growth in revenue over the previous year.

Graphene: The journey of commercialisation has commenced and the graphene business crossed the revenue mark of \$2 million sales in FY 2020-21. The business has also commissioned its 100 TPA integrated graphene manufacturing plant in March 2021. The division has demonstrated significant value across ten different graphene enriched products.

Medical Material and Devices: NMB has ventured into affordable medical material and devices to take up the role of aggregator for the domestic manufacturers in creating holistic medical device solutions at global standard. The vision is to empower the medical device manufacturing ecosystem in India to fit the demography and in lieu of the inverted duty structure, create affordable and global standard health technology solutions for India and the World. This would make India self-reliant in the medical technology space.

The initial business scope covers medical consumables, in - vitro diagnostics, implantables, prosthetics & orthotics and medical device components. Among materials, advanced ceramics and biologics which are among the largely imported and priority list for Indian population and market form part of the business scope.

ii) Steel Recycling Business

The Steel Recycling Business is an initiative and a definitive step by Tata Steel towards sustainable steel production and a quantum leap towards circular economy. The steel produced through the recycled route entails significantly lower carbon emissions (63%), resource consumption (68%) and energy utilisation (58%). The initiative aims to provide the much-needed raw material I fillip to Steel Industry by making available quality processed ferrous scrap, streamlining the currently unorganised scrap supply chain, enhancing the transparency and lowering the dependency on imports.

Steel Recycling Business commissioned its first Steel Scrap Recycling plant of 0.5 MnTPA capacity in September 2020 at Rohtak, Haryana. It is a state-of-the-art plant with mechanised equipment such as Shredder, Baler, Material Handler, etc. for processing, handling and producing top quality scrap. Steel scraps are procured from various market segments such as End-of-Life Vehicle scrap, Obsolete Household Scrap, Construction & Demolition scrap, Industrial Scrap, etc. Digital App based supply chains facilitate procurement of scrap in a fair and transparent manner. This scrap is processed through mechanised equipment and the high quality processed scrap is supplied to Electric Arc Furnaces, Induction Furnaces and Foundries for downstream Steel making, satiating their long-standing demand.

Various initiatives have been launched to raise the bar in the scrap industry. Tata FerroBaled and Tata FerroShred are first of-its-kind brands in the world for Ferrous Scrap launched by Tata Steel. FerroHaat™ App, again a first-of-its-kind in the world, to source steel scrap from the traders has been launched. These initiatives reinforce Tata Steel's commitment to foster trust, transparency and ease of doing business in the scrap industry.

Steel recycling route is dovetailed with the long product growth strategy of the Company.

e) Performance of business units

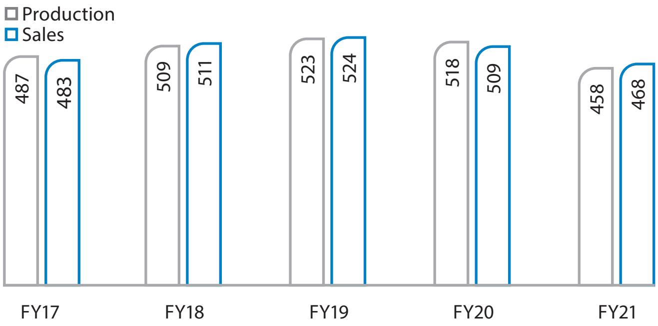
i) Tubes Division

The Company's Tubes Strategic Business Unit is a leading manufacturer of pipes and tubes in India having its manufacturing facility situated at Jamshedpur with an annual production capacity of ~500 kilo tonnes. The three main lines of businesses are conveyance tubes (Tata Pipes), structural tubes (Tata Structura) and precision tubes for auto and boiler segments.

FY 2020-21 was a unique year which started with a zero base, as almost all segments and markets were shut down due to the pandemic and impending lockdown in April 2020. Subsequently, the demand centres also shifted more towards rural and less-restrictive zones during Q1FY2021. Automotive sector recovered from Q3FY2021 onwards. However, the construction and infrastructure recovered after Q3FY2021.

The production and sales performance is as below:

Production and Sales of Tube Division (kt)



During the FY 2020-21, the production was at 458 kt as against 518 kt in FY 2019-20, lower by 60 kt and the division achieved sales of 468 kt in FY 2020-21 as against 509 kt in FY 2019-20, lower by 41kt due to plant shutdown during Q1FY2021 due to pandemic.

Key Business Highlights:

Through its digital platform, the division achieved sales of ~20,000 Mt in FY 2020-21 (6300 Mt in FY 2019-20) from the Aashiyana Portal, which is ~10% of our Brands & Retail Sales.

Recognition:

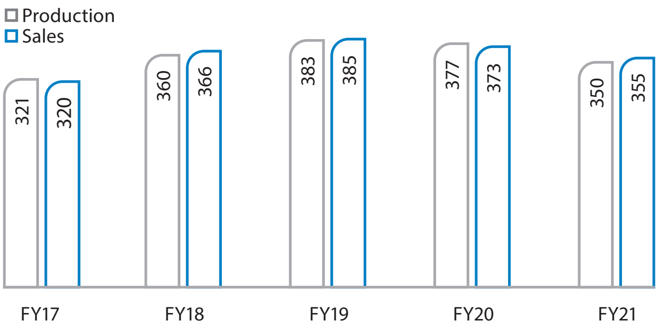
'Tata Structura' Tata Steel's premium hollow section brand received the Times Business Award for Best Manufacturer of Structural Tubes.

ii) Wires Division

The Company's Global Wires India (**'GWI'**) Business Unit is the largest manufacturer of steel wires in India. The manufacturing plants are located at Tarapur, Pithampur and Jamshedpur, and contribute to nearly 65% of its sales volume, with remaining 35% being catered by Wires Processing Centres. GWI caters to the requirements of the Indian Automobile, Construction and the rural markets with various products.

The production and sales performance is as below:

Production and Sales of Wire Division (kt)



FY 2020-21 was a challenging year with economic slowdown (due to lockdown causing business disruption) followed by quick economic recovery post Q1FY2021. The challenges posed by the pandemic situation also enabled the business to come up with innovative ideas of managing the crisis and showcased the agility of the entire system. The division achieved a production of 350 kt during FY 2020-21 lower as compared to FY 2019-20 by 27 kt and achieved deliveries at 355 kt during FY 2020-21 lower from FY 2019-20 by 18 kt due to lockdown in April 2020.

Key Business Highlights:

- Online sales through Aashiyana grew 85% YoY with 5 KT+ sales in FY 2020-21 and crossed the milestone revenue of ₹50 crore with Y-o-Y growth of 150%. Two new products – GI wire and Binding wire – added to the existing portfolio on Aashiyana.
- Developed special grade of Wire Rod for high tensile spring steel for Alcomex Springs, which led to an increase in sales by 150%.
- "Tata Wiron" brand was restructured and relaunched to suit the changing stakeholder expectations, bringing B2B products also under the brand umbrella.
- Seamless dispatches were ensured during lockdown by enabling direct dispatches to key sub distributors to counter logistic challenges amidst national lockdowns.
- Successful commissioning of a new product line for Induction Hardened and Tempered Wires and Zero Liquid Discharge Plant at GWI, Tarapur for sustainable operations.

Recognition:

- 'Tata Wiron' was awarded the Prestigious Rising Brands of Asia 2020 award by Herald Global – ERTC Media.
- Won the Most Admired Brand of the Year award in the 9th edition of ACEF Asian Leader Awards for Branding & Marketing in the manufacturing industry category.
- Won two awards in 7th edition of National Awards for Excellence in Digital Marketing by CMO Asia.
- Won for Best Use of Social Media for the campaign Binding Together at 11th edition of Flame Awards Asia organised by Rural Marketing Association of India.
- Won an award in the Best Brand category in the 5th edition of the India 5000 Business Awards 2020, held by TQV Private Limited.

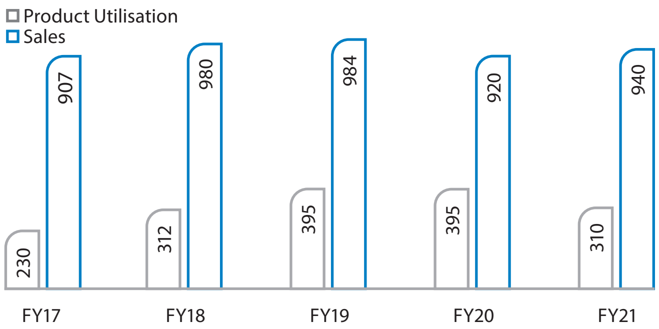
iii) Industrial By-Products and Management Division

The Industrial By-Product Management Division (**'IBMD'**) champions the sustainability endeavours of the organisation through efficient waste utilisation while concurrently creating value from waste. The division manages the solid wastes or by-products generated across the steel value chain. Operating on 3R (Reduce, Reuse, Recycle) principles of circular economy, it handled around ~12 MnT of by-products in previous year which saw pandemic led disruptions. Through its dedicated marketing and sales initiatives, the division witnessed a 16% Y-o-Y increase in the revenue and ensured sustainable value creation for the Company. Today, the product portfolio of IBMD spans across 25+ categories with more than 250 SKU's. IBMD endeavours to remain an industry benchmark in managing by-products by adopting new technology to produce value-added downstream products and leveraging digital with a focus to increase efficiency & customer delight.

During the year under review, the One IBMD strategy has helped to augment value creation across plants through horizontal deployment of major operational KPIs and Customer & Contract Realignment. Automation in operations and supply chain through initiatives such as unmanned weighbridges, paperless supply chains has helped improving operational efficiency. These connected systems now form the backbone of IBMD's digital future and synergy efforts.

The by-product utilisation at the plant and sales are given below:

By Product Utilisation at Plant and Sales of IBM Division (kt)



During the lockdown, IBMD took a series of initiatives for dispatch of critical by-products to ensure smooth operations of the plants and to improve cash generation. On the process technology front, the accelerated weathering facility for LD slag has enabled to significantly ramp up the utilisation of processed slag in construction of national highways and downstream products like paver blocks etc. A Value-creation centre equipped with modern infrastructure has been created in Jamshedpur to develop a pipeline of new products having higher value multipliers. As part of by-product value addition initiatives, sale of Ground Granulated Blast Furnace Slag commenced from the Kalinganagar facility. The product has been successfully established in the market and comes with the prestigious GreenPro certification, qualifying as an eco-friendly product for building applications. Value-added Scrap sales have been significantly scaled up with addition of new capacities enhancing our capability to deliver tailored offerings to customers.

Digital order booking through SAHAJ app, RFID enabled touchless delivery helped register highest ever sales of Coal By-products in Retail segment.

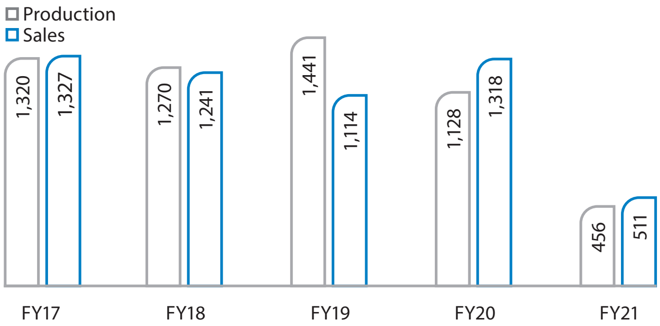
Recognition:

Won the prestigious CII 3R Awards 2020 in CII International Conference for demonstrating the 3R (Reduce, Reuse, Recycle) principles in By-products management.

iv) Ferro Alloys and Minerals Division

During FY 2020-21, Sukinda Chromite mine and Gomardih Dolomite mine leases expired as per the mining regulations on March 31, 2020. The Sukinda Chromite Mines were put up for auction. Tata Steel Mining Limited (formerly TS Alloys Limited), a subsidiary of Tata Steel Limited had participated in mining auction in Odisha and won the auction for the mine. The Gomardih Dolomite mine is yet to be auctioned.

Production and Sales of FAMD (kt)



During FY 2020-21 the saleable production was lower by 672 kt and sales were lower by 807 kt compared to FY 2019-20 as the Chrome and Dolomite leases with Tata Steel Limited expired in March 2020. However, as the lease for chrome mines is with Tata Steel Mining Limited, a subsidiary of Tata Steel Limited, the entire chrome business is now under Tata Steel Mining Limited.

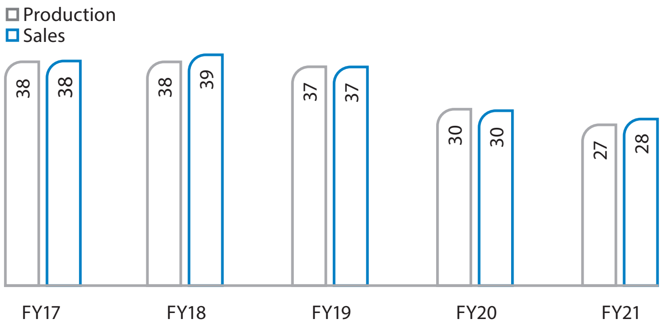
v) Bearings Division

Our Bearings Division is one of India's largest manufacturers of quality bearings, having its manufacturing facility situated at Kharagpur, West Bengal with an annual production capacity of 40 million bearing numbers. The Company is foremost in the manufacturing of a wide variety of bearings and auto assemblies and the product range includes Ball Bearings, Taper Roller Bearings, Hub Unit Bearings, Clutch Release Bearings, Double Row Angular Contact Bearings, Centre Bearings and Magneto Bearings. The division is the only bearings manufacturer in India to win the TPM Award (2004) from Japan Institute of Plant Maintenance, Tokyo.

During FY 2020-21, the Auto Industry witnessed a 18% decline in sales and 19% decline in production. Tractor industry's volume grew by 15% in FY 2020-21 due to pandemic situation.

The production and sales performance is as below:

Production and Sales of Bearing Division (mn nos)



During the year, the division produced 27 million numbers as against 30.05 million numbers in FY 2019-20, lower by 3.05 million numbers and achieved sales of 27.98 million numbers as against 30.33 million numbers in FY 2019-20, lower by 2.35 million numbers, mainly due to disruptions due to COVID-19.

Key Business Highlights:

- Digital Medium was leveraged to create new stockists in aftermarkets during the pandemic. The technical team of the Company engaged with Mechanics & Retailers in aftermarkets via WhatsApp & Google Meets where technical queries were answered.
- New facilities like auto noise inspection machines, auto radial clearance inspection machine and auto laser marking machine to enrich the manufacturing facilities.

f) Business Improvement Initiatives

i) Total Quality Management and Shikhar 25 (operational improvement programmes)

The Total Quality Management (**'TQM'**) way of working has become a part of the DNA of the Company for the past several years. The integrated TQM framework is used as the guiding principle to drive TQM practices in the Company.

TQM orientation in the Company has led to various recognitions for the Company at different forums. Tata Steel won 5 awards across different categories in Tata InnoVista 2020, making it the 3rd consecutive year of winning the highest number of awards by any Company across Tata Group. Tata Steel was recognised for the 'Excellence in Knowledge Management, 2020' by APQC (American Productivity & Quality Centre), the world's foremost authority on Benchmarking, Best Practices, Knowledge Management, Process and Performance Improvement. Tata Steel scored level 4 out of 5 in the enterprise level assessment.

Shikhar25 is a focused EBIDTA improvement programme which promotes efficiency, sustenance and right behaviours across departments of Tata Steel. The programme is aimed at improving operational efficiency, energy efficiency, lower costs, optimising product mix, reduce and recycle waste through impact centres across the Company. The current year being impacted by the pandemic pushed us to keep evolving with the changing business needs. The impetus was on relooking the various aspects of fixed cost to ensure reduced expenditure and maintaining healthy cashflow. Also, with the increased production capacities, the emphasis was on simplifying and synergising operations across sites for optimal utilisation of resources to reduce cost. During the year under review, the Company, through its Shikhar 25 programme, achieved performance improvements of ₹3,274 Crore (including ₹1,247 Crore value protection initiative).

Fostering culture of innovation and preparing the workforce for Industry 4.0

Tata Steel has been on a multi-year digitally enabled business transformation journey intending to be the leader in steel making. In the process, we have made significant investments to develop capability as well as infrastructure. The financial year 2020-21 has been a testimony to our efforts in these areas with the recognition of Tata Steel Jamshedpur steel plant as World Economic Forum's Advanced 4th Industrial Revolution Lighthouse for displaying leadership in applying advanced technologies to drive financial and operational impact. With this new milestone, Tata Steel is one of the few enterprises with three manufacturing sites in the Global Lighthouse network, with Tata Steel Kalinganagar Plant (India) and IJmuiden (the Netherlands) being the other two sites.

Further, the Company is making steady progress in using Industry 4.0 techniques in the following areas:

- **Plant Operations:** Digital Twins to improve process efficiency by multivariate optimisation, predictive modelling for defect detection, through-process optimisation to maximise throughput and improve yield, prescriptive modelling to reduce specific consumption of materials.
- **Maintenance:** Smart plant maintenance through Maintenance Technology Roadmap and Smart Asset Management System.
- **Energy:** Energy Management System to improve energy efficiency, power sourcing optimisation to reduce cost.

- **Procurement & Supply Chain:** Agile & insights based buying through price prediction & e-auctioning, digital negotiation factory, prescriptive analytics to reduce total cost to serve, advanced analytics based network optimisation for iron ore (**VISTAR**), unified platform for Integrated Shipping and Port Operations (**ISOP**), text analytics to improve export documentation cycle time.
- **Marketing & Sales:** Digitally enabled product sales and customer engagement across B2C, B2SME and B2B segments through platforms like Aashiyana, DigEca and Compass, analytics powered retail sales acceleration (PARAS and ASCEND), improvement in value realisation from co-products through prescriptive and predictive analytics (AMRIT), online bidding platform for ETO inventory.
- **Finance:** Digital readiness for statutory changes, optimisation of cost and interests through online visibility and system-based controls.

ii) Strategic Procurement Initiatives

- The Company took several new initiatives for its raw material procurement which resulted in substantial savings in cost and working capital.
- Tata Steel's strategic engagement and relationship management with raw material suppliers has led to efficient inventory control thereby managing / avoiding any adverse effect due to the disruption caused by the COVID-19 pandemic to steel production.
- Tata Steel invested in developing a predictive analytics tool for forecasting coking coal prices incorporating 13,000+ data inputs. This has been integrated with the Company's customised e-auction tool to mainly execute metallurgical coal spot trades. This helped in creating a positive impact of ~₹103 crore. The Company was recognised by World Economic Forum as a leader in applying fourth industrial revolution technologies due to this initiative.
- The Company continued to reduce its working capital requirement on account of raw materials. This was through implementation of Vendor Managed Inventory at Indian ports for coal and supplier credit enhancement resulting in freeing-up of non-fund based working capital lines above ₹500 crore.
- Group synergies through centralised procurement, technical optimisation and knowledge sharing continued to result in substantial savings and efficiency improvement. With Tata Steel Long Products and Tata Metaliks integrated (in addition to Tata Steel BSL integrated earlier), blend improvements, new product development and coal commonality related initiatives brought about ~ ₹300 crore savings this year.

3. Performance of Major Subsidiaries

i) Tata Steel BSL Limited ('TSBSL')

The turnover and profit / (loss) of TSBSL for the FY 2020-21 are as follows:

(₹ crore)

	FY 21	FY 20
Turnover	21,419	18,199
EBITDA	5,481	2,370
Profit before tax (PBT), before exceptional items	2,517	(686)
Profit before tax (PBT)	2,517	(617)
Profit after tax (PAT), before exceptional items	2,516	(686)
Profit after tax (PAT)	2,516	(617)

The production and sales performance of TSBSL is given below:

(mn tonnes)

	FY 21	FY 20	Change (%)
Crude Steel	4.08	4.46	(9)
Saleable Steel	4.07	4.25	(4)
Sales	4.31	4.14	4

Despite the pandemic during the FY 2020-21, the deliveries registered an increase of 4% over previous year from 4.14 MnT in FY 2019-20 to 4.31 MnT in FY 2020-21 due to improvement in demand in domestic markets and higher exports during the year. However, saleable steel production stood at 4.07 MnT and crude steel production stood at 4.08 MnT recording a decrease of 4 % and 9 % respectively as compared to that of the previous year. The decrease in production at TSBSL is due to slowdown in the activities and operations due to the pandemic.

The extra-ordinary performance of TSBSL during the year, including increase in revenue by 18% and in EBITDA by 131% Y-o-Y was driven by increase in deliveries and improvement in realisations. Higher profits in line with increase in operating profits along with lower finance cost due to pre-payments, earned free cashflow of 1.25 times of EBITDA which further led to significant gross debt rationalisation.

Post acquisition, many improvement projects have been were undertaken at TSBSL for optimum sweating of all the assets and to reach higher level of capacity utilisation. Value creation through synergy initiatives were undertaken jointly by technical and quality teams of Tata Steel Limited and TSBSL which are as under:

Operational Excellence: Be1 Programme

The Be1 Programme – the flagship multi-dimensional excellence programme driving operational, commercial, financial and capability excellence continued in its 3rd year at the Company. Despite the onset of the COVID-19 pandemic, the programme has been expanded to 26 operational impact centres in

FY 2020-21 covering the entire value chain with an estimated combined savings of ~₹1,400 crore in FY 2020-21. This was enabled by building a robust pipeline of improvement initiatives which will continue to deliver value in FY 2021-22, strengthening the financial position.

The idea pipeline was built by conducting idea generation workshops ensuring the engagement of employees across all levels of the organisation. Due to restrictions during the pandemic and lockdown, the primary focus of the initiatives was on cost optimisation and cash conservation, along with throughput de-bottlenecking and value creation for ensuring long-term sustainability.

- Key initiatives on cost that drove value across the organisation include – Coking coal blend optimisation, IBRM (Iron Bearing Raw Materials) mix optimisation, efficient energy management, raw materials cost optimisation, fixed cost & working capital rationalisation, contract consolidations, alternate sourcing of materials, rail and road network optimisation and various advocacy measures.
- Key initiatives on throughput include de-bottlenecking across upstream units like RMHS (Raw Material Handling System), SMS (Steel Melting Shop), HSM (Hot Strip Mill) etc. and multiple downstream units, maximising the utilisation of DRI (Direct Reduced Iron) kilns (7 kilns in operation), reliability improvement by horizontal deployment of standardised maintenance practices for critical equipment. Besides these, initiatives focused on value creation including customer diversification in multiple segments, ramping up volumes of branded products (including launching of three new brands – ColorNova, GalvaNova, GalvaRos), increasing the sales of VAP (Value Added Products), external sales of DRI and various by-products (1st ever dispatch by rakes).

In addition, the programme focused on leveraging group synergies with TSG to increase use of captive raw material, optimisation of product mix to maximise system benefits, horizontal deployment of best practices across the value chain, manufacturing of the Company branded products at the plants and leveraging the channel and distribution network of the Company for increasing the share of branded product. The plant achieved multiple BPDs (best-demonstrated-performance) throughout the year across multiple cost & throughput parameters which accelerated the journey towards 5.2 MTPA of crude steel production.

In addition to these, the journey towards TQM as a way of working has been initiated through the deployment of quality circles for SGA (Small Group Activity), DM (Daily Management) practices and VWM (Visual Workplace Management).

The organisation has also started deploying multiple Digital Initiatives in the field of automation, visualisation, simulation and optimisation to create sustainable value. It has developed a five year digital roadmap with more than 80 projects identified and several pilot projects have already been deployed. A few key highlights from digital initiatives include the Video Wall project at BOF (Basic Oxygen Furnace), Loco Scheduling Optimisation for logistics cost reduction, Metallic Fe-Bearing IMM (Integrated Margin Management) module which led to cost reduction and optimisation.

Product Development:

Hot Rolled Product: TSBSL developed 50CrV4 & 58CrV4 at Angul for replacement of POSCO materials (localisation strategy). In Auto segment, BSK 46 for chassis application and Fe 360 & WIR019 grades for Disc & Rim application were developed for our key customers.

Cold Rolled and Coated Product:

- **CRCA:** TSBSL developed and received approval of 10 Skin Panel grades for CV segment of a leading automobile customer in Pune. Further development of IF grade CRCA material for two-wheeler rear and front fenders for a leading auto maker was also carried out and commercial supplies of HSLA 340 grade steel having application in commercial vehicle floor panels was also commenced.
- **Colour Coated Products:** Developed colour coated products for body panels of washing machines and refrigerators for a few leading multinational companies in the appliance business. TSBSL also developed colour coated coil brand named Colornova.
- **Tubes & Pipes:** Propeller Shaft Tubes were developed and approved for commercial supplies for a leading Auto Manufacturer and dent resistance ERW tube was also developed.
- **Galvanised products:** Developed high strength GPCS (Galvanised Plain Crushed Spangle) material for PEB (Pre-engineered Building) segment.

ii) Tata Steel Long Products Limited ('TSLP')

TSLP's current product portfolio is unique in nature and complementary to Tata Steel's product basket. It primarily deals in two products viz. DRI (Direct Reduced Iron / Sponge Iron) and Special Steel. DRI on one hand is highly commoditised in nature and used as a raw material (substitute to steel scrap) in the electric arc furnaces or induction furnaces. While on the other hand, Special Steel is used for hi-end and critical applications such as forgings, bearings, fasteners, springs etc. This enabled Tata Steel Limited to complete its offering in the Automotive sector for critical long products-based components apart from being a dominant leader for Flat products-based parts / components.

TSLP, immediately after acquisition of Usha Martin's Steel business, had been engaged in transformation programme. TSLP launched "Shikhar" (a multi-divisional, cross functional improvement initiative that aims to drive break-through improvement projects) to achieve operational excellence, and achieve the synergy benefits for long-term sustainability. The programme has generated more than 1,100 ideas and majority of the ideas have been successfully implemented resulting in total savings of ~ ₹300 crore.

The turnover and profit / (loss) of TSLP for the financial year 2020-21 are as follows:

(₹ crore)

	FY 21	FY 20
Turnover	4,750	3,490
EBITDA	1,154	184
Profit before tax (PBT), before exceptional items	615	(369)
Profit before tax (PBT)	615	(530)
Profit after tax (PAT), before exceptional items	572	(355)
Profit after tax (PAT)	572	(516)

The Steel Business of Usha Martin Ltd. was acquired on April 9, 2019.

The production and sales performance is given below:

(mn tonnes)

	FY 21	FY 20	Change (%)
Crude Steel	0.65	0.58	11
Saleable Steel	0.53	0.48	12
Sales	0.64	0.51	25

During the FY 2020-21, TSLP produced 797kt of sponge iron and 648kt of crude steel, higher by 32kt and 63kt respectively due to higher productivity and demand. The deliveries of sponge iron were at 632kt and 639kt of steel. The steel deliveries were higher by 128kt despite disruptions caused by COVID-19 due to increase in demand and higher availability of finished goods. The turnover of the current year increased by 36% primarily due to higher volumes of steel along with increase in steel and sponge iron prices. TSLP reported Profit Before Tax of ₹615 crore as against loss of ₹530 crore during the previous year, mainly due to higher operating profits along with lower finance cost due to pre-payments of loans and lower exceptional charges during the year under review. Previous year included exceptional charge of ₹161 crore.

iii) Tata Steel Europe ('TSE')

Economic growth in 2020 was highly impacted by the COVID-19 pandemic and, whilst the impact of the national lockdowns was somewhat mitigated by various forms of government stimulus, global GDP contraction in 2020 was 3.5% down from growth of 2.5% in 2019. In the European Union (**'EU'**), the economy declined by 6.3% in 2020 compared to growth of 1.5% in 2019 and in the United Kingdom the economy declined by 9.8% compared to growth of 1.4% in 2019. Both services and manufacturing were negatively impacted by the national lockdowns and although the recovery for manufacturing was relatively quick, the recovery for services has been slower.

Demand for steel in the European Union declined in 2020 by 11.4% compared to a reduction of 5.4% in 2019. The automotive sector was impacted significantly by national lockdowns in the first half of 2020 and the production of vehicles came almost to a standstill in April 2020. For the full year, the number of vehicles produced declined by 24.2%. Machinery and construction were also impacted by the pandemic and output declined by 12.3% and 4.4% respectively. Nevertheless, European steel spot prices, based on Hot Rolled Coil (**'HRC'**) in Germany (parity point), improved during the year to €534/t, an increase of €65/t. The increase was driven by higher demand in the second half of the financial year whilst supply was limited. In 2021 global economic growth is expected to be high as COVID-19 restrictions are eased. The World Steel Association predicts that growth of global steel demand will recover to 5.8% with EU steel demand expected to recover by 10.2%.

The turnover and profit / (loss) figures of TSE (continuing operations) are given below:

(₹ crore)

	FY 21	FY 20
Turnover	56,051	55,939
EBITDA	(618)	(664)
Profit before tax (PBT), before exceptional items	(4,565)	(5,012)
Profit before tax (PBT)	(5,907)	9,837
Profit after tax (PAT), before exceptional items	(6,155)	(3,511)
Profit after tax (PAT)	(7,497)	11,337

The production and sales performance of TSE (continuing operations) is given below:

(mn tonnes)

	FY 21	FY 20	Change (%)
Liquid Steel Production	9.55	10.26	(7)
Deliveries	8.82	9.29	(5)

TSE's production in the FY 2020-21 was down 0.7 MnT (7%) compared to the previous year due to the impact of COVID-19 pandemic on demand for the Group's steel products. The deliveries were lower by 5% over the previous year.

During the year under review, the revenue was at ₹56,051 crore, almost at par as the decrease in revenue from that of previous year was due to decline in deliveries by 469kt along with marginal decrease in average revenue per tonne caused by lower prices and less favourable sales mix attributable to the impact of COVID-19 during the first half of the year, was almost offset by favourable exchange impact on translation. In the second half of the financial year, demand increased back to pre-COVID-19 levels and selling prices in the fourth quarter of the financial year staged a strong recovery to finish the year at a high level. Despite the headwinds from COVID-19 and the higher cost of emission rights, EBITDA improved due to tight control of costs and benefits from the transformation programme along with government employment cost support of £61m. The profit before tax in FY 2020-21 was significantly lower primarily on account of gain from interest waiver of £1.12 billion (₹10,088 crore) on the waived inter-company loan of £0.77 billion (₹6,981 crore) due to restructuring of inter-company debt during the second quarter of FY 2019-20. However, the same was eliminated on consolidation in the group accounts. Exceptional charge mainly on impairment of PPE was lower than that of the previous year.

The principal activities of TSE in FY 2020-21 comprised the manufacture and sale of steel products. TSE's operations produced carbon steel by the basic oxygen steelmaking method at its integrated steelworks in the Netherlands at IJmuiden and in the UK at Port Talbot. During FY 2020-21, these plants produced 9.6 MnT (previous year: 10.3 MnT) of liquid steel. Whilst TSE seeks to increase its differentiated / premium business, which is less dependent on market price movements, it still retains focus in both the UK and Netherlands on improving its operations, consistency, and taking measures to protect against unplanned interruptions and property damage.

Strip Products Mainland Europe – Liquid steel production at IJmuiden Steel Works, Netherlands during 2020-21 at 6.2mt was 0.6mt lower than the previous year reflecting the impact of the COVID-19 pandemic, especially in the first half of the financial year. During 2020-21, Strip Products Mainland Europe continued with the transformation programme which is targeting improvements to delivery and yield performance, commercial mix, and reducing operating costs and unplanned downtime. Further progress – albeit at a slower than anticipated pace due to COVID-19 also achieved in its 'Strategic Asset Roadmap' capital investment programme to support the strategic growth of differentiated, high value products in the automotive, lifting and excavating, and energy and power market sectors. In December 2020, the 'Roadmap Plus' was launched, which contains a series of measures to eliminate the environmental impact (noise, dust, odour) of Strip Products Mainland Europe. It includes a set of new measures, but also an acceleration of the measures which were announced in 2019 as part of the 'Roadmap 2030'.

Strip Products UK – Liquid steel production at Port Talbot Steel Works, Wales during the FY 2020-21 at 3.4mt was 0.1mt lower than the previous year impacted by demand reductions in the first half of the year associated with the COVID-19 pandemic. Although restricted by the disruption seen during the year, the transformation programme continued with further Y-o-Y benefits adding to the significant improvements in prior years. Building upon the work of "Sustainable Operational Excellence" Strip Products UK broke a number of operational records during 2020-21, not limited to daily, shift, and weekly production on the Hot Strip Mill and weekly production on the Zodiac galvanising line. During the year, Morfa coke ovens made it's 1.5 millionth push since commissioning in 1981.

New Products

During the year, TSE introduced 16 new products into the Group's product portfolio. Major new products are:

- VALAST 450: abrasion resistant steel grade for the engineering sector;
- XPF 800 for tubes: cost-effective high-strength alternative to Boron steel;
- MagiZinc 310: products with superior corrosion protection, even at cut edges.

Differentiated products accounted for 38% of TSE's portfolio.

Strategic Activities

TSE started the FY 2020-21 against the backdrop of the COVID-19 pandemic which caused a significant drop in demand for the Group's steel products and created challenges for TSE's production facilities and for the health and safety of employees. In the first quarter of FY 2020-21, demand for the Group's steel products was down by about 20% due to COVID-19 with certain sectors such as automotive experiencing a sharper decline than others, such as packaging, where demand was largely unaffected. TSE also received government support where available including the Coronavirus Job Retention Scheme in the UK, the Noodmaatregel Overbrugging voor Werkbehoud ('NOW scheme') in the Netherlands, and in the form of agreed deferrals to payroll taxes and VAT in both the UK and Netherlands. TSE ensured a co-ordinated and agile approach in order to protect the health and well-being of its employees with those who could work from home doing so, supported by the appropriate tools, systems, policies and guidelines in line with the national requirements. The manufacturing processes continued to operate with new social distancing practices and solutions deployed, underpinned by management of change and daily communication from leaders at all levels across TSE.

Throughout the year TSE continued to build on its successful company-wide Transformation programme to improve the performance of the business, helping it to become more sustainable and enabling investments necessary to secure its long-term future. Improvements in performance came from productivity improvements, increased sales of higher-value steels, and employment cost savings. In the FY 2020-21, the Transformation programme delivered over £200m worth of sustainable benefits in addition to the over £200 million worth of benefits delivered in FY 2019-20.

On November 13, 2020, the Company announced that it had initiated discussions with SSAB in Sweden based on interest received for the potential acquisition of TSE's Netherlands business. Additionally, as part of Tata Steel's efforts to arrive at a strategic resolution for its European portfolio, during the year under review, Tata Steel had discussions with SSAB Sweden for the potential divestment of Tata Steel's Netherland business including Ijmuiden steelworks. However, the discussions did not materialise. Tata Steel is committed to making the European operations simpler, leaner, and sustainable.

Recognition

TSE has been recognised by World Steel Association as a Steel Sustainability Champion for the fourth year in succession. The award recognises TSE as a company leading the way to create a truly sustainable steel industry and society and that clearly demonstrates its commitment to sustainable development and the circular economy.

iv) NatSteel Holdings ('NSH')

Singapore experienced the COVID-19 impact with the government imposing a lockdown during Q1FY2021 to contain the spread of the virus. Thereafter, strict safe distancing measures at work places resulted in slow resumption of construction industry due to shortage of migrant workers. Thereafter, market had improved only progressively in Q3FY2021.

The turnover and profit / (loss) of NSH for the FY 2020-21 are as follows:

(₹ crore)

	FY 21	FY 20
Turnover	4,326	5,328
EBITDA	224	189
Profit before tax (PBT), before exceptional items	48	(13)
Profit before tax (PBT)	48	1
Profit after tax (PAT), before exceptional items	42	(14)
Profit after tax (PAT)	42	(0)

The production and sales performance of NSH is given below:

(mn tonnes)

	FY 21	FY 20	Change (%)
Saleable Steel	0.73	0.96	(24)
Sales	0.90	1.20	(25)

During FY 2020-21, the production and deliveries were lower than FY 2019-20 due to the lockdown imposed in Q1FY2021 due to COVID-19. The turnover was lower than FY 2019-20, due to lower sales volume as realisations were at par. The profit before tax was higher than that of the previous year due to lower expenses, financial support from Government and decrease in finance cost.

v) Tata Steel Thailand ('TSTH')

The turnover and profit / (loss) of TSTH for the FY 2020-21 are as follows:

(₹ crore)

	FY 21	FY 20
Turnover	5,264	4,617
EBITDA	325	177
Profit before tax (PBT), before exceptional items	193	40
Profit before tax (PBT)	165	25
Profit after tax (PAT), before exceptional items	179	26
Profit after tax (PAT)	151	10

The production and sales performance of TSTH is given below:

(mn tonnes)

	FY 21	FY 20	Change (%)
Saleable Steel	1.33	1.21	10
Sales	1.30	1.20	9

During FY 2020-21 after initial business interruptions all the plants operated at full capacity. The production and deliveries in FY 2020-21 were higher than that of the previous year due to increased steel demand as there was a shortfall in the supplies as major steel producing countries were under periodic/ frequent lockdowns to prevent the spread of COVID-19. The turnover was higher by 14% mainly on account of higher volumes along with increase in prices. The profit before tax was higher mainly due to higher revenues along with lower conversion cost and lower cost of raw materials.

The company is in the midst of various digital initiatives like HR Easy Connect, E-RFX, Tata App, Remote monitoring of operations etc. The company has launched new products - DB Stirrup and ready-made precast footings.

Recognition:

- TSTH received "Thailand Sustainability Investment (THSI) Award 2020" from the Stock Exchange of Thailand.
- NTS won "Thailand Labour Management Excellence Award 2020" in National Level from Department of Labour Protection & Welfare, Ministry of Labour.

vi) Tata Metaliks Limited

Tata Metaliks Limited (**'TML'**) has its manufacturing plant at Kharagpur, West Bengal, India which produces 300kt of pig iron and 200kt of ductile iron pipes annually. Pig iron is marketed under the brand name 'Tata eFee' (world's first brand) and ductile iron pipe is marketed under the brand name 'Tata Ductura'.

The COVID-19 pandemic impacted overall business environment across all industries during the first quarter of

FY 2020-21 due to the nationwide lockdown. With gradual relaxation of lockdown from June 2020, business resumed, foundries started ramping up their production but were constrained due to acute shortage of labour. Pig Iron market witnessed a strong bounce back in terms of demand, which sustained throughout the year. Pig Iron markets have seen an unprecedented surge with net realisations crossing those of DI.

In Digital Transformation journey, TML has in FY 2020-21 implemented some key real-time data and analytics focused projects such as Manufacturing Execution System for DIP, Energy Management System and CRM (Customer Relationship Management) Solution. TML has strengthened its capability in area of robotics and developed in-house robotics solutions which are being implemented for the first time in DIP industry in the country. TML currently has three robots operational in its DIP production lines with several others likely to be deployed in coming financial year.

In FY 2020-21, TML has successfully commissioned 15 MW captive power plant which will enhance energy efficiency and utilisation of waste heat and flue gas generated from its coke ovens and blast furnaces. It also completed the expansion of Coke Plant.

The turnover and profit / (loss) figures of TML for the FY 2020-21 are as follows:

(₹ crore)

	FY 21	FY 20
Turnover	1,917	2,051
Profit before tax (PBT)	306	201
Profit after tax (PAT)	220	166

During the FY 2020-21, due to the COVID-19 lockdown and disruptions during Q1FY2021, the production of Pig Iron (**'PI'**) was about 283kt lower by 37kt than that of the previous year and production of ductile iron pipes (**'DI'**) was at 187kt, lower by 38kt than that of the previous year. Deliveries of PI were at 287kt, lower by 27kt than that of the previous year and deliveries of ductile iron pipes were at 194 kt lower by 24kt than that of the previous year in line with lower production and demand.

The turnover declined by 7% due to decrease in volumes along with lower realisation of DI partly offset by increase in prices of PI due to strong demand and increase in iron ore prices. Profit before tax increased by ₹105 crore (52% higher) despite decline in revenues, mainly driven by better operational performance and efficiencies and lower raw material prices.

During COVID-19 situation, TML had provided interim relief in the form of Dry Ration Kits to the affected community in the region where it operates and donated ₹1 crore towards State Government's COVID relief fund.

vii) The Tinplate Company of India Limited

The Tinplate Company of India Limited (**'TCIL'**) is the largest indigenous producer of tin-coated and tin free steel used for metal packaging. TCIL has also been 'value-adding' its products by way of providing printing and lacquering facility to reach closer to food processors / fillers. TCIL has two Cold Rolling Mills and two electrolytic tinning lines with an installed annual production capacity of around 379kt of tinplate and tin-free steel.

The year under review experienced unprecedented uncertainties due to the pandemic, leading to an impact on the operating performance of TCIL. The major impact of the pandemic was felt in Q1FY2021 especially in the month of April 2020, due to the imposition of a complete lockdown.

The turnover and profit / (loss) figures of TCIL for the FY 2020-21 are as follows:

(₹ crore)

	FY 21	FY 20
Turnover	2,297	2,123
Profit before tax (PBT)	132	104
Profit after tax (PAT)	98	95

During the FY 2020-21, the production was 291kt, lower by 49 kt than that of the previous year, with an overall lower capacity utilisation primarily on account of nation-wide lockdown during Q1FY2021. However, deliveries were higher by 5kt at 316kt, attributable to higher demand primarily in the domestic market. The turnover increased by 8% mainly due to increase in market realisation along with marginally higher volumes. Profit before tax increased by 27% than that of the previous year due to higher operating profits and lower finance cost.

Key Business Highlights:

- Developed new packaging configuration.
- The company continued to work on quality improvement projects leading to improvement in surface quality, improvement in prime yield and a reduction in quality complaints.
- Accelerated the adoption of various IT enabled applications in the areas of production planning, digitisation, communication, and review process across the organisation.
- The cost management initiative has been driven by two methodologies – TPM and Disha initiative, led to costs savings in several areas including power and roll consumption.
- TCIL successfully implemented its pilot solar power project – Phase 1 (200 kwp).

- The operations of TCIL are certified to Integrated Management Systems.

viii) Tata Steel Downstream Products Limited

Tata Steel Downstream Products Limited (**'TSDPL'**) (formerly Tata Steel Processing and Distribution Limited) is a leader in the organised Steel Service Centre business in India. TSDPL has a pan India presence with ten steel processing plants and thirteen distribution and sales locations. Value-added offerings of TSDPL include slitting, cut-to-length, blanking, corrugation, plate burning, fabrication, component manufacturing and steel intensive products and applications. TSDPL's products and services conform to world-class quality standards in meeting customers' demand. Its entire operations including supply chain runs on a state-of-the-art ERP (Enterprise Resource Planning) system.

Key Business Highlights:

Efficiency in working capital management yielded robust cash flows and better financial performance post Q1FY2021. The performance post Q1FY2021, offset the entire loss incurred in Q1FY2020-21 due to the lockdown.

During the year under review, EBITDA improvement initiative 'Lakshya 25' resulted in operational efficiency, cost management and profitability resulting in cost savings of about ₹4 crore. The Management believes that these initiatives will in the long run unleash added value to the Company's stakeholders.

The turnover and profit / (loss) figures of TSDPL for the FY 2020-21 are as follows:

(₹ crore)

	FY 21	FY 20
Turnover	3,620	3,108
Profit before tax (PBT)	97	95
Profit after tax (PAT)	81	61

During the year under review, the production from tolling business was at 1,825kt marginally lower by 11kt than that of previous year and distribution business was at 636kt, higher by 9kt than that of the previous year due to increase in demand from second half of the financial year in the auto segment. The deliveries from tolling business were 1,651kt which was lower than that of the previous year by 8% due to the impact of COVID-19. The deliveries in distribution business were 661kt, higher by 52kt (9%) than that of the previous year due to improvement in demand from auto segment. The turnover for the financial year increased by 16% due to improvement in market conditions, attributable to increase in steel prices and higher volumes from distribution business, partly offset by lower tolling volumes. The profit before tax was almost at par with the previous year mainly due to lower margin from conversion business offset by lower finance cost.

During COVID-19 lockdowns and business interruptions, the volumes fell by ~70% in Q1FY2021 resulting in loss of contribution of ₹54 crore, total unabsorbed cost of ₹21 crore and additional spend for combating COVID-19 and safety of employees.

ix) Bhubaneshwar Power Private Limited ('BPPL')

Uninterrupted power supply and cost of power is a challenge for large power intensive process industries. Industries which produce 365 days per annum continue to depend on thermal power plants for their base load requirements.

BPPL is in the business of generation of power. It owns 135 MW (2x67.5 MW) coal based power plant in Odisha. BPPL supplies 120.5 MW power to Tata Steel Limited and Tata Steel Mining Limited (formerly T S Alloys Limited).

The turnover and profit / (loss) figures of BPPL for the FY 2020-21 are as follows:

(₹ crore)

	FY 21	FY 20
Turnover	489	510
Profit before tax (PBT)	28	(9)
Profit after tax (PAT)	20	25

During the year under review, power generation increased to 971 million units as against 931 million units in FY 2019-20. The sale of power increased to 860 million units in FY 2020-21 as against 822 million units in FY 2019-20. The plant operated at a better load factor of 82.14% as against 78.21% in FY 2019-20. Station heat rate has decreased to 2,793 kcal/Kwh from 2,889 kcal/kwh and auxilliary power consumption in FY 2020-21 was lower at 11.40% as compared to 11.72% in FY 2019-20.

During the year under review, the turnover of BPPL was ~4% lower than that of the previous year, due to lower cost of generation due to the 'cost plus contract' revenue model. Profit before tax increased mainly due to lower depreciation and amortisation charges on intangible assets being fully depreciated during the year along with lower finance cost due to repayments and lower rates. However, profit after tax decreased due to an accounting credit on re-assessment of deferred tax assets and liabilities post adoption of lower tax rate which were announced in the previous year.

x) Creative Port Development Private Limited

Creative Port Development Private Limited (**'CPDPL'**) is in possession of a 54 year concession from the Government of Odisha for development of a Greenfield Seaport at Chaumukh Village, in Balasore District, Odisha on a "BOOST" basis (Build, Own, Operate, Share & Transfer). CPDPL is availing this concession through a Special Purpose company "Subarnarekha Port Private Limited" and is in possession of all the statutory approvals for the project. In Phase–1, the port will have an initial capacity of 25 MnT per annum with a potential to expand to 150 MnT per annum. CPDPL is already in possession of the port land and is in the advanced stage of getting the required land for railway corridor and construction of access road.

xi) Tata Steel Mining Limited ('TSML')

TSML is in the business of mining chrome ore and converting it to value added product-ferro chrome to serve the global stainless-steel producers. The company had participated in the auction process of the chrome mines whose leases had expired on March 31, 2020 and have bagged three leases of chromite mines viz Sukinda, Saruabil and Kamarda mines situated in the Jajpur district of Odisha. The lease period for these leases is fifty years.

TSML has a ferro-chrome plant in Athagarh and Gopalpur in Odisha. TSML has been working with conversion partners in India, supply chain and the marketing & sales function to deliver value to its domestic and overseas customers. SAP Hana was also implemented during the year. TSML has started the operational excellence programme "Shikhar" to build a competitive cost structure across value chain.

Amidst the COVID-19 pandemic, Sukinda Mines started operations from September 2020 through an asset light business model. A mine development operator has been deployed under long-term contract to carry out mining operations in all the three mines viz. Sukinda, Saruabil and Kamarda. In FY 2020-21, all three mines together produced ~1 MnT of chromite ore. Since December 2020, the Company has started producing from its plant at Athagarh and is selling High Carbon Ferro Chrome. The company sold around 28kt High Carbon Ferro Chrome in national and international markets in FY 2020-21.

Due to COVID-19, the plant production was affected for a fortnight with six months delay in start-up of the mining operations as there were challenges in resource mobilisation, vendor onboarding, regulatory formalities / approval etc. which led to a financial impact of ~₹8 crore.

V. Financial Performance

1. Tata Steel Limited (Standalone)

During the FY 2020-21, the Company recorded a profit after tax of ₹13,607 crore (previous year ₹6,744 crore). The increase is primarily on account of improvement in realisations, lower cost of production, and higher exceptional gain against charge as compared to that of the previous year. The basic and diluted earnings for the FY 2020-21 were at ₹117.04 per share and ₹117.03 per share respectively (previous year: basic and diluted: ₹57.11 per share).

The analysis of major items of the financial statements is given below:

a) Revenue from operations

(₹ crore)

	FY 21	FY 20	Change (%)
Sale of products	62,277	57,168	9
Sale of power and water	1,467	1,648	(11)
Other operating revenue	1,125	1,620	(31)
Total revenue from operations	**64,869**	**60,436**	**7**

During the year under review, sale of products was higher as compared to the previous year, primarily due to increase in realisations in domestic as well as export markets and higher sale of iron ore to Group Companies along with increase in prices. Ferro Alloys and Mineral Division (**'FAMD'**) registered lower revenue owing to lower volumes of Ferro Chrome along with decline in prices of manganese alloys, partly offset by higher prices of Ferro Chrome. Sale of power and water declined due to lower demand owing to lockdown. Other operating revenue decreased mainly due to lower benefits arising out of exports.

b) Purchases of stock-in-trade

(₹ crore)

	FY 21	FY 20	Change (%)
Purchases of stock-in-trade	1,146	1,563	(27)

During the year under review, Purchases of stock-in-trade was lower as compared to previous financial year due to lower purchases of imported rebars, wire rods and billets, hot rolled coils and structural steel owing to lower requirement, partly offset by increase in purchases at sustainable businesses including New Materials Business, Services & Solutions and Steel Recycling Business.

c) Cost of materials consumed

(₹ crore)

	FY 21	FY 20	Change (%)
Cost of materials consumed	13,869	17,407	(20)

During the year under review, cost of materials consumed decreased primarily due to lower prices of imported coal, along with lower consumption of coal and purchased pellet, ferro alloys and other raw materials due to lower production owing to lockdown during Q1FY2021.

d) Employee benefits expense

(₹ crore)

	FY 21	FY 20	Change (%)
Employee benefits expense	5,199	5,037	3

During the year under review, the employee benefits expense increased post finalisation of wage agreements in the previous year and its consequential impact on the retirement provisions.

e) Depreciation and amortisation expense

(₹ crore)

	FY 21	FY 20	Change (%)
Depreciation and amortisation expense	3,987	3,920	2

The depreciation charge during the year is marginally higher than the previous year mainly due to higher amortisation charge on capitalisation of stamp duty on expired portion of lease along with fresh capitalisation, offset by assets fully being depreciated during the year.

f) Other expenses

(₹ crore)

	FY 21	FY 20	Change (%)
Other expenses	21,426	22,132	(3)

Other expenditure represents the following expenditure:

(₹ crore)

	FY 21	FY 20	Change (%)
Consumption of stores and spares	4,112	4,616	(11)
Repairs to buildings	17	65	(73)
Repairs to machinery	2,967	3,181	(7)
Relining expenses	73	94	(22)
Fuel oil consumed	125	198	(37)
Purchase of power	2,634	2,906	(9)
Conversion charges	2,250	2,795	(20)
Freight and handling charges	3,866	4,047	(4)
Rent	71	59	22
Royalty	2,195	1,751	25
Rates and taxes	1,102	832	32
Insurance charges	146	147	(1)
Commission, discounts and rebates	172	180	(4)
Allowance for credit losses/ provision for advances	40	2	1,773
Other expenses	2,977	2,929	2
Less: Expenditure (other than interest) transferred to capital & other accounts	(1,321)	(1,671)	(21)
Total Other expenses	**21,426**	**22,132**	**(3)**

Other expenses were lower as compared to the previous year due to lower level of activities owing to lockdown caused by COVID-19, primarily on account of lower conversion charges mainly at FAMD, lower consumption of stores and spares, lower power cost, lower freight and handling charges due to lower domestic shipments, lower repairs to machinery as previous year included IT transformation initiatives along with lower other general expenses, partly offset by higher royalty expense due to increase in prices along with increase in rates and taxes and lower one-time gains / reversals present in the previous year not present in the current year.

g) Finance costs and net finance costs

(₹ crore)

	FY 21	FY 20	Change (%)
Finance costs	3,394	3,031	12
Net Finance costs	2,942	2,861	3

During the year under review, finance costs increased mainly on account of higher interest on fresh issue of Non-Convertible Debentures along with higher interest on short-term borrowings, unsecured foreign loans, higher interest under provisions of Income Tax Act, 1961 and interest on export advance, partly offset by lower charge on Commercial Papers and higher capitalisation of interest. Interest on domestic term loans were almost at par as the decrease on account of repayments towards the end of financial year was offset by higher charge on fresh loans at the beginning of the financial year.

Net finance charges were marginally higher in line with higher finance cost offset by higher interest income on inter-corporate deposits, interest on income tax refund received for earlier years along with higher gain on sale of mutual funds.

h) Exceptional items

(₹ crore)

	FY 21	FY 20	Change (%)
Exceptional items	2,773	(1,704)	N.A.

The details of exceptional items for the current year and previous year are as follows:

- Provision reversal for impairment of investments / doubtful advances of ₹150 crore provided earlier in respect of a subsidiary (previous year: ₹1,150 crore relating to provision recognised for impairment of investments in subsidiaries and joint ventures, net of reversal of ₹1 crore on account of recovery of advances made to a joint venture).
- Provision for demands and claims – Nil (previous year: ₹196 crore) relating to certain statutory demands and claims on environment and mining matters and Sabka Vishwas Legal Dispute Resolution Scheme.
- Net Provision for Employee Separation scheme (**'ESS'**) under Sunehere Bhavishya Ki Yojana (**'SBKY'**) scheme and Special Separation scheme at Company's Jharia Collieries amounting to ₹444 crore (previous year: ₹107 crore).

- Fair valuation gain on preference share investment held by the Company in some of its affiliates ₹2,032 crore (previous year: Loss ₹250 crore).
- Fair valuation loss on debentures held by the Company in some of its Joint Ventures ₹50 crore (previous year: Nil).
- Profit on sale of investments held in Subsidiaries and Joint Ventures ₹1,085 crore (previous year: Nil).

i) Property, Plant and Equipment (PPE) including intangibles and right of use assets

(₹ crore)

	FY 21	FY 20	Change (%)
Property, Plant and Equipment	64,032	66,392	(4)
Capital work-in-progress	10,057	8,070	25
Intangible assets	840	728	15
Intangible assets under development	409	177	131
Right of use Assets	3,906	4,113	(5)
Total PPE inlcuding intangibles & right of use assets	**79,244**	**79,480**	**(0)**

The movement in total PPE including intangible is lower primarily on account of depreciation and amortisation charge during the year, partly offset by increase in capital work-in-progress mainly at Kalinganagar Phase-II and normal additions during the year. The increase in intangible assets is for the additional stamp duty on iron-ore leases for enhancement of its production capacity.

j) Investments

(₹ crore)

	FY 21	FY 20	Change (%)
Investment in Subsidiary, JVs and Associates	28,445	26,578	7
Investments – Non-current	22,622	20,283	12
Investments – current	6,404	3,235	98
Total Investments	**57,471**	**50,096**	**15**

The increase in investments was predominantly on account of increase in current investments in mutual funds along with increase in other non-current investments mainly in the preference shares of Tata Steel BSL Limited primarily on account of fair valuation gain.

Increase in investments in Subsidiary, Joint Ventures and Associates is mainly on account of increase in value of investment at Tata Steel Downstream Products Limited on transfer of investment held in two Joint Ventures at a premium along with increase in investment in Tata Steel Mining Limited and Tata Metaliks Limited, reduced by investments being classified as 'held for sale' primarily in Tata Steel Special Economic Zone Limited (**'TSSEZ'**).

k) Inventories

(₹ crore)

	FY 21	FY 20	Change (%)
Finished and semi-finished goods including stock-in-trade	3,320	4,777	(31)
Work-in-progress	0	7	(100)
Raw materials	2,990	3,586	(17)
Stores and spares	2,294	2,347	(2)
Total Inventories	**8,604**	**10,717**	**(20)**

Finished and semi-finished inventory decreased as compared to previous year mainly due to increase in sales volumes. Q4FY2020 was impacted due to lockdown resulting in higher inventory build-up.

Raw material inventories have decreased over previous year mainly due to decrease in inventory at FAMD on account of higher consumption of chrome ore inventory post expiry of mining leases along with lower inventory of ferro chrome and lower coke inventory mainly at TSK.

Stores and spares inventory decreased mainly on account of planned reduction.

l) Trade receivables

(₹ crore)

	FY 21	FY 20	Change (%)
Gross trade receivables	3,906	1,050	272
Less: allowance for credit losses	43	33	30
Net trade receivables	**3,863**	**1,017**	**280**

Trade receivables increased significantly as compared to the previous year primarily due to increase in group company receivables for sale of iron ore and coal and discontinuation of discounting of group company receivables along with higher year-end sale during FY 2020-21.

m) Gross debt and Net debt

(₹ crore)

	FY 21	FY 20	Change (%)
Gross debt	28,348	41,423	(32)
Less: Cash and Bank balances (incl. Non-current balances)	1,725	1,281	35
Less: Current investments	6,404	3,235	98
Net Debt	**20,219**	**36,907**	**(45)**

Gross debt was lower due to pre-payments and repayments of various term loans, non-convertible debentures, short-term loans, commercial papers, and External Commercial Borrowings (**'ECB'**). These were partly offset by drawal of other domestic term loans and ECB along with issue of non-convertible debentures during the year.

Net debt was lower as compared to previous year. This is attributable to decrease in gross debt, along with increase in current investments and cash and bank balances.

n) Cash Flows

(₹ crore)

	FY 21	FY 20	Change (%)
Net Cash from / (used in) operating activities	29,369	13,454	118
Net Cash from / (used in) investing activities	(13,008)	(17,635)	26
Net Cash from / (used in) financing activities	(15,852)	4,630	(442)
Net increase / (decrease) in cash and cash equivalents	**508**	**449**	**13**

Net cash flow from / (used in) operating activities

During the year under review, the net cash generated from operating activities was ₹29,369 crore as compared to ₹13,454 crore during the previous year. The cash inflow from operating profit before working capital changes and direct taxes during the current year was ₹21,832 crore as compared to inflow of ₹13,768 crore during the previous year due to higher operating profits. Cash inflow from working capital changes in FY 2020-21 is mainly due to decrease in inventories by ₹2,106 crore, along with increase in Non-current / current financial and other liabilities / provisions by ₹7,850 crore which primarily includes advance from customers for a long-term export order, partly offset by increase in Non-current / Current financial and other assets by ₹2,058 crore, primarily in trade receivables. The income tax paid during the current year was ₹361 crore (net of refund received for earlier years) as compared to ₹1,819 crore during previous financial year.

Net cash flow from / (used in) investing activities

During the year under review, the net cash outflow from investing activities amounted to ₹13,008 crore as compared to ₹17,635 crore during the previous year. The outflow during the current year broadly represents, net purchase of current investments of ₹2,974 crore, capex of ₹2,122 crore, Inter Corporate Deposits given net of realisation amounting to ₹7,326 crore mainly to T Steel Holdings, investments in subsidiaries and Joint Ventures ₹1,000 crore.

Net cash flow from / (used in) financing activities

During the year under review, the net cash outflow from financing activities was ₹15,852 crore as compared to an inflow of ₹4,630 crore during the previous year. The outflow during the current year broadly represents repayment of borrowings including finance lease (net of proceeds) ₹13,229 crore, along with payment of interest ₹2,983 crore, payment of dividend ₹1,146 crore, repayment of Hybrid Perpetual Securities ₹1,500 crore. These were offset by proceeds from partly paid up equity shares ₹3,241 crore.

o) Changes in Key Financial Ratios

The change in the key financial ratios as compared to previous year is stated below:

	FY 21	FY 20	Change (%)
Inventory Turnover (days)	57	70	(20)
Debtors Turnover[1] (days)	14	7	91
Current Ratio (Times)	0.61	0.81	(24)
Interest Coverage Ratio[2] (Times)	6.94	4.37	59
Debt Equity[3] (Times)	0.34	0.55	(39)
Net Debt Equity[3] (Times)	0.24	0.49	(51)
EBITDA Margin[4] (%)	33.84	24.98	35
Net Profit Margin[5] (%)	20.98	11.16	88
Return on average Net worth[5] (%)	16.19	9.02	80

1) Debtors Turnover Ratio: Increased primarily on account of increase in debtors mainly from group companies.

2) Interest Coverage Ratio: Increased primarily on account of increase in operating profits.

3) Debt Equity Ratio and Net Debt Equity Ratio: Decreased primarily on account of prepayment and repayment of borrowings during the year. Net debt further decreased due to higher current investments and cash and bank balances.

4) EBITDA Margin: Increased primarily on account of increase in operating profits due to higher prices and decline in raw material costs.

5) Net Profit Margin and Return on average net worth: Increased primarily on account of increase in net profits mainly attributable to higher operating profits and higher exceptional gains as compared to charge in the previous year.

2. Tata Steel Limited (Consolidated)

The consolidated profit after tax of the Company was ₹8,190 crore as against ₹1,172 crore in the previous year. The increase was mainly due to higher operating profits attributable to improvement in steel prices across geographies during the year along with decline in operating cost and lower exceptional charge as compared to the previous year, partly offset by higher tax expenses during the year due to higher profits at Tata Steel (Standalone). Moreover, previous year included re-measurement of deferred tax liabilities based on the new lower rate of Income tax prescribed under Section 115BAA of the Income Tax Act, 1961 along with creation of deferred tax assets at some of the foreign entities as against creation of deferred tax liabilities during the current year primarily at Tata Steel Europe.

The analysis of major items of the financial statements is given below:

*(Note: The financials of Tata Steel Long Products Limited (**'TSLP'**) contain the steel business of Usha Martin Limited (**'UML'**) which was acquired on April 9, 2019. South-East Asian (**'SEA'**) operations have been reclassified as continuing operations during the current year and the profit and loss items includes SEA operations for the current and comparative periods. The Balance Sheet of current year includes Assets and Liabilities of SEA operation which were earlier classified under 'held for sale').*

a) Revenue from operations

(₹ crore)

	FY 21	FY 20	Change (%)
Tata Steel (Standalone)	64,869	60,436	7
TSBSL	21,419	18,199	18
TSE	56,051	55,939	0
TSLP	4,750	3,490	36
South East Asia	9,589	9,945	(4)
Others	40,567	41,787	(3)
Eliminations & Adjustments	(40,951)	(40,824)	(0)
Total revenue from operations	**156,294**	**148,972**	**5**

The consolidated revenue from operations was higher by 5% as compared to the previous year primarily due to increase in realisations across geographies along with higher deliveries at TSBSL, TSLP and TSTH, partly offset by marginal decline in deliveries mainly at TSE and NSH.

Tata Steel Europe revenue was at par as the decrease due to decline in deliveries along with marginal decrease in average revenue per tonne was almost offset by favourable forex impact on translation.

Decrease at SEA was mainly due to lower volumes at NSH, partly offset by higher volumes at TSTH.

Others primarily include decrease at TS Global Procurement and NatSteel Asia which are majorly eliminated on consolidation.

b) Purchases of stock-in-trade

(₹ crore)

	FY 21	FY 20	Change (%)
Tata Steel (Standalone)	1,146	1,563	(27)
TSBSL	0	3	(100)
TSE	2,540	3,110	(18)
TSLP	0	0	N.A.
South East Asia	6,702	6,500	3
Others	5,106	4,198	22
Eliminations & Adjustments	(6,259)	(4,870)	(29)
Total purchases of stock-in-trade	**9,235**	**10,504**	**(12)**

Expense was lower at Tata Steel Europe mainly due to decrease in external steel purchases across a number of operating units, consistent with lower deliveries offset by adverse exchange impact on translation. At Tata Steel (Standalone) the expense was lower due to lower purchases of imported rebars, wire rods and billets and structural steel owing to lower requirement, partly offset by increase at other sustainable businesses. This was offset by increase in expense at South East Asia mainly at TSTH due to increase in production, while at NatSteel Holding, expense was lower on account of lower production. Others primarily include transactions at TCIL and TSDPL which are majorly eliminated on consolidation and increase at Tata Steel Minerals Canada Limited post commencement of operations during the year.

c) Cost of materials consumed

(₹ crore)

	FY 21	FY 20	Change (%)
Tata Steel (Standalone)	13,869	17,407	(20)
TSBSL	10,024	10,816	(7)
TSE	22,121	22,784	(3)
TSLP	2,182	2,392	(9)
South East Asia	341	349	(2)
Others	29,273	31,981	(8)
Eliminations & Adjustments	(31,622)	(32,136)	2
Total cost of materials consumed	**46,188**	**53,593**	**(14)**

Consumption was lower across all major entities mainly due to lower cost of consumption of imported coal owing to lower prices and lower production attributable to lock-down and lower consumption and prices of other raw materials, partly offset by increase in iron ore prices mainly at TSBSL and TSLP. Tata Steel Europe reported decrease in GBP terms due to decline in production along with lower coal and coke prices offset by higher iron ore prices and adverse exchange impact on translation.

Others primarily reflects decline in transactions at T S Global Procurement and NatSteel Asia which are majorly eliminated on consolidation, along with decrease at Tata Steel Mining Limited due to higher inventory of raw materials, partly offset by increase at TSMC post commencement of operations during the year.

d) Employee benefits expense

(₹ crore)

	FY 21	FY 20	Change (%)
Tata Steel (Standalone)	5,199	5,037	3
TSBSL	649	410	58
TSE	12,314	11,961	3
TSLP	215	192	12
South East Asia	573	619	(7)
Others	824	825	(0)
Eliminations & Adjustments	135	108	25
Total employee benefits expense	**19,909**	**19,152**	**4**

Increase in expenses was mainly at TSBSL owing to increase in activities at two other subsidiaries along with higher bonus charge.

The increase at TSE is mainly due to adverse exchange impact on translation, partly offset by the Government employment support for COVID-19.

At Tata Steel (Standalone) expense increased post finalisation of wage agreements in the previous year and its consequential impact on the retirement provisions, partially offset by lower charge due to change in the actuarial estimates owing to change in discounting rates.

At Tata Steel Long Products the increase was mainly due to change in actuarial estimates and higher bonus charge.

At South East Asia the decrease was mainly at NatSteel Holding due to receipt of COVID-19 Government support for shut down of plant.

e) Depreciation and amortisation expense

(₹ crore)

	FY 21	FY 20	Change (%)
Tata Steel (Standalone)	3,987	3,920	2
TSBSL	1,493	1,452	3
TSE	2,521	2,355	7
TSLP	327	311	5
South East Asia	259	267	(3)
Others	647	403	60
Total depreciation and amortisation expense	**9,234**	**8,708**	**6**

Expense was higher than the previous year mainly on account of higher depreciation charge at TSMC post capitalisation of facilities during the year.

The expense at TSE increased mainly due to adverse exchange impact on translation.

Expense at TSBSL increased mainly due to higher amortisation on power tolling agreement with Angul Energy Limited.

f) Other expenses

(₹ crore)

	FY 21	FY 20	Change (%)
Tata Steel (Standalone)	21,426	22,132	(3)
TSBSL	4,603	4,875	(6)
TSE	19,790	18,205	9
TSLP	1,185	962	23
South East Asia	2,102	2,040	3
Others	2,710	2,360	15
Eliminations & Adjustments	(2,875)	(2,189)	31
Total other expenses	**48,941**	**48,385**	**1**

Other expenditure represents the following expenditure:

(₹ crore)

	FY 21	FY 20	Change (%)
Consumption of stores and spares	10,868	11,875	(8)
Repairs to buildings	123	110	12
Repairs to machinery	7,470	6,987	7
Relining expenses	171	198	(14)
Fuel oil consumed	602	821	(27)
Purchase of power	5,187	5,523	(6)
Conversion charges	2,112	2,688	(21)
Freight and handling charges	8,848	9,120	(3)
Rent	2,249	2,353	(4)
Royalty	3,484	1,825	91
Rates and taxes	1,530	1,186	29
Insurance charges	510	370	38
Commission, discounts and rebates	304	241	26
Allowance for credit losses/ provision for advances	85	6	1,368
Other expenses	7,164	7,400	(3)
Less :-Expenditure (other than interest) transferred to capital & other accounts	(1,766)	(2,318)	(24)
Total Other expenses	**48,941**	**48,385**	**1**

Expense was lower at Tata Steel (Standalone) on account of lower conversion charges, lower consumption of stores and spares, lower power cost, lower freight and handling charges, lower repairs to machinery along with lower other general expenses, partly offset by higher royalty expense along with increase in rates and taxes and lower one-time gains / reversals in the current year.

TSE reported increase in other expenses mainly on account of adverse exchange impact on translation along with higher provision for purchase of emission rights and higher repairs to machinery. These were partly offset by lower consumption of stores and spares, lower freight and handling charges, lower power cost, and lower other general expenses.

Increase in Others was mainly at Tata Steel Mining Limited due to higher Royalty charge coupled with increase in activities post allotment of mines, partly offset by decrease mainly at Tata Steel Global Holdings on account of favourable exchange rate movement.

Decrease at TSBSL was mainly due to decrease in contractor's payment (employees were taken on roll of subsidiary companies), lower consumption of stores and spares, lower power cost and lower freight and handling charges owing to lower activities. Decrease in other general expenses, partly offset by higher repairs and rates and taxes.

Increased at TSLP was mainly due to increase in freight and handling charges along with higher royalty charges and increase in rates and taxes, higher repairs and higher consumption of power and fuel due to increased production.

g) Finance costs

(₹ crore)

	FY 21	FY 20	Change (%)
Tata Steel (Standalone)	3,394	3,031	12
TSBSL	1,529	1,655	(8)
TSE	1,499	3,249	(54)
TSLP	235	293	(20)
South East Asia	52	75	(31)
Others	3,160	4,610	(31)
Eliminations & Adjustments	(2,262)	(5,332)	(58)
Finance costs	**7,607**	**7,581**	**0**

h) Net Finance costs

(₹ crore)

	FY 21	FY 20	Change (%)
Tata Steel (Standalone)	2,942	2,861	3
TSBSL	1,470	1,604	(8)
TSE	1,462	2,024	(28)
TSLP	212	242	(12)
South East Asia	49	72	(31)
Others	1,725	1,069	61
Eliminations & Adjustments	(761)	(1,838)	(59)
Net Finance costs	**7,099**	**6,034**	**18**

Finance cost was almost at par. Decrease at TSE was mainly due to decrease in borrowings post restructuring of debt in September 2019, which was majorly eliminated on consolidation.

Decrease at TSBSL and TSLP was primarily due to prepayment of loans.

Increase at Tata Steel (Standalone) was mainly on account of higher interest on Non-Convertible Debentures due to fresh issue, along with higher interest on short-term borrowings, unsecured foreign loans, and higher interest under provisions of Income Tax Act, 1961 and interest on export advance, partly offset by lower charge on Commercial Papers and higher capitalisation of interest.

Net finance charge was higher mainly at TSE due to higher finance income on refinancing of Senior Facilities Agreement (SFA) during the previous year. Finance cost was almost at par, partly offset by higher finance income mainly at Tata Steel (Standalone).

i) Exceptional items

(₹ crore)

	FY 21	FY 20	Change (%)
Tata Steel (Standalone)	2,773	(1,704)	N.A.
TSBSL	0	69	N.A.
TSE	(1,342)	(2,221)	N.A.
TSLP	0	(161)	N.A.
South East Asia	(28)	(2)	N.A.
Others	(557)	(659)	N.A.
Eliminations & Adjustments	(1,889)	(252)	N.A.
Total exceptional items	**(1,043)**	**(4,930)**	**N.A.**

Exceptional items during the FY 2020-21 primarily represents:

- Impairment charges (net of reversal) of ₹1,954 crore in respect of property, plant and equipment (including capital work-in-progress), right-of-use assets and other assets primarily at TSE, mining operations carried out in Canada, South-East Asian Operations, offset by reversal at Tata Steel Special Economic Zone Limited.
- Loss on liquidation of subsidiaries amounting to ₹10 crore at TSE.
- Net Provision for Employee Separation Scheme (**'ESS'**) amounting to ₹444 crore primarily under Special Scheme at Company's Jharia Collieries ₹467 crore, offset by credit for ESS under Sunehere Bhavishya Ki Yojana (**'SBKY'**) scheme amounting to ₹23 crore at Tata Steel (Standalone).
- Fair valuation loss on investment in debentures of a joint venture of the Company amounting to ₹50 crore at Tata Steel (Standalone).w

Partly offset by,

- Restructuring and write back of provisions which primarily includes write-back of provisions at TSE ₹88 crore.
- Reversal of fair value loss ₹1,230 crore on reclassification of South East Asia businesses, earlier recognised as held for sale.
- Reversal of impairment of investments provided earlier in one of the associates of the Group ₹70 crore.
- Profit on sale of subsidiaries includes profit of ₹26 crore on realisation of deferred consideration at TSE.

The exceptional items in FY 2019-20 primarily include:

- Impairment charges ₹3,197 crore in respect of property, plant and equipment (including capital work-in-progress and capital advances, right of use assets and intangible asset) primarily at TSE, mining operations carried out in Canada, Tata Steel Special Economic Zone Limited, and at TSBSL along with impairment of Goodwill at Bhubaneshwar Power Private Limited.
- Fair value loss of non-current assets classified as held for sale of South-East Asian operations ₹1,175 crore.
- Provision for demands and claims amounting to ₹196 crore relating to certain statutory demands and claims on environment and mining matters including ₹86 crore relating to Sabka Vishwas Legal Dispute Resolution Scheme at Tata Steel (Standalone).
- Provision for Employee Separation Scheme (**'ESS'**) under Sunehere Bhavishya Ki Yojana (**'SBKY'**) scheme amounting to ₹107 crore at Tata Steel (Standalone).
- Restructuring provisions amounting to ₹161 crore at TSE.
- Expenses incurred on stamp duty and registration fees for a portion of land parcels and mines acquired as part of business combination ₹27 crore and provision for coal block performance guarantee ₹134 crore at Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited).
- Provision for impairment of doubtful capital advances amounting to ₹42 crore at TSBSL.
- Provisions for severance pay amounting to ₹16 crore at Tata Steel Thailand.
- Fair valuation loss on investment in preference shares held at one of the associate companies amounting to ₹250 crore at Tata Steel (Standalone).

Partly offset by,

- Restructuring and write-back of provisions which primarily includes write-back of liabilities no longer required at Tata Steel BSL Limited ₹154 crore and settlement credit received at The Indian Steel & Wire Products Ltd. ₹18 crore.
- Profit on sale of subsidiaries amounting to ₹149 crore and profit on liquidation of group companies amounting to ₹41 crore at TSE.
- Net gain on disposal of Subsidiaries amounting to ₹13 crore at NatSteel Holdings.
- Gain on recovery of advances earlier provided for amounting to ₹1 crore at Tata Steel (Standalone).

j) Property, Plant and Equipment (PPE) including intangibles and right of use assets

(₹ crore)

	FY 21	FY 20	Change (%)
Tata Steel (Standalone)	79,244	79,480	(0)
TSBSL	29,114	30,491	(5)
TSE	25,920	24,158	7
TSLP	4,360	4,646	(6)
South East Asia	1,485	0	N.A.
Others	10,769	11,488	(6)
Eliminations & Adjustments	(454)	(270)	(68)
Total PPE inlcuding intangibles & right of use assets	**150,438**	**149,993**	**0**

PPE and intangibles were almost at par. Increase at Tata Steel Europe was mainly on account of exchange impact on translation along with additions and increase in Capital Work-in-Progress , offset by depreciation and amortisation charge during the year. Increase at South East Asia as it was classified as held for sale in the previous year and hence was not included.

Decrease at Others was mainly on account of depreciation and amortisation charge, partly offset by additions.

Decrease at Tata Steel (Standalone) was primarily on account of depreciation and amortisation charge during the year, partly offset by increase in capital work-in-progress mainly at Kalinganagar Phase-II and normal additions during the year.

k) Inventories

(₹ crore)

	FY 21	FY 20	Change (%)
Finished and semi-finished goods including stock-in-trade	11,992	12,520	(4)
Work-in-progress	4,563	4,273	7
Raw materials	11,527	9,513	21
Stores and spares	5,194	4,763	9
Total Inventories	**33,276**	**31,069**	**7**

(₹ crore)

	FY 21	FY 20	Change (%)
Tata Steel (Standalone)	8,604	10,717	(20)
TSBSL	4,374	4,839	(10)
TSE	13,780	12,859	7
TSLP	813	797	2
South East Asia	1,787	0	N.A.
Others	4,252	1,990	114
Eliminations & Adjustments	(334)	(133)	(151)
Inventories	**33,276**	**31,069**	**7**

Increase was primarily at South East Asia as it was classified as held for sale in the previous year. Increase in Others was primarily on account of higher inventory at Tata Steel Mining Limited along with increase at TS Global Procurement and TSMC. Tata Steel Europe reported increase mainly on account of exchange impact on translation as the inventory of finished and semi-finished goods were lower which was offset by higher raw materials inventory. Decrease at Tata Steel (Standalone) mainly in finished and semi-finished goods due to lower quantities along with lower raw materials inventory and stores and spares. Inventory at TSBSL was lower mainly due to lower stock of finished and semi-finished goods, partly offset by increase in Raw Materials inventory. Inventory at TSLP was at par as the increase in raw materials inventory was offset by decrease in inventory of finished and semi-finished goods.

l) Trade receivables

(₹ crore)

	FY 21	FY 20	Change (%)
Tata Steel (Standalone)	3,863	1,017	280
TSBSL	423	702	(40)
TSE	5,390	5,645	(5)
TSLP	75	156	(52)
South East Asia	842	0	N.A.
Others	12,849	10,690	20
Eliminations & Adjustments	(13,902)	(10,325)	(35)
Net trade receivables	**9,540**	**7,885**	**21**

Increase was primarily at SEA as it was classified as held for sale in the previous year. Increase at Tata Steel (Standalone) was primarily due to increase in group company receivables for sale of iron ore and coal and discontinuation of discounting for group company receivables (majorly eliminated on consolidation) along with higher year-end sale during the current year. Increase in Others was primarily at Tata Steel Global Procurement majorly eliminated on consolidation. These increases were partly offset by decrease at TSBSL and TSLP due to higher collection. TSE was lower mainly on account of decrease in debtors owing to higher collections, partly offset by adverse exchange impact on translation.

m) Gross debt and Net debt

(₹ crore)

	FY 21	FY 20	Change (%)
Gross debt	88,501	116,328	(24)
Less: Cash and Bank balances (incl. Non-current balances)	5,893	8,117	(27)
Less: Current investments	7,219	3,432	110
Net debt	**75,389**	**104,779**	**(28)**

Net debt was lower by ₹29,390 crore over previous year.

Gross Debt at ₹88,501 crore was lower by ₹27,827 crore as compared to the previous year. Decrease in Gross Debt was mainly due to repayment / pre-payment of borrowings including lease liabilities. These decreases were partly offset by addition to leases (mainly at TSE) along with higher amortisation of loan issue expenses, primarily due to pre-payments and increase due to re-classification of SEA operations into continuing operations from held for sale.

The decrease in Net Debt was in line with decrease in gross debt along with increase in current investments mainly at Tata Steel (Standalone) and at TSBSL, partly offset by decrease in cash and bank balances mainly at Tata Steel Global Holdings.

n) Cash Flows

(₹ crore)

	FY 21	FY 20	Change (%)
Net Cash from / (used in) operating activities	44,327	20,169	120
Net Cash from / (used in) investing activities	(9,323)	(14,530)	36
Net Cash from / (used in) financing activities	(37,090)	(1,695)	(2,089)
Net increase / (decrease) in cash and cash equivalents	**(2,086)**	**3,944**	**(153)**

Net cash flow from / (used in) operating activities

During the year under review, the net cash from operating activities was ₹44,327 crore as compared to ₹20,169 crore during the previous year. The cash inflow from operating profit before working capital changes and direct taxes during the current year was ₹28,540 crore as against ₹18,078 crore during the previous year reflecting higher operating profits during the current year. Cash inflow from working capital changes during the current period was ₹16,491 crore primarily due to increase in Non-current / Current financial and other liabilities / provisions by ₹16,267 crore which includes advance from customers for a long-term export order at Tata Steel (Standalone) along with increase at TSE, TSBSL and TSLP. Decrease in inventories by ₹46 crore along with decrease in Non-current / Current financial and other assets ₹178 crore. The payments of income taxes during the year under review were ₹704 crore as compared to ₹2,106 crore during the previous year.

Net cash flow from / (used in) investing activities

During the year under review, the net cash outflow from investing activities was ₹9,323 crore as against an outflow of ₹14,530 crore during the previous year. The outflow during the year broadly represents capex of ₹6,979 crore and purchase (net of sale) of current investments amounting to ₹3,560 crore. Previous year included acquisition of subsidiaries / undertakings ₹4,433 crore mainly at TSLP's acquisition of steel business of UML, BEL acquisition at TSBSL against Nil during the year. Inflow on account of sale of capital assets ₹445 crore along with interest and dividend receipt ₹401 crore.

Net cash flow from / (used in) financing activities

During the year under review, net cash outflow from financing activities amounted to ₹37,090 crore as against outflow of ₹1,695 crore during the previous year. The net outflow primarily represents repayment of borrowings including finance lease (net of proceeds) ₹30,661 crore, repayment of Hybrid Perpetual Securities ₹1,500 crore, interest payment ₹6,804 crore and payment of dividend ₹1,151 crore. These were offset by proceeds from partly paid equity shares ₹3,239 crore net of share issue expenses.

o) Changes in Key Financial Ratios

The change in the key financial ratios as compared to previous year is stated below:

	FY 21	FY 20	Change (%)
Inventory Turnover (days)	79	83	(5)
Debtors Turnover (days)	21	26	(18)
Current Ratio[1] (Times)	0.97	1.40	(31)
Interest Coverage Ratio[2] (Times)	3.39	1.68	102
Debt Equity[3] (Times)	1.15	1.58	(27)
Net Debt Equity[3] (Times)	0.98	1.42	(31)
EBITDA Margin[4] (%)	19.77	12.15	63
Net Profit Margin[5] (%)	5.24	0.79	566
Return on average Net worth[5] (%)	10.66	1.59	570

1) Current Ratio : Decreased primarily on account of increase in current liabilities mainly trade payables and other current financial and non-financial liabilities and increase in provisions along with decrease in current assets mainly cash and cash equivalents.

2) Interest Coverage Ratio: Increased primarily on account of increase in operating profits.

3) Debt Equity Ratio and Net Debt Equity Ratio: Decreased primarily on account of prepayment and repayment of borrowings during the year. Net debt further decreased due to higher current investments offset by lower cash and bank balances.

4) EBITDA Margin: Increased primarily on account of increase in operating profits across geographies due to higher prices and decline in raw material costs.

5) Net Profit Margin and Return on average net worth: Increased primarily on account of increase in net profits mainly attributable to higher operating profits and lower exceptional charges as compared to that of the previous year.

VI. Strategy

Few existing companies were there when the last global pandemic hit in 1918. Tata Steel Limited is one of them. A century later, the Company dealt with COVID-19 with equal determination and trust, keeping our employees and the community at the core of our response. Medical infrastructure in Jharkhand and Orissa was ramped up, creating more isolation beds and providing Personal Protective Equipment. Tata Bridgital platform was deployed for proactive testing of high-risk frontline employees. Stranded migrant workers were provided help across many states. The Company collaborated with peers and public systems to identity and provide job opportunities for people impacted by the pandemic. Within the workforce, the Company pioneered the use of job clusters or PODs to ensure business continuity. Ensuring health and safety of the workforce and workplace was key to our resilience.

During the year under review, production reduced due to lockdowns, but the year ended with production at full capacity and the highest quarterly earnings till date leading to significant deleveraging. The pandemic showed the importance of investing in future-ready capabilities. Investments in digital infrastructure and cloud network over the last few years enabled a seamless transition of a large part of the employee base to work from home. Suraksha App enabled real-time tracking of people to ensure COVID-19 protocol compliance. Connected assets, operations and demand platforms ensured asset reliability, uninterrupted operations with skeletal on-site workforce and demand generation using digital platforms. An agile response allowed the supply chain to handle disruptions, manage the surge in export volumes and exploit opportunities to improve profitability.

Tata Steel's strategy is focused on becoming future ready structurally, financially and culturally. Over the last decade, the Company has consolidated and rebalanced its portfolio in favour of higher capacity in India. We are in the process of simplifying the organisation at the Tata Steel Group level, while In India the portfolio is being simplified into four clusters. Adjacent businesses (New Materials, Services & Solutions) were established. Foundations of a technology enabled sustainable business model, digital and technology leadership were also laid. During the year under review, the Company has taken significant steps towards improving financial strength through deleveraging. The Company remains committed to become the most valuable and respected steel Company globally, by 2030. In pursuit of its goal, the Company has refreshed its long-term strategies to extend its strategic horizon to 2030. The priority for the next five years is to improve the structural and financial strength of the Company. This will be the foundation for significant growth thereafter.

The Company aspires to achieve its long-term goals by pursuing the following strategic objectives:

Leadership in India: Company's focus on India aligns with the increasing prominence of India in the global steel industry. The Company aims to lead in the Indian market by being the most respected and preferred steel supplier to discerning customers. This ambition establishes the need to be ahead of the curve on digital disruptions, changing consumer behaviour, and building a culture of customer obsession throughout the organisation. Key attributes of leadership include delivering innovative products & services, serving existing and emerging customer needs and providing the best customer experience.

Consolidate position as global cost leader: As the steel industry faces extreme business cycles which significantly impact pricing and hence profitability, it is important for Tata Steel to prepare for and generate profits even in times of prolonged low steel prices. Operational efficiency is key to Tata Steel's cost leadership position. Several initiatives like Aspire, Shikhar 25 have led several KPIs to be at global / Indian benchmark levels. Cost leadership is also the outcome of innovation and execution of structural cost reduction initiatives such as investment in strengthening logistics networks, fixed cost reduction, etc.

Attain leadership position in adjacent businesses: To achieve Tata Steel's vision of the future, it is important to explore and lead in adjacent businesses that leverage our capability and market opportunity. The approach is to have a capex-lite business models and differentiating through deep understating of customer needs, technology and knowledge. Adjacent businesses where the Company aspires to attain leadership position are:

1) Services & Solutions (**'S&S'**) – Leveraging the Company's deep knowledge and expertise in steel applications to create solutions for construction and household applications such as doors, windows and housing solutions.

2) New Materials Business (**'NMB'**) – Taking advantage of growth in non-steel materials driven by megatrends (such as light-weighting, cleaner environment), NMB will create technology-driven businesses in identified materials.

3) Commercial Mining (through its wholly-owned subsidiary Tata Steel Mining Ltd.) – The Company aspires to leverage, the opportunities arriving from the Government's "Atmanirbhar Bharat" Programme, regulatory changes and the need to meet captive raw material requirements beyond 2030 by creating a sustainable mining business.

Leadership in sustainability: Sustainability is a key issue for the steel industry. The Company aspires to take leadership role in sustainability in the steel industry and use technology to address the challenge of climate change. The goal is to significantly reduce the carbon intensity of our operations going forward and also reduce fresh water usage. Creating a positive impact on biodiversity in India and working with our partners to create a sustainable supply chain are also key priorities. Tata Steel is taking up key technology projects in the areas of clean hydrogen and carbon capture & usage to facilitate achievement of the carbon emission goals.

To achieve its strategic objectives, the Company has identified four strategic enablers. Tata Steel aspires to be the Best Place to Work for in Manufacturing in India with a workforce that is future ready, engaged, and high performing. The steel industry is becoming smarter and more agile, evolving towards Industry 4.0. COVID-19 has accelerated this trend significantly. Tata Steel which has already embarked on a digital journey and has 3 World Economic Forum Industry 4.0 lighthouse sites, aspires to be a digital leader in the steel industry globally. The company recognises that technology led differentiation in products and processes is going to be key to attain and sustain a leadership position in the industry. To this effect, it aspires to be among the top 5 in steel technology globally. This will enable the Company to meet the emerging needs of existing and new segments and meet challenges like sustainability. Fostering a culture which makes Tata Steel future ready across agility, innovation, digital, environment, diversity, and safety will be critical for the Company to achieve its strategic objectives.

VII. Human Resources Management and Industrial Relations

Human resource has always been one of the most valued stakeholders and a key differentiator for Tata Steel. The Company's goal of becoming the 'Best Workplace in Manufacturing' has led us on a path of new world of possibilities, requiring us to re-define our agenda through our collaborated actions to make it more employee centric.

To enable the organisation to attain its full potential, it is imperative for us to create and maintain an ideal work culture thus creating an engaged and skilled workforce capable of delivering on the commitments to our stakeholders and in the process, making us 'Future Ready'- structurally, financially and culturally. Tata Steel has a culture of working together through joint consultation between Union and Management and has a very strong commitment towards community development. Our people practices have enabled us in creating an environment of collaboration and connect which has aided us to achieve industrial harmony of over 92 years.

The COVID-19 pandemic accelerated our journey of being Digital leader in Steel industry globally. For us, COVID-19 brought digitalisation into sharp focus with many projects being implemented to ensure employee safety through data driven decision-making. One such project 'Connected Workforce system' was implemented with focus on improving safety of contract workforce engaged in our plants. POD working system, remote working for employees to the extent possible and Suraksha app were introduced in the Company to ensure employee safety and well-being. People Care - a 24*7 helpline was also introduced to provide accurate and quick information on COVID-19 and address grievances / queries of employees. The Company was also recognised by UN GCNI for its efforts on 'Being Focused on People during and post COVID-19'.

To remain competitive, improving employee productivity is of utmost importance to the organisation and we strive to achieve benchmark performance in this area through continuous efforts with initiatives like customised "Sunehre Bhavishya Ki Yojana" for redundancy management and Team Performance Reward which was introduced during the year. The overall Employees on Roll (**'EOR'**) for the Company reduced from 32,364 to 31,189 in FY 2020-21.

During the year under review we implemented some major initiatives to promote inclusion and diversity. We deployed the first batch of 22 women as heavy machinery operators at Noamundi iron mine and extended 'Women@Mines' coverage in Raw Materials Division. We have rolled out various initiatives for LGBTQ+ community like developing a site for the LGBTQ+ community and the allies to connect, interact and share their experiences and make a difference. Efforts have also been taken on creating digital infrastructure for diverse workforce as well as retaining and developing women leaders to create a pool of diverse talent in the organisation. Our continuous efforts in this direction have led to the increase in gender diversity from 6.5% to 7.4% and reduction in attrition of female employees from 8% to 6%.

We ensured that we stay ahead of the curve, with our focused employee experience initiatives such as Agile working policy, to enable employees to work remotely, Rewards Hub, a one stop solution for all officers related policies and benefits, etc. To measure our performance, eNPS (Net Promoter Score) for HR processes was launched companywide. We also launched Alumni Portal to engage with superannuated and separated officers. Real-time dashboards using analytics were implemented to provide insights on employee cost, diversity & workforce productivity. Also, various cost optimisation and deferment initiatives were undertaken in FY 2020-21.

Multiple interventions for skill building of our own and contract employees were undertaken during the year. Action learning projects through School of Excellence, were rolled out in prioritised areas of Steel Plant Operations and Maintenance with the objective of developing world-class technical competencies and maximise business performance. Tata Steel Digi-e-shala, an intrapreneurial venture by offering learning and development services to external world was launched. The initiative won the World Steelie Award'2020 constituted by World Steel Association for Excellence in Education and Training.

Tata Steel was once again certified as Great Place to Work in the Great Place to Work study and was declared as one of the top 30 'India's Best Workplaces in the Manufacturing sector' by Great Place to Work for the 4th time. Tata Steel was also recognised as India Workplace Equality Index (**'IWEI'**) Top Employers 2020 for the commitment demonstrated towards advancing equality for LGBTQ+ people.

VIII. Digital Transformation

Tata Steel as an organisation has always been an early adopter of the latest technologies. Over the last few years, the Company has been driving Business Transformation through adoption of Digital Technologies. The Company aspires to be the Global Digital Leader in Steel Manufacturing by 2030 through digital interventions across its value chain, remodel work practices by enhancing digital maturity and in the process, be more insightful, intelligent and agile as an organisation.

Tata Steel banked upon Cloud, Data and Artificial Intelligence (**'AI'**) as the building blocks of its digital transformation journey and made substantial investments to augment its network, computing, and cyber security capabilities. The Company moved ~85% of its servers to cloud over the last 3 years in one of the biggest cloud migration programmes in Asia. The Company's cyber security cell was equipped with the necessary expertise & tools to pre-empt cyber threats & intrusions. The investments made on building up the sturdy infrastructure proved to be a lifesaver over the last year, when all were forced to operate remotely due to the pandemic. Without any special efforts, the Company has been able to seamlessly connect to the Company's network while working from home and continued production even with a skeletal workforce physically present at the mines and plants. The employees logging into enterprise applications and virtual meetings taking place each day, the Company has been running business as usual with no adverse impact on employee productivity.

Along with Digital Transformation, the division has parallelly focused on transforming the Company from being process driven to data driven. The idea is to use data to generate better business insights and drive decision-making coupled with streamlined and robust business processes. The 4th Industrial Revolution Advanced Global Lighthouse recognition by World Economic Forum conferred on Tata Steel Jamshedpur only strengthens our belief on the transformational journey we are undertaking. On the Digital Maturity front, Gartner's Digital Execution Scorecard Report compared the Company's Digital Execution journey with globally comparable industry sectors over a 12 months horizon and rated our digital maturity to be better than the market average.

In Tata Steel, well defined & lean processes have always been one of the strongest pillars driving operational excellence. Over the last year, we have focused towards building multiple business platforms to consolidate bespoke IT solutions, analyse the data generated to aid intelligent decision-making and enable process efficiencies, thereby ensuring global optima.

The company uses Connected Workforce platform designed to cover employees and contract workers in the areas of safety, security and productivity. The platform gives us end-to-end visibility of the work patterns of the contract workforce across plants and helps pre-empt unsafe incidents while improving the workforce productivity through analytics.

Our e-commerce platforms such as Aashiyana, DigECA, Compass etc. have already proved their mettle and drove sales and customer connect over the last year. Aashiyana clocked record business during COVID-19 delivering a 7 times growth over FY 2018-19. Through digital interventions we have been able to achieve a reduction of 30% in customer complain resolution time.

The Company has developed multiple asset-specific algorithms to predict failures as well as residual life of equipment. This has minimised failure scenarios for mission critical equipment and eliminated unplanned downtime. The Smart Asset Maintenance Platform is helping to achieve higher asset availability at lower maintenance cost, across equipment from mines to rolling mills through enhanced sensorisation & building predictive analytics solutions.

The Company has revamped its procurement process by introducing digital catalogue-based buying, commodity price prediction aided buying, analytics powered negotiation tools for the Category Managers, and end-to-end contract lifecycle management & analytics. The Procurement 4.0 platform has enabled ~50% reduction in vendor registration cycle time and ~20% reduction in Purchase requisition to purchase order cycle time.

The COVID-19 pandemic came as a challenge for one and all. At Tata Steel, we undertook multiple Digital Safety Initiatives with utmost urgency to cope up with the threats of the virus. Through the Suraksha Platform, we ensured health and safety of our employees, from them entering company's premises through their work hours. Camera feeds were used to identify people without face coverings through an AI based Face Mask Detection solution and pre-empt & detect violation of Social distancing at shop floors, canteens & on roads. The Crowd Sensing solution sent out alerts if any section of the workplace had a large group of people. The same was also getting tracked through a real-time digital heatmap. Suraksha Scanners empowered Security personnel at entry gates scan RFID cards through smart phones and extract relevant information on Travel Declaration and Suraksha Compliance of our Contract workmen thereby preventing high risk people from entering our premises. All these initiatives were bundled up and accessed through one single dashboard thereby helping in immediate response. The Tata Steel's digital response to COVID-19 was ranked amongst the top 6% globally by one of the surveys conducted by Gartner.

IX. Effect of COVID-19 Pandemic on the Company

The outbreak of COVID-19 has impacted the economy and businesses not only in India, but all over the World. The rapid spread of the infection amongst the Indian population, forced Government of India to announce the imposition of nation-wide lockdown from March 25, 2020. This brought all logistics, businesses establishments and industries to a grinding halt except where the government had notified that essential services and process industries where the continuous operations of the plant facilities are important (including Integrated steel plants), are exempt from the lockdown measures and can continue to operate subject to the hygiene standards and social distancing norms being followed.

However, the crisis of the pandemic continued throughout the year under review. In current phase the crisis has become severe with the onset of second wave of the pandemic.

a) Impact on the operations

The Company adopted safety and hygiene standards at shop floor and offices and implemented social distancing norms, work from home, workforce deployment plan, staggered shift timing for safety of the employees. The Company has instantly moved all essential activities to digital platform. The blast furnace and steel making operations at Jamshedpur and Kalinganagar operated at production levels lower than normal due to suspension of the downstream facilities as despatches of finished goods could not be done to customer operations in automotive, construction and other segments as they were closed due to lockdown. Even the Strategic Business Units ('**SBUs**') of Steel like Bearings, Tubes, Wires were also closed. The supply chain activities were affected as all despatches were stopped.

b) Impact on the profitability, cash flow, liquidity and financials

The closure of business led to decline in steel deliveries which resulted in lower earnings and piling up of the finished goods inventory. Post lockdown, the plant production was gradually ramping up and the inventory was getting liquidated based on market demand and off-take. In view of ramping up of the production, there is no threat of redundancies of the existing assets. The Company's robust digital initiatives have enabled compliance of the internal financial controls and reporting of the Company. The Company has been fulfilling its legal obligations as required for execution of the existing contracts / agreements, so there is no effect of the lockdown on the business.

The Company has continued to have a strong liquidity position. In response to the COVID-19, the Company has sharpened its focus on cash. A cash war room exercise has been undertaken with an aim of running cash neutral operations. Outflows are monitored to have it minimised by cutting down on non-essential expenditure, renegotiating payment terms with vendors, improving working capital management and reducing capex. However, given the uncertainty, the Company has also sought to create a liquidity buffer. The Company raised funds in April and May 2020 through issue of Non-Convertible Debentures. The Company has secured short-term borrowings to handle any situation of shortage of liquidity.

The Company has always strived to have a balanced maturity profile and a judicious mix of funding instruments which help in minimising costs while providing flexibility in managing cashflows. Taking its cashflows and liquidity position into account, the Company is confident that it will be able to service its debt and other financing arrangements. The company has chosen not to avail the moratorium offered by RBI on interest and principal payments, demonstrating its ability to service its debt obligations.

c) Corporate Social Responsibility – helping the community in the wake of COVID-19 pandemic

The Company through Tata Steel Foundation (**'TSF'**) and District Administration have reached out to the citizens of the Company's operational areas Jharkhand and Odisha through various initiatives such as food, sustainable livelihood to the communities & migrant labourers of the region, provided ration and safety support to the vulnerable communities, augmented the medical facilities at the designated hospitals for medical treatment and so on. In the recent crisis of supply of oxygen to various hospitals, the Company is supplying oxygen from its own oxygen plant at Jamshedpur and Kalinganagar. The Company had incurred expenses towards hospital infrastructure, sanitisation activities in town and contribution towards COVID-19 relief.

X. Risks and Opportunities

The Company's Enterprise Risk Management (**'ERM'**) process is based on international standards like Committee of Sponsoring Organization of the Treadway Commission (**'COSO'**) and ISO 31000. The Company follows coordinated risk assurance and the ERM process is integrated with Corporate Audit, Strategy & Business Planning, Corporate Legal & Compliance functions. This brings further rigour in driving the process across the organisation and Tata Steel Group (**'TSG'**) companies. An in-house built IT system is in place across the organisation to enable recording and review of risks through live dashboards and real-time monitoring of data.

Risk Management Committee (**'RMC'**) of the Board provides oversight and sets the tone for implementing the ERM framework across the organisation. It reviews the status of key risks, progress of ERM implementation across locations and any specific exceptions as flagged to it, on quarterly basis.

The risk appetite of the organisation is aligned to the TSL Vision. Risk Appetite is driven by the following:

- Health and safety of our employees and the communities in which we operate are our prime concern and our operating strategy is focused on the above objective
- All business decisions are aligned to the Tata Code of Conduct
- Management actions are focused on continuous improvement
- Environment and Climate Change impacts are assessed on a continuous basis and business decisions support systems including capital allocation consider impact of climate impact through the internal carbon pricing framework
- The long-term strategy of the Company is focused on generating profitable growth and sustainable cashflows that creates long-term stakeholder value

Risk Owners may accept risk exposure to their Annual and Long-term business plans, which after implementation of mitigation strategies, is aligned to our risk appetite.

For better focus on Risk Governance and ERM implementation, the Company has set up a Management Committee called Group Risk Review Committee (**'GRRC'**). GRRC has the primary responsibility of implementing the Risk Management Policy of TSL and developing a risk intelligent culture.

A dedicated business vertical has been set up to ensure deployment of the ERM process across the organisation. The team is led by Group Head – Corporate Finance & Risk Management who acts as the Chief Risk Officer (**'CRO'**) of the Company. The ERM team continuously scans the external environment for developments which may throw up risks for the organisation and risk flags are sent out to the Business Units (**'BU'**). BUs engage in identification and management of bottom-up risks, which are periodically reviewed as per defined ERM process. The risks are escalated and aggregated for reporting to GRRC and RMC. This is complemented by a top-down process, which helps in identification of strategic, enterprise level risks.

To assess the maturity of our ERM process, Risk Maturity Assessment was undertaken through an external partner in FY 2020-21. We are pleased to report that with a score of 4.63 on a scale of 5, TSL has been recognised to be much ahead in the maturity curve compared to its peers in mining & metal sector and marginally behind the organisations with leading score (across sectors).

TSL has also been adjudged 'Masters of Risk in Metals & Mining' and 'Risk Technology' categories, at the 7th edition of The India Risk Management Awards.

Risk intelligent culture of TSL enabled it to manage the uncertainties in an unprecedented business environment in FY 2020-21. As the Covid situation evolved, "scenario-based risk assessment" was facilitated across the Company.

Business decisions were pivoted to achieve cash neutrality in operations by reducing spend, managing working capital and reducing capital expenditures. Operating regime was recalibrated in response to the decline in domestic demand. Supply chain disruptions were managed through obtaining necessary licenses to ensure movement of raw materials and finished goods. In view of sluggish domestic steel demand, risk to sales was mitigated through enhanced exports and new international markets were targeted.

To reduce dependence on global commodity supply chains, captive coal, iron ore and pellet inventory were ramped up to reduce the buy post normalisation of operations and improve profitability. Investments made by the Company over the years on digital transformation, ensured seamless migration of our work processes to remote working models across the Company locations. The Company also engaged in assessing the risk of single geography sourcing and mitigations have been put in place to diversify sourcing and / or find alternate materials.

Implementation of focused risk mitigation strategies coupled with improvement in the global and domestic macro environment has significantly improved TSL risk profile in H2 FY 2020-21. Despite the challenges posed by COVID-19, the Company has been able to deleverage beyond the target set for the year.

The Company continues to be vigilant of the evolving pandemic situation to proactively manage risks, as they emerge in FY 2021-22. Health and safety of employees and the communities in the vicinity of our operations, continues to be the top-most priority for the Company, whilst simultaneously ensuring continuity of our business operations.

A detailed overview on the risk landscape and mitigation strategies as well as the strategies for capitalising on opportunities in business is provided in the "Risk and Opportunities" Section forming part of the Integrated Report.

XI. Internal Financial Control Systems and Internal Audit

The Company has an Internal Financial Controls (**'IFC'**) framework, commensurate with the size, scale, and complexity of the Company's operations. The Board of Directors of the Company is responsible for ensuring that IFC have been laid down by the Company and that such controls are adequate and operating effectively. The internal control framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance with corporate policies.

The Company's internal financial control framework is commensurate with the size and operations of the business and is in line with requirements of the Companies Act, 2013. The Company has laid down Standard Operating Procedures and policies to guide the operations of each of its functions. Business heads are responsible to ensure compliance with these policies and procedures. Robust and continuous internal monitoring mechanisms ensure timely identification of risks and issues. To make the controls more robust and comprehensive, IFC standardisation & rationalisation project was undertaken in FY 2020-21 which has ensured comprehensive coverage cutting across all functions of the Company. The management, statutory auditors and internal auditors have also carried out adequate due diligence of the control environment of the Company through rigorous testing.

The Company has deployed SAP Governance, Risk and Compliance (**'GRC'**) Module and other IT platforms to keep the IFC framework robust and our Information Management Policy governs these IT platforms. IFC have been documented and embedded in the business processes and such controls have been assessed during the year under review and no material weaknesses were observed.

The scope and authority of the Internal Audit function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee. The Internal Audit team develops an annual audit plan based on the risk profile of the business activities. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the plan. The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures, and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the controls.

Significant audit observations and corrective action(s) thereon are presented to the Audit Committee. The Audit Committee at its meetings, reviews the reports submitted by the Internal Auditor. Also, the Audit Committee at frequent intervals has independent sessions with the statutory auditor and the Management to discuss the adequacy and effectiveness of internal financial controls.

XII. Statutory Compliance

The Company has in place adequate systems and processes to ensure that it is in compliance with all applicable laws. The Company Secretary & Chief Legal Officer (Corporate & Compliance) is responsible for implementing the systems and processes for monitoring compliance with the applicable laws and for ensuring that the systems and processes are operating effectively. The Chief Executive Officer and Managing Director, places before the Board, at each meeting, a certificate of compliance with the applicable laws. The Company Secretary & Chief Legal Officer (Corporate & Compliance) also confirms compliance with Company law, SEBI Regulations and other corporate laws applicable to the Company.

ANNEXURE 3

Annual Report on Corporate Social Responsibility Activities

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company

Our CSR initiatives are guided by our CSR Policy ('Policy'). The Policy was first adopted on September 17, 2014. Our CSR activities focus on education, health, water, livelihood, rural and urban infrastructure and are in alignment with key focus areas of the Tata Group. We also undertake community-centric interventions in the areas of sports, disaster relief, environment and ethnicity.

2. Composition of Corporate Social Responsibility and Sustainability (CSR&S) Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings held during the year	Number of meetings attended during the year
1.	Mr. Deepak Kapoor	Independent Director (Chairman)	4	4
2.	Mr. O. P. Bhatt	Independent Director	4	3
3.	Mr. T. V. Narendran	Executive Director	4	4
4.	Mr. Koushik Chatterjee	Executive Director	4	4

3. The web-link where Composition of CSR&S Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company are provided below:

The composition of the CSR&S Committee:	https://www.tatasteel.com/corporate/our-organisation/leadership/
CSR Policy:	https://www.tatasteel.com/media/11804/tata-steel-csr-policy-latest-2019.pdf
CSR Projects as approved by the Board:	https://www.tatasteel.com/corporate/our-organisation/csr/

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

The Company voluntarily carries out impact assessment of certain completed CSR Projects in the normal course. There are no projects undertaken or completed after January 22, 2021, for which the impact assessment report is applicable in FY 2020-21.

5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
		Not Applicable	

6.	Average net profit of the Company as per Section 135(5) of the Companies Act, 2013:	₹9,492.35 crore
7.	(a) Two percent of average net profit of the Company as per Section 135(5) of the Companies Act, 2013:	₹189.85 crore
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:	Nil
	(c) Amount required to be set-off for the financial year, if any:	Nil
	(d) Total CSR obligation for the financial year (7a+7b-7c):	₹189.85 crore

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the financial year (in ₹ crore)	Amount Unspent (in ₹ crore)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
221.98	Nil	NA	NA	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year:	₹87.34 crore Details are provided in **Annexure A**.
(c) Details of CSR amount spent against other than ongoing projects for the financial year:	₹124.80 crore Details are provided in **Annexure B**.
(d) Amount spent in Administrative Overheads:	₹9.84 crore
(e) Amount spent on Impact Assessment, if applicable:	Nil
(f) Total amount spent for the financial year (8b+8c+8d+8e):	₹221.98 crore
(g) Excess amount for set-off, if any:	

Sl. No.	Particular	Amount (₹ in crore)
(i)	Two percent of average net profit of the Company as per Section 135(5)	**189.85**
(ii)	Total amount spent for the financial year	**221.98**
(iii)	Excess amount spent for the financial year [(ii)-(i)]	**32.13**
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	**NIL**
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	***32.13**

* The Company does not propose to avail any set-off, against the excess amount spent in FY 2020-21, for succeeding financial years

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding financial year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting financial year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer.	
NA	NA	Nil	NA	NA	NIL	NA	NA

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting financial year (in ₹)	Cumulative amount spent at the end of reporting financial year (in ₹)	Status of the project - Completed / Ongoing
NA	NA	NA	NA	NA	NIL	NIL	NIL	NA

10. Details of creation or acquisition of capital asset acquired through CSR spent in the financial year:	
(a) Date of creation or acquisition of the capital asset(s):	None
(b) Amount of CSR spent for creation or acquisition of capital asset:	Nil
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.:	Not applicable
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):	Not applicable
11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5) of the Companies Act, 2013	Not Applicable

sd/-
Deepak Kapoor
Chairman
CSR and Sustainability Committee
DIN: 00162957

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

May 5, 2021

Annexure A

Details of CSR amount spent against ongoing projects for the financial year 2020-21

Sl. No.	Project Name	Item from the list of activities in Schedule VII to the Companies Act, 2013 (Section 135)	Local area (Yes/No)	Location (State)	Project duration (Years)	Sum of Amount allocated for the project (₹ crore)	Sum of Amount spent in the current financial year (₹ crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ crore)	Mode of Implementation – Direct (Yes/No)	Implementing Agency Name	CSR Registration number
1	Maternal and Newborn Survival Initiative (MANSI)	Clause (i)	Yes	Jharkhand	4	0.85	1.58	-	No	TSRDS	
				Odisha			0.40	-	No	TSRDS	
	Sub Total						**1.98**	-			
2	Regional Initiatives for Safe Sexual Health by Today's Adolescents (RISHTA)	Clause (i)	Yes	Jharkhand	4	1.66	0.41	-	No	TSF	CSR00001142
							0.47	-	No	TSRDS	
				Odisha			0.43	-	No	TSF	CSR00001142
							0.43	-	No	TSRDS	
	Sub Total						**1.74**	-			
3	Education Signature Programme	Clause (ii)	Yes	Jharkhand	4	13.44	0.08	-	No	TSRDS	
				Odisha			11.23	-	No	TSF	CSR00001142
							0.29	-	No	TSRDS	
	Sub Total						**11.60**	-			
4	School Improvement Project (1000 Schools Project)	Clause (ii)	Yes	Jharkhand	4	15.82	3.15	-	No	TSF	CSR00001142
				Odisha			10.52	-	No	TSF	CSR00001142
	Sub Total						**13.67**	-			
5	Preserve & Promote Tribal language and literature	Clause (v)	Yes	Jharkhand	4	2.28	0.20	-	No	TCS	
							1.01	-	No	TSF	CSR00001142
				Odisha			0.19	-	No	TCS	
							0.16	-	No	TSF	CSR00001142
	Sub Total						**1.56**	-			
6	Preserve & Promote Tribal Art and Culture	Clause (v)	Yes	Jharkhand	4	1.28	0.39	-	No	TCS	
							0.37	-	No	TSF	CSR00001142
							0.17	-	No	TSRDS	
				Odisha			0.02	-	No	TCS	
							0.02	-	No	TSF	CSR00001142
	Sub Total						**0.97**	-			
7	Preserve & Promote Tribal Sports	Clause (v)	Yes	Odisha	4	0.23	0.00				
	Sub Total						**0.00**	-			

Sl. No.	Project Name	Item from the list of activities in Schedule VII to the Companies Act, 2013 (Section 135)	Local area (Yes/No)	Location (State)	Project duration (Years)	Sum of Amount allocated for the project (₹ crore)	Sum of Amount spent in the current financial year (₹ crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ crore)	Mode of Implementation – Direct (Yes/No)	Implementing Agency Name	CSR Registration number
8	Samvaad ' A Tribal Conclave	Clause (v)	Yes	Jharkhand	4	1.54	0.78	-	No	TCS	
							1.48	-	No	TSF	CSR00001142
				Odisha			0.07	-	No	TSF	CSR00001142
	Sub Total						**2.33**	-			
9	Tribal Identity Signature Programme	Clause (v)	Yes	Jharkhand	4		0.19	-	No	TSF	CSR00001142
	Sub Total						**0.19**	-			
10	Development Corridor Project	Clause (x)	Yes	Jharkhand	4	0.65	0.21	-	No	TSF	CSR00001142
							0.10	-	No	TSRDS	
				Odisha			0.08	-	No	TSRDS	
	Sub Total						**0.39**	-			
11	HIV / AIDS Awareness Programmes	Clause (i)	Yes	Jharkhand	4	0.59	0.15		No	TSF	CSR00001142
							0.23		No	TSRDS	
				Odisha			0.22		No	TSRDS	
	Sub Total						**0.60**				
12	Fellowship / Scholarship programme for Students	Clause (ii)	Yes	Jharkhand	4	2.73	0.07	-	No	TCS	
							0.99	-	No	TSF	CSR00001142
							0.08	-	No	TSRDS	
				Odisha			0.02	-	No	TCS	
							0.57	-	No	TSF	CSR00001142
				Maharashtra			0.02	-	No	TSF	CSR00001142
	Sub Total						**1.75**	-			
13	Support to SC/ST students in education	Clause (ii)	Yes	Jharkhand	4	2.68	0.09	-	No	TCS	
							0.32	-	No	TSF	CSR00001142
				Odisha			0.00				
	Sub Total						**0.41**	-			
14	Support to SC/ST students in Higher Education	Clause (ii)	Yes	Jharkhand	4	1.54	0.02	-	No	TCS	
							1.06	-	No	TSF	CSR00001142
				Odisha			0.00				
	Sub Total						**1.08**	-			
15	Support to drop out students through bridge courses	Clause (ii)	Yes	Jharkhand	4	2.64	0.02	-	No	TCS	
							1.54	-	No	TSF	CSR00001142
							0.39	-	No	TSRDS	
	Sub Total						**1.95**	-			

Sl. No.	Project Name	Item from the list of activities in Schedule VII to the Companies Act, 2013 (Section 135)	Local area (Yes/No)	Location (State)	Project duration (Years)	Sum of Amount allocated for the project (₹ crore)	Sum of Amount spent in the current financial year (₹ crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ crore)	Mode of Implementation – Direct (Yes/No)	Implementing Agency Name	CSR Registration number
16	Camp School - Non-Residential Bridge Courses	Clause (ii)	Yes	Jharkhand	4	0.21	0.06	-	No	TCS	CSR00001142
							0.10	-	No	TSF	
							0.05	-	No	TSRDS	
	Sub Total						**0.21**	-			
17	Pre-Matric Coaching	Clause (ii)	Yes	Jharkhand	4	0.09	0.12	-	No	TSF	CSR00001142
							0.05	-	No	TSRDS	
				Odisha			0.00				
	Sub Total						**0.17**	-			
18	Child Education support through Primery Learning Centre	Clause (ii)	Yes	Jharkhand	4	0.06	0.00				
				Odisha			0.01	-	No	TSF	CSR00001142
							0.01	-	No	TSRDS	
	Sub Total						**0.02**	-			
19	Agriculture Activities (SRI and dryland farming)	Clause (ii)	Yes	Jharkhand	4	1.06	0.63	-	No	TSF	CSR00001142
				Odisha			0.22	-	No	TSF	CSR00001142
							0.01	-	No	TSRDS	
	Sub Total						**0.86**	-			
20	Promote cultivation of second crop	Clause (ii)	Yes	Jharkhand	4	0.60	0.06	-	No	TSF	CSR00001142
				Odisha			0.15	-	No	TSF	CSR00001142
							0.11	-	No	TSRDS	
	Sub Total						**0.32**	-			
21	Livelihood through Agriculture & allied activities	Clause (ii)	Yes	Jharkhand	4	3.43	0.10	-	No	TCS	
							0.31	-	No	TSF	CSR00001142
							1.36	-	No	TSRDS	
				Odisha			0.48	-	No	TSF	CSR00001142
							1.35	-	No	TSRDS	
	Sub Total						**3.60**	-			
22	Agriculture resource centres, training and information centres	Clause (ii)	Yes	Jharkhand	4	0.11	0.14	-	No	TSF	CSR00001142
				Odisha			0.01	-	No	TSF	CSR00001142
							0.03	-	No	TSRDS	
	Sub Total						**0.18**	-			
23	Enterprise Development Programmes (Agriculture related)	Clause (ii)	Yes	Odisha	4	0.07	0.12	-	No	TSRDS	
	Sub Total						**0.12**	-			

Sl. No.	Project Name	Item from the list of activities in Schedule VII to the Companies Act, 2013 (Section 135)	Local area (Yes/No)	Location (State)	Project duration (Years)	Sum of Amount allocated for the project (₹ crore)	Sum of Amount spent in the current financial year (₹ crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ crore)	Mode of Implementation – Direct (Yes/No)	Implementing Agency Name	CSR Registration number
24	Wadi Project (NABARD) – Initiative for Plantation of Vegatables & Fruits	Clause (ii)	Yes	Jharkhand	4	0.60	0.01	-	No	TSF	CSR00001142
							0.24	-	No	TSRDS	
				Odisha			0.02	-	No	TSF	CSR00001142
							0.02	-	No	TSRDS	
	Sub Total						**0.29**	-			
25	Watershed Project at Kuiani – An initiative for Water conservation	Clause (ii)	Yes	Jharkhand	4	0.20	0.05	-	No	TSRDS	
	Sub Total						**0.05**	-			
26	Watershed Project at Kukru – An initiative for Water conservation	Clause (ii)	Yes	Jharkhand	4	0.14	0.15	-	No	TSRDS	
	Sub Total						**0.15**	-			
27	Agriculture Awareness Programme – Jharkhand Tribal Development Society (JTDS)	Clause (ii)	Yes	Jharkhand	4	0.11	0.01	-	No	TSF	CSR00001142
							0.16	-	No	TSRDS	
	Sub Total						**0.17**	-			
28	Running of Industrial Training Institute, Jagannathpur	Clause (ii)	Yes	Jharkhand	4	1.64	1.07	-	No	TSF	CSR00001142
	Sub Total						**1.07**	-			
29	Running of Tata Steel Technical Institute Burmamines	Clause (ii)	Yes	Jharkhand	4	2.07	1.11	-	No	TSF	CSR00001142
	Sub Total						**1.11**	-			
30	Sponsorship to trainees for skill development	Clause (ii)	Yes	Jharkhand	4	1.60	0.11	-	No	TCS	
							1.03	-	No	TSF	CSR00001142
				Odisha			0.05	-	No	TSF	CSR00001142
	Sub Total						**1.19**	-			
31	Running of Industrial Training Institute Tamar	Clause (ii)	Yes	Jharkhand	4	1.52	1.22	-	No	TSF	CSR00001142
	Sub Total						**1.22**	-			
32	Model Career Centre	Clause (ii)	Yes	Jharkhand	4	0.42	0.35	-	No	TSF	CSR00001142
	Sub Total						**0.35**	-			
33	Entrepreneurship Development	Clause (ii)	Yes	Jharkhand	4		0.94	-	No	TSF	CSR00001142
	Sub Total						**0.94**	-			

Sl. No.	Project Name	Item from the list of activities in Schedule VII to the Companies Act, 2013 (Section 135)	Local area (Yes/No)	Location (State)	Project duration (Years)	Sum of Amount allocated for the project (₹ crore)	Sum of Amount spent in the current financial year (₹ crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ crore)	Mode of Implementation – Direct (Yes/No)	Implementing Agency Name	CSR Registration number
34	SABAL Centre for Disability linked Training programmes	Clause (ii)	Yes	Jharkhand	4	0.35	0.25	-	No	TSF	CSR00001142
	Sub Total						**0.25**	**-**			
35	Women Empowerment Programmes	Clause (ii)	Yes	Jharkhand	4	0.68	0.18	-	No	TSF	CSR00001142
							0.10	-	No	TSRDS	
				Odisha			0.10	-	No	TSF	CSR00001142
							0.22	-	No	TSRDS	
	Sub Total						**0.60**	**-**			
36	Support for Business Development of SHGs	Clause (ii)	Yes	Jharkhand	4	1.24	0.05	-	No	TSF	CSR00001142
							0.60	-	No	TSRDS	
				Odisha			0.26	-	No	TSF	CSR00001142
							0.41	-	No	TSRDS	
	Sub Total						**1.32**	**-**			
37	Running Sports Centres	Clause (vii)	Yes	Jharkhand	4	9.13	0.46	-	No	TSF	CSR00001142
							1.00		No	HAF	
							11.64	-	Yes		
							1.02	-	No	TSRDS	
				Odisha			0.16	-	No	TSF	CSR00001142
							0.55	-	No	HAF	
							0.03	-	No	TSRDS	
				West Bangal			0.01	-	No	TSF	CSR00001142
	Sub Total						**14.87**	**-**			
38	Promoting Sports in Rural Areas	Clause (vii)	Yes	Jharkhand	4	0.26	0.02	-	No	TSF	CSR00001142
							0.26	-	No	TSRDS	
				Odisha			0.05	-	No	TSRDS	
	Sub Total						**0.33**	**-**			
39	Maintenance and Operation of Jamshedpur Zoo	Clause (iv)	Yes	Jharkhand	4	2.50	2.78	-	No	TSZS	
	Sub Total						**2.78**	**-**			

Sl. No.	Project Name	Item from the list of activities in Schedule VII to the Companies Act, 2013 (Section 135)	Local area (Yes/No)	Location (State)	Project duration (Years)	Sum of Amount allocated for the project (₹ crore)	Sum of Amount spent in the current financial year (₹ crore)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ crore)	Mode of Implementation – Direct (Yes/No)	Implementing Agency Name	CSR Registration number
40	Solar Powered Drinking Water	Clause (i)	Yes	Jharkhand	4	1.09	0.67	-	No	TSF	CSR00001142
				Odisha			0.34			TSRDS	
							1.24	-	No	TSF	CSR00001142
	Sub Total						**2.25**	-			
41	Installation of piped drinking water supply system	Clause (i)	Yes	Jharkhand	4	3.79	0.14	-	No	TSF	CSR00001142
							0.78	-	No	TSRDS	
				Odisha			1.51	-	No	TSF	CSR00001142
							0.58	-	No	TSRDS	
	Sub Total						**3.01**	-			
42	Installation and repair of deep bores	Clause (i)	Yes	Jharkhand	4	0.74	0.09	-	No	TSF	CSR00001142
							0.64	-	No	TSRDS	
				Odisha			0.05	-	No	TSF	CSR00001142
							0.03	-	No	TSRDS	
				West Bangal			0.04	-	No	TSRDS	
	Sub Total						0.85	-			
43	Installation and repair of hand tube wells	Clause (i)	Yes	Jharkhand	4	0.90	0.11	-	No	TSF	CSR00001142
							0.01	-	No	TSRDS	
				Odisha			0.46	-	No	TSF	CSR00001142
							0.65	-	No	TSRDS	
	Sub Total						**1.23**	-			
44	30 Model School	Clause (ii)	Yes	Odisha	4	1.13	6.47	-	No	TSF	CSR00001142
							1.14	-	No	TSRDS	
	Sub Total						**7.61**	-			
	Grand Total						**87.34**				

Annexure B

Details of CSR amount spent against 'other than ongoing projects' for the financial year 2020-21

Sl. No.	Project Name	Item from the list of activities in Schedule VII to the Companies Act, 2013 (Section 135)	Local area (Yes/No)	Location (State)	Sum of Amount spent in the current financial year (₹ crore)	Mode of Implementation – Direct (Yes/No)	Implementing Agency Name	CSR Registration number
1	Supply of drinking water through tanker	Clause (i)	Yes	Jharkhand	0.24	No	TSF	CSR00001142
					0.32	No	TSRDS	
				Odisha	0.59	No	TSF	CSR00001142
					0.11	No	TSRDS	
	Sub Total				**1.26**			
2	Maintenance of drinking water Systems	Clause (i)	Yes	Jharkhand	0.80	No	TSF	CSR00001142
					0.41	No	TSRDS	
				Odisha	0.05	No	TSF	CSR00001142
					0.09	No	TSRDS	
	Sub Total				**1.35**			
3	Tree Plantation in peripheral Villages	Clause (iv)	Yes	Jharkhand	0.01	No	TSRDS	
				Odisha	0.01	No	TSF	CSR00001142
	Sub Total				**0.02**			
4	Renewable Energy (Solar Light)	Clause (iv)	Yes	Odisha	0.27	No	TSF	CSR00001142
	Sub Total				**0.27**			
5	Protection of flora and fauna	Clause (iv)	Yes	Odisha	0.01	No	TSRDS	
	Sub Total				**0.01**			
6	Socio-economic development of Particularly Vulnerable Tribal Group villagers	Clause (v)	Yes	Jharkhand	0.09	No	TCS	
	Sub Total				**0.09**			
7	Infrastructure Support for Tribal Identity	Clause (v)	Yes	Jharkhand	0.06	No	TSF	CSR00001142
				Odisha	0.04	No	TSF	CSR00001142
	Sub Total				**0.10**			
8	Support to ST/SC organisations for amenities	Clause (v)	Yes	Jharkhand	0.04	No	TSF	CSR00001142
	Sub Total				**0.04**			
9	Financial support to selected Schools	Clause (ii)	Yes	Jharkhand	0.92	No	TSF	CSR00001142
					0.12	No	TSRDS	
				Odisha	0.93	No	TSF	CSR00001142
					0.49	Yes		
					0.09	No	TSRDS	
	Sub Total				**2.55**			

Sl. No.	Project Name	Item from the list of activities in Schedule VII to the Companies Act, 2013 (Section 135)	Local area (Yes/No)	Location (State)	Sum of Amount spent in the current financial year (₹ crore)	Mode of Implementation – Direct (Yes/No)	Implementing Agency Name	CSR Registration number
10	Sports infrastructure	Clause (vii)	Yes	Jharkhand	0.04	No	TSF	CSR00001142
					0.16	No	TSRDS	
				Odisha	0.09	No	TSRDS	
	Sub Total				**0.29**			
11	Organising sports tournaments and coaching camps	Clause (vii)	Yes	Jharkhand	0.01	No	TSRDS	
				Odisha	0.01	No	TSF	CSR00001142
					0.05	No	TSRDS	
	Sub Total				**0.07**			
12	Organising outdoor and leadership camps	Clause (vii)	Yes	Jharkhand	0.10	No	TSF	CSR00001142
					0.10	No	TSRDS	
				Odisha	0.09	No	TSF	CSR00001142
					0.14	No	TSRDS	
	Sub Total				**0.43**			
13	Horticulture Development and Maintenance of Road outside Peripheral Area	Clause (iv)	Yes	Jharkhand	1.13	Yes		
	Sub Total				**1.13**			
14	Water Harvesting structures to Conserve the Rain water	Clause (ii)	Yes	Jharkhand	0.69	No	TSF	CSR00001142
				Odisha	0.35	No	TSF	CSR00001142
	Sub Total				**1.04**			
15	Capacity Building of Farmers Institutions	Clause (ii)	Yes	Jharkhand	0.01	No	TSF	CSR00001142
				Odisha	0.06	No	TSF	CSR00001142
					0.13	No	TSRDS	
	Sub Total				**0.20**			
16	Kitchen Garden	Clause (ii)	Yes	Jharkhand	0.01	No	TSF	CSR00001142
				Odisha	0.02	No	TSF	CSR00001142
	Sub Total				**0.03**			
17	Sponsorship to Trainees for various vocational courses	Clause (ii)	Yes	Jharkhand	0.06	No	TSF	CSR00001142
				Odisha	0.01	No	TSF	CSR00001142
	Sub Total				**0.07**			
18	Skill Development Programmes (short-term Vocational courses)	Clause (ii)	Yes	Jharkhand	0.62	No	TSF	CSR00001142
					0.72	No	TSRDS	
				Odisha	1.06	No	TSF	CSR00001142
					0.09	No	TSRDS	
	Sub Total				**2.49**			

Sl. No.	Project Name	Item from the list of activities in Schedule VII to the Companies Act, 2013 (Section 135)	Local area (Yes/No)	Location (State)	Sum of Amount spent in the current financial year (₹ crore)	Mode of Implementation – Direct (Yes/No)	Implementing Agency Name	CSR Registration number
19	Support for Schools / Institutions (educational infrastructure)	Clause (ii)	Yes	Jharkhand	0.34	No	TSF	CSR00001142
					0.23	No	TSRDS	
				Odisha	0.58	No	TSF	CSR00001142
					0.87	No	TSRDS	
	Sub Total				**2.02**			
20	Construction of Mid-Day Meal Kitchen for School Children	Clause (ii)	Yes	Jharkhand	2.53	No	TSF	CSR00001142
	Sub Total				**2.53**			
21	Spoken English & Soft Skill Development	Clause (ii)	Yes	Odisha	0.10	No	TSF	CSR00001142
	Sub Total				**0.10**			
22	Financial Support to Other Organisations for Educational Programmes	Clause (ii)	Yes	Jharkhand	8.84	No	TSF	CSR00001142
				Odisha	0.01	No	TSF	CSR00001142
					0.04	No	TSRDS	
	Sub Total				**8.89**			
23	Static Clinics and E Health Centre	Clause (i)	Yes	Jharkhand	0.05	No	TCS	
					0.66	No	TSF	CSR00001142
					0.54	No	TSRDS	
				Odisha	0.10	No	TSF	CSR00001142
					0.24	No	TSRDS	
	Sub Total				**1.59**			
24	Mother & Child Health Awareness Programme	Clause (i)	Yes	Jharkhand	0.17	No	TSF	CSR00001142
					0.32	No	TSRDS	
	Sub Total				**0.49**			
25	Support for emergency medical issues and health awareness programmes	Clause (i)	Yes	Jharkhand	1.34	No	TSF	CSR00001142
					0.77	No	TSRDS	
				Odisha	0.10	No	TSF	CSR00001142
					0.86	No	TSRDS	
	Sub Total				**3.07**			
26	Provide Support for Health treatment	Clause (i)	Yes	Jharkhand	0.67	No	TSRDS	
				Odisha	0.01	Yes		
					0.95	No	TSRDS	
	Sub Total				**1.63**			

Sl. No.	Project Name	Item from the list of activities in Schedule VII to the Companies Act, 2013 (Section 135)	Local area (Yes/No)	Location (State)	Sum of Amount spent in the current financial year (₹ crore)	Mode of Implementation – Direct (Yes/No)	Implementing Agency Name	CSR Registration number
27	Mobile Medical Units and ambulances	Clause (i)	Yes	Jharkhand	0.05	No	TCS	
					0.59	No	TSF	CSR00001142
					1.62	No	TSRDS	
				Odisha	1.92	No	TSF	CSR00001142
					0.31	No	TSRDS	
	Sub Total				**4.49**			
28	Health Camps	Clause (i)	Yes	Jharkhand	0.01	No	TSF	CSR00001142
					0.01	No	TSRDS	
				Odisha	0.05	No	TSF	CSR00001142
					0.14	No	TSRDS	
	Sub Total				**0.21**			
29	Support for Cataract Operations	Clause (i)	Yes	Jharkhand	0.03	No	TSF	CSR00001142
					0.22	No	TSRDS	
				Odisha	0.01	No	TSRDS	
	Sub Total				**0.26**			
30	Sanitation (Domestic Toilets)	Clause (i)	Yes	Odisha	0.58	No	TSRDS	
					0.25	No	TSF	CSR00001142
	Sub Total				**0.83**			
31	Infrastructural support for Rural Development	Clause (x)	Yes	Jharkhand	1.38	No	TSF	CSR00001142
					1.38	No	TSRDS	
				Odisha	0.71	No	TSF	CSR00001142
					0.13	Yes		
					1.70	No	TSRDS	
	Sub Total				**5.30**			
32	Construction and maintenance of drains and roads	Clause (x)	Yes	Jharkhand	0.20	No	TSF	CSR00001142
					0.18	No	TSRDS	
				Odisha	0.27	No	TSF	CSR00001142
					0.85	No	TSRDS	
	Sub Total				**1.50**			
33	Health Insurance	Clause (i)	Yes	Jharkhand	25.00	Yes		
	Sub Total				**25.00**			
34	Support for development of Self Help Groups (SHG)	Clause (ii)	Yes	Odisha	1.03	No	TSF	CSR00001142
	Sub Total				**1.03**			
35	Relief during Cyclone Amphan	Clause (xii)	Yes	West Bengal	1.56	No	TSF	CSR00001142
	Sub Total				**1.56**			

Sl. No.	Project Name	Item from the list of activities in Schedule VII to the Companies Act, 2013 (Section 135)	Local area (Yes/No)	Location (State)	Sum of Amount spent in the current financial year (₹ crore)	Mode of Implementation – Direct (Yes/No)	Implementing Agency Name	CSR Registration number
36	Support to Gopalpur Hospital (Medica)	Clause (i)	Yes	Odisha	1.17	No	TSF	CSR00001142
	Sub Total				**1.17**			
37	**COVID-19 Initiatives**	Clause (i)	Yes					
	(a) Combat Covid through 10 Point Programme			Jharkhand	6.66	No	TSF	CSR00001142
				Odisha	3.16	No	TSF	CSR00001142
	(b) Financial Assistance to CSIR for research in COVID-19			Other State	3.00	No	TSF	CSR00001142
	(c) Medical Treatment and support for COVID-19 Patients			Jharkhand	2.07	No	TRC	
					6.85	Yes		
	(d) PPE Kits for Hospitals			Jharkhand	4.82	Yes		
				Odisha	0.70	Yes		
				Other States	11.47	Yes		
	(e) Support for Covid Hospitals at Odisha			Odisha	12.96	No	TRC	
	Sub Total				**51.69**			
	Grand Total				**124.80**			

Notes:

TSF – Tata Steel Foundation, a Section 8 Company incorporated under the Companies Act, 2013

TSRDS – Tata Steel Rural Development Society, a registered society under Societies Registration Act, 1860

TCS – Tribal Cultural Society, a registered society under Societies Registration Act, 1860

TSZS – Tata Steel Zoological Society, a registered society under Societies Registration Act, 1860

TRC – Tata Relief Committee

HAF – Hockey Ace Foundation

ANNEXURE 4
Corporate Governance Report

Company's Corporate Governance Philosophy

Corporate Governance is the creation and enhancement of long-term sustainable value for our stakeholders, comprising regulators, employees, customers, vendors, investors, and the society at large, through ethically driven business practice. Effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from its culture and ethos. At Tata Steel, it is imperative that our Company's affairs are managed in a fair and transparent manner.

We ensure that we evolve and follow not just the stated corporate governance guidelines, but also global best practices. We consider it our inherent responsibility to protect the rights of our shareholders and disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

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

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of Regulation 46(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'SEBI Listing Regulations'**), as applicable, with regard to corporate governance.

To further strengthen the Company's corporate governance philosophy, the Company has also adopted the Tata Business Excellence Model.

Code of conduct

The Company has a strong legacy of fair, transparent and ethical governance practices.

The Company has adopted the Tata Code of Conduct (**'TCoC/ Code'**) for Executive Directors (**'EDs'**), Senior Management Personnel and other Executives and Employees, which is available on the website of the Company www.tatasteel.com The Company has received confirmations from the EDs as well as Senior Management Personnel regarding compliance of the Code during the year under review. The Company has also adopted the Code of Conduct for Non-Executive Directors (**'NEDs'**) of the Company which includes the Code of Conduct of Independent Directors (**'IDs'**) which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 (**'the Act'**). The same is available on the website www.tatasteel.com The Company has received confirmation from the NEDs and IDs regarding compliance of the Code for the year under review.

Tata Code of Conduct for Prevention of Insider Trading & Code of Corporate Disclosure Practices

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, (**'SEBI Insider Trading Regulations'**) as amended from time to time, the Board of Directors of the Company has adopted the Tata Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices (**'Insider Trading Code'**).

Mr. Parvatheesam Kanchinadham, Company Secretary & Chief Legal Officer (Corporate & Compliance) of the Company is the 'Compliance Officer' in terms of Insider Trading Code.

Board of Directors

The Board of Directors **('the Board')** is at the core of our corporate governance practice and oversees and ensures that the Management serves and protects the long-term interest of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

Size and Composition of the Board

Our policy is to have a mix of EDs, NEDs, and IDs to maintain the Board's independence and separate its functions of governance and management. As on March 31, 2021, the Board comprised of ten members, two of whom are EDs, three are NEDs and five are IDs including a Woman Director. The Board periodically evaluates the need for change in its composition and size. Detailed profile of our Directors is available on our website www.tatasteel.com/corporate/our-organisation/leadership/

The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act. None of our Directors serve as Director or as IDs in more than seven listed companies and none of the EDs serve as IDs on any listed company. Further, none of our IDs serve as Non-Independent Director of any company on the board of which any of our Non-Independent Director is an ID.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may reasonably be anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the IDs have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

The Company has issued formal letters of appointment to the IDs. As required under Regulation 46 of the SEBI Listing Regulations, as amended, the terms and conditions of appointment of IDs including their role, responsibility and duties are available on our website at https://www.tatasteel.com/media/2917/terms-and-conditions-of-appointment-of-independent-directors.pdf

During the financial year 2020-21, none of our Directors acted as Member in more than 10 committees or as Chairperson in more than 5 committees across all listed entities where they serve as a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations. Further, there are no *inter-se* relationships between our Board Members.

Table A: Composition of the Board and Directorships held as on March 31, 2021

Name of the Director	No. of directorship in other Public Companies[1]		No. of Board Committee positions in other Public Companies[2]		Directorship in other listed entity (Category of Directorship)
	Chairperson	Member	Chairperson	Member	
Non-Executive, Non-Independent Directors					
Mr. N. Chandrasekaran (Chairman) DIN: 00121863	6	-	-	-	a) Tata Consultancy Services Limited (Non-Executive, Non-Independent) b) Tata Motors Limited (Non-Executive, Non-Independent) c) Tata Consumer Products limited (formerly Tata Global Beverages Limited) (Non-Executive, Non-Independent) d) The Tata Power Company Limited (Non-Executive, Non-Independent) e) The Indian Hotels Company Limited (Non-Executive, Non-Independent) f) Tata Chemicals Limited (Non-Executive, Non-Independent)
Mr. Saurabh Agrawal DIN: 02144558	4	2	-	2	a) The Tata Power Company Limited (Non-Executive, Non-Independent) b) Voltas Limited (Non-Independent, Non-Executive) c) Tata AIG General Insurance Company Limited (Debt Listed) (Non-Executive, Non-Independent d) Tata Capital Limited (Debt Listed) (Non-Executive, Non-Independent)
Mr. V. K. Sharma DIN: 02449088	1	4	2	4	a) Mahindra and Mahindra Limited (Non-Executive, Non-Independent) b) Reliance Power Limited (Non-Executive, Independent) c) NURECA Limited (Non-Executive, Independent)
Independent Directors					
Ms. Mallika Srinivasan DIN: 00037022	3	3	-	-	a) The United Nilgiri Tea Estates Company Limited (Non-Executive, Non-Independent)

Name of the Director	No. of directorship in other Public Companies[(1)]		No. of Board Committee positions in other Public Companies[(2)]		Directorship in other listed entity (Category of Directorship)
	Chairperson	Member	Chairperson	Member	
Mr. O. P. Bhatt DIN: 00548091	-	4	1	4	a) Tata Consultancy Services Limited (Non-Executive, Independent) b) Hindustan Unilever Limited (Non-Executive, Independent) c) Tata Motors Limited (Non-Executive, Independent) d) Aadhar Housing Finance Limited (Debt Listed) (Non-Executive, Independent)
Dr. Peter Blauwhoff DIN: 07728872	-	-	-	-	-
Mr. Aman Mehta DIN: 00009364	-	3	2	4	a) Wockhardt Limited (Non-Executive, Independent) b) Godrej Consumer Products Limited (Non-Executive, Independent) c) Max Financial Services Limited (Non-Executive, Independent)
Mr. Deepak Kapoor DIN: 00162957	-	2	1	3	a) HCL Technologies Limited (Non-Executive, Independent)
Executive Directors					
Mr. T. V. Narendran DIN: 03083605	3	4	-	-	a) Tata Steel Long Products Limited (Non-Executive, Non-Independent) b) Tata Steel BSL Limited (Non-Executive, Non-Independent) c) TRF Limited (Non-Executive, Non-Independent)
Mr. Koushik Chatterjee DIN: 00004989	2	3	1	4	a) Tata Metaliks Limited (Non-Executive, Non-Independent) b) The Tinplate Company of India Limited (Non-Executive, Non-Independent) c) Tata Steel Long Products Limited (Non-Executive, Non-Independent) d) Tata Steel BSL Limited (Non-Executive, Non-Independent) e) TRF Limited (Non-Executive, Non-Independent)

Notes:

(1) Directorships in Indian Public Companies (listed and unlisted) excluding Tata Steel Limited and Section 8 Companies.

(2) In terms of Regulation 26(1)(b) of the SEBI Listing Regulations, the disclosure includes chairmanship/membership of the Audit Committee and Stakeholders' Relationship Committee in other Indian Public companies (listed and unlisted) excluding Tata Steel Limited. Further, membership includes positions as Chairperson of committee.

Selection of New Directors and Board Membership Criteria

The Nomination and Remuneration Committee (**'NRC'**) formulates and recommends to the Board the appropriate qualifications, positive attributes, characteristics, skills and experience required for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. The Policy for appointment and removal of Directors and determining Directors' independence is available on our website at https://www.tatasteel.com/media/6816/policy-on-appointment-and-removal-of-directors.pdf

Key Board Qualifications, Expertise and Attributes

The Members of the Board are committed to ensuring that the Board is in compliance with the highest standards of Corporate Governance. The table below summarises the key skills, expertise, competencies and attributes which are taken into consideration by the NRC while recommending appointment of Directors to the Board.

Table B: Director skills, expertise, competencies and attributes desirable in Company's business and sector in which it functions

	Areas of Skills/ Expertise/ Competence						
	Leadership	Strategy	Operations	Technology	Finance	Governance	Government/ Regulatory Affairs
N. Chandrasekaran	✓	✓	✓	✓	✓	✓	✓
Mallika Srinivasan	✓	✓	✓	-	✓	✓	✓
O. P. Bhatt	✓	✓	✓	-	✓	✓	✓
Peter (Petrus) Blauwhoff	✓	✓	✓	✓	✓	✓	✓
Aman Mehta	✓	✓	-	-	✓	✓	✓
Deepak Kapoor	✓	✓	✓	-	✓	✓	✓
V. K. Sharma	✓	✓	✓	-	✓	✓	✓
Saurabh Agrawal	✓	✓	-	-	✓	✓	✓
T. V. Narendran	✓	✓	✓	✓	✓	✓	✓
Koushik Chatterjee	✓	✓	✓	-	✓	✓	✓

Familiarisation Programme for Directors (including Independent Directors)

As a practice, all new Directors (including Independent Directors) inducted to the Board are given a formal orientation. The familiarisation programme for our Directors is customised to suit their individual interests and area of expertise. The Directors are usually encouraged to visit the plant and raw material locations of the Company and interact with members of Senior Management as part of the induction programme. The Senior Management make presentations giving an overview of the Company's strategy, operations, products, markets, group structure and subsidiaries, Board constitution and guidelines, matters reserved for the Board and the major risks and risk management strategy. This enables the Directors to get a deep understanding of the Company, its people, values and culture and facilitates their active participation in overseeing the performance of the Management.

As stated in the Board's Report, the details of orientation given to our existing Independent Directors are available on our webite https://www.tatasteel.com/media/12333/familiarization-programme-for-independent-directors-for-website.pdf

Board Evaluation

The NRC has formulated a Policy for evaluation of the Board, its Committees and Directors and the same has been approved and adopted by the Board. The details of Board Evaluation forms part of the Boards' Report.

Remuneration Policy for Board and Senior Management

The Board has approved the Remuneration Policy for Directors, Key Managerial Personnel **('KMP')** and all other employees of the Company. The same is available on our website https://www.tatasteel.com/media/6817/remuneration-policy-of-directors-etc.pdf Details of remuneration for Directors in financial year 2020-21 are provided in Table C below.

Table C: Shares held and cash compensation paid to Directors for the year ended March 31, 2021

(₹ lakh)

Name	Fixed Salary			Commission[8]	Sitting Fees	Total Compensation	Fully paid-up Ordinary Shares held (Nos.)
	Basic	Perquisite/ Allowance	Total Fixed Salary				
Non-Executive, Non-Independent Directors							
Mr. N. Chandrasekaran[1]	–	–	–	–	3.60	3.60	2,00,000
Mr. Saurabh Agrawal[2]	–	–	–	–	6.80	6.80	–
Mr. V. K. Sharma[3]	–	–	–	100	3.80	103.80	–
Independent Directors							
Ms. Mallika Srinivasan	–	–	–	140	4.80	144.80	–
Mr. O. P. Bhatt[4]	–	–	–	205	8.40	213.40	–
Dr. Peter Blauwhoff[5]	–	–	–	115	7.60	122.60	–
Mr. Aman Mehta	–	–	–	105	6.80	111.80	–
Mr. Deepak Kapoor[6]	–	–	–	115	7.40	122.40	–
Executive Directors							
Mr. T. V. Narendran[7]	150	208.39	358.39	1,200	–	1,558.39	2,171
Mr. Koushik Chatterjee[7]	135	225.90	360.90	900	–	1,260.90	1,636

Notes:

(1) As a Policy, Mr. N. Chandrasekaran, Chairman has abstained from receiving commission from the Company.

(2) In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in full time employment with any other Tata Company. Accordingly, no commission is paid to Mr. Saurabh Agrawal.

(3) The sitting fees is paid to Mr. V. K. Sharma and the commission is paid to Life Insurance Corporation of India.

(4) Mr. O. P. Bhatt serves as an Independent Director of TSE. Towards this, he additionally receives an annual fee of £70,000 from TSE. The fee paid is consistent with the market practices and is aligned to the benchmark figures published by global consulting firms.

(5) Dr. Peter Blauwhoff serves as an Independent Director of TSE and as an Independent Chairman and Member of Supervisory Board of Tata Steel Nederland BV (**'TSN BV'**). Towards this, he additionally receives an annual fee of £70,000 from TSE and annual Board fee of €80,000 plus expenses allowance of €1,500 from TSN BV. The fee paid is consistent with the market practices and is aligned to the benchmark figures published by global consulting firms.

(6) Mr. Deepak Kapoor serves as an Independent Director and as the Chairman of the Board of Tata Steel Minerals Canada (**'TSMC'**). Towards this, he additionally receives an annual Board fee of CAD 13,000 and CAD 600/Board Meeting from TSMC.

(7) None of the Executive Directors are eligible for payment of any severance fees and the contracts with Executive Directors may be terminated by either party giving the other party six months' notice or the Company paying six months' remuneration in lieu thereof.

(8) Commission relates to the financial year ended March 31, 2021, which was approved by the Board on May 5, 2021 and will be paid during the financial year 2021-22.

(9) The Company does not have any stock options plan. Accordingly, none our Directors hold stock options as on March 31, 2021.

Board Meetings

Scheduling and selection of agenda items for Board Meetings

Tentative dates for Board Meetings in the ensuing financial year are decided in advance and communicated to the members of the Board. The information, as required under Regulation 17(7) read with Schedule II Part A of the SEBI Listing Regulations, is made available to the Board.

The Board meets at least once a quarter to review the quarterly financial results and other agenda items. Additional meetings are held when necessary. Committees of the Board usually meet the day before or on the day of the formal Board meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval.

6 Board meetings were held during the financial year ended March 31, 2021. These were held on April 24, 2020, June 29, 2020, August 13, 2020, November 13, 2020, February 9, 2021 and March 24, 2021. The gap between any two Board meetings during the year under review did not exceed one hundred and twenty days. The requisite quorum was present for all the meetings.

Table D: Attendance details of Directors for the year ended March 31, 2021 are given below:

Name of the Director	Category	No. of Meetings held during tenure	No. of Meetings Attended
Mr. N. Chandrasekaran (Chairman)	NED	6	6
Mr. Saurabh Agrawal	NED	6	6
Mr. V. K. Sharma	NED	6	6
Ms. Mallika Srinivasan	ID	6	6
Mr. O. P. Bhatt	ID	6	6
Dr. Peter Blauwhoff	ID	6	6
Mr. Aman Mehta	ID	6	6
Mr. Deepak Kapoor	ID	6	6
Mr. T. V. Narendran	ED	6	6
Mr. Koushik Chatterjee	ED	6	6

All the Directors were present at the Annual General Meeting of the Company held on Thursday, August 20, 2020.

Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by MCA and SEBI, all meetings in FY 2020-21 were held through Video Conferencing (**'VC'**).

Meeting of the Independent Directors

Pursuant to Schedule IV of the Act, the Independent Directors met on June 27, 2020 and March 24, 2021 without the presence of Non-Independent Directors and Members of the Management. The meetings of Independent Directors were chaired by Ms. Mallika Srinivasan, Independent Director and Chairperson of the Nomination and Remuneration Committee.

The Independent Directors, *inter alia*, evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board after taking into account the views of Executive and Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

Board Committees

Audit Committee

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor and the cost auditor and notes the processes and safeguards deployed by each of them. The Committee further reviews the processes and controls including compliance with laws, Tata Code of Conduct and Insider Trading Code, Whistle-Blower Policies and related cases thereto. The Committee also reviews matters under the Prevention of Sexual Harassment at Workplace Policy.

The Board of Directors of the Company adopted the Audit Committee Charter (which includes terms of reference as provided under the Act and SEBI Listing Regulations) on March 31, 2015 which was revised on March 2, 2017 and February 8, 2019.

The Company Secretary and Chief Legal Officer (Corporate & Compliance) acts as the Secretary to the Committee. The internal auditor reports functionally to the Audit Committee. The Executive Directors and Senior Management of the Company also attend the meetings as invitee.

8 meetings of the Committee were held during the year ended March 31, 2021. These meetings were held on April 7, 2020, May 22, 2020, June 20, 2020, June 28, 2020, August 13, 2020, October 1, 2020, November 13, 2020, and February 9, 2021. The requisite quorum was present for all the meetings. All the decisions at the Audit Committee meetings were taken unanimously.

Table E: The composition of the Committee and the attendance details of the Members for the year ended March 31, 2021 are given below:

Name of the Members	Category	No. of Meetings held during tenure	No. of Meetings Attended
Mr. O.P. Bhatt (Chairperson)	ID	8	8
Mr. Aman Mehta	ID	8	8
Dr. Peter Blauwhoff	ID	8	7
Mr. Deepak Kapoor	ID	8	8
Mr. Saurabh Agrawal	NED	8	8

Mr. O. P. Bhatt, Chairperson of the Audit Committee was present at the AGM of the Company held on Thursday, August 20, 2020.

Nomination and Remuneration Committee

The purpose of the Nomination and Remuneration Committee **('NRC')** is to oversee the Company's nomination process including succession planning for the senior management & the Board and specifically to assist the Board in identifying, screening and reviewing individuals qualified to serve as Executive Directors, Non-Executive Directors and Independent Directors consistent with the criteria as stated by the Board in its Policy on Appointment and Removal of Directors. The NRC and the Board periodically reviews the succession planning process of the Company and is satisfied that the Company has adequate process for orderly succession of Board Members and Members of the Senior Management.

The Board has adopted the NRC Charter (which includes terms of reference as provided under the Act and SEBI Listing Regulations for the functioning of the Committee on May 20, 2015 which was revised on March 29, 2019, basis the amendments in SEBI Listing Regulations.

The NRC also assists the Board in discharging its responsibilities relating to compensation of the Company's Executive Directors and Senior Management. The Committee has formulated Remuneration Policy for Directors, KMPs and all other employees of the Company and the same is available on Company's website at https://www.tatasteel.com/media/6817/remuneration-policy-of-directors-etc.pdf The criteria for making payments to Non-Executive Directors is available on our website at https://www.tatasteel.com/investors/corporate-governance/compliance/ The Committee has the overall responsibility of approving and evaluating the compensation plans, policies and programmes for Executive Directors and the Senior Management. The Committee reviews and recommends to the Board for its approval, the base salary, incentives / commission, other benefits, compensation or arrangements and executive employment agreements for the Executive Directors.

4 meetings of the Committee were held during the year ended March 31, 2021. These meetings were held on June 19, 2020, June 28, 2020, March 24, 2021, and March 30, 2021. The requisite quorum was present for all the meetings.

Table F: The composition of the Committee and the attendance details of the Members for the year ended March 31, 2021 are given below:

Name of the Members	Category	No. of Meetings held during tenure	No. of Meetings Attended
Ms. Mallika Srinivasan (Chairperson)	ID	4	4
Mr. O. P. Bhatt	ID	4	4
Mr. N. Chandrasekaran	NED	4	3

Ms. Mallika Srinivasan, Chairperson of the NRC was present at the AGM of the Company held on Thursday, August 20, 2020.

Corporate Social Responsibility and Sustainability Committee

The purpose of our Corporate Social Responsibility and Sustainability **('CSR&S')** Committee is to formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the initiatives to be undertaken by the Company, recommend the amount of expenditure the Company should incur on Corporate Social Responsibility

('CSR') activities and to monitor from time to time the CSR activities and Policy of the Company. The Committee provides guidance in formulation of CSR strategy and its implementation and also reviews practices and principles to foster sustainable growth of the Company by creating values consistent with long-term preservation and enhancement of financial, manufacturing, natural, social, intellectual and human capital.

The Board has approved a Charter for the functioning of the Committee, on March 31, 2015, which was last reviewed on March 2, 2017.

The CSR policy is available on our website at https://www.tatasteel.com/media/11804/tata-steel-csr-policy-latest-2019.pdf

4 meetings of the Committee were held during the year ended March 31, 2021. These meetings were held on June 20, 2020, October 20, 2020, December 18, 2020, and February 8, 2021. The requisite quorum was present for all the meetings.

Table G: The composition of the Committee and the attendance details of the Members for the year ended March 31, 2021 are given below:

Name of the Members	Category	No. of Meetings held during tenure	No. of Meetings Attended
Mr. Deepak Kapoor (Chairperson)	ID	4	4
Mr. O. P. Bhatt	ID	4	3
Mr. T. V. Narendran	ED	4	4
Mr. Koushik Chatterjee	ED	4	4

Mr. Deepak Kapoor, Chairperson of CSR&S Committee was present at the AGM of the Company held on Thursday, August 20, 2020.

Risk Management Committee

The Company has constituted a Risk Management Committee **('RMC')** for framing, implementing and monitoring the risk management policy of the Company. The Committee assists the Board in fulfilling its oversight responsibility with respect to Enterprise Risk Management.

The terms of reference of the RMC are:

a) Overseeing key risks, including strategic, financial, operational, IT (including cyber security) and compliance risks.

b) Assisting the Board in framing, implementing and monitoring the risk management plan for the Company and reviewing and guiding the Risk Policy.

c) Developing risk management policy and risk management system / framework for the Company.

The Board has adopted a Charter for RMC on May 20, 2015, which was revised on November 13, 2020.

3 meetings of the Committee were held during the year ended March 31, 2021. These meetings were held on June 19, 2020, October 21, 2020, and February 8, 2021. The requisite quorum was present for all the meetings.

Table H: The composition of the Committee and the attendance details of the Members for the year ended March 31, 2021 are given below:

Name of the Members	Category	No. of Meetings held during tenure	No. of Meetings Attended
Mr. Aman Mehta (Chairperson)	ID	3	3
Dr. Peter Blauwhoff	ID	3	3
Mr. Saurabh Agrawal	NED	3	3
Mr. T. V. Narendran	ED	3	3
Mr. Koushik Chatterjee	ED	3	3
Dr. Henrik Adam	MoM	3	3
Mr. Sandip Biswas	MoM	3	3
Ms. Samita Shah(1)	MoM	1	1

MoM – Member of Management

1. Ms. Samita Shah was appointed as the Member of RMC effective November 13, 2020.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee **('SRC')** considers and resolves the grievances of our shareholders, debenture holders and other security holders, including complaints relating to non-receipt of annual report, transfer and transmission of securities, non-receipt of dividends / interests, issue of new / duplicate certificates, general meetings and such other grievances as may be raised by the security holders from time to time.

The Committee also reviews:

a) Measures taken for effective exercise of voting rights by Shareholders;

b) Service standards adopted by the Company in respect of services redered by our Registrars & Transfer Agent;

c) Measures rendered and initiatives taken for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend / annual report / notices and other information by Shareholders.

The Board has adopted a Charter (which includes terms of reference as provided under the Act and SEBI Listing Regulations) for the functioning of the SRC on April 11, 2014 which was revised on February 8, 2019.

2 meetings of the Committee were held during the year ended March 31, 2021. These meetings were held on March 9, 2021 and March 24, 2021. The requisite quorum was present for the meetings.

Table I: The composition of the Committee and the attendance details of the Members for the year ended March 31, 2021 are given below:

Name of the Members	Category	No. of Meetings held during tenure	No. of Meetings Attended
Mr. V. K. Sharma (Chairperson)	NED	2	2
Mr. Deepak Kapoor	ID	2	2
Mr. T. V. Narendran	ED	2	2
Mr. Koushik Chatterjee	ED	2	2

Mr. V. K. Sharma, Chairperson of Committee was present at the AGM of the Company held on Thursday, August 20, 2020.

In terms of Regulation 6 and Schedule V of the SEBI Listing Regulations, the Board has appointed Mr. Parvatheesam Kanchinadham, Company Secretary & Chief Legal Officer (Corporate & Compliance) as the Compliance Officer of the Company.

The details of investor complaints received and resolved during the financial year ended March 31, 2021 are given in Table J below. The complaints relate to non-receipt of annual report, dividend, share transfers and other investor grievances.

Table J: Details of investor complaints received and resolved during the year ended March 31, 2021:

Opening as on April 1, 2020	0
Received during the year	142
Resolved during the year	141
Closing as on March 31, 2021	1

Safety, Health and Environment Committee

The Safety, Health and Environment Committee of the Board oversees the policies relating to Safety, Health and Environment and their implementation across Tata Steel Group.

The Board has approved a Charter for the functioning of the Committee on October 27, 2009.

3 meetings of the Committee were held during the year ended March 31, 2021. These meetings were held on June 18, 2020, October 20, 2020, and February 8, 2021. The requisite quorum was present for all the meetings.

Table K: The composition of the Committee and the attendance details of the Members for the year ended March 31, 2021 are given below:

Name of the Members	Category	No. of Meetings held during tenure	No. of Meetings Attended
Dr. Peter Blauwhoff (Chairperson)	ID	3	3
Ms. Mallika Srinivasan	ID	3	2
Mr. V. K. Sharma	NED	3	3
Mr. T. V. Narendran	ED	3	3
Dr. Henrik Adam	MoM	3	3

MoM – Member of Management

General Information for Shareholders

General Body Meetings

Table L: Location and time, where last three AGMs were held:

financial year Ended	Date	Time	Venue	Special Resolution(s) Passed
March 31, 2020	August 20, 2020	3:00 p.m. (IST)	The Meeting was held through two-way video-conferencing	-
March 31, 2019	July 19, 2019	3:00 p.m. (IST)	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai – 400 020.	(i) Re–appointment of Ms. Mallika Srinivasan (DIN: 00037022) as an Independent Director of the Company. (ii) Re–appointment of Mr. O.P. Bhatt (DIN: 00548091) as an Independent Director of the Company.
March 31, 2018	July 20, 2018	3:00 p.m. (IST)	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai – 400 020.	Issue of Non-Convertible Debentures on private placement basis not exceeding ₹12,000 crore

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a Special Resolution by way of Postal Ballot. No Extraordinary General Meeting was held during the past 3 years. No other special Resolution(s) requiring a Postal Ballot was passed last year except as mentioned below:

Special Resolution passed at the Meeting of the equity shareholders of the Company, convened under the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench:

As per the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench (**'Hon'ble Tribunal'**) vide its order dated February 20, 2020 in the Company Scheme Application No. CA(CAA)3083/MB/2019 and the orders dated January 11, 2021, January 19, 2021 and February 5, 2021 in the Company Application No. 1056/2020, a Meeting of the equity shareholders of the Company was convened. The details of the Meeting are given below:

Type of meeting	Date	Time	Venue	Resolution
Meeting convened pursuant to the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench	March 26, 2021	11.00 a.m. (IST)	The Meeting was held through two-way video-conferencing	Approval of the Composite Scheme of Amalgamation of Bamnipal Steel Limited and Tata Steel BSL Limited (formerly known as Bhushan Steel Limited) into and with Tata Steel Limited (**'Scheme of Amalgamation'**)

Postal Ballot and Remote e-voting:

During the year, pursuant to Sections 230(4) read with Sections 108 and 110 of the Act read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 as amended, Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Regulation 44 and other applicable provisions of the SEBI Listing Regulations, and Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, issued by the SEBI, each as amended from time to time, (to the extent applicable) the Company had provided the facility of postal ballot and remote e-voting (prior to as well as during the Meeting) for obtaining the approval of the Members of the Company on the Scheme of Amalgamation.

The Hon'ble Tribunal had appointed Mr. P. N. Parikh, (Membership No. FCS 327 and CP No. 1228), or failing him, Ms. Jigyasa Ved (Membership No. FCS 6488 and CP No. 6018), or failing her, Mr. Mitesh Dhabliwala (Membership No. FCS 8331 and CP No. 9511) of M/s. Parikh & Associates, Practicing Company Secretaries as Scrutinizer for the Meeting, including any adjournments thereof as well as Scrutinizer for the process of postal ballot and remote e-voting (prior to as well as during the Meeting).

The Company had sent the Notice dated February 19, 2021 together with the Explanatory Statement, to the Members only through electronic mode i.e. to those Members whose e-mail addresses were registered with the Company / RTA / Depositories. Voting rights were reckoned on the paid-up value of the equity share capital of the Company as on the close of business hours on the Cut-Off Date i.e. Friday, February 12, 2021 as per the Register of Members / Register of Beneficial Owners as furnished by the Registrar and Transfer Agents / Depositories. The voting period for remote e-voting as well as postal ballot commenced on Wednesday, February 24, 2021 at 9.00 a.m. (IST) and ended on Thursday, March 25, 2021 at 5.00 p.m. (IST) and the e-voting platform was disabled thereafter. The consolidated report on the result of the remote e-voting / postal ballot and remote e-voting at the Meeting in respect of the resolution for approving the Scheme of Amalgamation was provided by the Scrutinizer on March 26, 2021.

The details of Voting on the above resolution passed by votes cast by way of postal ballot and remote e-voting (prior to as well as during the Meeting) are as under:

Resolution Type	Number and percentage of Votes			
	Assent	%	Dissent	%
Resolution passed by majority of persons representing three-fourth in value as per the Act	82,36,86,663	99.99	45,407	0.01
Resolution passed by Public Shareholders as per SEBI Circular dated March 10, 2017	43,96,87,826	99.99	45,407	0.01

The special resolution was passed with requisite majority.

Details of special resolution proposed to be conducted through postal ballot:

None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

Table M: Annual General Meeting 2021:

Day & Date	Wednesday, June 30, 2021
Time	3:00 p.m. (IST)
Venue	In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (**'MCA'**) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, and January 13, 2021 (collectively referred to as '**MCA Circulars'**) and SEBI Circular dated May 12, 2020 and January 15, 2021 (collectively referred to as **'SEBI Circulars'**) permitted the holding of the Annual General Meeting through video-conferencing / other audio-visual means (**'VC / OAVM'**), without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue of the AGM shall be Bombay Hosue, 24, Homi Mody Street, Fort, Mumbai - 400 001
financial year	April 1 to March 31
Book Closure Dates	Saturday, June 19, 2021 to Wednesday, June 30, 2021 (both days inclusive)
Dividend Payment Date	On and from, July 2, 2021, (subject to approval of the Shareholders at the AGM)

Communication to the Shareholders

The Company sends quarterly, half-yearly, and yearly financial results to our Shareholders electronically. Key financial data is published in The Indian Express, Financial Express, Nav Shakti, Free Press Journal and Loksatta. The financial results along with the earnings releases are also posted on the Company's website www.tatasteel.com

Earnings calls on financials / quarterly results are held with analysts and investors and their transcripts are published on the website. Such presentations made to analysts and others are also made available on the Company's website www.tatasteel.com

All disclosures as required under the SEBI Listing Regulations are made through the respective Stock Exchanges where the securities of the Company are listed. The same are also available on the Company's website www.tatasteel.com

The Company's website is a comprehensive reference on it's leadership, management, vision, mission, policies, corporate governance, sustainability, investor relations, products and processes and updates and news. The section on 'Investors' serves to inform the Shareholders, by giving complete financial details, stock exchange compliances including shareholding patterns and updated credit ratings amongst others, corporate benefits, information relating to Stock Exchanges, details of Registrars & Transfer Agent and frequently asked questions. Investors can also submit their queries by submitting 'Shareholder Query Form' and get feedback online. The section on 'Media' includes all major press reports and releases, awards and campaigns by the Company, amongst others.

Investor grievance and share transfer system

The Company has a Board-level Stakeholders' Relationship Committee to examine and redress investors' complaints. The status on complaints and share transfers are reported to the entire Board.

As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

Share transactions in electronic form can be effected in a much simpler and faster manner. After a confirmation of a sale / purchase transaction from the broker, shareholders should approach the Depository Participant (**'DP'**) with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account.

Shareholders should communicate with TSR Darashaw Consultants Private Limited (formerly TSR Darashaw Limited), the Company's Registrars and Transfer Agent (**'RTA'**) quoting their folio number or Depository Participant ID (**'DP ID'**) and Client ID number, for any queries relating to their securities.

Details of non-compliance

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years and no penalties and / or strictures have been imposed on the Company in this regard. There has been no instance of non-compliance with any legal requirements particularly with any requirement of the Corporate Governance Report, during the year under review.

During the year under review, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the SEBI Listing Regulations. However, during the year under review, the Company has issued several Non-Convertible Debentures (**'NCDs'**) on private placement basis, listed on debt market segment of BSE Limited. The Company affirms that there has been no deviation or variation in utilisation of proceeds of the listed NCDs of the Company.

Further, during the year under review, the Company made the first and final call on the partly paid-up ordinary shares. The Company affirms that there has been no deviation or variation in utilisation of proceeds of the call money.

On account of the first and final call made on the partly paid-up ordinary shares of the Company, the said securities listed on the National Stock Exchange of India Limited and BSE Limited under symbol TATASTLPP and Scrip Code 891044, respectively, stand suspended from trading with effect from February 17, 2021.

Certificates from Practising Company Secretaries

As required under Regulation 34(3) and Schedule V, Part E of the SEBI Listing Regulations, the certificate given by Parikh & Associates (Firm Registration No. P1988MH009800), Practicing Company Secretaries regarding compliance of conditions of corporate governance, is annexed to this report.

As required under Clause 10 (i) of Part C under Schedule V of the SEBI Listing Regulations, the Company has received a certificate from Parikh & Associates (Firm Registration No. P1988MH009800), Practicing Company Secretaries certifying that none of our Directors have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI or MCA or such other statutory authority.

CEO and CFO certification

As required by Regulation 17(8) read with Schedule II Part B of the SEBI Listing Regulations, the Chief Executive Officer & Managing Director and Executive Director & Chief Financial Officer have given appropriate certifications to the Board of Directors.

Half-yearly Certificate on Security Transfer

In terms of Regulation 40(9) and 61(4) of the SEBI Listing Regulations, certificates, on half-yearly basis, have been issued by a Company Secretary in Practice with respect to due compliance of share and security transfer formalities by the Company.

Reconciliation of Share Capital Audit

The Company Secretary in Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (**'NSDL'**) and Central Depository Services (India) Limited (**'CDSL'**) (collectively **'Depositories'**) and the total issued and listed capital. The Audit confirms that the total paid-up capital is in agreement with the aggregate of the total number of shares in physical form and in dematerialised form (held with Depositories). The Audit Report is disseminated to the Stock Exchanges on quarterly basis and is also available on our website https://www.tatasteel.com/investors/stock-exchange-compliances/reconciliation-of-share-capital-audit-reports/

Related Party Transactions

All transactions entered into with related parties as defined under the Act and Regulation 23 of the SEBI Listing Regulations, each as amended, during the year under review were on an arm's length price basis and in the ordinary course of business. These have been approved by the Audit Committee. Certain transactions which were repetitive in nature were approved through omnibus route by the Audit Committee. The Company has not entered into any materially significant related party transaction. The policy on Related Party Transactions as approved by the Board of Directors from time to time is uploaded on the Company's website at https://www.tatasteel.com/media/5891/policy-on-related-party-transactions.pdf

During the financial year 2020-21, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors apart from paying Director's remuneration. Further, the Directors have not entered into any contracts with the Company or its subsidiaries, which will be in material conflict with the interest of the Company.

The Board has received disclosures from KMPs and Members of Senior Management confirming that there have been no material, financial and commercial transactions with the Company where they and / or their relatives have personal interest.

Policy for Determining Material Subsidiaries

The Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website https://www.tatasteel.com/media/5890/policy-on-determining-material-subsidiaries.pdf During the year, the Company did not have any Indian unlisted material subsidiary. The Company is in compliance with the provisions governing material subsidiaries.

Vigil Mechanism

The Vigil Mechanism approved by the Board provides a formal mechanism for all Directors, employees and vendors of the Company to approach the Chairman of the Audit Committee of the Company and make protective disclosures regarding the unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Under the Policy, in addition, Directors, employees, and vendors, may approach the Chief Ethics Counsellor to make any such protected disclosure. During the year under review, no person has been denied access to the Chairman of the Audit Committee. Details of the Vigil Mechanism are given in the Board's Report.

The Whistle-Blower Policy for Directors and Employees is available on the Company's website at https://www.tatasteel.com/corporate/our-organisation/policies/

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

The disclosure regarding the complaints of sexual harassment are given in the Board's Report.

Consolidated Fees paid to Statutory Auditors

During the financial year 2020-21, the total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to Price Waterhouse & Co Chartered Accountants LLP, Statutory Auditors of the Company is as under:

Table N: Consolidated fees paid to statutory auditors:

(₹ crore)

Particulars	Amount
As auditors (Statutory Audit)	43.51
For taxation matters	1.07
For other services	7.97
Out-of-pocket expenses	0.76
Total	**53.31**

Dematerialisation of shares and liquidity

The Company's Ordinary Shares are tradable compulsorily in electronic form. We have established connectivity with both the depositories, i.e. NSDL and CDSL. The International Securities Identification Number (**'ISIN'**) allotted to the Fully paid-up and Partly paid-up Ordinary Shares under the Depository System are **INE081A01012** and **IN9081A01010** respectively.

The Board of Directors of the Company at its meeting held on February 9, 2021 approved making of the First and Final Call of ₹461/- (comprising ₹7.496 towards face value and ₹453.504 towards securities premium) per partly paid-up equity share **('First and Final Call')**, in respect of 7,76,36,788 outstanding partly paid-up equity shares of face value ₹10 each, issued by the Company, on a rights basis, pursuant to the Letter of Offer dated January 22, 2018. The Record Date for the purpose of determining the holders of partly paid-up equity shares was set as February 19, 2021. The Partly paid-up shares were suspended from trading with effect from February 17, 2021. On March 24, 2021, 7,02,49,241 partly paid-up equity shares, on which the first and final call money was received pursuant to the First and Final Call, were converted to fully paid-up equity shares of the Company. The outstanding partly paid-up shares (PPS) of the Company post conversion were 73,87,547.

The Company has 1,18,92,48,935 Ordinary Shares (including fully paid-up and partly paid-up Ordinary Shares) representing 98.76% of the Company's share capital which is dematerialised as on March 31, 2021.

Further, outstanding GDR Shares 1,00,14,395 (March 31, 2020: 1,25,61,401) of face value ₹10 per share represent the shares underlying GDRs which were issued during 1994 and 2010. Each GDR represents one underlying fully paid-up Ordinary Share.

Designated e-mail address for investor services

To serve the investors better and as required under Regulation 46(2)(j) of the SEBI Listing Regulations, the designated e-mail address for investor complaints is cosec@tatasteel.com The e-mail address for grievance redressal is monitored by the Company's Compliance Officer.

Investor Awareness

As part of good governance, we have provided subscription facilities to our investors, for alerts regarding press release, results, webcasts, analyst meets and presentations amongst others. We also provide our investors the facility to write queries regarding their rights and shareholdings and have provided details of persons to be contacted for this purpose. We encourage investors to visit our website for reading the documents and for availing the above facilities at www.tatasteel.com

Legal proceedings in respect of title of shares

There are certain pending cases related to disputes over title to shares in which the Company has been made a party. However, these cases are not material in nature.

Commodity price risk

Commodities are essential inputs to the manufacturing of steel. The dynamic geo-political landscape and climate change issues cause unpredictability in commodity outputs leading to volatility in commodity prices. This is an inherent market risk for the Company as it impacts the profitability and cash flows. However, steel prices, follow the trend of commodity prices, over a period which is a natural hedge to the business.

The Company meets 100% of its iron ore requirements in India, through its captive iron ore mines and about a quarter of its coking coal requirements from its coal mines. These captive mines provide a structural hedge to the price risk of these commodities.

The Company has a dedicated commodity sourcing team which engages with key raw material producers across the globe and the commodity market at large to optimise sourcing. The team has identified the risk of single geography sourcing and undertakes periodic risk assessment of the supply chain. The team proactively works on diversification of vendors, geographies, development of substitutes & new products, Vendor Managed Inventory and Value-In-Use (**'VIU'**) optimisation framework to mitigate the impact of single geography sourcing and other disruptions in the supply chain. The Company manages the price risk through reverse auction and predictive analysis, which is an agile and insight-based buying methodology. The dynamic VIU mapping with imported coal pricing is undertaken for advance planning and value maximisation.

During the COVID-19 pandemic, the Company has proactively taken measures to address the uncertainties and has made strategic shifts in its sourcing policy especially in relation to the key commodities. During the lockdown period, a strategic call was taken to operate raw material mining operations. Supply chain disruptions were managed through obtaining necessary licenses to ensure movement of raw materials. A taskforce was formed to ensure preparedness across the organisation in terms of employee health and safety and continuity of operations. To reduce dependence on global commodity supply chains, captive coal, iron ore and pellet inventory were ramped up to reduce the buy post normalisation of operations and improve profitability.

To address the short-term price volatility, the Company also hedges certain commodities in the derivatives market. Exposure of the Company to commodity and commodity risks faced by the Company throughout the year is as below:

1. Total exposure of the listed entity to commodities (including commodities based on materiality as given in item 2 below): ₹8,840 crore.

2. Exposure of the listed entity to various commodities (based on materiality):

Commodity Name	Exposure in INR towards the particular Commodity (₹ crore)	Exposure in Quantity terms towards the particular commodity (Tonnes)	% of such exposure hedged through commodity derivatives				
			Domestic Market		International Market		Total
			OTC	Exchnage	OTC	Exchange	
Coal	6,262	90,60,000	Nil	Nil	Nil	Nil	Nil
Refractories	783	93,000	Nil	Nil	Nil	Nil	Nil

Compliance with discretionary requirements

All mandatory requirements of the SEBI Listing Regulations have been complied with by the Company. The status of compliance with the discretionary requirements, as stated under Part E of Schedule II to the SEBI Listing Regulations are as under:

Maintenance of Chairman's office: The Non-Executive Chairman has a separate office which is not maintained by the Company.

Shareholder Rights: The half-yearly financial performance of the Company is sent to all the Members whose e-mail IDs are registered with the Company / Depositories. The results are also available on the Company's website https://www.tatasteel.com/investors/financial-performance/financial-results/

Modified opinion(s) in Audit Report: The Auditors have expressed an unmodified opinion in their report on the financial statements of the Company.

Reporting of Internal Auditor: The Internal Auditor functionally reports to the Audit Committee.

Table O: Distribution of Shareholding of Ordinary Shares

Fully paid-up Ordinary Shares

Share Holding	Total No. of Shareholders as on March 31,		% to total holders as on March 31,		Total No. of Shares as on March 31,		% to total capital as on March 31,	
	2021	2020	2021	2020	2021	2020	2021	2020
1	43,630	28,060	5.07	3.20	43,630	28,060	0.00	0.00
2-10	1,72,682	1,40,836	20.10	16.07	10,91,721	9,44,762	0.09	0.09
11-50	2,52,417	2,65,965	29.38	30.35	73,54,729	79,28,111	0.61	0.71
51-100	1,20,813	1,37,982	14.06	15.75	95,31,753	1,09,44,618	0.80	0.97
101-200	1,13,831	1,30,363	13.25	14.88	1,67,07,083	1,91,59,949	1.40	1.70
201-500	90,207	1,02,596	10.50	11.71	2,82,06,257	3,21,16,622	2.35	2.85
501-1,000	33,138	36,562	3.86	4.17	2,36,26,445	2,61,32,184	1.97	2.32
1,001-5,000	27,450	29,040	3.19	3.31	5,46,77,770	5,74,75,276	4.57	5.10
5,001-10,000	2,800	2,796	0.33	0.32	1,94,52,109	1,94,09,285	1.63	1.72
10,001-1,00,000	1,903	1,812	0.22	0.21	4,74,53,197	4,18,34,519	3.97	3.71
1,00,001 and above	370	287	0.04	0.03	98,84,43,026	91,05,16,825	82.61	80.83
Total	**8,59,241**	**8,76,299**	**100.00**	**100.00**	**119,65,87,720**	**112,64,90,211**	**100.00**	**100.00**

Partly paid-up Ordinary Shares

Share Holding	Total No. of Shareholders as on March 31,		% to total holders as on March 31,		Total No. of Shares as on March 31,		% to total capital as on March 31,	
	2021	2020	2021	2020	2021	2020	2021	2020
1	3,934	5,765	5.47	3.36	3,934	5,765	0.05	0.01
2-10	29,029	56,521	40.37	32.93	1,65,389	3,29,688	2.19	0.43
11-50	28,689	70,096	39.89	40.83	6,83,805	17,21,756	9.07	2.22
51-100	5,550	16,807	7.72	9.79	4,18,741	12,81,572	5.55	1.65
101-200	2,629	9,405	3.65	5.48	3,88,600	14,07,722	5.15	1.81
201-500	1,472	6,972	2.05	4.06	4,68,967	23,14,888	6.22	2.98
501-1,000	368	2,893	0.51	1.69	2,69,904	21,77,708	3.58	2.80
1,001-5,000	200	2,493	0.28	1.45	3,66,169	52,71,622	4.86	6.79
5,001-10,000	18	362	0.03	0.21	1,31,073	25,56,671	1.74	3.29
10,001-1,00,000	13	305	0.02	0.18	2,32,709	78,88,152	3.09	10.16
1,00,001 and above	4	41	0.01	0.02	44,09,988	5,26,81,244	58.50	67.86
Total	**71,906**	**1,71,660**	**100.00**	**100.00**	**75,39,279***	**7,76,36,788**	**100.00**	**100.00**

*This includes 1,51,732 partly paid-up Ordinary Shares for which corporate action could not be completed on conversion.

Transfer of Unclaimed Dividend and Shares to Investor Education and Protection Fund ('IEPF')

Pursuant to the provisions of the Act, read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (**'Rules'**), the dividends, unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company are liable to be transferred to the IEPF. Accordingly, unclaimed dividends of Shareholders for FY 2013-14 lying in the Unpaid Dividend Account of the Company as on September 15, 2021 will be due for transfer to IEPF on the due date i.e. September 16, 2021. Further, the shares (excluding the disputed cases having specific orders of the Court, Tribunal or any Statutory Authority restraining such transfer) pertaining to which dividend remains unclaimed for a consecutive period of seven years from the date of transfer of the dividend to the Unpaid Dividend Account is also mandatorily required to be transferred to the IEPF Authority established by the Central Government.

The Company had sent individual communication to the concerned shareholders at their registered address, whose dividend remained unclaimed and whose shares were liable to be transferred to the IEPF by September 16, 2020. The communication was also published in national English and local Marathi newspapers.

The details of unclaimed dividends and shares transferred to IEPF within statutory timelines during financial year 2020-21 are as follows:

financial year	Amount of Unclaimed Dividend Transferred (₹)	Number of Shares Transferred
2012-13	6,47,92,776	4,84,219

Any person whose unclaimed dividend and shares pertaining thereto, matured deposits, matured debentures, application money due for refund, or interest thereon, sale proceeds of fractional shares, redemption proceeds of preference shares, amongst others has been transferred to the IEPF can claim their due amount from the IEPF Authority by making an electronic application in web-form IEPF-5. Upon submitting a duly completed form, the Shareholders are required to take print of the same and send physical copy duly signed along with requisite documents as specified in the form to the attention of the Nodal Officer, at the Registered Office of the Company. The instructions for the web-form can be downloaded from our website www.tatasteel.com under 'unclaimed dividend' tab in 'Investors' section and simultaneously from the website of Ministry of Corporate Affairs at www.iepf.gov.in

Table P: The status of dividend remaining unclaimed is given hereunder:

Unclaimed Dividend	Status	Whether it can be claimed	Can be claimed from	Action to be taken
Up to and including the financial year 1994-95	Transferred to the General Revenue Account of the Central Government	Yes	Office of Registrar of Companies, Central Government Office Building, 'A' Wing, 2nd Floor, Next to Reserve Bank of India, CBD, Belapur - 400 614.	Claim to be forwarded in prescribed Form No. II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978.
For the financial years 1995-96 to 2011-12	Transferred to the IEPF of the Central Government	Yes	Submit web-form IEPF-5 to the Registered Office of the Company addressed to the Nodal Officer along with complete documents.	IEPF Authority to pay the claim amount to the Shareholder based on the verification report submitted by the Company and the documents submitted by the investor.
For the financial years 2013-14 to 2019-20	Amount lying in respective Unpaid Dividend Accounts	Yes	TSR Darashaw Consultants Private Limited (formerly TSR Darashaw Limited), Registrars and Transfer Agent.	Letter on plain paper.

The Company has hosted on its website the details of the unclaimed dividend / unclaimed shares / interest / principal amounts for the financial year 2019-20 as per the Notification No. G S R 352 (E) dated May 10, 2012 of Ministry of Corporate Affairs (as per Section 124 of the Companies Act, 2013, as amended).

Table Q: Details of date of declaration & due date for transfer to IEPF

Year	Dividend per fully paid-up Ordinary (equity) Share	Dividend per partly paid-up Ordinary (equity) Share	Date of Declaration	Due date for transfer to IEPF
2013-14	10	-	August 14, 2014	September 16, 2021
2014-15	8	-	August 12, 2015	September 16, 2022
2015-16	8	-	August 12, 2016	September 17, 2023
2016-17	10	-	August 8, 2017	September 9, 2024
2017-18	10	2.504	July 20, 2018	August 22, 2025
2018-19	13	3.25	July 19, 2019	August 22, 2026
2019-20	10	2.504	August 20, 2020	September 24, 2027

Shareholders are requested to contact the RTA for encashing the unclaimed dividend / interest / principal amount, if any, standing to the credit of their account.

Nomination Facility

Shareholders whose shares are in physical form and wish to make / change a nomination in respect of their shares in the Company, as permitted under Section 72 of the Companies Act, 2013, may submit to RTA the prescribed Forms SH-13/SH-14. The Nomination Form can be downloaded from the Company's website www.tatasteel.com under the section 'Investors'.

Shares held in Electronic Form

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, e-mail ids, nomination and power of attorney should be given directly to the DP.

Shares held in Physical Form

Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, e-mails ids, nomination and power of attorney should be given to the Company's RTA i.e. TSR Darashaw Consultants Private Limited (formerly TSR Darashaw Limited).

Updation of bank details for remittance of dividend / cash benefits in electronic form

SEBI vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 (**'Circular'**) to all listed companies requires them to update bank details of their shareholders holding shares in demat mode and / or physical form, to enable usage of the electronic mode of remittance i.e. National Automated Clearing House (**'NACH'**) for distributing dividends and other cash benefits to the shareholders.

The Circular further states that in cases where either the bank details such as Magnetic Ink Character Recognition (**'MICR'**) and Indian Financial System Code (**'IFSC'**), amongst others, that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the bank, companies or their Registrars and Transfer Agents may use physical payment instruments for making cash payments to the investors. Companies shall mandatorily print the bank account details of the investors on such payment instruments.

Regulation 12 of the SEBI Listing Regulations, allows the Company to pay dividend by cheque or 'payable at par' warrants where payment by electronic mode is not possible. Shareholders to note that payment of dividend and other cash benefits through electronic mode has many advantages like prompt credit, elimination of fraudulent encashment / delay in transit amongst others. They are requested to opt for any of the above mentioned electronic modes of payment of dividend and other cash benefits and update their bank details:

- In case of holdings in dematerialised form, by contacting their DP and giving suitable instructions to update the bank details in their demat account.
- In case of holdings in physical form, by informing the Company's RTA i.e. TSR Darashaw Consultants Private Limited (formerly TSR Darashaw Limited), through a signed request letter with details such as their Folio No(s), Name and Branch of the Bank in which they wish to receive the dividend, the Bank Account type, Bank Account Number allotted by their banks after implementation of Core Banking Solutions (**'CBS'**) the 9 digit MICR Code Number and the 11 digit IFSC Code. This letter should be supported by cancelled cheque bearing the name of the first shareholder.

Shareholders to note that those who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other electronic means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Members, upon normalisation of activities that have been disrupted due to the ongoing COVID-19 pandemic.

Listing on Stock Exchanges

As on March 31, 2021, the Company has issued Fully paid-up Ordinary Shares and Partly paid-up Ordinary shares which are listed on BSE Limited and National Stock Exchange of India Limited in India. The Board of Directors of the Company at its meeting held on February 9, 2021 approved making of the First and Final Call of ₹461/- (comprising ₹7.496 towards face value and ₹453.504 towards securities premium) per partly paid-up equity share **('First and Final Call'),** in respect of 7,76,36,788 outstanding partly paid-up equity shares of face value ₹10 each, issued by the Company, on a rights basis, pursuant to the Letter of Offer dated January 22, 2018. The Record Date for the purpose of determining the holders of partly paid-up equity shares was set as February 19, 2021. The partly paid-up Ordinary Shares are suspended from trading effective February 17, 2021. The annual listing fees has been paid to the respective stock exchanges.

Table R: ISIN and Stock Code details

Stock Exchanges	ISIN	Stock Code
BSE Limited (**'BSE'**) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, Maharashtra, India	INE081A01012 (Fully paid-up Ordinary Shares)	500470 (Fully paid-up Ordinary Shares)
	IN9081A01010 (Partly paid-up Ordinary Shares)	*890144 (Partly paid-up Ordinary Shares)
National Stock Exchange of India Limited (**'NSE'**) Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Mumbai - 400 051, Maharashtra, India	INE081A01012 (Fully paid-up Ordinary Shares)	TATASTEEL (Fully paid-up Ordinary Shares)
	IN9081A01010 (Partly paid-up Ordinary Shares)	*TATASTEELPP (Partly paid-up Ordinary Shares)

*Securities in scrip code 890144 and symbol TATASTLPP stand suspended from trading effective February 17, 2021.

Table S: International Listings of securities issued by the Company are as under:

Global Depository Receipts ('GDRs') as on March 31, 2021:

GDRs	1994	2009
ISIN	US87656Y1091	US87656Y4061
Listed on	Luxembourg Stock Exchange	London Stock Exchange

Table T (i): Perpetual Hybrid Securities in the form of Non-Convertible Debentures as on March 31, 2021, are listed on the Wholesale Debt Market segment of the National Stock Exchange of India as under:

Rate (%)	11.50
ISIN	INE081A08173
Principal Amount (₹ in crore)	775
Date of Maturity	*Perpetual (Call Option can be exercised, at par, at the end of 10 years and at the end of every year thereafter)

*Due to be redeemed on May 11, 2021 pursuant to the Call exercised by the Board of Directors of the Company on November 13, 2020.

During the year, the Board of Directors at their meeting held on November 13, 2020 approved the proposal to exercise Call Option to redeem the unsecured, rated, listed Non-Convertible Debentures (NCDs) / Perpetual Hybrid Securities (PHS) in the form of NCDs of the Company, as per their terms of issue. Accordingly, the 11.80% PHS (ISIN: INE081A08165), aggregating to ₹1,500 crore were redeemed on March 18, 2021 and 11.50% PHS (ISIN: INE081A08173) aggregating to ₹775 crore will be redeemed on May 11, 2021.

Table T (ii): Unsecured Redeemable Non-Convertible Debentures ('NCDs') as on March 31, 2021, are listed on the Wholesale Debt Market segment of the Stock Exchanges as under:

(₹ crore)

Coupon Rate (%)	ISIN	Principal Amount	Maturity Amount	Maturity Date	Credit Ratings	Name of the Stock Exchange on which the NCDs are listed
2.00	INE081A08181	1,500.00	1,500.00	April 23, 2022	AA by CARE and AA by Brickwork	NSE
8.15	INE081A08215	1,000.00	1,000.00	October 1, 2026	AA by CARE and AA by Brickwork	BSE
9.8359	INE081A08223	4,315.00	1,078.75	February 28, 2031	AA CARE and AA India Ratings	BSE
			1,078.25	March 1, 2032		
			1,078.25	March 1, 2033		
			1,078.25	March 1, 2034		
7.70	INE081A08231	670.00	670.00	March 13, 2025	AA CARE and AA India Ratings	BSE
7.85	INE081A08249	1,025.00	1,025.00	April 17, 2023	AA CARE and AA India Ratings	BSE
7.85	INE081A08256	510.00	510.00	April 21, 2023	AA CARE and AA India Ratings	BSE
Floating Rate$	INE081A08264	1,000.00	1,000.00	April 27, 2023	AA CARE and AA India Ratings	BSE
Floating Rate&	INE081A08280 (Series A)	500.00	500.00	April 28, 2023	AA CARE and AA India Ratings	BSE
7.95	INE081A08272 (Series B)	500.00	500.00	October 30, 2023	AA CARE and AA India Ratings	BSE
8.25	INE081A08298	1,000.00	1,000.00	May 19, 2023	AA CARE and AA India Ratings	BSE
Floating Rate*	INE081A08306	400.00	400.00	June 2, 2023	AA CARE and AA India Ratings	BSE

*Coupon rate on the Floating Rate Debentures is the sum of the prevailing Repo Rate fixed by the Reserve Bank of India on each Monthly Reset Date and the applicable spread of 4.08% per annum, payable annually at the end of every year from the Date of Allotment.

&Coupon Rate on the Floating Rate Debentures is the sum of the prevailing Repo Rate fixed by the Reserve Bank of India on each Monthly Reset Date and the applicable spread of 3.45% per annum, payable annually at the end of every year from the Date of Allotment.

$Coupon rate on the Floating Rate Debentures is the sum of the prevailing Repo Rate fixed by the Reserve Bank of India on each Monthly Reset Date and the applicable Spread of 3.30% per annum, payable annually at the end of every year from the Date of Allotment.

NCDs redeemed during the year:

(a) 9.15% NCDs (ISIN: INE081A082072) aggregating to ₹500 crore were due to be redeemed on January 24, 2021. However, since this was a non-business day, in accordance with the terms of issue, the NCDs were redeemed on the next working day i.e. January 25, 2021.

(b) The Board of Directors at their meeting held on November 13, 2020 approved the proposal to exercise Call Option to redeem the unsecured, rated, listed Non-Convertible Debentures (NCDs) of the Company, as per their terms of issue. Accordingly, 10.25% NCDs (ISIN:INE081A08140) aggregating to ₹500 crore and 10.25% NCDs (ISIN:INE081A08157) aggregating to ₹2,500 crore were redeemed on December 22, 2020 and January 6, 2021, respectively.

Credit Rating

Details on credit rating are provided in the Board's Report. The above details are also available on our website www.tatasteel.com

Market Information

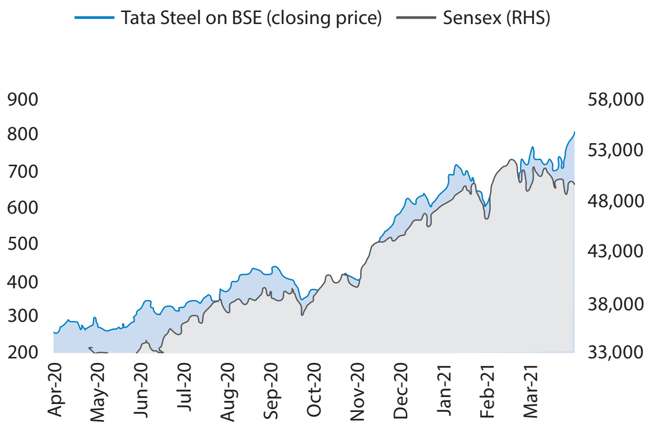
Table U: Market Price Data – High, Low (based on daily closing price) and volume (no. of shares traded) during each month in the financial year 2020-21 of Fully Paid-up Ordinary Shares, on BSE Limited and National Stock Exchange of India Limited:

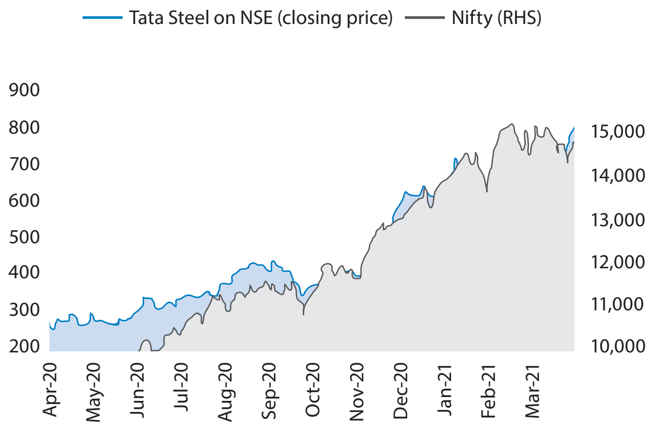
Month	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume (No. of shares traded)	High (₹)	Low (₹)	Volume (No. of shares traded)
April 2020	298.45	253.85	1,44,38,340	298.30	253.75	28,19,85,430
May 2020	295.20	266.45	1,18,83,746	295.50	266.60	24,23,55,268
June 2020	339.35	306.05	2,10,80,670	338.95	306.20	36,74,76,160
July 2020	373.90	323.85	1,82,55,459	373.75	323.70	31,09,68,300
August 2020	434.75	372.25	1,46,41,873	434.50	372.25	34,45,98,516
September 2020	438.85	343.85	1,02,07,467	438.65	343.90	32,05,33,046
October 2020	423.35	364.95	1,26,60,026	423.45	364.95	37,53,29,251
November 2020	577.85	402.80	1,84,58,807	577.35	402.85	46,17,60,748
December 2020	643.55	585.55	1,51,80,771	643.65	585.80	35,89,08,203
January 2021	722.75	601.15	1,83,02,488	722.80	601.00	43,30,68,703
February 2021	742.90	636.15	2,44,16,933	742.90	636.10	47,13,14,897
March 2021	811.95	703.40	1,92,90,620	811.85	702.80	42,01,85,737
Yearly	**811.95**	**253.85**	**19,88,17,200**	**811.85**	**253.75**	**438,84,84,259**

The Company's shares are regularly traded on BSE Limited and National Stock Exchange of India Limited, as is seen from the volume of shares indicated in the Table containing Market Information.

Table V: Performance of the share price of the Company in comparison to broad-based indices like BSE and Nifty Sensex are given below:

Month	Closing Price of Equity Shares at BSE (₹)	BSE SENSEX	Closing Price of Equity Shares at NSE (₹)	Nifty
April 2020	298.45	33,717.62	298.30	9,859.90
May 2020	295.20	32,424.10	295.20	9,580.30
June 2020	326.65	34,915.80	326.70	10,302.10
July 2020	366.40	37,606.89	366.30	11,073.45
August 2020	413.20	38,628.29	413.00	11,387.50
September 2020	359.75	38,067.93	359.75	11,247.55
October 2020	410.35	39,614.07	410.55	11,642.40
November 2020	577.85	44,149.72	577.35	12,968.95
December 2020	643.55	47,751.33	643.65	13,981.75
January 2021	601.15	46,285.77	601.00	13,634.60
February 2021	714.80	49,099.99	715.15	14,529.15
March 2021	811.95	49,509.15	811.85	14,690.70





Secretarial Audit

The Board of Directors has appointed Parikh and Associates (Firm Registration No. P1988MH009800), Practising Company Secretaries, to conduct secretarial audit of its records and documents for the financial year 2020-21. The secretarial audit report confirms that the Company has complied with all applicable provisions of the Companies Act, 2013, Secretarial Standards, Depositories Act, 2018, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015, each as amended and all other regulations and guidelines of SEBI as applicable to the Company. The Secretarial Audit Report forms part of the Board's Report.

Green Initiative

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report, quarterly and half-yearly results, amongst others, to Shareholders at their e-mail address previously registered with the DPs and RTAs.

Shareholders who have not registered their e-mail addresses so far are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the RTA, by sending a letter, duly signed by the first / sole holder quoting details of Folio No.

Plant Locations:

Tata Steel Kalinganagar Plant
Tata Steel Limited
Kalinganagar Industrial Complex
Duburi, Dist. Jajpur
Odisha – 755 026

Tata Steel Jamshedpur Plant
Tata Steel Limited
P.O. Bistupur
Jamshedpur – 831 001

Cold Rolling Mill Complex, Bara
Tata Steel Limited
P.O. Agrico, P.S. Sidhgora
Block: Jamshedpur, Dist. Purbi Singhbhum
Pin – 831 009

Tata Steel Growth Shop
Growth Shop
Tata Steel Limited
Adityapur Industrial Estate,
P.O. Gamharia,
Dist. Seraikela-Kharsawan
Pin – 832 108

Tata Steel Tubes Division
Tubes Division
Tata Steel Limited
P.O. Burma Mines
Jamshedpur – 831 007

Joda East Iron Mine
Joda Central Organisation
Tata Steel Limited, Joda
Dist. Keonjhar, Odisha – 758 034

Cold Rolling Complex (West)
Tata Steel Limited
Plot No. S 76, Tarapur Industrial Area
P Box 22, Tarapur Industrial Estate Post Office
District Palghar, Maharashtra – 401 506

Wire Division, Tarapur
Tata Steel Limited - Wire Division
Plot F8 & A6, Tarapur MIDC
P.O. Boisar, Dist. Palghar – 401 506

Wire Division, Indore
Indore – Tata Steel Limited, Wire Division
Plot 14/15/16 & 32 Industrial Estate
Laxmibai Nagar, Fort Indore
Madhya Pradesh – 452 006

Wire Division, Pithampur
Pithampur Wire Division
Plot 158 & 158A, Sector III
Industrial Estate, Pithampur
Madhya Pradesh – 454 774

Bearings Division
Tata Steel Limited
P.O. Rakha Jungle, Nimpura Industrial Estate
Kharagpur, West Bengal – 721 301

Noamundi Iron Mine
Tata Steel Limited
West Singhbhum, Noamundi
Jharkhand – 833 217

Ferro Alloys Plant, Bamnipal
Tata Steel Limited
P.O. Bamnipal, Dist. Keonjhar
Odisha – 758 082

Katamati Iron Mine
Tata Steel Limited
Village: Deojhar , Subdivision: Champua,
PO: Deojhar, Dist: Keonjhar,
Odisha – 758 038

Khondbond Iron Mine
Tata Steel Limited
Village: Khondbond, Guruda,
Subdivision: Champua, PO: Joda,
Dist: Keonjhar, Odisha – 758 034

Joda West Iron & Manganese Mine
Tata Steel Limited
P.O. Bichakundi, Joda, Dist. Keonjhar
Odisha – 758 034

Ferro Manganese Plant, Joda
Tata Steel Limited
Dist. Keonjhar, Odisha – 758 034

Bamebari Iron & Manganese Mine
Tata Steel Limited
P.O. Bamebari, Joda, Dist. Keonjhar
Odisha – 758 086

Tiringpahar Iron & Manganese Mine
Tata Steel Limited
P.O. Bamebari, Joda, Dist. Keonjhar
Odisha – 758 086

Jharia Division
Tata Steel Limited
Jamadoba, Dhanbad
Jharkhand – 828 112

West Bokaro Division
Tata Steel Limited
Ghatotand, Dist. Ramgarh
Jharkhand – 825 314

Hooghly Met Coke Division
Tata Steel Limited
Patikhali, Haldia, Purba
Medinipur, West Bengal – 721 606

Ferro Chrome Plant, Gopalpur
Tata Steel Limited
P.O. Chamakhandi, Chatrapur Tahsil
Dist. Ganjam,
Odisha – 761 020

Investor Contact:

Registered Office:
Bombay House, 24, Homi Mody Street,
Fort, Mumbai – 400 001.
Tel.: +91 22 6665 8282
E-mail: cosec@tatasteel.com
Website: www.tatasteel.com
CIN: L27100MH1907PLC000260

Name, designation & address of Compliance Officer:

Mr. Parvatheesam Kanchinadham,
Company Secretary & Chief Legal Officer
(Corporate & Compliance)
Bombay House, 24, Homi Mody Street,
Fort, Mumbai – 400 001.
Tel.: +91 22 6665 7330
E-mail: cosec@tatasteel.com

Name, designation & address of Investor Relations Officer:

Mr. Sandep Agrawal,
Head - Group Investor Relation
One Forbes, 6th Floor, 1, Dr. V. B. Gandhi
Marg, Fort, Mumbai – 400 001.
Tel.: +91 22 6665 0530
E-mail: ir@tatasteel.com

Debenture Trustee:

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai – 400 001.
Tel.: +91 22 4080 7000
Fax: +91 22 6631 1776
E-mail: itsl@idbitrustee.com
Website: www.idbitrustee.com

Stock Exchanges:

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.
Tel.: +91 22 2272 1233;
Fax: +91 22 2272 1919
Website: www.bseindia.com

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
G Block Bandra-Kurla Complex,
Bandra (E), Mumbai – 400 051.
Tel.: +91 22 2659 8100;
Fax: +91 22 2659 8120
Website: www.nseindia.com

Luxembourg Stock Exchange
35A Boulevard Joseph II
L-1840 Luxembourg,
Tel.: (+352) 4779361
Fax: (+352) 473298
Website: www.bourse.lu

London Stock Exchange
10 Paternoster Square,
London - EC4M 7LS
Tel.: (+44) 20 7797 1000
Website: www.londonstockexchange.com

Depository Services:

National Securities Depository Limited
Trade World, A Wing, 4th & 5th Floors,
Kamala Mills Compound,
Lower Parel, Mumbai – 400 013.
Tel.: +91 22 2499 4200;
Fax: +91 22 2497 6351
E-mail: info@nsdl.co.in
Investor Grievance: relations@nsdl.co.in
Website: www.nsdl.co.in

Central Depository Services (India) Limited
Marathon Futurex, A-Wing, 25th Floor,
NM Joshi Marg,
Lower Parel (East), Mumbai-400013.
Tel.: +91 22 2305 8640/8624/8639/8663
E-mail: helpdesk@cdslindia.com,
Investor Grievance:
complaints@cdslindia.com
Website: www.cdslindia.com

Registrars and Transfer Agents:

TSR Darashaw Consultants Private Limited
(formerly TSR Darashaw Limited)
CIN: U74999MH2018PTC307859
Unit: Tata Steel Limited,
C-101, 1st Floor, 247 Park, Lal Bahadur
Shastri Marg, Vikhroli West,
Mumbai - 400 083 Maharashtra
Tel.: +91 22 6656 8484
Fax: +91 22 6656 8494/8496
Timings: Monday to Friday,
10 a.m. (IST) to 3.30 p.m. (IST)
E-mail: csg-unit@tcplindia.co.in
Website: www.tsrdarashaw.com

For the convenience of investors based in the following cities, correspondence / documents will also be accepted at the following branches / agencies of TSR Darashaw Consultants Private Limited:

Bengaluru
TSR Darashaw Consultants Private Limited
(formerly TSR Darashaw Limited)
C/O. Mr. D. Nagendra Rao
"Vaghdevi" 543/A, 7th Main, 3rd Cross,
Hanumanthnagar
Bengaluru – 560 019
Contact person: Mr. Shivanand M.
Tel.: 080 2650 9004
Fax: +91 80 2558 0019
E-mail: tsrdlbang@tsrdarashaw.com

Kolkata
TSR Darashaw Consultants Private Limited
(formerly TSR Darashaw Limited)
C/o. Link Intime India Private Limited
Vaishno Chamber, Flat No. 502 & 503,
5th Floor, 6, Brabourne Road
Kolkata - 700 001
Tel.: +91 33 40081986
E-mail : tsrdlcal@tsrdarashaw.com

New Delhi
TSR Darashaw Consultants Private Limited
(formerly TSR Darashaw Limited)
C/o. Link Intime India Private Limited
Noble Heights, 1st Floor,
Plot No NH-2, C-1 Block, LSC,
Near Savitri Market, Janakpuri,
New Delhi – 110 058
Tel.: +91 22 4080 7000
E-mail : tsrdldel@tsrdarashaw.com

Jamshedpur
Bungalow No. 1, 'E' Road,
Northern Town Bistupur,
Jamshedpur – 831 001
Tel.: +91 657 2426 616
Fax: +91 657 2426 937
E-mail : tsrdljsr@tsrdarashaw.com

Ahmedabad
TSR Darashaw Consultants Private Limited
(formerly TSR Darashaw Limited)
C/o. Link Intime India Private Limited
5th Floor, 506 TO 508
Amarnath Business Centre-1 (ABC-1)
Beside Gala Business Centre
Nr. St. Xavier's College Corner
Off. C.G. Road, Ellisbridge
Ahmedabad – 380 006
Tel.: +91 79 2646 5179
E-mail : csg-unit@tcplindia.co.in

Details of Corporate Policies

Particulars	Website Details / Links
Dividend Distribution Policy	https://www.tatasteel.com/media/6086/dividend-policy-final.pdf
Composition and Profile of the Board of Directors	https://www.tatasteel.com/corporate/our-organisation/leadership/
Terms and conditions of appointment of Independent Directors	https://www.tatasteel.com/media/2917/terms-and-conditions-of-appointment-of-independent-directors.pdf
Policy on Appointment and Removal of Directors	https://www.tatasteel.com/media/6816/policy-on-appointment-and-removal-of-directors.pdf
Familiarisation Programme for Independent Directors	https://www.tatasteel.com/media/12333/familiarization-programme-for-independent-directors-for-website.pdf
Remuneration Policy of Directors, KMPs & Other Employees	https://www.tatasteel.com/media/6817/remuneration-policy-of-directors-etc.pdf
Tata Code of Conduct	https://www.tatasteel.com/media/1864/tcoc.pdf
Criteria for Making Payments to Non-Executive Directors	https://www.tatasteel.com/media/3931/criteria-of-making-payments-to-neds.pdf
Corporate Social Responsibility Policy	https://www.tatasteel.com/media/1879/csr-policy-version-20.pdf
Code of Conduct for Non-Executive Directors	https://www.tatasteel.com/media/3930/tcoc-non-executive-directors.pdf
Policy on Related Party Transactions	https://www.tatasteel.com/media/5891/policy-on-related-party-transactions.pdf
Policy on Determining Material Subsidiary	https://www.tatasteel.com/media/5890/policy-on-determining-material-subsidiaries.pdf
Whistle-Blower Policy	https://www.tatasteel.com/media/9942/whistle-blower-policy-for-business-associates.pdf https://www.tatasteel.com/media/11322/revised-whistleblower-policy-december-18-2019.pdf
Code of Corporate Disclosure Practices	https://www.tatasteel.com/media/6843/code-of-corporate-disclosure-practices.pdf
Policy on Determination of Materiality for Disclosure	https://www.tatasteel.com/media/6844/tata-steel-determination-of-materiality-policy.pdf
Document Retention and Archival Policy	https://www.tatasteel.com/media/6845/tata-steel-document-retention-policy.pdf
Prevention of Sexual Harassment (POSH) at Workplace Policy	https://www.tatasteel.com/media/7526/posh.pdf
Reconciliation of Share Capital Audit Report	https://www.tatasteel.com/investors/stock-exchange-compliances/reconciliation-of-share-capital-audit-reports/

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Code of Conduct

This is to confirm that the Company has adopted the Tata Code of Conduct for its employees including the Managing Director and the Whole-time Directors. In addition, the Company has adopted the Tata Code of Conduct for the Non-Executive Directors. Both these Codes are available on the Company's website at www.tatasteel.com

I confirm that the Company has in respect of the financial year ended March 31, 2021, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Chief Executive Officer & Managing Director as on March 31, 2021.

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

May 5, 2021

Practising Company Secretaries' Certificate on Corporate Governance

To,
The Members of
Tata Steel Limited

We have examined the compliance of the conditions of Corporate Governance by Tata Steel Limited **('the Company')** for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **('SEBI Listing Regulations')**.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Practising Company Secretaries

sd/-
P. N. PARIKH
FCS No.: 327 CP No.: 1228
UDIN: F000327C000241887

Mumbai
May 5, 2021

Practising Company Secretaries' Certificate on Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Tata Steel Limited
Bombay House, 24 Homi Mody Street,
Fort, Mumbai – 400 001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Tata Steel Limited having CIN: L27100MH1907PLC000260 and having registered office at Bombay House, 24 Homi Mody Street, Fort, Mumbai – 400 001 (hereinafter referred to as '**the Company**'), produced before me / us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number ('**DIN**') status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs ('**MCA**'), or any such other Statutory Authority.

Sl No.	Name of the Director	DIN	Date of Appointment in Company*
1.	N. Chandrasekaran	00121863	January 13, 2017
2.	Saurabh Agrawal	02144558	August 10, 2017
3.	V. K. Sharma	02449088	August 24, 2018
4.	Mallika Srinivasan	00037022	May 21, 2012
5.	O. P. Bhatt	00548091	June 10, 2013
6.	Dr. Peter Blauwhoff	07728872	February 7, 2017
7.	Aman Mehta	00009364	March 29, 2017
8.	Deepak Kapoor	00162957	April 1, 2017
9.	T. V. Narendran	03083605	September 19, 2013**
10.	Koushik Chatterjee	00004989	November 9, 2012

*The date of appointment is as per the MCA Portal.

**Mr. T. V. Narendran was appointed as the Managing Director of the Company effective September 19, 2013 and the said appointment was approved by the Shareholders at the Annual General Meeting held on August 14, 2014.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Practising Company Secretaries

sd/-
P. N. PARIKH

FCS No.: 327 CP No.: 1228
UDIN: F000327C000241876

Mumbai
May 5, 2021

ANNEXURE 5

Particulars of Remuneration

Part A: Information pursuant to Section 197(12) of the Companies Act, 2013
[Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

A. Ratio of the remuneration of each Director to the median remuneration of all the employees of the Company for FY 2020-21 and % increase in remuneration of each Director / KMP of the Company are as under:

Name of Director	% increase in remuneration over previous year	Ratio of remuneration to median remuneration of all employees (3)
Non-Executive Directors		
Mr. N. Chandrasekaran (1)	NA	NA
Mr. V. K. Sharma	33.25	10.62
Mr. Saurabh Agrawal (2)	NA	NA
Independent Directors		
Ms. Mallika Srinivasan	17.53	14.81
Mr. O. P. Bhatt	20.43	21.83
Dr. Peter Blauwhoff	14.79	12.54
Mr. Aman Mehta	16.95	11.44
Mr. Deepak Kapoor	15.80	12.52
Executive Directors/ KMP		
Mr. T. V. Narendran (4)	38.89	159.40
Mr. Koushik Chatterjee (4)	23.02	128.97
Mr. Parvatheesam Kanchinadham	0.23	-

Notes:

(1) As a policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving commission from the Company and hence not stated.

(2) In line with the internal guidelines of the Company no payment is made towards commission to the Non-Executive Directors of the Company, who are in full time employment with any other Tata Company and hence not stated.

(3) The ratio of remuneration to median remuneration is based on remuneration paid during the period April 1, 2020 to March 31, 2021.

(4) Includes the Commission / bonus approved by the Board of Directors for the Chief Executive Officer & Managing Director and Executive Director & Chief Financial Officer on May 5, 2021 for FY 2020-21 (which will be paid to them on conclusion of the Annual General Meeting of 2021).

B. The percentage increase / (decrease) in the median remuneration of employees in the financial year 2020-21: (8.42)

C. The number of permanent employees on the rolls of Company as on March 31, 2021: 31,189

D. Comparison of average percentile increase in salary of employees other than the managerial personnel and the percentile increase in the managerial remuneration:

During the financial year 2020-21, the average percentage increase / (decrease) in salary of the Company's employees, excluding the Key Managerial Personnel ('KMP') was (2.85%). The percentage increase / (decrease) in salary of KMPs during the same period (on actuals) was (6.01%).

However, considering the Commission / bonus approved by the Board of Directors for the Chief Executive Officer & Managing Director and Executive Director & Chief Financial Officer on May 5, 2021 for financial year 2020-21 (which will be paid to them on conclusion of the Annual General Meeting of 2021), the increase in managerial remuneration for the year is ~28%. The increase in managerial remuneration for financial year 2020-21 is not comparable with financial year 2019-20 owing to there being no increase in the managerial remuneration for financial year 2019-20 in view of economic conditions impacted by COVID-19 pandemic wherein the Directors decided to moderate the executive remuneration for financial year 2019-20 to express solidarity and conserve resources.

E. Affirmations: It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

sd/-
N. CHANDRASEKARAN
Chairman
DIN: 00121863

Mumbai
May 5, 2021

Part B: Statement of Disclosure Pursuant to Section 197 of Companies Act, 2013

[Read with Rules 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

A. Names of Top 10 employees in terms of remuneration drawn during the financial year 2020-21:

Sl. No.	Name	Designation	Remuneration (₹)	Qualification	Experience (Years)	Date of commencement of employment	Age (Years)	Last employment
1	T. V. Narendran	Chief Executive Officer & Managing Director	11,08,38,656	B.E., PGDM	32	01-07-1988	55	-
2	Koushik Chatterjee	Executive Director & Chief Financial Officer	10,10,90,017	B.Com. (Hons), F.C.A	25	13-11-1995	52	Tata Sons Ltd.
3	Suresh Dutt Tripathi *	Vice President (Human Resource Management)	4,25,47,713	M. Sc., Diploma in Social Welfare	38	18-10-2012	60	SRF Ltd.
4	Sanjiv Paul	Vice President (Safety, Health & Sustainability)	3,14,28,835	B.Sc. (Engg)	34	01-07-1986	58	-
5	Sudhansu Pathak	Vice President (Steel Manufacturing)	2,88,54,191	B.E., PGDBM	36	02-07-1984	59	-
6	D.B. Sundara Ramam	Vice President (Raw Material)	2,85,20,420	B.Sc. (Engg)	30	28-07-1990	51	-
7	Rajesh Ranjan Jha	Vice President (Engineering & Projects)	2,81,28,892	B.E., PGDBM	30	02-07-1990	51	Tata Projects Ltd.
8	Rajiv Kumar	Vice President (Operation - TSK)	2,77,88,323	B.Sc. (Engg)	30	01-10-1990	53	-
9	Uttam Singh	Vice President (Iron Making)	2,73,15,198	B.Tech.	28	13-07-1992	52	-
10	Parvatheesam Kanchinadham	Company Secretary & Chief Legal Officer (Corporate & Compliance)	2,57,20,612	B.Com. (Hons), ACS, LL.M., MBA	21	12-01-2015	45	Infosys Ltd.

B. Names of other employees who are in receipt of aggregate remuneration not less than rupees one crore and two lakh during the financial year 2020-21:

Sl. No.	Name	Designation	Remuneration (₹)	Qualification	Experience (Years)	Date of commencement of employment	Age (Years)	Last employment
1	A.D. Kothari	General Manager (Projects TSK)	1,39,38,102	B.Tech.	29	01-07-1991	52	-
2	A.K. Bhatnagar	General Manager (Ores, Mines & Quarries)	1,29,48,449	B.Tech.	28	01-07-1992	51	-
3	A.K. Singh	Chief (Design & Enggineering Civil Structure & Logistics)	1,02,38,632	B.Sc. (Engg)	32	23-02-1989	57	-
4	Ajit Kar	Chief (Electrical Maintenance TSK)	1,15,42,603	B.Tech.	28	13-07-1992	52	-
5	Amit Kumar Chatterjee	Chief (Analytics Officer)	1,40,03,530	B.E.	33	27-07-1987	58	-
6	Amitava Baksi	Chief (Procurement Officer)	1,51,25,889	B.Sc. (Engg)	34	30-06-1986	57	-
7	Anurag Pandey	Executive-In-Charge (Global Wires-India)	1,04,81,236	B.E., XLRI (Mgmt)	27	01-07-1993	49	-
8	Anurag Saxena	Chief (Electrical Maintenance)	1,09,61,453	B.E., MBA	33	17-12-1999	54	National Fertilizers Ltd.
9	Atrayee Sarkar	Vice President (Human Resource Management)	1,55,99,075	B A, PGDBM	26	01-06-1998	50	Hindustan Lever Ltd.
10	Avneesh Gupta	Vice President (TQM & Engineering & Projects)	2,39,81,646	B.Tech, PGDBM	34	01-07-1986	57	-
11	Baidyanath Saha	Chief Construction Safety, E&P	1,17,06,472	B.E.	35	01-12-2012	57	Tata Power Company Ltd.
12	Ch. Ramesh Babu	Chief (Design & Engineering-Process)	1,44,62,320	B.E	36	24-12-2012	56	AEGIS Ltd.

Sl. No.	Name	Designation	Remuneration (₹)	Qualification	Experience (Years)	Date of commencement of employment	Age (Years)	Last employment
13	Chaewoong Lim	Coach Director (Tata Archery Academy)	1,42,70,427	-	1	06-12-2019	58	-
14	Chaitanya Bhanu	Principal Executive Officer	1,27,21,924	M.Tech., B.Tech	28	15-07-1992	50	-
15	Chanakya Chaudhary	Vice President (Corporate Services)	2,54,28,842	B.E.	32	16-12-1988	56	-
16	Debashish Bhattacharjee	Vice President (Technology & New Materials Business)	2,11,07,100	B.E., M.Tech., Ph.D	27	01-04-1996	55	University Of Cambridge
17	Dibyendu Bose	Vice President (Supply Chain)	2,48,25,828	B. Tech., PGDM	32	01-07-1988	59	Tisco Collieries
18	Dibyendu Dutta	Chief (Portfolio Mgmt. & FFI)	1,63,25,734	B.Com., F.C.A, ICWA	27	16-04-2009	54	Indian Hotels Co. Ltd.
19	Gopal Prasad Choudhary	Chief (Security & Brand Protection)	1,76,26,673	B A (Hons), LL.B	32	01-01-2013	57	Wipro Ltd.
20	Jayanta Banerjee	Chief (Information Officer)	2,37,13,717	B.Sc. (Hons) , MCA	27	15-01-2018	54	Tata Consultancy Services Ltd.
21	Karamveer Singh	General Manager Operations, TSK	1,07,88,496	B.Sc. (Engg)	30	01-10-1990	55	-
22	Manish Kumar Singh	Chief (Automation & IT Shikhar)	1,30,91,914	B.Sc. (Engg)	24	02-05-1996	54	Rashtriya Ispat Nigam Ltd.
23	Manish Mishra	General Manager West Bokaro	1,12,22,867	B.Tech., First Class Mine Manager Certificate	30	01-02-2006	52	-
24	Manish Sharma	Chief (Corporate Audit & Assurance) India & South East Asia	1,53,73,847	B.Tech., PGDM	29	25-08-1991	56	-
25	Meena Lall	Chief Legal Officer (Industrial & Litigation)	1,44,45,568	B.Sc., LL.B	31	10-01-1990	56	Practising Lawyer
26	Rajesh N	COMS (Automotive & Special Products)	1,23,34,370	B. Tech.	32	01-07-1988	55	-
27	Nirbhay Singh Salar	Chief Project Planning	1,13,18,365	B.E, M.Tech.	30	01-07-2013	54	CGPL (Tata Power)
28	P K Mishra	Chief ITS (IT Services)	1,02,91,438	B.E. (Mechanical),	33	12-10-1987	54	-
29	Peeyush Gupta	Vice President (Steel Marketing & Sales)	2,39,60,238	B.E., MBA	28	01-01-1993	52	-
30	Prabhat Kumar	Executive-In-Charge (IBMD)	1,35,83,030	B.Sc. (Engg)	30	01-10-1990	53	-
31	Prakash Singh	Chief (Capability Development)	1,27,55,963	B.E., XLRI (Mgmt)	27	01-07-1993	49	-
32	Prakhar Mishra	Chief Coke Plants	1,04,87,385	B.Tech.	36	01-07-1984	60	-
33	Probal Ghosh	Vice President (Shared Services)	1,62,44,247	B.E.	30	02-07-1990	53	-
34	Raghav Sud	Chief (Financial Strategy & Governance)	1,05,82,904	PGD (Management)	15	18-07-2005	39	Tata Services, Mumbai
35	Rajesh Chintak	Chief HRBP E&P and Shared Services TSJ	1,07,81,653	B.Sc. (Engg)	31	01-07-1989	53	-
36	Rajesh Kumar	Chief (Manufacturing, Flat Product)	1,28,73,661	B.Tech., PGDBM	33	01-07-1987	54	-
37	Rajiv Kumar Soni*	Executive-In-Charge (Global Wires-India)	1,25,35,078	B.Sc. (Engg), PGDBM	38	02-08-1982	60	-
38	Rajiv Mukerji	Vice President (Group Strategic Procurement)	2,16,02,338	B.A. (Hons)	34	11-09-1986	59	-
39	Ritu Raj Sinha	Chief (Corporate Administration)	1,11,99,878	B.Sc. (Engg), XLRI (Mgmt)	29	01-10-1990	53	-
40	Samita Shah	Group Head (Corp Finance & Risk Management)	1,91,91,366	B.A. (Hons), PGDM	28	18-10-2012	50	Axis Bank
41	Sanjay Chandra*	Chief (Research & Development)	97,69,996	B.Tech, Ph.D	37	08-08-1983	60	-
42	Sanjay Rajoria	General Manager Jharia	1,21,45,667	B.E.	32	01-07-1988	56	-
43	Sanjay S Sahni	COMS (Branded Products & Retail)	1,19,50,597	B.E., Diploma (Material Mgmt)	26	13-07-1994	48	Natesteel Iranian Pvt. Jt. Stock Co.
44	Sarajit Jha	Chief (BTDS & CP)	1,50,37,470	B.Sc. (Hons), PGDM	20	01-04-2015	45	-
45	Satish Kumar Tiwary	Chief (Mechanical Maintenance TSK)	1,10,65,974	B.E.	31	01-07-1989	55	-
46	Sharad Kumar	Chief (Power Systems & Energy)	1,09,93,871	B.E. PGDBM	34	01-07-1986	57	-
47	Sharat Chandra Kumar	General Manager (Design & Engineering)	1,16,52,775	B.Sc. (Engg)	35	01-07-1985	58	-

Sl. No.	Name	Designation	Remuneration (₹)	Qualification	Experience (Years)	Date of commencement of employment	Age (Years)	Last employment
48	Baran Sengupta*	Chief (Project Engineering)	71,27,279	B.Tech., M E, ICWA	36	18-11-2013	60	Ausenco Engineers Ltd.
49	Sudhakar Ramamoorthy Marur	Chief Technology Officer	1,21,41,759	P. HD	21	29-04-2019	58	Tata AutoComp Systems Ltd.
50	Sumit Shubhadarshan	Chief (F&A Engineering & Projects)	1,10,70,470	B.Sc., ICWA, CA , XLRI (Mgmt)	26	12-12-1994	51	-
51	T.V.Srinivas Shenoy	Chief (New Material Business)	1,02,33,310	B.E., MBA	28	01-07-1992	51	-
52	Ujjal Chakraborti	Executive-in-Charge (Tubes)	1,22,91,322	B.E.	30	02-07-1990	52	-
53	Unmesh Vasantrao Nerkar	Chief Commercial - Manufacturing	1,05,16,063	B.E.	33	15-04-2015	53	Essar Projects India Ltd.
54	V. Ravichandran	COMS (Industrial Products, Projects & Export)	1,09,20,236	Diploma Engineering	22	22-06-1998	59	-
55	Vijay Kumar Nirala	Chief (Mechanical Maintenance TSK)	1,06,71,259	B.E. (Mechanical), Diploma in Management	22	01-01-1999	51	-
56	Vinay V. Mahashabde	Chief (R&D Designate & Product Technology)	1,35,13,119	B.Tech.	34	01-07-1986	55	-
57	Zubin Palia	Chief Group HR & IR	1,04,04,464	B.Com., M.S. (Mgmt)	22	21-01-1999	45	-

Notes:

(1) Gross Remuneration comprises salary, allowances, monetary value of perquisites, commission to the Directors and the Company's contribution to Provident and Superannuation Funds but excludes contribution to Gratuity Fund on the basis of actuarial valuation as separate figures are not available.

(2) The nature of employement in all cases is contractual.

(3) None of the employees mentined above is a relative of any Director of the Company or Manager of the Company.

(4) *Indicates employed for the part of the financial year 2020-21.

On behalf of the Board of Directors

sd/-
N. CHANDRASEKARAN
Chairman
DIN:00121863

Mumbai
May 5, 2021

ANNEXURE 6

Form No. AOC-1

Statement containing salient features of the financial statements of the Subsidiaries / Joint Ventures / Associate Companies

Pursuant to Section 129(3) of the Companies Act, 2013

[Read with Rule 5 of the Companies (Accounts) Rules, 2014]

PART 'A'– Summary of Financial Information of Subsidiary Companies

SL No.	Name of the Company	Date since when subsidiary was acquired	Reporting currency	Exchange rate&	Share Capital&& (₹ crore)	Reserves & Surplus (₹ crore)	Total Assets (₹ crore)	Total Liabilities (₹ crore)	Total Investments (₹ crore)	Turnover (₹ crore)	Profit before Taxation (₹ crore)	Provision for Taxation (₹ crore)	Profit after Taxation (₹ crore)	Proposed Dividend (₹ crore)	Ownership (%)
1	ABJA Investment Co. Pte. Ltd.	April 12, 2013	USD	73.11	1.46	(134.69)	18,470.70	18,603.93	-	-	(94.20)	(15.05)	(79.14)	-	100.00
2	Adityapur Toll Bridge Company Limited	June 12, 2002	INR	1.00	46.78	6.10	57.37	4.48	-	5.66	1.80	0.02	1.78	-	88.50
3	Tata Steel Special Economic Zone Limited	October 11, 2006	INR	1.00	399.46	(36.38)	466.11	103.03	-	9.29	(6.68)	-	(6.68)	-	100.00
4	Indian Steel & Wire Products Ltd.	December 20, 2003	INR	1.00	5.99	117.58	193.24	69.67	-	283.84	16.30	4.31	11.98	-	95.01
5	Tata Steel Utilities and Infrastructure Services Limited	August 25, 2003	INR	1.00	24.35	169.62	880.61	686.65	46.72	946.29	47.53	13.05	34.48	4.87	100.00
6	Haldia Water Management Limited	December 6, 2008	INR	1.00	27.77	(78.45)	0.28	50.95	-	-	0.30	-	0.30	-	60.00
7	Kalimati Global Shared Services Limited	January 8, 2018	INR	1.00	4.00	5.08	13.77	4.69	-	40.67	4.94	1.27	3.68	-	100.00
8	Mohar Export Services Ltd.	April 30, 2015	INR	1.00	0.01	(0.05)	0.06	0.10	-	-	(0.00)	-	(0.00)	-	66.46
9	NatSteel Asia Pte. Ltd.	February 15, 2005	USD	73.11	1,257.22	(456.92)	5,799.97	4,999.66	4,587.77	-	374.48	0.02	374.47	-	100.00
10	TS Asia (Hong Kong) Ltd.	September 27, 2006	USD	73.11	8.34	188.30	303.37	106.73	-	909.15	2.96	0.49	2.47	-	100.00
11	Rujuvalika Investments Limited	April 30, 2015	INR	1.00	1.33	127.87	130.10	0.90	99.40	-	2.51	0.40	2.12	3.32	100.00
12	Tata Steel Mining Limited (Formerly known as T S Alloys Limited)	March 14, 2007	INR	1.00	485.07	469.87	1,914.68	959.73	16.26	535.15	14.04	3.14	10.90	-	100.00
13	Tata Korf Engineering Services Ltd.	October 30, 1985	INR	1.00	-	-	-	-	-	-	-	-	-	-	100.00
14	Tata Metaliks Ltd.	February 7, 2008	INR	1.00	31.58	1,268.48	1,861.81	561.75	0.01	1,916.67	305.81	86.00	219.81	12.63	60.03
15	Tata Steel Long Products Limited	August 28, 2012	INR	1.00	45.10	2,548.79	5,908.47	3,314.58	20.66	4,749.87	614.83	42.86	571.97	22.55	74.91
16	TSIL Energy Limited	November 20, 2012	INR	1.00	1.06	0.24	1.31	0.01	1.28	-	0.04	0.00	0.04	-	100.00
17	T Steel Holdings Pte. Ltd.	July 5, 2006	GBP	100.68	83,468.92	(61,021.56)	31,252.91	8,805.54	22,446.11	-	(0.20)	-	(0.20)	-	100.00
18	T S Global Holdings Pte. Ltd.	July 4, 2008	GBP	100.68	82,665.64	(58,060.66)	52,217.13	27,612.15	42,799.82	0.91	1,042.75	68.30	974.45	-	100.00
19	T S Global Minerals Holdings Pte. Ltd.@	August 1, 2008	USD	73.11	-	-	-	-	-	-	-	-	-	-	100.00
20	Orchid Netherlands (No.1) B.V.	March 20, 2009	EUR	85.77	0.15	0.25	7.34	6.93	-	-	(0.45)	-	(0.45)	-	100.00
21	NatSteel Holdings Pte. Ltd.	May 23, 2008	SGD	54.38	1,087.68	(1,236.81)	1,914.50	2,063.63	519.18	2,771.15	(14.93)	(6.29)	(8.64)	-	100.00
22	Easteel Services (M) Sdn. Bhd.	February 15, 2005	MYR	17.66	35.32	7.56	143.27	100.39	-	364.57	4.50	1.08	3.42	-	100.00
23	Eastern Steel Fabricators Philippines, Inc.	February 15, 2005	SGD	54.38	23.62	(70.39)	13.48	60.26	-	-	-	-	-	-	67.00
24	NatSteel Recycling Pte. Ltd.	February 15, 2005	SGD	54.38	54.38	192.89	317.24	69.98	-	1,101.58	(0.65)	(0.49)	(0.16)	-	100.00
25	NatSteel Trade International Pte. Ltd.	February 15, 2005	USD	73.11	10.53	6.08	16.77	0.16	-	-	(0.04)	-	(0.04)	-	100.00
26	The Siam Industrial Wire Company Ltd.	February 15, 2005	THB	2.34	107.56	1,260.46	1,541.51	173.49	44.43	1,337.08	63.26	10.19	53.08	15.90	100.00
27	TSN Wires Co., Ltd.	April 5, 2012	THB	2.34	163.67	(140.43)	198.60	175.36	-	227.88	1.41	-	1.41	-	60.00
28	Tata Steel Europe Limited	April 2, 2007	GBP	100.68	88,816.62	(50,745.34)	42,069.64	3,998.36	37,914.65	-	(122.40)	-	(122.40)	-	100.00
29	Apollo Metals Limited	April 2, 2007	USD	73.11	0.00	191.64	227.89	36.25	-	197.94	37.16	3.78	33.38	-	100.00
30	British Steel Corporation Limited	April 2, 2007	GBP	100.68	0.00	397.59	397.59	-	-	-	-	-	-	-	100.00
31	British Steel Directors (Nominees) Limited	April 2, 2007	GBP	100.68	0.00	-	0.00	-	-	-	-	-	-	-	100.00
32	British Steel Nederland International B.V.	April 2, 2007	EUR	85.77	0.16	298.75	642.32	343.41	347.06	-	64.32	(3.98)	68.30	-	100.00

SL No.	Name of the Company	Date since when subsidiary was acquired	Reporting currency	Exchange rate$	Share Capital&& (₹ crore)	Reserves & Surplus (₹ crore)	Total Assets (₹ crore)	Total Liabilities (₹ crore)	Total Investments (₹ crore)	Turnover (₹ crore)	Profit before Taxation (₹ crore)	Provision for Taxation (₹ crore)	Profit after Taxation (₹ crore)	Proposed Dividend (₹ crore)	Ownership (%)
33	C V Benine**	April 2, 2007	EUR	85.77	18.59	(0.02)	94.66	76.09	-	-	-	-	-	-	76.92
34	Catnic GmbH	April 2, 2007	EUR	85.77	0.22	66.81	92.19	25.16	-	191.63	9.63	3.82	5.80	-	100.00
35	Catnic Limited	April 2, 2007	GBP	100.68	2.26	(2.88)	0.19	0.81	0.19	-	-	-	-	-	100.00
36	Tata Steel International Mexico SA de CV	April 2, 2007	USD	73.11	0.03	1.13	1.31	0.15	-	-	0.16	-	0.16	-	100.00
37	Cogent Power Inc*	April 2, 2007	USD	73.11	2.19	(1.86)	0.33	-	-	-	1.27	-	1.27	-	100.00
38	Cogent Power Limited	April 2, 2007	GBP	100.68	429.57	(144.99)	593.66	309.08	178.95	-	19.18	-	19.18	-	100.00
39	Corbeil Les Rives SCI**	April 2, 2007	EUR	85.77	5.51	5.03	10.57	0.03	-	-	-	-	-	-	67.30
40	Corby (Northants) & District Water Company Limited	April 2, 2007	GBP	100.68	2.62	3.53	8.92	2.77	-	4.17	(0.00)	-	(0.00)	-	100.00
41	Corus CNBV Investments	April 2, 2007	GBP	100.68	0.00	-	0.00	-	-	-	-	-	-	-	100.00
42	Corus Engineering Steels (UK) Limited	April 2, 2007	GBP	100.68	0.00	-	0.00	-	-	-	-	-	-	-	100.00
43	Corus Engineering Steels Limited	April 2, 2007	GBP	100.68	0.00	-	0.00	-	-	-	-	-	-	-	100.00
44	Corus Group Limited	April 2, 2007	GBP	100.68	56,397.94	(54,268.03)	4,386.72	2,256.81	4,288.98	-	(81.95)	-	(81.95)	-	100.00
45	Corus Holdings Limited	April 2, 2007	GBP	100.68	2.52	3.30	2.12	(3.69)	-	-	-	-	-	-	100.00
46	Corus International (Overseas Holdings) Limited	April 2, 2007	GBP	100.68	1,421.65	5,275.67	6,706.93	9.61	1,867.54	-	84.18	-	84.18	-	100.00
47	Corus International Limited	April 2, 2007	GBP	100.68	4,936.97	(1,857.81)	3,019.46	(59.70)	3,003.40	-	11.00	-	11.00	-	100.00
48	Corus International Romania SRL.**	April 2, 2007	RON	17.47	0.01	2.55	2.71	0.16	-	-	1.19	0.03	1.16	-	100.00
49	Corus Investments Limited	April 2, 2007	GBP	100.68	221.49	6.85	228.35	-	-	-	-	-	-	-	100.00
50	Corus Ireland Limited	April 2, 2007	EUR	85.77	0.00	1.52	2.21	0.68	-	-	2.43	0.27	2.15	9.81	100.00
51	Corus Liaison Services (India) Limited	April 2, 2007	GBP	100.68	0.00	(24.07)	1.80	25.87	-	-	-	-	-	-	100.00
52	Corus Management Limited	April 2, 2007	GBP	100.68	0.00	407.12	1,366.59	959.46	448.99	-	-	-	-	-	100.00
53	Corus Property	April 2, 2007	GBP	100.68	0.00	-	0.01	0.01	-	-	-	-	-	-	100.00
54	Corus UK Healthcare Trustee Limited	March 31, 2009	GBP	100.68	0.00	-	0.00	-	-	-	-	-	-	-	100.00
55	Crucible Insurance Company Limited	April 2, 2007	GBP	100.68	5.03	282.82	350.16	62.31	-	-	2.38	-	2.38	-	100.00
56	Degels GmbH	April 2, 2007	EUR	85.77	0.69	16.69	52.86	35.48	-	0.18	8.48	(16.50)	24.98	-	100.00
57	Demka B.V.	April 2, 2007	EUR	85.77	52.78	22.33	75.10	-	-	-	(0.00)	(0.00)	(0.00)	-	100.00
58	00026466 Limited (Formerly known as Firsteel Group Limited)	April 2, 2007	GBP	100.68	63.43	(62.47)	0.96	-	-	-	0.96	-	0.96	-	100.00
59	Fischer Profil GmbH	April 2, 2007	EUR	85.77	87.71	(59.08)	369.38	340.75	-	837.90	12.54	2.24	10.30	-	100.00
60	Gamble Simms Metals Limited	April 2, 2007	EUR	85.77	5.45	(5.45)	-	-	-	-	-	-	-	-	100.00
61	H E Samson Limited	April 2, 2007	GBP	100.68	0.00	-	0.00	-	-	-	-	-	-	-	100.00
62	Hadfields Holdings Limited	April 2, 2007	GBP	100.68	1.01	(13.59)	-	12.59	-	-	-	-	-	-	62.50
63	Halmstad Steel Service Centre AB	March 31, 2015	SEK	8.39	0.04	95.19	283.90	188.67	-	453.62	16.16	(0.14)	16.30	-	100.00
64	Hille & Muller GmbH	April 2, 2007	EUR	85.77	43.90	120.98	532.43	367.55	-	656.07	6.74	(1.86)	8.60	-	100.00
65	Hille & Muller USA Inc.	April 2, 2007	USD	73.11	0.03	99.72	114.85	15.10	86.07	17.34	1.80	0.43	1.37	-	100.00
66	Hoogovens USA Inc.	April 2, 2007	USD	73.11	444.82	127.43	669.75	97.50	470.40	-	(0.46)	(9.69)	9.22	-	100.00
67	Huizenbezit "Breesaap" B.V.	April 2, 2007	EUR	85.77	0.39	(9.36)	0.24	9.21	-	-	0.07	0.02	0.05	-	100.00
68	Inter Metal Distribution SAS	April 2, 2007	EUR	85.77	0.65	48.36	121.25	72.23	-	407.34	9.47	2.43	7.04	8.58	100.00
69	Layde Steel S.L.	April 2, 2007	EUR	85.77	42.89	74.94	578.51	460.69	-	977.73	6.80	-	6.80	-	100.00
70	London Works Steel Company Limited	April 2, 2007	GBP	100.68	0.00	(103.76)	56.38	160.14	-	-	-	-	-	-	100.00
71	Montana Bausysteme AG	April 2, 2007	CHF	77.69	31.08	62.68	207.88	114.12	-	398.59	10.94	1.59	9.35	12.43	100.00
72	Naantali Steel Service Centre OY	March 31, 2015	EUR	85.77	0.02	27.94	173.12	145.15	-	309.98	8.04	-	8.04	-	100.00
73	Norsk Stal Tynnplater AS	March 31, 2015	NOK	8.57	22.72	16.67	140.93	101.53	-	371.42	1.87	(3.42)	5.28	0.00$$	100.00

SL No.	Name of the Company	Date since when subsidiary was acquired	Reporting currency	Exchange rate[&]	Share Capital[&&] (₹ crore)	Reserves & Surplus (₹ crore)	Total Assets (₹ crore)	Total Liabilities (₹ crore)	Total Investments (₹ crore)	Turnover (₹ crore)	Profit before Taxation (₹ crore)	Provision for Taxation (₹ crore)	Profit after Taxation (₹ crore)	Proposed Dividend (₹ crore)	Ownership (%)
74	Norsk Stal Tynnplater AB	March 31, 2015	NOK	8.57	0.42	24.79	64.22	39.00	-	313.75	3.41	-	3.41	-	100.00
75	Orb Electrical Steels Limited	April 2, 2007	GBP	100.68	0.00	(0.00)	-	(0.00)	-	-	-	-	-	-	100.00
76	Oremco Inc.	April 2, 2007	USD	73.11	0.73	(0.73)	-	-	-	-	15.43	0.00	15.43	-	100.00
77	Rafferty-Brown Steel Co Inc Of Conn.	April 2, 2007	USD	73.11	23.15	2.13	25.72	0.44	-	-	(4.08)	-	(4.08)	-	100.00
78	S A B Profiel B.V.	April 2, 2007	EUR	85.77	1.16	319.38	601.73	281.19	140.76	790.99	5.77	(2.52)	8.29	-	100.00
79	S A B Profil GmbH	April 2, 2007	EUR	85.77	0.26	145.05	192.70	47.39	-	274.11	(0.53)	-	(0.53)	-	100.00
80	Service Centre Gelsenkirchen GmbH	April 2, 2007	EUR	85.77	157.91	36.03	488.67	294.73	0.66	861.41	9.36	5.17	4.20	-	100.00
81	Service Centre Maastricht B.V.	April 2, 2007	EUR	85.77	0.46	156.05	718.12	561.61	-	1,706.30	9.99	(2.87)	12.85	-	100.00
82	Societe Europeenne De Galvanisation (Segal) Sa	April 2, 2007	EUR	85.77	107.22	160.52	397.92	130.19	-	486.76	15.88	3.88	12.00	-	100.00
83	Staalverwerking en Handel B.V.	April 2, 2007	EUR	85.77	385.98	782.19	2,015.36	847.19	2,008.98	-	(6.21)	(1.55)	(4.65)	-	100.00
84	Surahammar Bruks AB	April 2, 2007	SEK	8.39	18.12	6.95	251.33	226.25	-	317.10	(51.96)	-	(51.96)	-	100.00
85	Swinden Housing Association Limited	April 2, 2007	GBP	100.68	0.00	13.80	14.42	0.62	-	-	0.27	-	0.27	-	100.00
86	Tata Steel Belgium Packaging Steels N.V.	April 2, 2007	EUR	85.77	132.38	32.23	199.35	34.74	0.68	106.94	8.99	(12.28)	21.27	28.07	100.00
87	Tata Steel Belgium Services N.V.	April 2, 2007	EUR	85.77	144.50	86.37	655.51	424.64	32.51	-	4.32	1.24	3.08	-	100.00
88	Tata Steel France Batiment et Systemes SAS	April 2, 2007	EUR	85.77	34.31	(298.55)	289.98	554.22	0.43	445.20	(83.30)	-	(83.30)	-	100.00
89	Tata Steel France Holdings SAS	April 2, 2007	EUR	85.77	42.89	912.61	1,673.23	717.73	1,178.49	-	(10.34)	(11.65)	1.31	-	100.00
90	Tata Steel Germany GmbH	April 2, 2007	EUR	85.77	1,391.78	(936.86)	1,197.28	742.36	851.56	-	(154.25)	(9.70)	(144.55)	-	100.00
91	Tata Steel IJmuiden BV	April 2, 2007	EUR	85.77	964.96	19,962.97	33,143.28	12,215.35	509.96	31,053.24	(1,775.85)	(529.57)	(1,246.28)	-	100.00
92	Tata Steel International (Americas) Holdings Inc	April 2, 2007	USD	73.11	4,290.44	(4,875.43)	(584.97)	0.02	322.57	-	27.12	16.80	10.33	-	100.00
93	Tata Steel International (Americas) Inc	April 2, 2007	USD	73.11	65.08	879.67	1,062.25	117.50	-	248.85	29.80	14.10	15.69	-	100.00
94	Tata Steel International (Czech Republic) S.R.O	April 2, 2007	CZK	3.29	0.39	14.83	15.95	0.72	-	-	10.51	1.94	8.57	3.76	100.00
95	Tata Steel International (France) SAS	April 2, 2007	EUR	85.77	1.72	52.64	60.07	5.72	-	-	6.78	1.90	4.88	-	100.00
96	Tata Steel International (Germany) GmbH	April 2, 2007	EUR	85.77	7.46	(3.57)	86.51	82.62	-	-	3.46	1.07	2.39	-	100.00
97	Tata Steel International (South America) Representações LTDA	April 2, 2007	USD	73.11	1.57	0.39	2.23	0.26	-	-	0.19	(0.06)	0.25	-	100.00
98	Tata Steel International (Italia) SRL	April 2, 2007	EUR	85.77	64.76	(39.22)	31.57	6.04	-	-	12.30	3.53	8.77	-	100.00
99	Tata Steel International (Middle East) FZE	April 2, 2007	AED	19.92	89.65	7.81	128.70	31.24	-	43.12	1.69	-	1.69	5.18	100.00
100	Tata Steel International (Nigeria) Ltd.	June 10, 2008	NGN	0.19	-	-	-	-	-	-	-	-	-	-	100.00
101	Tata Steel International (Poland) sp Zoo	April 2, 2007	PLZ	18.54	16.33	0.85	17.81	0.63	-	-	6.85	1.50	5.35	-	100.00
102	Tata Steel International (Sweden) AB	April 2, 2007	SEK	8.39	0.08	62.42	68.51	6.01	-	-	35.09	7.52	27.57	-	100.00
103	Tata Steel International (India) Limited	April 2, 2007	INR	1.00	6.39	26.27	39.25	6.59	-	14.47	1.19	2.61	(1.42)	14.38	100.00
104	Tata Steel International Iberica SA	April 2, 2007	EUR	85.77	1.29	31.32	42.35	9.74	-	-	41.70	12.45	29.25	35.83	100.00
105	Tata Steel Istanbul Metal Sanayi ve Ticaret AS	April 2, 2007	USD	73.11	180.77	(134.45)	229.79	183.46	-	389.13	(10.31)	-	(10.31)	-	100.00
106	Tata Steel Maubeuge SAS	April 2, 2007	EUR	85.77	64.33	155.18	1,180.50	960.99	13.00	2,920.50	120.37	11.18	109.20	-	100.00
107	Tata Steel Nederland BV	April 2, 2007	EUR	85.77	3,324.67	10,350.31	17,422.76	3,747.78	13,943.37	-	344.74	(8.02)	352.75	-	100.00
108	Tata Steel Nederland Consulting & Technical Services BV	April 2, 2007	EUR	85.77	77.20	(51.44)	32.60	6.84	-	-	(0.05)	(0.01)	(0.04)	-	100.00
109	Tata Steel Nederland Services BV	April 2, 2007	EUR	85.77	3.65	30.07	378.20	344.48	-	-	(167.61)	(41.40)	(126.21)	-	100.00
110	Tata Steel Nederland Technology BV	April 2, 2007	EUR	85.77	0.00	646.94	825.54	178.60	14.30	-	39.77	(1.74)	41.51	-	100.00
111	Tata Steel Nederland Tubes BV	April 2, 2007	EUR	85.77	1,080.75	(917.56)	619.01	455.82	-	1,462.81	(262.39)	(67.09)	(195.30)	-	100.00
112	Tata Steel Netherlands Holdings B.V.	April 2, 2007	EUR	85.77	43,607.84	(16,391.14)	42,988.49	15,771.79	41,924.92	-	(614.67)	398.98	(1,013.65)	-	100.00
113	Tata Steel Norway Byggsystemer A/S	April 2, 2007	NOK	8.57	1.05	68.02	160.16	91.09	-	238.74	12.46	2.97	9.49	-	100.00
114	Tata Steel UK Consulting Limited	April 2, 2007	GBP	100.68	17.47	(23.97)	0.10	6.60	-	-	0.02	-	0.02	-	100.00
115	Tata Steel UK Holdings Limited	April 2, 2007	GBP	100.68	1,00,358.68	(66,367.01)	39,296.52	5,304.85	39,250.88	-	78.00	-	78.00	-	100.00

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116	Tata Steel UK Limited	April 2, 2007	GBP	100.68	22,567.85	(16,286.80)	35,722.26	29,441.21	2,667.31	19,897.63	(3,276.16)	1,888.35	(5,164.50)	-	100.00
117	Tata Steel USA Inc.	April 2, 2007	USD	73.11	1.02	58.60	75.56	15.94	5.40	-	0.73	-	0.73	-	100.00
118	The Newport And South Wales Tube Company Limited	April 2, 2007	GBP	100.68	0.01	0.34	5.70	5.35	0.00	-	-	-	-	-	100.00
119	Thomas Processing Company	April 2, 2007	USD	73.11	-	158.92	174.27	15.35	-	26.73	0.80	-	0.80	-	100.00
120	Thomas Steel Strip Corp.	April 2, 2007	USD	73.11	58.48	(246.94)	445.29	633.74	27.77	726.73	22.93	(38.35)	61.29	-	100.00
121	TS South Africa Sales Office Proprietary Limited	August 31, 2015	ZAR	4.94	-	8.67	8.88	0.21	-	-	6.39	1.43	4.96	-	100.00
122	Tulip UK Holdings (No.2) Limited	April 2, 2007	GBP	100.68	1,00,417.65	(61,177.02)	39,241.04	0.41	39,241.04	-	-	-	-	-	100.00
123	Tulip UK Holdings (No.3) Limited	April 2, 2007	GBP	100.68	1,00,421.38	(61,060.61)	39,367.34	6.57	39,241.04	-	(0.15)	-	(0.15)	-	100.00
124	UK Steel Enterprise Limited	April 2, 2007	GBP	100.68	100.68	84.85	204.67	19.14	53.15	30.98	13.24	-	13.24	-	100.00
125	Tata Steel Europe Distribution BV[@]	April 2, 2007	EUR	85.77	-	-	-	-	-	-	-	-	-	-	100.00
126	CBS Investissements SAS[@]	April 2, 2007	EUR	85.77	-	-	-	-	-	-	-	-	-	-	100.00
127	British Steel Trading Limited	January 23, 2019	GBP	100.68	151.27	(436.70)	85.12	370.55	-	-	-	-	-	-	100.00
128	Unitol SAS	April 2, 2007	EUR	85.77	51.46	(73.05)	441.90	463.49	1.42	1,097.46	(16.86)	-	(16.86)	-	100.00
129	Al Rimal Mining LLC	February 25, 2008	OMR	189.76	18.98	(12.15)	10.10	3.27	-	-	(0.07)	-	(0.07)	-	70.00
130	TSMUK Limited	September 23, 2010	USD	73.11	4,378.59	(412.43)	8,715.47	4,749.31	7,259.20	-	(0.15)	-	(0.15)	-	100.00
131	T S Canada Capital Ltd.	December 31, 2012	USD	73.11	0.00	32.15	34.30	2.15	-	-	0.54	-	0.54	-	100.00
132	Tata Steel Minerals Canada Limited	December 31, 2010	USD	73.11	6,419.52	(5,713.19)	6,820.71	6,114.38	-	790.16	(1,487.93)	-	(1,487.93)	-	82.00
133	Tata Steel (Thailand) Public Company Limited	April 4, 2006	THB	2.34	1,969.12	1,175.33	3,198.59	54.13	-	91.83	10.86	5.22	5.64	-	67.90
134	Tata Steel Manufacturing (Thailand) Public Company Limited (formerly N.T.S Steel Group Public Limited Company)	April 4, 2006	THB	2.34	1,082.11	(559.72)	2,832.79	2,310.39	-	5,240.70	100.55	(3.21)	103.77	-	99.76
135	The Siam Construction Steel Company Limited*	April 4, 2006	THB	2.34	409.19	445.87	855.05	-	-	1,437.74	31.59	7.78	23.81	-	0.00
136	The Siam Iron and Steel (2001) Company Limited*	April 4, 2006	THB	2.34	28.06	569.21	597.27	-	-	874.65	20.65	4.17	16.48	-	0.00
137	T S Global Procurement Company Pte. Ltd.	April 23, 2010	USD	73.11	728.38	2,790.12	15,475.09	11,956.58	8.84	27,995.67	233.06	57.48	175.58	-	100.00
138	ProCo Issuer Pte. Ltd.@	September 8, 2010	GBP	100.68	-	-	-	-	-	-	-	-	-	-	100.00
139	Tata Steel International (Singapore) Holdings Pte. Ltd.@	January 25, 2008	USD	73.11	-	-	-	-	-	-	-	-	-	-	100.00
140	Tata Steel International (Asia) Limited	January 25, 2008	HKD	9.41	0.00	2.89	4.76	1.87	-	6.32	1.41	0.23	1.18	-	100.00
141	Tata Steel International (Shanghai) Ltd.	January 25, 2008	CNY	11.17	5.45	0.39	5.96	0.11	-	4.43	(2.87)	(0.01)	(2.86)	-	100.00
142	Tata Steel Odisha Limited	June 22, 2012	INR	1.00	2.57	(2.61)	0.01	0.06	-	-	(0.01)	-	(0.01)	-	100.00
143	Tata Steel Downstream Products Limited	July 14, 2009	INR	1.00	242.33	2,822.34	4,009.89	945.23	2,245.61	3,620.38	96.55	15.65	80.90	-	100.00
144	Tayo Rolls Limited~	December 1, 2008	INR	1.00	-	-	-	-	-	-	-	-	-	-	54.91
145	The Tata Pigments Limited	May 18, 1985	INR	1.00	0.75	61.79	100.29	37.75	15.02	120.14	6.85	1.75	5.10	0.75	100.00
146	The Tinplate Company of India Limited	April 1, 2011	INR	1.00	104.80	741.30	1,355.69	509.59	72.19	2,297.14	131.91	33.76	98.15	20.96	74.96
147	Tata Steel Foundation	August 16, 2016	INR	1.00	1.00	4.39	29.54	24.15	-	108.83	3.51	-	3.51	-	100.00
148	Jamshedpur Football and Sporting Private Limited	July 7, 2017	INR	1.00	40.80	(16.62)	29.99	5.81	-	41.34	0.92	0.01	0.91	-	100.00
149	Bhubaneshwar Power Private Limited	August 6, 2008	INR	1.00	253.25	70.50	876.44	552.69	-	488.99	27.73	8.02	19.71	-	100.00
150	Bamnipal Steel Limited[$]	January 19, 2018	INR	1.00	258.90	(14.25)	244.67	0.02	159.61	-	0.37	0.05	0.31	-	100.00
151	Tata Steel BSL Limited[$]	May 18, 2018	INR	1.00	218.69	19,906.97	37,047.50	16,921.84	704.41	21,418.63	2,465.99	-	2,465.99	-	72.65
152	Angul Energy Limited	May 18, 2018	INR	1.00	10.00	821.75	1,132.44	300.68	0.65	148.12	14.13	-	14.13	-	99.99

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153	Bhushan Steel (Orissa) Ltd.	May 18, 2018	INR	1.00	0.05	0.79	19.47	18.62	-	56.00	3.07	0.33	2.75	-	100.00
154	Bhushan Steel (South) Ltd.	May 18, 2018	INR	1.00	1.30	(1.09)	1.25	1.04	0.00	-	(0.03)	-	(0.03)	-	100.00
155	Bhushan Steel (Madhya Bharat) Ltd.	May 18, 2018	INR	1.00	0.05	1.88	44.66	42.74	-	128.71	5.08	0.78	4.30	-	100.00
156	Bhushan Steel (Australia) Pty. Ltd.	May 18, 2018	AUD	55.70	290.04	(283.65)	14.80	8.41	-	-	(1.19)	-	(1.19)	-	90.97
157	Bowen Energy Pty. Ltd.	May 18, 2018	AUD	55.70	112.86	(138.90)	0.13	26.17	-	-	(0.00)	-	(0.00)	-	100.00
158	Bowen Coal Pty. Ltd.	May 18, 2018	AUD	55.70	0.00	-	0.00	-	-	-	-	-	-	-	100.00
159	Bowen Consolidated Pty. Ltd.	May 18, 2018	AUD	55.70	0.00	-	0.00	-	-	-	-	-	-	-	100.00
160	Creative Port Development Private Limited	September 18, 2018	INR	1.00	0.25	(8.25)	26.19	34.18	5.69	-	(2.25)	-	(2.25)	-	51.00
161	Subarnarekha Port Private Limited	September 18, 2018	INR	1.00	6.02	35.83	106.14	64.30	-	-	(0.10)	(1.31)	1.22	-	50.41

Notes:

& Closing exchange rate as on March 31, 2021 has been considered for calculation

&& Includes share application money

* Subsidiaries under liquidation

** Reporting period for Subsidiary companies at Sl. 33, 39 and 48 is December 2020

$ Subsidiaries under amalgamation

$$ Represents value less than ₹1 lakh

@ Subsidiaries merged

~ Not considered for consolidation as the subsidiary is undergoing Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016.

a) Name of the subsidiaries which have been liquidated / sold / merged during the year:

1. Tata Steel Europe Distribution BV
2. ProCo Issuer Pte. Ltd.
3. CBS Investissements SAS
4. Tata Steel International (Singapore) Holdings Pte. Ltd.
5. T S Global Minerals Holdings Pte. Ltd.
6. British Steel Trading Limited

b) Name of the subsidiaries liquidated with no assets, liabilities and transactions during the year:

1. Tata Steel Europe Metals Trading BV
2. Tata Steel International (Denmark) A/S
3. Corus Tubes Poland Spolka Z.O.O
4. Tata Steel International (Schweiz) AG
5. Tata Steel (KZN) (Pty) Ltd.

c) Name of the subsidiaries under liquidation / strike-off with no assets, liabilities and transactions during the year:

1. Bell & Harwood Limited
2. Blastmega Limited
3. Bore Samson Group Limited
4. Bore Steel Limited
5. British Guide Rails Limited
6. British Steel Engineering Steels (Exports) Limited
7. British Steel Service Centres Limited
8. C Walker & Sons Limited
9. Color Steels Limited
10. Cordor (C& B) Limited
11. Corus Cold Drawn Tubes Limited
12. Corus Engineering Steels Holdings Limited
13. Corus Engineering Steels Overseas Holdings Limited
14. Corus Engineering Steels Pension Scheme Trustee Limited
15. Corus Large Diameter Pipes Limited
16. Corus Service Centre Limited
17. DSRM Group Limited
18. Europressings Limited
19. 02727547 Limited (Formerly known as Firsteel Holdings Limited)
20. Grant Lyon Eagre Limited
21. Hammermega Limited
22. Lister Tubes Limited

23. Nationwide Steelstock Limited
24. Ore Carriers Limited
25. Plated Strip (International) Limited
26. Precoat International Limited
27. Precoat Limited
28. Round Oak Steelworks Limited
29. Runblast Limited
30. Runmega Limited
31. Seamless Tubes Limited
32. Steel StockHoldings Limited
33. Steelstock Limited
34. Stewarts & Lloyds Of Ireland Limited
35. Stewarts And Lloyds (Overseas) Limited
36. Tata Steel Denmark Byggsystemer A/S
37. Tata Steel Sweden Byggsystem AB
38. The Stanton Housing Company Limited
39. The Templeborough Rolling Mills Limited
40. Toronto Industrial Fabrications Limited
41. U.E.S. Bright Bar Limited
42. UKSE Fund Managers Limited
43. Walker Manufacturing And Investments Limited
44. Walkersteelstock Ireland Limited
45. Walkersteelstock Limited
46. Westwood Steel Services Limited
47. Whitehead (Narrow Strip) Limited
48. Sakchi Steel Limited
49. Jugsalai Steel Limited
50. Noamundi Steel Limited
51. Straight Mile Steel Limited
52. Bistupur Steel Limited
53. Jamadoba Steel Limited
54. Dimna Steel Limited

d) Subsidiaries yet to commence operations:

1. Subarnarekha Port Private Limited
2. TSIL Energy Limited
3. Bhushan Steel (South) Ltd.
4. Bhushan Steel (Australia) Pty. Ltd.
5. Bowen Energy Pty. Ltd.
6. Bowen Coal Pty. Ltd.
7. Bowen Consolidated Pty. Ltd.

e) The Company is continuing with its focus on simplifying the corporate structure which saw a significant number of entities enter into voluntary liquidation in the previous and current year. There remains an objective to simplify the structure further by dissolving additional entities which are either dormant or have ceased to have business operations.

PART 'B'– Joint Ventures and Associates

SL No.	Name of the Company	Latest audited balance sheet date	Date on which the Associate or Joint Venture was associated or acquired	Reporting currency*	No. of shares held by the Company in associate / joint venture on the year end	Amount of Investment in associate / joint venture (₹ crore)	Extend of holding (%)	Description of how there is significant influence	Reason why the associate / joint venture is not consolidated	Net worth attributable to shareholding as per latest balance sheet (₹ crore)	Share of profit / loss for the year (₹ crore)	
											Considered in consolidation	Not considered in consolidation
A	**Joint Ventures**											
1	Himalaya Steel Mills Services Private Limited	March 31	September 15, 2010	INR	36,19,945	3.62	26.00	1		6.46	1.66	4.72
2	mjunction services limited	March 31	February 1, 2001	INR	40,00,000	4.00	50.00	1		163.12	18.41	18.41
3	S & T Mining Company Private Limited	March 31	September 18, 2008	INR	1,81,41,400	18.14	50.00	1		(0.63)	(0.42)	(0.42)
4	Tata NYK Shipping Pte. Ltd.	March 31	March 19, 2007	USD	6,51,67,500	350.14	50.00	1		112.88	7.68	7.68
5	Tata NYK Shipping (India) Ltd.	March 31	April 1, 2015	INR	12,50,000	0.13	100.00	5		2.63	0.14	0.14
6	T M Mining Company Limited		December 22, 2010	INR	2,29,116	0.23	74.00	4	$	-	-	-
7	TM International Logistics Limited	March 31	January 18, 2002	INR	91,80,000	9.18	51.00	4		222.03	18.16	17.45
8	International Shipping and Logistics FZE	March 31	February 1, 2004	USD	1	1.24	100.00	5		271.21	12.29	11.81
9	TKM Global China Ltd.	March 31	June 25, 2008	CNY	1	4.39	100.00	5		4.56	(0.13)	(0.12)
10	TKM Global GmbH	March 31	March 1, 2005	EUR	100	1.11	100.00	5		195.44	3.74	3.59
11	TKM Global Logistics Limited	March 31	January 18, 2002	INR	36,00,000	5.16	100.00	5		29.21	0.11	0.10
12	Industrial Energy Limited	March 31	February 23, 2007	INR	17,31,60,000	173.16	26.00	1		246.17	29.02	82.60
13	Jamipol Ltd.	March 31	April 24, 1995	INR	44,75,000	9.18	39.78	1		68.48	10.12	15.32
14	Nicco Jubilee Park Limited		May, 2001	INR	3,40,000	-	25.31	1	&	-	-	-
15	Medica TS Hospital Ltd.	March 31	August 5, 2014	INR	2,60,000	0.26	26.00	1		-	-	-
16	SEZ Adityapur Limited		October 30, 2006	INR	25,497	0.03	51.00	5	$	-	-	-
17	Naba Diganta Water Management Limited	March 31	January 9, 2008	INR	1,36,53,000	13.65	74.00	5		26.21	3.23	1.14
18	Air Products Llanwern Limited	September 30	April 2, 2007	GBP	50,000	0.50	50.00	2		12.75	4.51	4.51
19	Laura Metaal Holding B.V.	December 31	April 2, 2007	EUR	2,744	10.68	49.00	2		150.41	0.03	0.03
20	Ravenscraig Limited	December 31	April 2, 2007	GBP	100	0.00$$	33.33	2		(76.22)	-	1.87
21	Tata Steel Ticaret AS	December 31	April 2, 2007	TRY	80,000	0.07	50.00	2		6.33	5.66	5.66
22	Texturing Technology Limited	March 31	April 2, 2007	GBP	10,00,000	10.07	50.00	2		23.60	4.32	4.32
23	Hoogovens Court Roll Service Technologies VOF##	March 31	April 2, 2007	EUR	No shares since it is a partnership by agreement only	11.65	50.00	2		18.18	1.74	1.74
24	Minas De Benga (Mauritius) Limited	December 31	November 30, 2007	USD	27,77,69,593	2,596.31	35.00	2		(1,397.36)	(188.99)	(350.98)
25	Andal East Coal Company Ltd.		May 18, 2018	INR	3,30,000	1.46	33.89	1	**	-	-	-
26	Tata BlueScope Steel Private Limited	March 31	February 9, 2005	INR	43,30,00,000	433.00	50.00	1		580.76	110.80	110.80
27	BlueScope Lysaght Lanka Pvt. Ltd.	March 31	April 1, 2015	LKR	1,06,35,000	3.90	100.00	5		19.49	2.43	2.43
28	Jamshedpur Continuous Annealing & Processing Company Private Limited	March 31	August 17, 2012	INR	73,03,20,000	730.32	51.00	4		574.73	105.14	101.02
B	**Associates**									-	-	-
1	Kalinga Aquatics Ltd.	-		INR	10,49,920	-	30.00	1		-	-	-
2	Kumardhubi Fireclay & Silica Works Ltd.	-		INR	1,50,001	-	27.78	1	**	-	-	-
3	Kumardhubi Metal Casting and Engineering Limited	-		INR	10,70,000	-	49.31	1	**	-	-	-
4	Strategic Energy Technology Systems Private Limited	-	January 16, 2009	INR	2,56,14,500	25.61	25.00	1	***	-	-	-
5	Tata Construction & Projects Ltd.	-		INR	11,97,699	-	27.19	1	**	-	-	-
6	TRF Limited		October 16, 1963	INR	37,53,275	5.79	34.11	1		(90.99)	(23.18)	(44.78)
7	TRF Singapore Pte Limited		April 1, 2015	SGD	2,59,83,481	97.84	100.00	5		20.53	(8.83)	(17.06)
8	TRF Holding Pte Limited		April 1, 2015	USD	1	0.00$$	100.00	5		(0.09)	(0.05)	(0.10)
9	Dutch Lanka Trailer Manufacturers Limited		April 1, 2015	USD	15,23,06,150	130.31	100.00	5		13.25	4.00	7.73
10	Dutch Lanka Engineering (Private) Limited		April 1, 2015	LKR	11,50,000	0.56	100.00	5		0.56	(0.67)	(1.29)
11	Malusha Travels Pvt. Ltd.	March 31	August 5, 2014	INR	3,352	0.00$$	33.23	1		-	-	-

SL No.	Name of the Company	Latest audited balance sheet date	Date on which the Associate or Joint Venture was associated or acquired	Reporting currency*	No. of shares held by the Company in associate / joint venture on the year end	Amount of Investment in associate / joint venture (₹ crore)	Extend of holding (%)	Description of how there is significant influence	Reason why the associate / joint venture is not consolidated	Net worth attributable to shareholding as per latest balance sheet (₹ crore)	Share of profit / loss for the year (₹ crore)	
											Considered in consolidation	Not considered in consolidation
12	European Profiles (M) Sdn. Bhd.	December 31	January 25, 2008	MYR	7,00,000	1.24	20.00	3		12.16	0.39	1.57
13	Albi Profils SRL	December 31	April 1, 2015	EUR	1,800	0.78	30.00	2	#	-	-	-
14	GietWalsOnderhoudCombinatie B.V.	December 31	April 2, 2007	EUR	50	11.41	50.00	2		21.56	3.20	3.20
15	Hoogovens Gan Multimedia S.A. De C.V.		April 2, 2007	MXN	455,000 shares of the variable part; 25,000 of the minimum fixed part of the capital stock	0.01	50.00	2	#	-	-	-
16	ISSB Limited	June 30	April 2, 2007	GBP	500	0.01	50.00	2	#	-	-	-
17	Wupperman Staal Nederland B.V.	December 31	April 2, 2007	EUR	2,400	73.84	30.00	2		143.53	23.02	53.71
18	Fabsec Limited	December 31	May 18, 2001	GBP	250	0.00$$	25.00	2	#	-	-	-
19	9336-0634 Québec Inc		March 30, 2017	CAD	1	-	33.33	1	&	-	-	-
20	New Millennium Iron Corp	June 30		CAD	4,74,02,908	340.08	26.18	1		-	3.52	9.91
21	Bhushan Capital & Credit Services Private Limited	March 31	May 18, 2018	INR	86,43,742	9.40	42.58	1		-	-	-
22	Jawahar Credit & Holdings Private Limited	March 31	May 18, 2018	INR	86,43,742	9.40	39.65	1		-	-	-

Notes:

1. Controls more than 20% of the total share capital.
2. Controls more than 20% of the total share capital and has significant influence over operational and financial decision-making.
3. Insignificant influence on the financial and operating policy decisions.
4. More than 50% stake, instead considered as JV as there is less significant influence over the control of the entity.
5. Under the Ind AS regime, subsidiary of an associate / Joint venture is also an associate / Joint Venture of the holding company.

The operations of the companies are not significant and hence are immaterial for consolidation

* Closing rate as on March 31, 2021 has been considered for calculation

** Companies are in liquidation

$ Entity is under strike off

Partnership without Share capital

*** Not consolidated, as the investment value is impaired

& Financial information are not available

$$ Represents value less than ₹1 lakh

Name of associate or joint venture which have been liquidated or sold during the year: New Millennium Iron Corp

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

sd/-
Mallika Srinivasan
Independent Director
DIN: 00037022

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

sd/-
Peter Blauwhoff
Independent Director
DIN: 07728872

sd/-
Deepak Kapoor
Independent Director
DIN: 00162957

sd/-
Aman Mehta
Independent Director
DIN: 00009364

sd/-
V. K. Sharma
Non-Executive Director
DIN: 02449088

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

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

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

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

Mumbai, May 5, 2021

ANNEXURE 7

Companies that have become / ceased to be Company's Subsidiaries or Associate Companies (including Joint Venture Companies)

The names of companies which have become subsidiaries during the year: **NIL**

The names of companies which have ceased to become Subsidiaries or Associate Company during the year:

Sl. No.	Name of the Company
Subsidiary	
1.	Tata Steel Europe Metals Trading BV
2.	Tata Steel Europe Distribution BV
3.	ProCo Issuer Pte. Ltd.
4.	CBS Investissements SAS
5.	Tata Steel International (Singapore) Holdings Pte. Ltd.
6.	Tata Steel International (Denmark) A/S
7.	Corus Tubes Poland Spolka Z.O.O
8.	Tata Steel International (Schweiz) AG
9.	T S Global Minerals Holdings Pte. Ltd.
10.	British Steel Trading Limited
11.	Tata Steel (KZN) (Pty) Ltd.
Associate	
1.	New Millennium Iron Corp

On behalf of the Board of Directors

sd/-
N. CHANDRASEKARAN
Chairman
DIN:00121863

Mumbai
May 5, 2021

ANNEXURE 8

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

(Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
Tata Steel Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Steel Limited (hereinafter referred to as 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)

(vi) Other laws applicable specifically to the Company namely:

  (a) The Mines Act, 1952 and the rules, regulations made thereunder.

  (b) Mines and Minerals (Development & Regulation) Act, 1957 and the rules made thereunder.

  (c) Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made thereunder.

  (d) Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975.

(e) Environment Protection Act, 1986 and the rules, notifications issued thereunder.

(f) Factories Act, 1948 and allied State Laws.

We have also examined compliance with the applicable clauses of the following:

(vii) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(viii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings were taken unanimously.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

1. Amalgamation of Bamnipal Steel Limited and Tata Steel BSL Limited into and with Tata Steel Limited

Pursuant to the shareholders' approval at the meeting of the equity shareholders convened and held on Friday, March 26, 2021, the Company filed the "Company Scheme Petition" with the NCLT, Mumbai Bench with the prayer that the Scheme of Amalgamation of Bamnipal Steel Limited and Tata Steel BSL Limited into and with Tata Steel Limited be sanctioned with effect from the Appointed Date as defined in the Scheme and be binding on the Petitioner Companies and all its shareholders, creditors, stakeholders and all concerned persons. The Scheme will be implemented upon its sanction by the NCLT.

2. Investment in Tata Metaliks Limited

Pursuant to conversion of Warrants issued on preferential basis by Tata Metaliks Limited (**'TML'**) at a price of ₹642 per Warrant, on September 25, 2020, the Company acquired 34,92,500 equity shares of ₹10 each of TML, by exercising its right to subscribe to one equity share per warrant of face value of ₹10 each, aggregating to ₹224.22 crore (25% was paid on application). As a result of this, the Company's holding in TML increased from 55.06% to 60.03%.

3. Portfolio Restructuring

In line with the strategic objective to group the Tata Steel Group Companies under 4 distinct clusters viz. (a) Long Products (b) Downstream (c) Mining and (d) Utilities and Infrastructure Services, each controlled through a subsidiary company of the Company, the Company during the year approved the transfer of its holding in (a) Tata Steel Special Economic Zone Limited, (b) The Tata Pigments Limited, (c) Jamipol Limited and, (d) Nicco Jubilee Park Limited to Tata Steel Utilities and Infrastructure Services Limited, (Company's wholly-owned subsidiary) and its holding in (a) Jamshedpur Continuous Annealing and Processing Company Private Limited, and (b) Tata Bluescope Steel Private Limited to Tata Steel Downstream Products Limited, (Company's wholly-owned subsidiary).

4. Issue of Debt Securities

During the financial year 2020-21, the Company has allotted the following Unsecured, Rated, Listed, Redeemable, Non-Convertible Debentures (**'NCDs'**) of face value of ₹10,00,000 each to identified investors on private placement basis:

Particulars of Allotment	Date of Allotment	Amount (₹ crore)
10,250 – 7.85% NCDs	April 17, 2020	1,025
5,100 – 7.85% NCDs	April 22, 2020	510
10,000 – floating coupon NCDs	April 27, 2020	1,000
Series A: 5,000 – floating coupon NCDs	April 30, 2020	500
Series B: 5,000 – 7.95% NCDs	April 30, 2020	500
10,000 – 8.25% NCDs	May 20, 2020	1,000
4,000 – floating coupon NCDs	June 3, 2020	400

5. Exercise of Call Option in respect of Non-Convertible Debentures and Perpetual Hybrid Securities

On November 13, 2020, the Board of Directors of the Company approved the proposal to exercise Call Option to redeem the following Unsecured, Rated, Listed Non-Convertible Debentures (NCDs) / Perpetual Hybrid Securities (PHS) in the form of NCDs of the Company, as per their terms of issue.

Details of the securities redeemed / to be redeemed are provided below:

Particulars of NCDs/ PHS	ISIN	Amount (₹ crore)	Redemption date
10.25% NCDs	INE081A08140	670	December 22, 2020
10.25% NCDs	INE081A08157	3,350	January 6, 2021
11.80% PHS	INE081A08165	1,500	March 18, 2021
11.50% PHS	INE081A08173	775	May 11, 2021

6. First and Final Call on Partly Paid-up Equity Shares

On February 9, 2021, the Board of Directors of the Company approved the making of the first and final call of ₹461 (comprising ₹7.498 towards face value and ₹453.504 towards securities premium) per partly paid-up equity share ('First and Final Call') on 7,76,36,788 outstanding partly paid-up equity shares of face value ₹10 each, issued by the Company, on a Rights basis, pursuant to the Letter of Offer dated January 22, 2018.

Pursuant to the First and Final Call, the Stakeholders' Relationship Committee ("Committee"), duly authorised by the Board, on March 24, 2021 approved the conversion of 7,02,49,241 partly paid-up equity shares of face value ₹10 each into fully paid-up equity shares of face value ₹10 each, against which the first and final call money of ₹461/- per share was received.

The converted shares rank *pari passu* with the existing fully paid-up equity shares.

7. Issue / Redemption of Commercial Papers

The Company had issued Commercial Papers of value aggregating ₹1,850 crore and redeemed the Commercial Papers of value aggregating ₹4,900 crore (these included Commercial Papers issued during the financial year ended March 31, 2020) during the year ended March 31, 2021.

For Parikh & Associates
Company Secretaries

sd/-
P. N. PARIKH
Partner
FCS No.: 327 CP No.: 1228
UDIN: F000327C000241843

Mumbai
May 5, 2021

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure A

To,
The Members
Tata Steel Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

sd/-
P. N. PARIKH
Partner
FCS No.: 327 CP No.: 1228
UDIN: F000327C000241843

Mumbai
May 5, 2021

ANNEXURE 9

Particulars of Loans, Guarantees or Investments

[Pursuant to Section 186 of the Companies Act, 2013]

Amount outstanding as on March 31, 2021

(₹ crore)

Particulars	Amount
Loans given	8,860.60
Guarantees given	9,121.69
Investments made	51,066.27

Loans, Guarantees given or Investments made during the financial year 2020-21

(₹ crore)

Name of the Entity	Relation	Amount	Particulars of Loan, Guarantees given or Investments made	Purpose for which the loans, guarantees and investments are proposed to be utilised
Subarnarekha Port Private Limited	Subsidiary	6.00	Loan	Business Purpose
T Steel Holdings Pte. Ltd.		7,331.14		
Tata Steel Mining Limited*		756.60		
Tata Steel Special Economic Zone Limited		21.00		
Tata Metaliks Ltd.	Subsidiary	168.17	Investments in Equity Shares	
Tata Steel Downstream Products Limited#		2,245.61		
Tata Steel Mining Limited		826.98		
Jamshedpur Continuous Annealing & Processing Company Private Limited#	Joint venture	40.80		
Tata International Ltd.	Others (Related through Promoter Company)	23.61		

* Represents loans given and repaid during the year ended March 31, 2021.

During the year ended March 31, 2021, the Company transferred its entire stake held in Jamshedpur Continuous Annealing & Processing Company Private Limited and Tata BlueScope Steel Private Limited to Tata Steel Downstream Products Limited (**'TSDPL'**), a wholly-owned subsidiary of the Company, for consideration in the form of 17,40,77,940 equity shares of TSDPL aggregating to ₹**2,245.61** crore.

Notes:

(i) As at March 31, 2021, pursuant to Tata Steel Group's restructuring plan, investments held in The Tata Pigments Limited, Tata Steel Special Economic Zone Limited, Jamipol Limited and Nicco Jubilee Park Limited have been classified as "held for sale".

(ii) During the year ended March 31, 2021, the Company has recognised a net impairment reversal of ₹**149.74** crore and net fair value gain of ₹**1,982.01** crore with respect to investments held in its affiliates. The impairment reversal of ₹**149.74** crore relates to provision reversed for impairment of investment in Tata Steel Special Economic Zone Limited, net of charge of ₹**0.26** crore in Medica TS Hospital Private Limited. Net fair value gain represents a gain of ₹**2,031.75** crore for preference shares investments held in Tata Steel BSL Limited and a loss of ₹**49.74** crore for debentures held in Medica TS Hospital Private Limited.

On behalf of the Board of Directors

sd/-
N. CHANDRASEKARAN
Chairman
DIN: 00121863

Mumbai
May 5, 2021

ANNEXURE 10

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

(i) Steps taken or impact on conservation of energy:

Jamshedpur

- Achieved lowest ever plant Specific Energy Consumption of 5.612 GCal/tcs
- Achieved highest ever LD Gas recovery of 75,900 Nm^3/hr
- Achieved Best ever by-product gas utilisation of 98.81%
- Achieved highest ever inhouse Power generation of 249 MW by utilising by-product in-house gases and through waste heat recovery
- Achieved lowest ever low-pressure process steam consumption of 276 tonnes / hour
- Lowest ever specific water consumption of 2.25 m^3/tcs recorded; Fresh water intake reduced by 28% over last year
- Highest ever CETP production of 4.4 MGD; 26% increase over last year
- Digital predictive model introduced for optimisation of gas supply in reheating furnaces of HSM.
- Reduction in simultaneous changeover of H & I BF Stoves through Level-2 digital model leading in reduction of BF Gas fluctuation and better utilisation.
- Shifting load from 44 KV to 132 KV corridor to reduce Licensee drawl.
- Reduction in fixed cost through reduction in licensee contract demand.
- Power wheeling across Tata Steel India locations to maximise power utilisation from captive units.

Kalinganagar

Raw Material Handling System and Logistics Operation

- Conversion of existing sodium vapour lamps (4,500 nos) across conveyors and High Mast lighting Tower into LED.
- Replacement of 12 Nos. High Tension motors across Ore and Coal Conveyors having higher energy efficiency.
- Reduction of Ideal magnetic separators running in tune with conveyor TPH loading.

Sinter Plant

- Power consumption reduced from 44.57 KWH/t.NS in FY 2019-20 to 43.05 KWH/t.NS in financial year 2020-21 by implementation of;
  - Advanced analytical model on Waste Gas Fan speed optimisation;
  - Advanced analytical model on Cooling air fan speed optimisation; and
  - Replacement of Sodium vapour lamps to LED.
- Gaseous fuel consumption reduced from 15.12 mkal/t.NS (FY 2019-20) to 14.49 mkal/t.NS (FY 2020-21) by maintaining lower ΔT of Furnace through improvement in Furnace automation.

Coke Plant

- Reduction of clarified water consumption: 13,41,775 m^3 was consumed against the plan of 13,92,775 m^3; a saving of 51,000 m^3 for the year. The bottom line impact was ₹54.57 Lakh or ₹4/T of BF+Nut coke production for the year.
- Reduction of coke moisture: Annual average coke moisture was 1.22% against the previous best of 1.72% achieved during FY 2019-20. 1% reduction of coke moisture reduces the Blast Furnace fuel rate by 3 Kg/T of hot metal. Thus, the reduction of coke moisture helped in reducing the Blast Furnace fuel rate by 5,045 T for the Year.
- Following annual average Coke Oven Gas quality properties were best ever (lower the better):
  a) 37 mg/Nm^3 ammonia against the previous best of 54 mg/Nm^3 during FY 2019-20.
  b) 27 mg/Nm^3 naphthalene against the previous best of 32 mg/Nm^3 during FY 2019-20.

Steel Melting Shop

- Reduced specific water consumption from 0.43 m^3/tcs to 0.42 m^3/tcs by changing Gas cleaning circuit logic and waste water recirculation through cascade filtration.

Hot Strip Mill

- Reduced mill specific power consumption from 118 KWH/T to 115 KWH/T(Q2-Q4) through several initiatives undertaken in SHIKHAR project such as:
  - Digital initiative taken for better power visualisation to take immediate corrective action.
  - Planned stoppages for longer duration in place of multiple shorter durations.
  - Replacement of high power consuming conventional lights with LED lights.

(ii) Steps taken by the Company for utilising alternate sources of Energy:

Jamshedpur

- Projects on Power generation from solar and non-conventional energy source gained momentum.
- 150 MW generation capacity through solar power source is in the pipeline.
- Pilot project on 'Energy recovery Micro Turbine' successfully commissioned and more such projects to recover throttling loss in steam pressure have been initiated.
- Pilot project on 'Vapor Absorption Machine' of 100 tonnes of refrigeration to utilise the waste heat successfully commissioned and more such projects have been initiated.

Kalinganagar

- 34 KT of carbon recovered from Steel Plant generated solid waste material and used in Sinter making process in FY 2020-21.

(iii) Capital investment on energy conservation equipments:

Sl. No.	Particulars	₹ crore
Jamshedpur		
1	VARIABLE FREQ DRIVE AT WMD	0.48
2	Remote monitoring of flare stacks at EMC (Energy Management Centre)	0.28
3	100 KW solar power plant in MPDS 1	0.38
4	Capacity enhancement from 25 MW to 30 MW in PH-4	12.0
Kalinganagar		
5	Cost of Reduction in energy consumption in Ignition Hood Furnace of Sinter Plant by using high emissive coating	0.37

(B) Technology Absorption

1. Efforts made towards technology absorption

(i) Projects under Research and Development

Project title	Benefits
Jamshedpur	
Seam specific reagent for lower seam coals of West Bokaro	There is poor floatability of lower seam coals to regular flotation reagents due to their highly hydrophilic, porous and rough surface. Tata Steel R&D in collaboration with a foreign university has developed a new reagent which increases floatability of lower seam coals by (i) increasing their C-C/C-H content on the surface making it more hydrophobic and (ii) aggregating finer coal particles to minimise porosity and improving surface properties. An increase in fine clean coal yield of 7.5% for lower seam coals was observed as compared along with a decrease of 1% product ash content. The overall increase on ROM basis is 1% with the new reagent. Pilot scale trials (capacity 400kg/hr) are under progress with different seam coals.
Reduction of alumina in iron ore from wet processing plant of Noamundi using dispersant.	The alumina reduction is about 1.2% in wet lumps and 0.2-0.4% in the classifier fines through present practice of the washing process. Addition of surface active reagents help to increase the washing efficiency of iron ore. Test work with different dispersants showed that alumina could be reduced by 0.2-0.3% in addition to the reduction achieved by washing with water alone. Two dispersants were selected for plant scale trials based on lab scale experimentation. First phase of plant trials has been conducted for two weeks in February 2021 and second phase of trials has been scheduled from April 15, 2021.
Smart Lance System for LD vessel	To improve blowing operation in LD vessel and avoid subjective assessment of the onset of slop by operating personnel, a lance positioning and control system, known as Smart Lance was developed for LD vessel using an audiometer to measure the process noise generated by oxygen jet impinging in the steel bath. The hardware, signal processing software and smart lance algorithm were designed and developed in-house. The technology has reduced the number of slopping incidents and severity by 70%.

Project title	Benefits
Calcium Ferrite for dephosphorisation of Steel	Synthetic calcium ferrite flux was developed by R&D to decrease the phosphorous content of liquid steel. Plant trials at LD shop of TSL Jamshedpur successfully decreased the turndown phosphorous by 20 ppm and reduced the lump iron ore and calcined lime consumption by 1,000 kg and 500 kg per ton crude steel respectively.
Dent Prediction Model	A mathematical model has been developed by the R&D team to predict the dent performance of automotive skin panels. The model takes into account the sheet thickness, properties and the component curvature and provides the dent force.
Product Design and Engineering with FRP	Developed in-house capability within R&D for design and development of different engineering products with FRP.
Development of Zincal coating on wires with superior corrosion resistance	A project was taken to improve the corrosion resistance property of wire product by developing a Zinc alloy coating. Based on lab results, a pilot scale trial was conducted by coating with the new alloy after applying a flux and the results showed corrosion resistance 2.5 times better than Zn- coated product.
Development of Universal coating	Based on hybrid polymer technology, a secondary coating has been developed, which can be painted directly after forming or making the component. Plant trial has been made and the developed product was tried successfully at customer's place for appliances application.
Development of 3G Stave Thickness Measurement Technique	Staves are the cooling members in Blast Furnaces, which need to be monitored for its remnant thicknesses as it has a direct effect on the safe operation of the furnace. In this development, a novel methodology involving a miniaturised robotic system was developed to enable ultrasonic stave thickness measurement for the entire channel of the stave. The developed system has been successfully tested in actual staves in Blast furnace at Tata Steel- Jamshedpur.
Highly efficient thermoelectric harnessing low-grade waste heat	The objective is to harness low grade waste heat to produce green electricity and thus reduce carbon footprint. Thermoelectric modules were fabricated for the purpose by indigenously synthesised highly efficient thermoelectric materials which works on the principle of Seebeck effect and directly converts waste heat to electricity. The efficiency of the developed material was almost 3 times more than the currently available materials for low temperature. It is proposed to have 100 kw power generation from hot effluent stream from coke oven by-product.
A Priori Prediction of Thermal Level of Blast Furnace	In a conventional practice, operators adjust the fuel (coke and coal), based on rise and dip of hot metal temperature of blast furnace. However, it takes about 3-4 and 6-8 hours to see the movement in HMT in case of coal and coke adjustments, respectively. A model, based on hybrid modelling using concept of mass and energy balance and subsequent statistical method to determine a parameter "Wu-star", was developed by Tata Steel R&D. It predicts thermal level of blast furnace prior to hot metal temperature. The model was successfully implemented in BF level II automation system and operators are adjusting KPIs (Fuel Rate) based on this model outcome. Significant drop in standard deviation of hot metal temperature by 78 degree Celsius has been observed, which in turn has also led to stability in fuel rate as well as furnace performance.
Kalinganagar	
Established Smart Warehouse digital platform	This system will increase the throughput, reduction in VIVO (vehicle in vehicle out) and eliminate Rank 'A' effect of the products.
Reduction of Carbon rate in Sinter Plant by using FeO and BTP Prediction Model	Lowering in fuel rate by 0.8 kg/t.NS by model deployment
Digital Twin model development for reduction of Internal Return fines at Sinter Plant TSK	Internal recirculation reduced from 23% to 20% increasing Sinter yield thereby lowering energy consumption.
Advance Analytic techniques like Gradient Boost, Random Forrest	Used to improve Material Property Prediction in terms of YS & UTS for 80% of coils within +/- 20MPa. The same predicted parameters are made available in a web based platform, named IQMS to concerned agency for faster decision-making on real-time basis. The model is planned to be used for minimising the product development cycle time & for minimising sampling loss in CR Grades.

(ii) Process Improvement

Raw Materials Division

Mining:

- Concept developed for paste backfilling in Highwall mining face at West Bokaro (first in the world) in collaboration with XCUMT backfill, China to increase the coal extraction ratio to more than 65% as compared to existing 30%. Lab test work at XCUMT & CIMFR is in progress to finalise material proportioning for paste backfilling and prerequisites for subsequent approval from regulatory authority (DGMS) for field trial respectively.
- Novel mining approach proposed for extraction of friable chrome ore (~30 million Ton) below ultimate pit limit at Sukinda. Technical feasibility study is under progress.

Ore Beneficiation Technology:

- **Stickiness index to predict iron ore fines flowability:**

  A project was formulated to minimise the rake unloading issue by developing a Statistical Index to provide prior information about the flowability characteristics of fines. The collective effect of factors such as granulometry, mineralogy and ratio of wet & dry fines create the stickiness issue. Methods like principle component analysis and multiple regression were used to develop the stickiness index.

- **Identification of enablers to reduce alumina in Dispatch fines at Noamundi:**

  Several initiatives (short-term and medium-term) were identified to reduce alumina in fines. Short term initiatives are as follows (a) Jig utilisation 100% and (b) hydrocyclones bypass) and medium-term initiative are (a) 100% classifier fine processed through jig (b) slime beneficiation and (c) jigging in upcoming low grade plant. These initiatives have a potential to reduce alumina by 0.37% (from 2.95% to 2.58%).

- **Identification of enablers to reduce the K_2O and SiO_2 from Gomardih dolomite:** Beneficiation studies to reduce K_2O and SiO2 from dolomite were carried out and it was observed that by floatation it was possible to reduce the SiO_2 from 12.2% to 1.31% and K_2O from 0.8% to 0.14% which is very promising from an end usage view point.

Coal Beneficiation Technology:

- **West Bokaro Washery#3 Flotation Circuit Performance Improvement by:**

  (a) ~0.5% clean coal yield improvement (on raw coal basis) by replacement of conventional rotor-stator with FloatForce (a new generation mixing mechanism developed by Outotec). 3 units of FloatForce were introduced in FY 2017-18 and based on the encouraging results, 3 more units integrated in FY 2020-21.

  (b) ~10% reduction in flotation cell level fluctuation achieved by replacement of conventional actuators with advanced FESTO actuators.

- **Intermediate size (0.5mm-0.25mm) beneficiation circuit -Reflux Classier stabilisation at new Jamadoba Coal Preparation Plant**

Kalinganagar

Raw Material Handling System and Logistics

- Elimination of man-machine interface through adoption of Robotic application in in-haul and out-haul operation of Wagon Tippler 2.
- Installation of smart fencing system in Wagon Tippler 4 to prevent unauthorised entry during unloading operation of wagons.
- Integrated Power Supply installation of Cabin A and B for increase of reliability of signaling operation.
- Integration of Road weigh-bridge weighment Screen with VTS.
- Installation of Change over Visual Indicator at BF Critical Points.
- Started the dosing of chemical powder in PCI that enhanced the flowability and increased the PCI rate to 200Kg/thm even during monsoon period.
- Successfully commissioned the S&T system in upline between Jakhapura & Cabin-B that will increase the flowability of inward and outward rakes in parallel mode.
- Electronic interlocking system ensures safe and optimum rake movement with all interlocks in place.
- In-house mechanical modification done in the reach stacker which enabled it to handle slabs along with HR Coil.
- Signal and Hooter installation at Outside LC's during Rake movement.

Sinter Plant

- Maintaining Sinter bin level >60% to improve Sinter yield and lower specific energy consumption.
- Number of interruptions reduced from 1.31 per day to 0.54 per day.

Coke Plant

- PHCC in the coal blend was reduced from the previous lowest of 18.68% during FY 2019-20 to 14.75%.
- OHCC in the coal blend was reduced from the previous lowest of 28.21% during FY 2019-20 to 19.63%.

Steel Melting Shop ('SMS')

- Improvement in usage of clean scrap from 4.1% in FY 2019-20 to 4.7% from Q3FY2021 (post Covid- manpower restrictions) resulted into CO_2 reduction of more than 0.084 t/tcs.
- Optimisation of MRP Scrap Consumption in SMS, increased usage up to 59.2 % in FY 2020-21 against the annual plan of 50 %.
- Stabilising LRF Operations, (first complete financial year of LRF Operations) to achieve Specific Power consumption of 18 kwh/tcs and Electrode Consumption of 0.10 kgs/tcs.
- Reduction of DS reagent consumption in SMS from 3.11 Kg/Tcs in FY 2019-20 to 2.10 Kg/Tcs in FY 2020-21 due to improvement in DS process and routing 75 % heats through LRF.
- Commercialised high-end API (for Line pipe application) using RH for Vacuum treatment. Efforts made towards import substitution. Total API production in SMS increased from 46,722 tonnes in FY 2019-20 to 1,60,090 tonnes in FY 2020-21.

Hot Strip Mill ('HSM')

- Improved Mill stability through increasing accuracy of Model's Power Prediction and Roughing Mill delivery thickness accuracy.
- Digital initiative taken under Shikhar for improving Safety and Process time related to coil reprocessing by decreasing number of mutations in coil yard. Coil movement through conveyor and stacking of the coils in Yards is made based on re-processing requirement and final dispatch destination in auto mode, through scheduling and process control with the help of MILL L2 and CYMS Model along with L1 interface.
- Improved Scale loss from 0.87% to 0.84% by optimising heating curve using advance analytics technique like lasso regression in furnace.

(iii) Product Development

Jamshedpur

- First foray into advanced high strength coated steels through DP600 GA and DP600 GI approvals.
- First foray into functional secondary coatings space – approval for lubrication-coated GA (T-COAT) in exposed panel application.
- Multiple Auto OEM approvals to DP780CR – highest strength achieved yet from continuous annealing.
- Tata Steel's first ever passenger vehicle skin panel approval made from bake-hardenable grade BH180 GA.
- Completion of the entire range of grades within the high strength IF-based steel family.
- Gr 3[CW], 5.5mm wire rods rolled from slab route for core conducting wire used in DTH coaxial cables an import substitute.
- SAE 1008[M], 5.5mm wire rods for GI Gabion wires for export to Nepal.
- HC80B[PC] wire rods for PC wires for increased productivity at customer end.
- HC80BCrV[SS] wire rods for high strength roller shutter spring wire, an import substitute.
- High ductility Fe 500SD, 8mm rebars from New Bar Mill.
- High strength high ductility Fe 550SD 8mm to 25mm.
- Seven grades of billets (first time TSL) for export during nationwide pandemic (e.g. SD40NT and SD40GB for producing air cooled rebars).
- Commercial supply of Fe500 CRS, 40mm for construction.

Kalinganagar

Following new Grades were developed in TSK:

- **X70 (non-sour):** API X-70 for non-sour applications developed from TSK. Mecon demo route approval completed successfully.
- **FB590/FB540:** Development of Ferrite + Bainite for the first time from TSL. These will be used for wheels disc applications.
- **S460MC & S420MC:** These grades are developed and will be used in Auto structural application for Light Weight Vehicles.
- **DP590:** This grade is developed and will be used in auto internals (Brackets).
- **JSH590R & JSH440:** This will be used for auto structural applications internal.
- **Development of UT guaranteed grades:** Grades such as E350 Gr.C/S355J2 for thickness of >16mm for L&E and wind tower applications.

2. Benefits derived from key projects:

Project title	Benefits
Jamshedpur	
Reduction of LPG consumption at GI wire line of ISWP	LPG consumption reduced by ~ 3.4 Kg/ton. This resulted in yearly cost benefit of ₹1crore
10 new grades of billets made for export market during country wide lockdown	This enabled in utilisation of LD1 capacity during COVID-19 and resulted in overall savings of ₹40 crore.
Elimination of black edge defect at TBSL	Elimination of input RM defect from CRM Bara resulted in yield improvement at CGL1 and TBSL – a combined benefit of ₹3 crore p.a.
API Clone TDC from TSK	96 clone TDCs created through Agile-IT based system to maximise order execution resulted in record sales in API in FY 2020-21.
Low cost API X65 and X70(non-sour) from TSK	A cost saving of ~ ₹1,400/T for X65 and X70(non-sour) achieved. Total 14kT of X65 and > 30kT of X70(non-sour) supplied with lean chemistry (till February, 2021)
Computer vision based toolbox for detection of segregation (CLS) and internal cracks (ICC) for slabs from Sulphur print images	This toolbox has automated the whole CLS classification to save the time of QA operators as well as to avoid the error due to operator to operator judgement
Online dashboard for Zinc consumption in continuous galvanising lines (CGL) of CRM	Saving more than ₹0.75 crore
Predictive maintenance of critical equipment of continuous galvanising line number 2 of CRM	Saving more than ₹0.67 crore
Auto pattern and trend analysis visualisation toolbox for defects with respect to processing lines from Hot Strip Mill (HSM) to Recoiling lines (RCL) of CRM	This has enabled faster decision-making and defect finding for quality assurance people
Kalinganagar	
Test wagon modification with Test Weights embedded in it	Ensuring healthiness of In-motion Weigh bridge for eliminating the error during loaded rake weighment
Modification of Re Railing Van for Road and Rail Movement	Minimum time Re railing equipment reaching site without any travel delay effecting production and also safe shifting of re-railing equipment at site
De-railer fabricated (6 no's) savings of approximately ₹24 Lakhs (₹4 Lakhs/ Derailer)	Positive isolation ensuring safety of workmen on rail yard
Installation of Anti toppling tilt switch in Hywa	This can avoid toppling hazards in moveable hywas
Reduction of Carbon rate in Sinter Plant by using FeO and BTP Prediction Model	Lowering in fuel rate by 0.8 kg/t.NS by model deployment
Digital Twin model development for reduction of Internal Return fines at Sinter Plant TSK	Internal recirculation reduced from 23% to 20% increasing Sinter yield thereby lowering energy consumption.

3. Information regarding imported technology (last three years)

Sl. No	Technology Imported	Financial Year of Import	Status
Jamshedpur			
1	Hot Strip Mill Furnace Skid Revamping	2018 - 19	Commissioned
2	Electro Magnetic Brake (Phase-1)		
3	E – Blast Furnace Relining		
4	New LD Gas Holder		
5	Electro Magnetic Brake (Phase-2)	2020 - 21	Commissioned
6	Vessel 2 Trunion and Guide System		Yet to be commissioned
Kalinganagar			
7	2nd Barrel Reclaimer (Make: TAKRAF Tenova) in RMBB Sinter Plant	2020-21	In operation

4. Expenditure on Research & Development (R&D)

	(₹ crore)
(a) Capital	2.75
(b) Recurring	228.29
(c) Total	**231.04**
(d) Total R&D expenditure as a % of Total Turnover	0.36%

(C) Foreign Exchange Earnings and Outgo

(₹ crore)

	FY 2020-21	FY 2019-20
Foreign Exchange Earnings	9,241.88	6,314.97
Value of direct imports (C.I.F. Value)	8,902.53	12,381.28
Expenditure in foreign currency	365.71	509.47

On behalf of the Board of Directors

sd/-

N. CHANDRASEKARAN

Chairman

DIN: 00121863

Mumbai

May 5, 2021

Financial Statements

FINANCIAL HIGHLIGHTS

(₹ crore)

	Tata Steel Standalone		Tata Steel Group	
	2020-21	2019-20	2020-21	2019-20
Revenue from operations	64,869.00	60,435.97	1,56,294.18	1,48,971.71
Profit/(loss) before tax	17,795.13	6,610.98	13,843.69	(1,380.44)
Profit/(loss) after tax	13,606.62	6,743.80	8,189.79	1,172.46
Dividends	1,145.93	1,489.67	1,144.75	1,488.13
Retained earnings	44,308.96	32,106.96	16,476.70	18,127.82
Capital employed	1,25,727.11	1,24,123.27	1,75,251.28	2,01,752.48
Net worth	91,267.11	76,838.12	77,508.45	76,162.90
Borrowings	28,348.30	41,422.87	88,501.41	1,16,328.20
	Ratio		Ratio	
Net debt to Equity	0.24	0.49	0.98	1.42
	₹		₹	
Net worth per Share as at year end	795.64	670.53	676.40	665.32
Earnings per Share:				
Basic	117.04	57.11	63.78	11.86
Diluted	117.03	57.11	63.78	11.86
Dividend per Ordinary Share	25.00	10.00	25.00	10.00
Employees (Numbers)	31,189	32,364	73,962	70,212
Shareholders (Numbers)	8,73,198	8,96,919		

FINANCIAL RATIOS

		Tata Steel Standalone		Tata Steel Group	
		2020-21	2019-20	2020-21	2019-20
1.	EBITDA/Turnover	33.84%	24.98%	19.77%	12.15%
2.	PBET/Turnover	23.16%	13.76%	9.52%	2.38%
3.	Return on average capital employed	14.38%	9.54%	11.66%	4.94%
4.	Return on average net worth	16.19%	9.02%	10.66%	1.59%
5.	Asset turnover	60.52%	60.26%	66.56%	61.02%
6.	Inventory turnover (in days)	57	70	79	83
7.	Debtors turnover (in days)	14	7	21	26
8.	Gross block to net block	1.31	1.26	1.54	1.46
9.	Net debt to equity	0.24	0.49	0.98	1.42
10.	Current ratio	0.61	0.81	0.97	1.40
11.	Interest service coverage ratio	6.94	4.37	3.39	1.68
12.	Net worth per share (₹)	795.64	670.53	676.40	665.32
13.	Basic earnings per share (₹)	117.04	57.11	63.78	11.86
14.	Dividend payout	22%	17%	37%	98%
15.	P/E ratio	6.94	4.72	12.73	22.74

1. EBITDA/Turnover

   (EBITDA: PBT +/(-) Exceptional Items + Net Finance Charges + Depreciation and amortisation - Share of results of equity accounted investments)

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

   (Turnover: Revenue from Operations)

2. PBET/Turnover

   Profit before exceptional items and tax/Turnover

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

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

   (EBIT: PBT +/(-) Exceptional Items + Net Finance Charges)

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

   (Net worth: Total equity)

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

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

7. Debtors Turnover: Average Debtors/Turnover in days

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

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

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

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

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

10. Current Ratio: Current Assets including assets held for sale (excluding current investments)/Current Liabilities including liabilities held for sale

    (Current liabilities: Trade Payables + Short-term provisions + Other current liabilities - Current maturities of Non-current borrowings and Lease Obligations)

11. Interest Service Coverage Ratio: EBIT/Net Finance Charges (excluding interest on short-term debts)

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

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

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

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

PRODUCTION STATISTICS

'000 Tonnes

Year	Iron Ore	Coal	Iron (Hot metal)	Crude steel	Rolled/ Forged Bars and Structurals	Plates	Sheets	Hot Rolled Coils/ Strips	Cold Rolled Coils	Railway Materials	Semi-Finished for Sale	Total Saleable Steel
1991-92	3,996	3,848	2,400	2,415	599	92	123	170	-	9	1,045	1,978
1992-93	4,126	3,739	2,435	2,477	575	78	122	163	-	7	1,179	2,084
1993-94	4,201	3,922	2,598	2,487	561	-	124	281	-	6	1,182	2,117
1994-95	4,796	4,156	2,925	2,788	620	-	137	613	-	2	1,074	2,391
1995-96	5,181	4,897	3,241	3,019	629	-	133	1,070	-	-	869	2,660
1996-97	5,766	5,294	3,440	3,106	666	-	114	1,228	-	-	811	2,783
1997-98	5,984	5,226	3,513	3,226	634	0	60	1,210	-	0	1,105	2,971
1998-99	6,056	5,137	3,626	3,264	622	0	0	1,653	-	0	835	3,051
1999-00	6,456	5,155	3,888	3,434	615	0	0	2,057	-	0	615	3,262
2000-01	6,989	5,282	3,929	3,566	569	0	0	1,858	356	0	647	3,413
2001-02	7,335	5,636	4,041	3,749	680	0	0	1,656	734	0	566	3,596
2002-03	7,985	5,915	4,437	4,098	705	0	0	1,563	1,110	0	563	3,975
2003-04	8,445	5,842	4,466	4,224	694	0	0	1,578	1,262	0	555	4,076
2004-05	9,803	6,375	4,347	4,104	706	0	0	1,354	1,445	0	604	4,074
2005-06	10,834	6,521	5,177	4,731	821	0	0	1,556	1,495	0	679	4,551
2006-07	9,776	7,041	5,552	5,046	1,230	0	0	1,670	1,523	0	506	4,929
2007-08	10,022	7,209	5,507	5,014	1,241	0	0	1,697	1,534	0	386	4,858
2008-09	10,417	7,282	6,254	5,646	1,350	0	0	1,745	1,447	0	833	5,375
2009-10	12,044	7,210	7,231	6,564	1,432	0	0	2,023	1,564	0	1,421	6,439
2010-11	13,087	7,024	7,503	6,855	1,486	0	0	2,127	1,544	0	1,534	6,691
2011-12	13,189	7,460	7,750	7,132	1,577	0	0	2,327	1,550	0	1,514	6,970
2012-13	15,005	7,295	8,858	8,130	1,638	0	0	3,341	1,445	0	1,518	7,941
2013-14	17,364	6,972	9,899	9,155	1,676	0	0	4,271	1,638	0	1,346	8,931
2014-15	13,694	6,044	10,163	9,331	1,778	0	0	4,259	1,836	0	1,200	9,073
2015-16	16,431	6,227	10,655	9,960	1,823	0	0	4,742	1,689	0	1,443	9,698
2016-17	21,284	6,315	13,051	11,683	1,882	0	0	6,295	1,837	0	1,481	11,351
2017-18	23,043	6,224	13,855	12,482	1,882	0	0	7,093	1,853	0	1,481	12,237
2018-19	23,374	6,546	14,237	13,228	1,959	0	0	7,801	1,858	0	1,386	12,980
2019-20	26,512	6,210	14,094	13,152	1,984	0	0	7,793	1,713	0	1,499	12,878
2020-21	28,659	5,853	13,238	12,192	1,642	0	0	7,469	1,395	0	1,538	12,041

FINANCIAL STATISTICS

(₹ crore)

Year	Capital^	Reserves and Surplus	Borrow-ings	Gross Block	Net Block	Invest-ments	Total Income	Total Expen-diture*	Depre-ciation	Profit before Tax	Tax	Profit after Tax	Dividend#
2018-19	3,421.12	69,308.59	29,701.47	93,762.15	77,018.31	39,406.72	73,016.00	52,985.79	3,802.96	16,227.25	5,694.06	10,533.19	1,370.78
2019-20	3,421.13	73,416.99	41,422.87	10,0,072.72	79,480.43	50,096.07	60,840.09	50,308.99	3,920.12	6,610.98	(132.82)	6,743.80	1,787.38
2020-21	**1,977.56**	**89,293.33**	**28,348.30**	**1,03,702.76**	**79,243.59**	**57,470.73**	**65,506.89**	**43,724.44**	**3,987.32**	**17,795.13**	**4,188.51**	**13,606.62**	**1,145.93**

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

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

paid during the year and includes tax on dividend.

DIVIDEND STATISTICS

Year	First Preference (₹150)		Second Preference (₹100)			Ordinary (₹10)			Total ₹ lakh
	Rate ₹	Dividend ₹ lakh	Rate ₹	Dividend@ ₹ lakh	Tax on dividend ₹ lakh	Rate* ₹	Dividend@ ₹ lakh	Tax on dividend ₹ lakh	
1991-92	–	–	–	–	–	3.50	8,054.78	–	8,054.78
1992-93	–	–	–	–	–	2.50[a]	6,482.21	–	6,482.21
1993-94	–	–	–	–	–	3.00[b]	9,655.44	–	9,655.44
1994-95	–	–	–	–	–	3.50[c]	11,823.94	–	11,823.94
1995-96	–	–	–	–	–	4.50[d]	15,697.11	–	15,697.11
1996-97	–	–	–	–	–	4.50	18,222.25	1,656.57	18,222.25
1997-98	–	–	–	–	–	4.00	16,198.05	1,472.55	16,198.05
1998-99	–	–	–	–	–	4.00	16,329.05	1,618.19	16,329.05
1999-00	–	–	9.25	860.80	85.30	4.00	16,329.07	1,618.20	17,189.87
2000-01	–	–	–	1,496.58[e,f]	275.88	5.00	20,264.09	1,875.50	21,760.67
2001-02	–	–	8.42	228.33	21.13	4.00	14,710.88	–	14,939.21
2002-03	–	–	–	–	–	8.00	33,299.88	3,781.33	33,299.88
2003-04	–	–	–	–	–	10.00	41,625.77	4,727.58	41,625.77
2004-05	–	–	–	–	–	13.00	82,137.22	10,185.74	82,137.22
2005-06	–	–	–	–	–	13.00	82,042.66	10,092.00	82,042.66
2006-07	–	–	–	–		15.50	1,10,432.51	16,041.72	1,10,432.51
2007-08	–	–	0.4[g]	2,596.11	377.12	16.00	1,36,759.54	19,866.05	1,39,355.65
2008-09	–	–	2.00	12,805.48	1,860.16	16.00	1,36,443.72	19,549.31	1,49,249.20
2009-10	–	–	2.00	5,367.78	779.74	8.00	82,477.15	11,500.02	87,844.93
2010-11	–	–	–	–	–	12.00	1,30,777.35	15,671.62	1,30,777.35
2011-12	–	–	–	–	–	12.00	1,34,703.22	18,157.49	1,34,703.22
2012-13	–	–	–	–	–	8.00	90,569.91	12,872.69	90,569.91
2013-14	–	–	–	–	–	10.00	1,03,740.40	6,618.86	1,03,740.40
2014-15	–	–	–	–	–	8.00	92,627.74	14,930.51	92,627.74
2015-16	–	–	–	–	–	8.00	92,471.69	14,774.46	92,471.69
2016-17	–	–	–	–	–	10.00	1,16,893.21	19,771.66	1,16,893.21
2017-18	–	–	–	–	–	10.00[h]	1,38,147.27	23,554.82	1,38,147.27
2018-19	–	–	–	–	–	13.00	1,79,587.42	30,620.57	1,79,587.42
2019-20	–	–	–	–	–	10.00	1,14,593.05	–	1,14,593.05
2020-21	–	–	–	–	–	25.00	2,99,660.44	–	2,99,660.44

a On the Capital as increased by Rights Issue of Ordinary Shares during the financial year 1992-93.

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

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

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

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

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

g Dividend paid for 74 days.

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

* Dividend proposed for the year

@ Includes tax on dividend.

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Steel Limited

Report on the audit of the Standalone financial statements

Opinion

1. We have audited the accompanying standalone financial statements of Tata Steel Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and total comprehensive income (comprising profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

4. We draw your attention to Note 6(vi) to the standalone financial statements which states that the ability of the Tata Steel Europe (TSE), the step-down subsidiary of T Steel Holdings Pte Ltd (TSH), a subsidiary of the Company, to continue as a going concern is dependent on the availability of future funding requirements, which could have a consequential impact on the carrying amount of investment of ₹20,854.89 crore (net of provision for impairment amounting to ₹860.00 crore) in TSH as at March 31, 2021.

   Further, the auditors of TSE have, without modifying their opinion, reported a Material Uncertainty Related to Going Concern vide their report dated May 4, 2021 on the financial information of TSE for the year ended March 31, 2021.

   Our opinion is not modified in respect of this matter.

Key audit matters

5. 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
Assessment of litigations and related disclosure of contingent liabilities [Refer to Note 2 (c) to the Standalone financial statements– "Use of estimates and critical accounting judgements – Provisions and contingent liabilities", Note 36 (A) to the Standalone Financial Statements – "Contingencies" and Note 37 to the Standalone financial statements – "Other significant litigations"]. As at March 31, 2021, the Company has exposures towards litigations relating to various matters as set out in the aforesaid Notes. Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate. As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a Key Audit Matter.	Our audit procedures included the following: • We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations; • We discussed with management the recent developments and the status of the material litigations which were reviewed and noted by the Audit Committee; • We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/other significant litigations disclosed in the Standalone Financial Statements; • We used auditor's experts/specialists to gain an understanding and to evaluate the disputed tax matters; • We considered external legal opinions, where relevant, obtained by management; • We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements; • We evaluated management's assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered to be remote by the management; and • We assessed the adequacy of the Company's disclosures. Based on the above work performed, the assessment in respect of litigations and related disclosures relating to contingent liabilities/other significant litigations in the Standalone Financial Statements is considered to be reasonable.

Key audit matter	How our audit addressed the key audit matter
Assessment of carrying value of equity investments in subsidiaries, associates and joint ventures and fair value of other investments [Refer to Note 2 (c) to the Standalone Financial Statements – "Use of estimates and critical accounting judgements – Impairment and fair value measurements of financial instruments", Note 2 (m) to the Standalone Financial Statements – "Investments in subsidiaries, associates and joint ventures", Note 2(n)(I) to the Standalone Financial Statements – "Financial assets", Note 6 to the Standalone Financial Statements – "Investments in subsidiaries, associates and joint ventures", Note 7 to the Standalone Financial Statements – "Investments" and Note 39 (b) to the Standalone Financial Statements – "Fair value hierarchy"] The Company has equity investments in various subsidiaries, associates, joint ventures and other companies. It also has made investments in preference shares in certain subsidiaries/ associates and debentures in a joint venture. The Company accounts for equity investments in subsidiaries, associates and joint ventures at cost (subject to impairment assessment) and other investments at fair value. For investments carried at cost amounting to ₹28,444.61 crore where an indication of impairment exists, the carrying value of investment is assessed for impairment and where applicable an impairment provision is recognised. For investments carried at fair values, a fair valuation is done at the year-end as required by Ind AS 109. In case of certain investments, cost is considered as an appropriate estimate of fair value since there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range as permitted under Ind AS 109. The accounting for investments is a Key Audit Matter as the determination of recoverable value for impairment assessment/fair valuation involves significant management judgement and estimates. The impairment assessment and fair valuation for such investments have been carried out by the management in accordance with Ind AS 36 and Ind AS 113 respectively. The key inputs and judgements involved in the impairment/ fair valuation assessment of unquoted investments include: • Forecast cash flows including assumptions on growth rates • Discount rates • Terminal growth rate • Economic and entity specific factors incorporated in the valuation.	Our audit procedures included the following: • We obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Company's key controls over the impairment assessment and fair valuation of material investments. • We evaluated the Company's process regarding impairment assessment and fair valuation by involving auditor's valuation experts to assist in assessing the appropriateness of the valuation model including the independent assessment of the underlying assumptions relating to discount rate, terminal value etc. • We assessed the carrying value/fair value calculations of all individually material investments, where applicable, to determine whether the valuations performed by the Company were within an acceptable range determined by us and the auditor's valuation experts. • We evaluated the cash flow forecasts (with underlying economic growth rate) by comparing them to the approved budgets and our understanding of the internal and external factors. • We checked the mathematical accuracy of the impairment model and agreed the relevant data with the latest budgets, actual past results and other supporting documents. • We assessed the sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment or material change in fair valuation. • We discussed with the component auditors of certain entities to develop an understanding of the operating performance and outlook used in their own valuation model and to assess consistency with the assumptions used in the model. • We had discussions with management to obtain an understanding of the relevant factors in respect of certain investments carried at fair value where a wide range of fair values were possible due to various factors such as absence of recent observable transactions, restrictions on transfer of shares, existence of multiple valuation techniques, investee's varied nature of portfolio of investments for which significant estimates/judgements are required to arrive at fair value. • We have discussed the key assumptions and sensitivities for certain investments with those charged with governance. • We evaluated the adequacy of the disclosures made in the Standalone Financial Statements. Based on the above procedures performed, we did not identify any significant exceptions in the management's assessment in relation to the carrying value of equity investments in subsidiaries, associates and joint ventures and fair value of other investments.

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Integrated Report, Board's Report along with its Annexures and Financial Highlights included in the Company's Annual Report (titled as 'Tata Steel Integrated Report & Annual Accounts 2020-21') but does not include the financial statements and our auditor's report thereon.

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

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

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the standalone financial statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the standalone financial statements

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

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

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

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

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

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion.

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

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

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

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

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

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

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

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

        i. The Company has disclosed the impact of pending litigations as on March 31, 2021, on its financial position in its standalone financial statements – Refer Notes 36(A) and 37 to the standalone financial statements;

        ii. The Company has long-term contracts including derivative contracts as at March 31, 2021 for which there were no material foreseeable losses.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021 except for amounts aggregating to ₹6.09 crore, which according to the information and explanations provided by the management is held in abeyance due to dispute/pending legal cases.

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

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

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

Russell I Parera
Partner
Membership Number: 042190
UDIN: 21042190AAAABM4545

Place: Mumbai
Date: May 5, 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of Tata Steel Limited on the standalone financial statements as on and for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to standalone financial statements of Tata Steel Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Russell I Parera
Partner
Membership Number: 042190
UDIN: 21042190AAAABM4545

Place: Mumbai
Date: May 5, 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Tata Steel Limited on the standalone financial statements as of and for the year ended March 31, 2021

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

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

(c) According to the information and explanations given to us and the records examined by us, the title deeds of immovable properties, as disclosed in Note 3 on property, plant and equipment to the Standalone Financial Statements, are held in the name of the Company, except for:

(i) title deeds of freehold land with gross and net carrying amount of ₹60.44 crore and title deeds of buildings with gross carrying amount and net carrying amount of ₹83.48 crore and ₹69.99 crore respectively, which are held in the name of erstwhile companies which have subsequently been amalgamated with the Company;

(ii) title deeds of freehold land with gross and net carrying amount of ₹202.54 crore and title deeds of buildings with gross carrying amount and net carrying amount of ₹95.62 crore and ₹68.37 crore respectively, which are not readily available.

ii. The physical verification of inventory [excluding stocks with third parties] have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In respect of inventories of stores and spares, the Management has a verification programme designed to cover the items over a period of three years. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

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

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

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

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

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of income tax, the Company is generally regular in depositing undisputed statutory dues in respect of electricity duty, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. We are informed that the Company has applied for exemption from operations of Employee's State Insurance Act at some locations. We are also informed that actions taken by the authorities at some locations to bring the employees of the Company under the Employees' State Insurance Scheme has been contested by the Company and payment has not been made of the contribution demanded. Further, for the period April 1, 2020 to May 31, 2020, the Company has paid Goods and Services Tax and filed Form GSTR-3B after the due date but within the timelines allowed by Central Board of Indirect Taxes and Customs under the Notifications No. 31/2020 and 36/2020 dated April 3, 2020 on fulfilment of conditions specified therein.

The extent of the arrears of statutory dues outstanding as at March 31, 2021, for a period of more than six months from the date they became payable are as follows:

Name of the Statute	Nature of dues	Amount (₹ crore)	Period to which the amount relates	Due date	Date of Payment
Income-tax Act, 1961	Income Tax (advance tax)	1,077.27	2020-2021	September 15, 2020	Not paid

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or goods and services tax as at March 31, 2021, which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of dues	Amount (net of payments) (₹ crore)	Amount paid (₹ crore)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income Tax	404.36*	1,130.45*	1998-1999, 2006-2008, 2009-2012, 2013-2014	Tribunal
		316.11	120.09	2010-2011, 2014-2016	Commissioner (Appeals)
Customs Act, 1962	Customs duty	3.20	0.82	1993-1994, 2002-2003	High Court
		375.32	61.61	2005-2010, 2017-2019	Tribunal
Central Excise Act, 1944	Excise Duty	33.12	0.10	1989-1990, 2003-2009	High Court
		551.13	36.65	2002-2005, 2006-2017	Tribunal
		4.93	3.83	1988-1990, 1998-1999, 2013-2016	Commissioner
		1.88	1.07	2016-2017	Joint Commissioner
Sales Tax Laws	Sales Tax	26.81	10.80	1977-1979, 1983-1984, 1991-1993, 1995-1997, 2000-2004, 2008-2009	High Court
		64.51	8.32	1977-1978, 1980-1981, 1983-1985, 1987-1988, 1989-1999, 2000-2002, 2003-2010, 2013-2016	Tribunal
		179.26	4.56	1988-1990, 1991-1992, 1993-1995, 2001-2004, 2014-2015	Commissioner
		380.96	0.50	2006-2007, 2011-2012, 2013-2014, 2015-2017	Joint Commissioner
		8.48	1.00	1975-1976, 1983-1988, 1994-1995, 1997-2003, 2006-2009, 2011-2012, 2013-2014, 2016-2019	Deputy Commissioner
Sales Tax Laws	Sales Tax	27.31	2.36	1983-1984, 2002-2003, 2011-2014	Additional Commissioner
		6.55	2.15	1973-1974, 1980-1993, 1994-1997, 2004-2005, 2008-2009, 2016-2018	Assistant Commissioner
Value Added Tax Laws	Value Added Tax	252.84	1.07	2001-2002, 2003-2004, 2007-2008, 2012-2016	High Court
		21.87	2.61	2005-2010, 2012-2015, 2016-2017	Tribunal
		67.86	0.08	2006-2011, 2012-2015	Commissioner
		206.53	6.60	2011-2014, 2015-2017	Joint Commissioner
		140.52	3.91	2004-2017	Deputy Commissioner
		2.54	0.46	2005-2006, 2011-2015	Additional Commissioner
		0.95	0.08	1997-1998, 2005-2007, 2014-2015, 2016-2018	Assistant Commissioner
Finance Act, 1994	Service Tax	0.30	-	2010-2011	High Court
		372.91	14.14	2007-2018	Tribunal
		2.75	0.10	2004-2008, 2012-2013, 2015-2017	Commissioner
		3.30	-	2016-18	Joint Commissioner
		0.75	0.03	2013-2018	Assistant Commissioner
Goods and Service tax Act, 2017	Goods and Services Tax	0.05	-	2017-2018	Commissioner
		0.16	-	2017-2018	Deputy Commissioner
		0.75	0.04	2018-2020	Assistant Commissioner

*excluding net excess payments/adjustments for the years 2007-2008, 2008-2009 and 2012-13 aggregating ₹191.87 crore.

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

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

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

ix. The Company has not raised any moneys by way of initial public offer and through debt instruments by way of further public offer. In our opinion, and according to the information and explanations given to us, the moneys raised by way of further public offer and term loans have been applied for the purposes for which they were obtained, other than ₹534.27 crore, out of the proceeds from further public offer in March 2021 which remains unutilised as of March 31, 2021.

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

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

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

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

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

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

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

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

Russell I Parera
Partner
Membership Number: 042190
UDIN: 21042190AAAABM4545

Place: Mumbai
Date: May 5, 2021

BALANCE SHEET
as at March 31, 2021

(₹ crore)

	Note	Page	As at March 31, 2021	As at March 31, 2020
Assets				
I Non-current assets				
(a) Property, plant and equipment	3	268	64,032.32	66,392.35
(b) Capital work-in-progress			10,057.18	8,070.41
(c) Right-of-use assets	4	271	3,905.97	4,113.31
(d) Intangible assets	5	273	839.33	727.72
(e) Intangible assets under development			408.79	176.64
(f) Investments in subsidiaries, associates and joint ventures	6	274	28,444.61	26,578.41
(g) Financial assets				
(i) Investments	7	279	22,621.66	20,282.50
(ii) Loans	8	283	7,509.33	199.26
(iii) Derivative assets			42.52	162.46
(iv) Other financial assets	9	285	91.66	60.42
(h) Non-current tax assets (net)			1,645.10	1,557.82
(i) Other assets	11	288	1,681.22	2,062.07
Total non-current assets			**1,41,279.69**	**1,30,383.37**
II Current assets				
(a) Inventories	12	289	8,603.79	10,716.66
(b) Financial assets				
(i) Investments	7	279	6,404.46	3,235.16
(ii) Trade receivables	13	289	3,863.31	1,016.73
(iii) Cash and cash equivalents	14	291	1,501.71	993.64
(iv) Other balances with banks	15	291	170.00	233.23
(v) Loans	8	283	1,555.95	1,607.32
(vi) Derivative assets			66.93	209.96
(vii) Other financial assets	9	285	351.54	230.41
(c) Other assets	11	288	854.99	1,715.92
Total current assets			**23,372.68**	**19,959.03**
III Assets held for sale			**383.62**	**50.16**
Total assets			**1,65,035.99**	**1,50,392.56**
Equity and liabilities				
IV Equity				
(a) Equity share capital	16	292	1,198.78	1,146.13
(b) Hybrid perpetual securities	17	295	775.00	2,275.00
(c) Other equity	18	295	89,293.33	73,416.99
Total equity			**91,267.11**	**76,838.12**
V Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	299	27,313.80	31,381.96
(ii) Derivative liabilities			71.20	122.55
(iii) Other financial liabilities	20	302	413.66	293.59
(b) Provisions	21	302	2,543.94	2,113.56
(c) Retirement benefit obligations	22	303	2,087.86	2,224.44
(d) Deferred tax liabilities (net)	10	286	6,111.70	5,862.28
(e) Other liabilities	24	304	5,913.40	684.76
Total non-current liabilities			**44,455.56**	**42,683.14**
VI Current liabilities				
(a) Financial liabilities				
(i) Borrowings	19	299	-	7,857.27
(ii) Trade payables	25	304		
(a) Total outstanding dues of micro and small enterprises			160.66	118.62
(b) Total outstanding dues of creditors other than micro and small enterprises			10,477.93	10,482.34
(iii) Derivative liabilities			69.39	81.69
(iv) Other financial liabilities	20	302	5,274.11	5,401.55
(b) Provisions	21	302	1,074.43	663.86
(c) Retirement benefit obligations	22	303	116.10	106.61
(d) Deferred income	23	304	34.44	6.15
(e) Current tax liabilities (net)			4,093.26	277.26
(f) Other liabilities	24	304	8,013.00	5,875.95
Total current liabilities			**29,313.32**	**30,871.30**
Total equity and liabilities			**1,65,035.99**	**1,50,392.56**
Notes forming part of the financial statements	1 - 46			

In terms of our report attached

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

sd/-
Russell I Parera
Partner
Membership Number 042190

Mumbai, May 5, 2021

For and on behalf of the Board of Directors

sd/- **N. Chandrasekaran**, Chairman, DIN: 00121863

sd/- **Mallika Srinivasan**, Independent Director, DIN: 00037022

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

sd/- **Peter Blauwhoff**, Independent Director, DIN: 07728872

sd/- **Deepak Kapoor**, Independent Director, DIN: 00162957

sd/- **Aman Mehta**, Independent Director, DIN: 00009364

sd/- **V. K. Sharma**, Non-Executive Director, DIN: 02449088

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

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

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

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

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

(₹ crore)

		Note	Page	Year ended March 31, 2021	Year ended March 31, 2020
I	Revenue from operations	26	305	64,869.00	60,435.97
II	Other income	27	306	637.89	404.12
III	**Total income**			**65,506.89**	**60,840.09**
IV	**Expenses:**				
	(a) Cost of materials consumed			13,868.60	17,407.03
	(b) Purchases of stock-in-trade			1,146.05	1,563.10
	(c) Changes in inventories of finished and semi-finished goods, stock-in-trade and work-in-progress	28	307	1,464.12	(564.40)
	(d) Employee benefits expense	29	307	5,198.82	5,036.62
	(e) Finance costs	30	308	3,393.84	3,031.01
	(f) Depreciation and amortisation expense	31	308	3,987.32	3,920.12
	(g) Other expenses	32	308	22,747.30	23,803.18
				51,806.05	**54,196.66**
	Less: Expenditure (other than interest) transferred to capital and other accounts			1,321.24	1,671.13
	Total expenses			**50,484.81**	**52,525.53**
V	**Profit before exceptional items and tax (III-IV)**			**15,022.08**	**8,314.56**
VI	**Exceptional items:**	33	310		
	(a) Profit/(loss) on sale of non-current investments			1,084.85	-
	(b) Provision for impairment of investments/doubtful advances			149.74	(1,149.80)
	(c) Provision for demands and claims			-	(196.41)
	(d) Employee separation compensation			(443.55)	(107.37)
	(e) Gain/(loss) on non-current investments classified as fair value through profit and loss (net)			1,982.01	(250.00)
	Total exceptional items			**2,773.05**	**(1,703.58)**
VII	**Profit before tax (V+VI)**			**17,795.13**	**6,610.98**
VIII	**Tax expense:**				
	(a) Current tax			3,949.05	1,787.95
	(b) Deferred tax			239.46	(1,920.77)
	Total tax expense			**4,188.51**	**(132.82)**
IX	**Profit for the year (VII-VIII)**			**13,606.62**	**6,743.80**
X	**Other comprehensive income/(loss)**				
	A (i) Items that will not be reclassified subsequently to profit and loss				
	(a) Remeasurement gain/(loss) on post-employment defined benefit plans			81.97	(461.27)
	(b) Fair value changes of investments in equity shares			333.55	(244.30)
	(ii) Income tax on items that will not be reclassified subsequently to profit and loss			(27.40)	116.65
	B (i) Items that will be reclassified subsequently to profit and loss				
	(a) Fair value changes of cash flow hedges			27.56	(79.76)
	(ii) Income tax on items that will be reclassified subsequently to profit and loss			(6.94)	19.81
	Total other comprehensive income/(loss) for the year			**408.74**	**(648.87)**
XI	**Total comprehensive income/(loss) for the year (IX+X)**			**14,015.36**	**6,094.93**
XII	**Earnings per share**	34	310		
	Basic (₹)			117.04	57.11
	Diluted (₹)			117.03	57.11
XIII	**Notes forming part of the financial statements**	1 - 46			

In terms of our report attached

For and on behalf of the Board of Directors

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

sd/-
Russell I Parera
Partner
Membership Number 042190

Mumbai, May 5, 2021

sd/- **N. Chandrasekaran**, Chairman, DIN: 00121863

sd/- **Mallika Srinivasan**, Independent Director, DIN: 00037022

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

sd/- **Peter Blauwhoff**, Independent Director, DIN: 07728872

sd/- **Deepak Kapoor**, Independent Director, DIN: 00162957

sd/- **Aman Mehta**, Independent Director, DIN: 00009364

sd/- **V. K. Sharma**, Non-Executive Director, DIN: 02449088

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

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

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

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

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

A. Equity share capital

(₹ crore)

Balance as at April 1, 2020	Changes during the year	Balance as at March 31, 2021
1,146.13	52.65	**1,198.78**

(₹ crore)

Balance as at April 1, 2019	Changes during the year	Balance as at March 31, 2020
1,146.12	0.01	**1,146.13**

B. Hybrid perpetual securities

(₹ crore)

Balance as at April 1, 2020	Changes during the year	Balance as at March 31, 2021
2,275.00	(1,500.00)	**775.00**

(₹ crore)

Balance as at April 1, 2019	Changes during the year	Balance as at March 31, 2020
2,275.00	-	**2,275.00**

C. Other equity

(₹ crore)

	Retained earnings (refer note 18A, page 295)	Items of other comprehensive income (refer note 18B, page 296)	Other reserves (refer note 18C, page 297)	Share application money pending allotment (refer note 18D, page 298)	Total
Balance as at April 1, 2020	**32,106.96**	**(250.42)**	**41,560.45**	**-**	**73,416.99**
Profit for the year	13,606.62	-	-	-	13,606.62
Other comprehensive income for the year	61.34	347.40	-	-	408.74
Total comprehensive income for the year	**13,667.96**	**347.40**	**-**	**-**	**14,015.36**
Subscription to final call on equity shares	-	-	3,185.84	-	3,185.84
Equity issue expenses written (off)/back	-	-	(1.36)	-	(1.36)
Dividend[(i)]	(1,145.93)	-	-	-	(1,145.93)
Distribution on hybrid perpetual securities	(242.34)	-	-	-	(242.34)
Tax on distribution on hybrid perpetual securities	60.99	-	-	-	60.99
Transfers within equity	(138.68)	138.68	-		-
Application money received	-	-	-	3.78	3.78
Balance as at March 31, 2021	**44,308.96**	**235.66**	**44,744.93**	**3.78**	**89,293.33**

STATEMENT OF CHANGES IN EQUITY (CONTD.)

for the year ended March 31, 2021

(₹ crore)

	Retained earnings (refer note 18A, page 295)	Items of other comprehensive income (refer note 18B, page 296)	Other reserves (refer note 18C, page 297)	Share application money pending allotment (refer note 18D, page 298)	Total
Balance as at April 1, 2019	**27,694.90**	**53.27**	**41,560.42**	**-**	**69,308.59**
Profit for the year	6,743.80	-	-	-	6,743.80
Other comprehensive income for the year	(345.18)	(303.69)	-	-	(648.87)
Total comprehensive income for the year	**6,398.62**	**(303.69)**	**-**	**-**	**6,094.93**
Issue of Ordinary Shares	-	-	0.03	(0.04)	(0.01)
Dividend(i)	(1,489.67)	-	-	-	(1,489.67)
Tax on dividend	(297.71)	-	-	-	(297.71)
Distribution on hybrid perpetual securities	(266.15)	-	-	-	(266.15)
Tax on distribution on hybrid perpetual securities	66.97	-	-	-	66.97
Application money received	-	-	-	0.04	0.04
Balance as at March 31, 2020	**32,106.96**	**(250.42)**	**41,560.45**	**-**	**73,416.99**

(i) Dividend paid during the year ended March 31, 2021 is ₹**10.00** per Ordinary share (face value ₹10 each, fully paid up) and ₹**2.504** per Ordinary Share (face value ₹10 each, partly paid up ₹2.504 per share) (March 31, 2020 ₹13.00 per Ordinary Share of face value ₹10 each, fully paid up and ₹3.25 per Ordinary Share of face value ₹10 each, partly paid up ₹2.504 per share).

D. Notes forming part of the financial statements — Note 1-46

In terms of our report attached

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

sd/-
Russell I Parera
Partner
Membership Number 042190

Mumbai, May 5, 2021

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

sd/-
Mallika Srinivasan
Independent Director
DIN: 00037022

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DIN: 00548091

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DIN: 07728872

sd/-
Deepak Kapoor
Independent Director
DIN: 00162957

sd/-
Aman Mehta
Independent Director
DIN: 00009364

sd/-
V. K. Sharma
Non-Executive Director
DIN: 02449088

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

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

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

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

STATEMENT OF CASH FLOWS

for the year ended March 31, 2021

(₹ crore)

		Year ended March 31, 2021		Year ended March 31, 2020
A. Cash flows from operating activities:				
Profit before tax		17,795.13		6,610.98
Adjustments for:				
Depreciation and amortisation expense	3,987.32		3,920.12	
Dividend income	(68.13)		(89.73)	
(Gain)/loss on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off)	(23.50)		1.20	
Exceptional (income)/expenses	(2,773.05)		1,703.58	
(Gain)/loss on cancellation of forwards, swaps and options	2.72		1.26	
Interest income and income from current investments and guarantees	(451.60)		(171.58)	
Finance costs	3,393.84		3,031.01	
Foreign exchange (gain)/loss	(20.33)		(85.86)	
Other non-cash items	(10.84)		(1,152.70)	
		4,036.43		7,157.30
Operating profit before changes in non-current/current assets and liabilities		**21,831.56**		**13,768.28**
Adjustments for:				
Non-current/current financial and other assets	(2,058.17)		1,441.64	
Inventories	2,105.79		533.21	
Non-current/current financial and other liabilities/provisions	7,850.16		(470.69)	
		7,897.78		1,504.16
Cash generated from operations		**29,729.34**		**15,272.44**
Income taxes paid (net of refund)		(360.78)		(1,818.78)
Net cash from/(used in) operating activities		**29,368.56**		**13,453.66**
B. Cash flows from investing activities:				
Purchase of capital assets	(2,122.26)		(4,749.28)	
Sale of capital assets	34.32		173.07	
Purchase of investments in subsidiaries	(935.82)		(8,945.16)	
Purchase of other non-current investments	(64.41)		(61.20)	
Sale of investments in subsidiaries	21.06		-	
(Purchase)/sale of current investments (net)	(2,973.61)		(2,661.50)	
Loans given	(8,114.74)		(1,527.02)	
Repayment of loans given	788.94		7.76	
Principal receipts under sublease	2.80		1.83	
Fixed/restricted deposits with banks (placed)/realised	67.85		(80.23)	
Interest and guarantee commission received	219.28		117.34	
Dividend received from subsidiaries	25.22		35.38	
Dividend received from associates and joint ventures	23.43		34.20	
Dividend received from others	19.48		20.15	
Net cash from/(used in) investing activities		**(13,008.46)**		**(17,634.66)**

STATEMENT OF CASH FLOWS (CONTD.)

for the year ended March 31, 2021

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
C. Cash flows from financing activities:		
Proceeds from issue of equity shares (net of issue expenses)	3,240.91	0.04
Proceeds from long-term borrowings (net of issue expenses)	9,777.19	5,052.88
Repayment of long-term borrowings	(14,775.68)	(2,866.18)
Proceeds/(repayments) of short-term borrowings (net)	(7,854.16)	7,846.07
Payment of lease obligations	(376.68)	(260.66)
Amount received/(paid) on utilisation/cancellation of derivatives	31.35	(5.19)
Repayment of hybrid perpetual securities	(1,500.00)	-
Distribution on hybrid perpetual securities	(266.25)	(265.76)
Interest paid	(2,982.78)	(3,084.03)
Dividend paid	(1,145.93)	(1,489.67)
Tax on dividend paid	-	(297.71)
Net cash from/(used in) financing activities	**(15,852.03)**	**4,629.79**
Net increase/(decrease) in cash and cash equivalents	**508.07**	**448.79**
Opening cash and cash equivalents	**993.64**	**544.85**
Closing cash and cash equivalents (refer note 14, page 291)	**1,501.71**	**993.64**

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

(a) amortisation/effective interest rate adjustments of upfront fees ₹**142.97** crore (2019-20: ₹219.82 crore).

(b) exchange gain ₹**125.16** crore (2019-20: loss ₹268.69 crore).

(c) adjustments to lease obligations, increase ₹**149.92** crore (2019-20: increase ₹1,440.60 crore).

D. Notes forming part of the financial statements — **Note 1-46**

In terms of our report attached

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

sd/-
Russell I Parera
Partner
Membership Number 042190

Mumbai, May 5, 2021

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

sd/-
Mallika Srinivasan
Independent Director
DIN: 00037022

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

sd/-
Peter Blauwhoff
Independent Director
DIN: 07728872

sd/-
Deepak Kapoor
Independent Director
DIN: 00162957

sd/-
Aman Mehta
Independent Director
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Chief Executive Officer & Managing Director
DIN: 03083605

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Koushik Chatterjee
Executive Director & Chief Financial Officer
DIN: 00004989

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

NOTES
forming part of the financial statements

1. Company information

Tata Steel Limited ("the Company") is a public limited Company incorporated in India with its registered office in Mumbai, Maharashtra, India. The Company is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

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

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

As on March 31, 2021, Tata Sons Private Limited owns 32.93% of the Ordinary Shares of the Company, and has the ability to influence the Company's operations.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on May 5, 2021.

2. Significant accounting policies

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

(a) Statement of compliance

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

(b) Basis of preparation

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

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

(c) Use of estimates and critical accounting judgements

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

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

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment and intangible assets, valuation of deferred tax assets, provisions and contingent liabilities, fair value measurements of financial instruments and retirement benefit obligations as discussed below:

Impairment

The Company estimates the value in use of the cash generating unit (CGU) based on future cash flows after considering current economic conditions and trends, estimated future operating results and growth rates and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate in order to calculate the present value. Further details of the Company's impairment review and key assumptions are set out in note 3, page 268, note 4, page 271, note 5, page 273 and note 6, page 274.

Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods. The policy has been detailed in note 2(i), page 259.

NOTES

forming part of the financial statements

2. Significant accounting policies (Contd.)

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been detailed in note 2(u), page 265, and its further information are set out in note 10, page 286.

Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Further details are set out in note 21, page 302 and note 36A, page 317.

Fair value measurements of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Further details are set out in note 39, page 323.

Retirement benefit obligations

The Company's retirement benefit obligations are subject to number of assumptions including discount rates, inflation and salary growth. Significant assumptions are required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Company's balance sheet and the statement of profit and loss. The Company sets these assumptions based on previous experience and third party actuarial advice. Further details on the Company's retirement benefit obligations, including key judgements are set out in note 35, page 311.

Estimation of uncertainties relating to COVID-19

The Company has assessed the possible impact of COVID-19 on its financial statements based on the internal and external information available up to the date of approval of the financial statements and concluded no adjustment is required in these financial statements. The Company continues to monitor the future economic conditions.

(d) Property, plant and equipment

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

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

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

(e) Exploration for and evaluation of mineral resources

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

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

NOTES

forming part of the financial statements

2. Significant accounting policies (Contd.)

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

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

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

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

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

(f) Development expenditure for mineral reserves

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

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

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

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

(g) Provision for restoration and environmental costs

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

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

(h) Intangible assets

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

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

(i) completion of the development is technically feasible.

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

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

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

NOTES

forming part of the financial statements

2. Significant accounting policies (Contd.)

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

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

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

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

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

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

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

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

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

	Estimated useful life (years)
Buildings	upto 60 years*
Roads	5 years
Plant and machinery	upto 40 years*
Railway sidings	upto 35 years*
Vehicles and aircraft	5 to 20 years
Furniture, fixtures and office equipments	4 to 6 years
Computer software	5 years
Assets covered under Electricity Act (life as prescribed under the Electricity Act)	3 to 34 years

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

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

Freehold land is not depreciated.

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

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

(j) Impairment

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

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

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

2. Significant accounting policies (Contd.)

(k) Leases

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

The Company as lessee

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

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

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

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

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

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

In a sale and lease back transaction, the Company measures right-of-use asset arising from the leaseback as the proportion of the previous carrying amount of the asset that relates to the right-of-use retained. The gain or loss that the company recognises in the statement of profit and loss is limited to the proportion of the total gain or loss that relates to the rights transferred to the buyer.

The Company as lessor

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

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

(l) Stripping costs

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

- developmental stripping costs and
- production stripping costs

NOTES

forming part of the financial statements

2. Significant accounting policies (Contd.)

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

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

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

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

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

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

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

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

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

(m) Investments in subsidiaries, associates and joint ventures

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

(n) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of

NOTES
forming part of the financial statements

2. Significant accounting policies (Contd.)

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

(I) Financial assets

Cash and bank balances

Cash and bank balances consist of:

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

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

Financial assets at amortised cost

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

Financial assets measured at fair value

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

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments. These investments are held for medium or long-term strategic purpose. The Company has chosen to designate these investments in equity instruments as fair value through other comprehensive income as the management believes this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the statement of profit and loss.

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

Interest income

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

Dividend income

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

Impairment of financial assets

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

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

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

De-recognition of financial assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from

NOTES

forming part of the financial statements

2. Significant accounting policies (Contd.)

the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

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

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

(II) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Financial liabilities

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

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

De-recognition of financial liabilities

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

Derivative financial instruments and hedge accounting

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

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

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

When hedge accounting is applied:

- for fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognised in the statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.
- for cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and the ineffective portion is recognised in the statement of profit and loss. If the cash flow hedge of a firm commitment

2. Significant accounting policies (Contd.)

or forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the statement of profit and loss in the same period in which the hedged item affects the statement of profit and loss.

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

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

(o) Employee benefits

Defined contribution plans

Contributions under defined contribution plans are recognised as expense for the period in which the employee has rendered service. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined benefit plans

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

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

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

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

(p) Inventories

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

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

(q) Provisions

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

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

(i) by an established pattern of past practice, published policies or a sufficiently specific current statement,

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forming part of the financial statements

2. Significant accounting policies (Contd.)

the entity has indicated to other parties that it will accept certain responsibilities and;

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

(r) Onerous contracts

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

(s) Government grants

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

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

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

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

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

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

(u) Income taxes

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

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

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

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

2. Significant accounting policies (Contd.)

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

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

(v) Revenue

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

Sale of products

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

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

The Company does not adjust the transaction prices for any time value of money in case of contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceeds one year.

Sale of power

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

(w) Foreign currency transactions and translations

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

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

Exchange differences arising upto March 31, 2020 on translation of long-term foreign currency monetary items recognised in the financial statements before the beginning of the first Ind AS financial reporting period in respect of which the Company has elected to recognise such exchange differences in equity or as part of cost of assets as allowed under Ind AS 101 "First-time adoption of Indian Accounting Standards" are added/deducted to/ from the cost of assets as the case may be. Such exchange differences recognised as part of cost of assets is recognised in the statement of profit and loss on a systematic basis.

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

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2. Significant accounting policies (Contd.)

(x) Borrowing costs

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

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

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

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

(y) Earnings per share

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

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

(z) Recent accounting pronouncements

Amendment to Ind AS 116 "Leases" – Insertion of practical expedient for COVID-19 related lease concessions

The amendment provides lessee with a practical expedient and an exemption to assess whether a COVID-19 related rent concession is a lease modification to payments originally due on or before June 30, 2021. Amendment also requires disclosure of the amount recognised in statement of profit and loss to reflect changes in lease payments that arise from such concession. The Company has not recognised any amount as reversal of lease liability in the statement of profit and loss.

Amendment to Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures" – Interest rate Benchmark Reform

The Company has applied the related amendments. The amendments provide relief from the specific hedge accounting requirements assuming that the interest rate benchmark is not altered as a result of the interest rate benchmark reform. The Company is currently evaluating the potential impact of replacement of interest rate benchmark and will accordingly manage the transition plan.

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3. Property, plant and equipment
[Item No. I(a), Page 250]

(₹ crore)

	Land including roads	Buildings	Plant and machinery	Furniture, fixtures and office equipments	Vehicles	Railway sidings	Total
Cost/deemed cost as at April 1, 2020	14,253.40	6,373.06	60,723.91	567.31	430.46	1,095.76	83,443.90
Additions	23.53	181.26	870.78	67.36	3.32	-	1,146.25
Disposals	(0.30)	(10.12)	(4.77)	(5.10)	(9.89)	(0.25)	(30.43)
Other re-classifications	-	-	0.60	(1.54)	0.74	-	(0.20)
Cost/deemed cost as at March 31, 2021	**14,276.63**	**6,544.20**	**61,590.52**	**628.03**	**424.63**	**1,095.51**	**84,559.52**
Impairment as at April 1, 2020	0.15	1.32	0.09	-	-	-	1.56
Charge for the year	-	-	6.07	-	-	-	6.07
Accumulated impairment as at March 31, 2021	**0.15**	**1.32**	**6.16**	**-**	**-**	**-**	**7.63**
Accumulated depreciation as at April 1, 2020	728.65	1,118.56	14,416.71	416.51	199.49	170.07	17,049.99
Charge for the year	98.52	216.22	3,025.14	80.90	30.14	38.22	3,489.14
Disposals	(0.18)	(2.40)	(3.78)	(4.49)	(8.61)	(0.10)	(19.56)
Other re-classifications	-	-	0.49	(0.75)	0.26	-	-
Accumulated depreciation as at March 31, 2021	**826.99**	**1,332.38**	**17,438.56**	**492.17**	**221.28**	**208.19**	**20,519.57**
Total accumulated depreciation and impairment as at March 31, 2021	**827.14**	**1,333.70**	**17,444.72**	**492.17**	**221.28**	**208.19**	**20,527.20**
Net carrying value as at April 1, 2020	13,524.60	5,253.18	46,307.11	150.80	230.97	925.69	66,392.35
Net carrying value as at March 31, 2021	**13,449.49**	**5,210.50**	**44,145.80**	**135.86**	**203.35**	**887.32**	**64,032.32**

(₹ crore)

	Land including roads	Buildings	Plant and machinery	Furniture, fixtures and office equipments	Vehicles	Railway sidings	Total
Cost/deemed cost as at April 1, 2019	14,192.96	6,109.34	63,468.68	548.90	369.92	1,080.39	85,770.19
Additions	60.44	277.26	1,425.81	44.77	73.85	15.37	1,897.50
Disposals	-	(16.70)	(204.17)	(21.15)	(9.86)	-	(251.88)
Classified as held for sale	-	(37.09)	(73.81)	(5.32)	(3.45)	-	(119.67)
Other re-classifications	-	40.25	(3,892.60)	0.11	-	-	(3,852.24)
Cost/deemed cost as at March 31, 2020	**14,253.40**	**6,373.06**	**60,723.91**	**567.31**	**430.46**	**1,095.76**	**83,443.90**
Impairment as at April 1, 2019	0.15	1.32	0.09	-	-	-	1.56
Accumulated impairment as at March 31, 2020	**0.15**	**1.32**	**0.09**	**-**	**-**	**-**	**1.56**
Accumulated depreciation as at April 1, 2019	609.16	921.82	13,148.02	363.37	177.79	131.65	15,351.81
Charge for the year	119.49	233.37	3,035.35	77.19	31.41	38.42	3,535.23
Disposals	-	(5.80)	(32.81)	(20.04)	(7.97)	-	(66.62)
Classified as held for sale	-	(32.41)	(31.34)	(4.02)	(1.74)	-	(69.51)
Other re-classifications	-	1.58	(1,702.51)	0.01	-	-	(1,700.92)
Accumulated depreciation as at March 31, 2020	**728.65**	**1,118.56**	**14,416.71**	**416.51**	**199.49**	**170.07**	**17,049.99**
Total accumulated depreciation and impairment as at March 31, 2020	**728.80**	**1,119.88**	**14,416.80**	**416.51**	**199.49**	**170.07**	**17,051.55**
Net carrying value as at April 1, 2019	13,583.65	5,186.20	50,320.57	185.53	192.13	948.74	70,416.82
Net carrying value as at March 31, 2020	**13,524.60**	**5,253.18**	**46,307.11**	**150.80**	**230.97**	**925.69**	**66,392.35**

NOTES
forming part of the financial statements

3. Property, plant and equipment (Contd.)
[Item No. I(a), Page 250]

(i) During the year ended March 31, 2020, other re-classifications primarily include assets under finance leases of ₹2,151.32 crore (net of accumulated depreciation and impairment), re-classified to right-of-use assets on adoption of Ind AS 116 “Leases”.

(ii) Buildings include ₹**2.32** crore (March 31, 2020: ₹2.32 crore) being cost of shares in co-operative housing societies and limited companies.

(iii) During the year ended March 31, 2020, the Company has classified certain items of property, plant and equipment in respect of one of its mining locations as assets held for sale, the net carrying value of these assets ₹50.16 crore was recovered through a sale transaction during the year ended March 31, 2021.

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

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Furniture and fixtures		
Cost/deemed cost	129.26	123.65
Accumulated depreciation and impairment	115.54	104.97
	13.72	**18.68**
Office equipments		
Cost/deemed cost	498.77	443.66
Accumulated depreciation and impairment	376.63	311.54
	122.14	**132.12**
	135.86	**150.80**

(v) ₹**137.49** crore (2019-20: ₹103.58 crore) of borrowing costs has been capitalised during the year against qualifying assets under construction using a capitalisation rate of **4.09**% (2019-20: 6.84%).

(vi) During the year ended March 31, 2020, rupee liability increased by ₹128.72 crore arising out of re-translation of the value of long-term foreign currency loans and liabilities for procurement of property, plant and equipment, generally plant and machinery. This increase was adjusted against the carrying cost of assets and depreciated over their remaining useful life. The depreciation for the year ended March 31, 2020, was higher by ₹4.31 crore on account of this adjustment.

(vii) Property, plant and equipment (including capital work-in-progress) were tested for impairment during the year where indicators of impairment existed. During the year ended March 31, 2021, the Company has recognised an impairment reversal of ₹**3.84** crore (net of charge of ₹**6.07** crore for plant and machinery) (2019-20: ₹45.97 crore, impairment reversal) in respect of expenditure incurred (included within capital work-in-progress) at one of its mining sites. The impairment recognised/reversed is included within other expenses in the statement of profit and loss.

NOTES
forming part of the financial statements

3. Property, plant and equipment (Contd.)
[Item No. I(a), Page 250]

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

(₹ crore)

	Land including roads	Buildings	Plant and machinery	Furniture, fixtures and office equipments	Vehicles	Total
Cost/deemed cost as at April 1, 2020	**1.88**	**6.35**	**92.96**	**7.23**	**0.09**	**108.51**
	-	*6.35*	*92.93*	*8.24*	*0.09*	*107.61*
Additions	**-**	**-**	**2.86**	**0.42**	**-**	**3.28**
	-	-	*0.03*	*1.03*	-	*1.06*
Other re-classifications*	**-**	**-**	**-**	**-**	**-**	**-**
	1.88	-	-	*(1.61)*	-	*0.27*
Deductions	**-**	**-**	**-**	**(0.01)**	**-**	**(0.01)**
	-	-	-	*(0.43)*	-	*(0.43)*
Cost/deemed cost as at March 31, 2021	**1.88**	**6.35**	**95.82**	**7.64**	**0.09**	**111.78**
	1.88	*6.35*	*92.96*	*7.23*	*0.09*	*108.51*
Capital work-in-progress	**-**	**-**	**-**	**-**	**-**	**2.42**
	-	-	-	-	-	*3.50*

Figures in italics represent comparative figures for previous year.

* During the year ended March 31, 2020, Other re-classifications represents ₹0.27 crore relating to in-house research facilities, regrouped from intangible assets to land including roads.

(ix) Details of property, plant and equipment pledged against borrowings is presented in note 19, page 299.

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forming part of the financial statements

4. Right-of-use assets

[Item No. I(c), Page 250]

(₹ crore)

	Right-of-use land	Right-of-use buildings	Right-of-use plant and machinery	Right-of-use vehicles	Right-of-use railway sidings	Total
Cost as at April 1, 2020	945.08	93.73	5,117.34	7.97	17.39	6,181.51
Additions	112.70	16.55	44.87	12.71	-	186.83
Disposals	-	(37.33)	-	(0.43)	-	(37.76)
Cost as at March 31, 2021	**1,057.78**	**72.95**	**5,162.21**	**20.25**	**17.39**	**6,330.58**
Accumulated impairment as at March 31, 2021	-	-	-	-	-	-
Accumulated depreciation as at April 1, 2020	81.67	23.64	1,955.81	0.53	6.55	2,068.20
Charge for the year	59.79	28.01	263.95	2.79	8.00	362.54
Disposals	-	(6.05)	-	(0.08)	-	(6.13)
Accumulated depreciation as at March 31, 2021	**141.46**	**45.60**	**2,219.76**	**3.24**	**14.55**	**2,424.61**
Total accumulated depreciation and impairment as at March 31, 2021	**141.46**	**45.60**	**2,219.76**	**3.24**	**14.55**	**2,424.61**
Net carrying value as at April 1, 2020	863.41	70.09	3,161.53	7.44	10.84	4,113.31
Net carrying value as at March 31, 2021	**916.32**	**27.35**	**2,942.45**	**17.01**	**2.84**	**3,905.97**

(₹ crore)

	Right-of-use land	Right-of-use buildings	Right-of-use plant and machinery	Right-of-use vehicles	Right-of-use railway sidings	Total
Cost as at April 1, 2019	-	-	-		-	-
Additions on account of transition to Ind AS 116 "Leases"	27.29	77.27	1,074.49	-	12.13	1,191.18
Additions	20.17	16.74	191.20	7.97	5.26	241.34
Disposals	-	(0.87)	-	-	-	(0.87)
Other re-classifications	897.62	0.59	3,851.65	-	-	4,749.86
Cost as at March 31, 2020	**945.08**	**93.73**	**5,117.34**	**7.97**	**17.39**	**6,181.51**
Accumulated impairment as at March 31, 2020	**-**	-	-	-	-	-
Accumulated depreciation as at April 1, 2019	-	-	-		-	-
Charge for the year	16.97	23.29	255.48	0.53	6.55	302.82
Disposals	-	(0.24)	-	-	-	(0.24)
Other re-classifications	64.70	0.59	1,700.33	-	-	1,765.62
Accumulated depreciation as at March 31, 2020	**81.67**	**23.64**	**1,955.81**	**0.53**	**6.55**	**2,068.20**
Total accumulated depreciation and impairment as at March 31, 2020	**81.67**	**23.64**	**1,955.81**	**0.53**	**6.55**	**2,068.20**
Net carrying value as at April 1, 2019	-	-	-	-	-	-
Net carrying value as at March 31, 2020	**863.41**	**70.09**	**3,161.53**	**7.44**	**10.84**	**4,113.31**

(i) During the year ended March 31, 2020, Other re-classifications represent assets under finance leases of ₹2,151.32 crore (net of accumulated depreciation and impairment) and prepaid payment with respect to land leases of ₹832.92 crore (net of accumulated amortisation), re-classified under right-of-use assets on adoption of Ind AS 116 "Leases".

(ii) Vehicle cost used for in-house research and development included within right-of-use vehicles is ₹**0.71** crore (March 31, 2020: ₹0.28 crore).

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

4. Right-of-use assets (Contd.)

[Item No. I(c), Page 250]

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Extension and termination options are included in a number of property and equipment leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. Majority of the extension and termination options held are exercisable based on mutual agreement of the Company and the respective lessor.

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

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

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

During the year ended March 31, 2021, the Company recognised the following in the statement of profit and loss:

a) expense in respect of short-term leases and leases of low-value assets ₹**6.73** crore (2019-20: ₹32.18 crore) and ₹**0.33** crore (2019- 20: ₹1.21 crore) respectively.

b) expense in respect of variable lease payments not included in the measurement of lease liabilities ₹**60.96** crore (2019-20: ₹81.99 crore).

c) income in respect of sub-leases of right-of-use assets ₹**0.53** crore (2019-20: ₹0.71 crore).

d) loss on sale and leaseback transaction entered during the year **Nil** (2019-20: ₹0.45 crore).

During the year ended March 31, 2021, total cash outflow in respect of leases amounted to ₹**799.64** crore (March 31, 2020: ₹729.29 crore).

As at March 31, 2021, commitments for leases not yet commenced was ₹**201.13** crore (March 31, 2020: ₹335.44 crore).

NOTES
forming part of the financial statements

5. Intangible assets
[Item No. I(d), Page 250]

(₹ crore)

	Software costs	Mining assets	Total
Cost/deemed cost as at April 1, 2020	271.23	1,929.03	2,200.26
Additions	5.31	238.38	243.69
Disposals	(0.14)	(97.31)	(97.45)
Other re-classifications	0.20	-	0.20
Cost/deemed cost as at March 31, 2021	**276.60**	**2,070.10**	**2,346.70**
Accumulated impairment as at April 1, 2020	-	40.11	40.11
Charge for the year	-	(3.62)	(3.62)
Accumulated impairment as at March 31, 2021	**-**	**36.49**	**36.49**
Accumulated amortisation as at April 1, 2020	220.49	1,211.94	1,432.43
Charge for the year	24.57	111.07	135.64
Disposals	(0.15)	(97.04)	(97.19)
Accumulated amortisation as at March 31, 2021	**244.91**	**1,225.97**	**1,470.88**
Total accumulated amortisation and impairment as at March 31, 2021	**244.91**	**1,262.46**	**1,507.37**
Net carrying value as at April 1, 2020	50.74	676.98	727.72
Net carrying value as at March 31, 2021	**31.69**	**807.64**	**839.33**

(₹ crore)

	Software costs	Mining assets	Total
Cost/deemed cost as at April 1, 2019	266.66	1,929.01	2,195.67
Additions	4.57	0.02	4.59
Cost/deemed cost as at March 31, 2020	**271.23**	**1,929.03**	**2,200.26**
Accumulated impairment as at April 1, 2019	-	40.11	40.11
Accumulated impairment as at March 31, 2020	**-**	**40.11**	**40.11**
Accumulated amortisation as at April 1, 2019	195.75	1,154.61	1,350.36
Charge for the year	24.74	57.33	82.07
Accumulated amortisation as at March 31, 2020	**220.49**	**1,211.94**	**1,432.43**
Total accumulated amortisation and impairment as at March 31, 2020	**220.49**	**1,252.05**	**1,472.54**
Net carrying value as at April 1, 2019	70.91	734.29	805.20
Net carrying value as at March 31, 2020	**50.74**	**676.98**	**727.72**

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

(ii) During the year ended March 31, 2021, the Company has recognised an impairment reversal of ₹**3.62** crore (2019-20: Nil) for expenditure incurred in respect of certain mines.

(iii) Software costs related to in-house research and development included within software costs is ₹**0.13** crore (2019-20: ₹0.01 crore). During the year ended March 31, 2020, ₹0.27 crore relating to in-house research facilities had been regrouped to land including roads.

NOTES

forming part of the financial statements

6. Investments in subsidiaries, associates and joint ventures

[Item No. I(f), Page 250]

(₹ crore)

	No. of shares as at March 31, 2021 (face value of ₹10 each fully paid up unless otherwise specified)	As at March 31, 2021	As at March 31, 2020
A. Investments carried at cost/deemed cost			
(a) Equity investment in subsidiary companies			
(i) Quoted			
(1) Tata Metaliks Ltd.	1,89,57,090	430.09	205.87
(34,92,500 equity shares received on conversion of warrants during the year)			
(2) Tata Steel Long Products Limited	3,37,86,521	1,360.58	1,378.74
(4,51,000 equity shares sold during the year)			
(3) Tayo Rolls Limited	55,87,372	-	-
(4) The Tinplate Company of India Ltd	7,84,57,640	395.02	395.02
		2,185.69	**1,979.63**
(ii) Unquoted			
(1) ABJA Investment Co. Pte Ltd. (Face value of USD 1 each)	2,00,000	1.08	1.08
(2) Adityapur Toll Bridge Company Limited	4,14,00,000	26.40	26.40
(3) Bamnipal Steel Limited	25,88,95,798	258.89	258.89
(4) Bhubaneshwar Power Private Limited	23,69,86,703	321.73	321.73
(5) Bistupur Steel Limited^	40,000	0.04	0.04
(6) Creative Port Development Private Limited	1,27,500	91.88	91.88
(7) Dimna Steel Limited^	40,000	0.04	0.04
(8) Jamadoba Steel Limited^	40,000	0.04	0.04
(9) Jamshedpur Football and Sporting Private Limited	4,08,00,000	40.80	40.80
(10) Jugsalai Steel Limited^	40,000	0.04	0.04
(11) Mohar Exports Services Pvt Ltd*	3,352	-	-
(12) NatSteel Asia Pte. Ltd. (Face value of SGD 1 each)	28,14,37,128	773.86	773.86
(13) Noamundi Steel Limited^	40,000	0.04	0.04
(14) Rujuvalika Investments Limited	13,28,800	60.40	60.40
(15) Sakchi Steel Limited^	40,000	0.04	0.04
(16) Straight Mile Steel Limited^	40,000	0.04	0.04
(17) Subarnarekha Port Private Limited	4,24,183	17.01	17.01
(18) T Steel Holdings Pte. Ltd. (Face value of GBP 1 each)	7,31,21,21,292	12,724.26	12,724.26
(19) T Steel Holdings Pte. Ltd. (Face value of GBP 0.78 each)	1,25,80,00,000	8,990.63	8,990.63
(20) Tata Korf Engineering Services Ltd* #	3,99,986	-	-
(21) Tata Steel (KZN) (Pty) Ltd. ~ (Face value of ZAR 1 each)	-	-	-
(22) Tata Steel Downstream Products Limited	24,23,27,940	2,520.06	274.45
(17,40,77,940 equity shares received during the year)			

NOTES
forming part of the financial statements

6. Investments in subsidiaries, associates and joint ventures (Contd.)
[Item No. I(f), Page 250]

(₹ crore)

	No. of shares as at March 31, 2021 (face value of ₹10 each fully paid up unless otherwise specified)	As at March 31, 2021	As at March 31, 2020
(23) Tata Steel Foundation	10,00,000	1.00	1.00
(24) Tata Steel Mining Limited	48,50,71,068	905.62	78.64
(41,93,63,524 shares purchased during the year)			
(25) Tata Steel Odisha Limited	25,67,000	2.57	2.57
(26) Tata Steel Special Economic Zone Limited	39,94,60,501	-	374.54
(27) Tata Steel Utilities and Infrastructure Services Limited	2,43,50,000	24.35	24.35
(28) The Indian Steel & Wire Products Ltd	56,92,651	3.08	3.08
(29) The Tata Pigments Limited (Face value of ₹100 each)	75,000	-	0.70
		26,763.90	**24,066.55**
Aggregate provision for impairment in value of investments		(1,045.08)	(1,195.08)
		25,718.82	**22,871.47**
		27,904.51	**24,851.10**
(b) Investment in equity share warrants of subsidiary companies			
(i) Unquoted			
(1) Tata Metaliks Ltd.	-	-	56.05
(34,92,500 warrants converted into equity shares during the year)			
		-	**56.05**
(c) Equity investment in associate companies			
(i) Quoted			
(1) TRF Limited	37,53,275	5.79	5.79
		5.79	**5.79**
Aggregate provision for impairment in value of investments		(5.79)	(5.79)
		-	-
(ii) Unquoted			
(1) Kalinga Aquatic Ltd*	10,49,920	-	-
(2) Kumardhubi Fireclay and Silica Works Ltd.*#	1,50,001	-	-
(3) Kumardhubi Metal Casting and Engineering Ltd.*#	10,70,000	-	-
(4) Malusha Travels Pvt Ltd: **₹33,520** (March 31, 2020: ₹33,520)	3,352	-	-
(5) Strategic Energy Technology Systems Private Limited	2,56,14,500	0.91	0.91
(6) Tata Construction Projects Limited*#	11,97,699	-	-
		0.91	**0.91**
Aggregate provision for impairment in value of investments		(0.91)	(0.91)
		-	-
		-	-

NOTES

forming part of the financial statements

6. Investments in subsidiaries, associates and joint ventures (Contd.)

[Item No. I(f), Page 250]

(₹ crore)

	No. of shares as at March 31, 2021 (face value of ₹10 each fully paid up unless otherwise specified)	As at March 31, 2021	As at March 31, 2020
(d) Equity investment in joint ventures			
(i) Unquoted			
(1) Himalaya Steel Mill Services Private Limited	36,19,945	3.62	3.62
(2) Industrial Energy Limited	17,31,60,000	173.16	173.16
(3) Jamipol Limited	36,75,000	-	8.38
(4) Jamshedpur Continuous Annealing & Processing Company Private Limited	-	-	689.52
(4,08,00,000 shares were acquired during the year and subsequently 73,03,20,000 shares were sold)			
(5) Medica TS Hospital Private Limited	2,60,000	0.26	0.26
(6) mjunction services limited	40,00,000	4.00	4.00
(7) Nicco Jubilee Park Limited	3,40,000	-	-
(8) S & T Mining Company Private Limited	1,81,41,400	18.14	18.14
(9) T M Mining Company Limited#	2,29,116	0.23	0.23
(10) Tata BlueScope Steel Private Limited	-	-	433.00
(43,30,00,000 shares were sold during the year)			
(11) Tata NYK Shipping Pte Ltd. (Face value of USD 1 each)	6,51,67,500	350.14	350.14
(12) TM International Logistics Limited	91,80,000	9.18	9.18
		558.73	**1,689.63**
Aggregate provision for impairment in value of investments		(18.63)	(18.37)
		540.10	**1,671.26**
Total investments in subsidiaries, associates and joint ventures		**28,444.61**	**26,578.41**

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

As on March 31, 2021, Kumardhubi Fireclay and Silica Works Ltd., Kumardhubi Metal Casting and Engineering Ltd. and Tata Construction Projects Limited is under liquidation, Tata Korf Engineering Services Ltd is non-operative and T M Mining Company Limited is under strike off.

^ These companies have applied to Registrar of Companies (ROC), Mumbai for striking off their names from the ROC and the same is pending ROC's approval.

~ During the year ended March 31, 2021, Tata Steel (KZN) (Pty) Ltd. has been voluntarily liquidated and necessary filing in respect of overseas direct investment has been done.

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

(ii) During the year ended March 31, 2021, the Company has transferred investments held in Joint Ventures namely Jamshedpur Continuous Annealing & Processing Company Private Limited and Tata BlueScope Steel Private Limited to Tata Steel Downstream Products Limited, a wholly owned subsidiary of the Company against issue of shares by Tata Steel Downstream Products Limited. The gain on such transfer has been recognised within exceptional items.

NOTES

forming part of the financial statements

6. Investments in subsidiaries, associates and joint ventures (Contd.)

[Item No. I(f), Page 250]

(iii) As at March 31, 2021, pursuant to Group restructuring, investments held in The Tata Pigments Limited, Tata Steel Special Economic Zone Limited, Jamipol Limited and Nicco Jubilee Park Limited have been classified as "held for sale". Such investments have been subsequently sold on April 3, 2021.

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

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Investment in subsidiary companies:		
Aggregate carrying value of quoted investments	2,185.69	1,979.63
Aggregate market value of quoted investments	5,270.36	1,761.42
Aggregate carrying value of unquoted investments	25,718.82	22,927.52
(b) Investment in associate companies:		
Aggregate carrying value of quoted investments	-	-
Aggregate market value of quoted investments	31.92	19.25
Aggregate carrying value of unquoted investments	-	-
(c) Investment in joint ventures:		
Aggregate carrying value of unquoted investments	540.10	1,671.26

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

(vi) During the year ended March 31, 2021, the Company considered indicators of impairment for investments in steel, mining and other business operations held either directly or indirectly, such as declines in operational performance or changes in the outlook of future profitability or weaker market conditions, among other potential indicators.

In respect of the overseas investments in T Steel Holdings Pte. Ltd. (TSH) and NatSteel Asia Pte. Ltd. where indicators of impairment were identified, the Company estimated the recoverable amount based on the value in use of the underlying businesses. The computation uses cash flow forecasts based on the most recently approved financial budgets and strategic forecasts which cover a period of three years and future projections taking the analysis out into perpetuity. Key assumptions for the value in use computations are those regarding the discount rates, growth rates, exchange rates, market demand, expected changes to selling prices, raw material and other direct costs. Changes in selling prices, raw material costs, exchange rates and demand are based on historical experience and expectations of future changes in the market. Beyond the specifically forecasted period, a growth rate of **1.25**% (March 31, 2020: 1.25%) is used to extrapolate the cash flow projections. This rate does not exceed the average long-term growth rate for the relevant markets.

Tata Steel Europe (TSE) (a wholly owned subsidiary of T Steel Holdings Pte. Ltd.) is exposed to climate risks through the EU Emission Trading Scheme (ETS) which is applicable to all steel plant within Europe. Given that most European steel producers have not been heavily affected by CO_2 compliance costs to date, TSE's best estimate is that the increased costs of future CO_2 compliance will be passed on to end customers through higher steel selling prices. TSE has a stated ambition to be carbon neutral by 2050 and is considering its future strategy on operating processes while continuing to serve its customers. The technology transition and investments will be dependent on national and international policy which is evolving. Further, the Netherlands' government has enacted legislation for a local additional carbon tax (linked to the EU ETS scheme CO_2 allowances and traded prices), but costs under this tax is not expected until financial year 2024-25 at the earliest and are not included in the annual plan. Management's assessment is that generally, these potential carbon-related costs would be borne by the society, either through higher steel prices or through public spending/ subsidies.

NOTES
forming part of the financial statements

6. Investments in subsidiaries, associates and joint ventures (Contd.)

[Item No. 1(f), Page 250]

Impairment assessment of the Company's investment in TSH is dependent on the operational and financial performance of TSE. Given the improvement in outlook for European steel market, while there is a reasonable expectation that TSE has adequate resources to continue operating for the foreseeable future and that the going concern basis for the preparation of its financial statements remains appropriate, there exists a material uncertainty in respect of Tata Steel UK Limited (TSUK), a subsidiary of the Company held through TSE. The management, however, continues to implement various measures aimed at conserving cash and improving the liquidity requirements at TSUK.

The Company estimates discount rates using pre-tax rates that reflect the current market rates for investments of similar risk. The rate for these investments were estimated from the weighted average cost of capital of participants, which operate a portfolio of assets similar to those of the Company's assets. The weighted average pre-tax discount rates used for discounting the cash flows projections was **8.10**% (March 31, 2020: 8.00%).

The outcome of the test as on March 31, 2021 resulted in the Company recognizing no impairment loss with respect to investment in T Steel Holdings Pte. Ltd. (TSH) (2019-20: ₹860.00 crore) and NatSteel Asia Pte. Ltd. (2019-20: ₹126.00 crore). The Company has conducted sensitivity analysis on the impairment tests in respect of investment held in TSH, including sensitivity in respect of inability to fully pass on the Netherlands carbon tax through higher selling prices. The management believes that no reasonably possible change in any of the key assumptions used in the assessment would cause the carrying value of such investment to exceed its recoverable amount.

In respect of the Company's investment in Tata Steel Special Economic Zone Limited, a wholly owned subsidiary of the Company, which has been classified as held for sale as on March 31, 2021, an impairment reversal ₹**150.00** crore (2019-20: impairment loss ₹150.00 crore) has been recognized during the year based on the fair value which is higher than the current carrying amount.

NOTES
forming part of the financial statements

7. Investments

[Item No. I(g)(i) and II(b)(i), Page 250]

A. Non-current

(₹ crore)

	No. of shares as at March 31, 2021 (face value of ₹10 each fully paid-up unless otherwise specified)	As at March 31, 2021	As at March 31, 2020
(I) Investments carried at fair value through other comprehensive income:			
Investment in equity shares			
(i) Quoted			
(1) Credit Analysis & Research Limited	3,54,000	14.55	11.59
(2) Housing Development Finance Corporation Ltd. (Face value of ₹2 each)	7,900	1.97	1.29
(3) Steel Strips Wheels Limited	10,86,972	75.89	38.53
(4) Tata Consultancy Services Limited (Face Value of ₹1 each)	46,798	14.87	8.55
(5) Tata Investment Corporation Limited	2,28,015	23.61	15.12
(6) Tata Motors Ltd. (Face value of ₹2 each)	1,00,000	3.02	0.71
(7) The Tata Power Company Ltd. (Face value of ₹1 each)	3,91,22,725	403.94	128.52
(8) Timken India Ltd. **₹1,296.50** (March 31, 2020 : ₹767.20)	1	-	-
		537.85	**204.31**
(ii) Unquoted#			
(1) IFCI Venture Capital Funds Ltd.	1,00,000	0.10	0.10
(2) Panatone Finvest Ltd.	45,000	0.05	0.05
(3) Steelscape Consultancy Pvt. Ltd.	50,000	-	-
(4) Taj Air Limited	42,00,000	-	-
(5) Tarapur Environment Protection Society	82,776	0.89	0.89
(6) Tata Industries Ltd. (Face value of ₹100 each)	99,80,436	202.19	202.19
(7) Tata International Ltd. (Face value of ₹1,000 each)	42,924	54.80	31.19
(pursuant to rights issue, 14,308 right equity shares at an issue price of ₹16,500 each has been subscribed during the year)			
(8) Tata Services Ltd. (Face value of ₹1,000 each)	1,621	0.16	0.16
(9) Tata Sons Private Limited (Face value of ₹1,000 each)	12,375	68.75	68.75
(10) Tata Teleservices Ltd. (8,74,27,533 equity shares sold during the year)	-	-	-
(11) Others(iii)		0.01	0.01
		326.95	**303.34**
		864.80	**507.65**

NOTES
forming part of the financial statements

7. Investments (Contd.)
[Item No. I(g)(i) and II(b)(i), Page 250]

(₹ crore)

	No. of shares as at March 31, 2021 (face value of ₹10 each fully paid-up unless otherwise specified)	As at March 31, 2021	As at March 31, 2020
(II) Investments carried at fair value through profit and loss:			
Investment in preference shares			
(a) Subsidiary companies			
(i) Unquoted			
(1) Creative Port Development Private Limited	25,10,830	25.11	25.11
0.01% non-cumulative optionally convertible redeemable preference shares (Face value of ₹100 each)			
(2) Tata Steel BSL Limited	19,70,00,00,000	21,731.75	19,700.00
10,70,00,00,000 11.09 % non-cumulative redeemable preference shares and 9,00,00,00,000 8.89 % non-cumulative optionally convertible redeemable preference shares			
(3) Tayo Rolls Limited	43,30,000	-	-
7.00% non-cumulative redeemable preference shares (Face value of ₹100 each)			
(4) Tayo Rolls Limited	64,00,000	-	-
7.17% non-cumulative redeemable preference shares (Face value of ₹100 each)			
(5) Tayo Rolls Limited	3,00,000	-	-
8% non-cumulative redeemable preference shares (Face value of ₹100 each)			
(6) Tayo Rolls Limited	2,31,00,000	-	-
8.50% non-cumulative redeemable preference shares (Face value of ₹100 each)			
		21,756.86	**19,725.11**
(b) Associate companies			
(i) Unquoted			
(1) TRF Limited	25,00,00,000	-	-
12.50 % non-cumulative redeemable preference shares			
		-	**-**
(c) Investments in others			
(i) Unquoted			
(1) Bharti Airtel Limited - (March 31, 2020 : ₹700)	-	-	-
10.00 % non-cumulative redeemable preference shares (Face value of ₹100 each)			
(7 shares redeemed during the year)			
		-	**-**
		21,756.86	**19,725.11**

NOTES
forming part of the financial statements

7. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page 250]

(₹ crore)

	No. of shares as at March 31, 2021 (face value of ₹10 each fully paid-up unless otherwise specified)	As at March 31, 2021	As at March 31, 2020
(III) Investments in debentures and bonds			
(a) Investment in joint ventures			
(i) Unquoted			
(1) Medica TS Hospital Private Limited	4,97,400	-	49.74
Secured optionally convertible redeemable debentures (Face value of ₹1,000 each)			
		-	**49.74**
		22,621.66	**20,282.50**

B. Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Investments carried at fair value through profit and loss:		
Investment in mutual funds – Unquoted		
(1) Aditya Birla Sun Life Liquid Fund - Growth	964.29	-
(2) DSP Liquidity Fund - Growth	631.43	-
(3) HDFC Liquid Fund - Growth	930.55	-
(4) IDFC Cash Fund - Growth	428.55	-
(5) L&T Liquid Fund - Growth	356.24	-
(6) Nippon India Mutual Fund ETF Liquid Bees	0.09	0.09
(7) SBI Liquid Fund - Growth	856.48	-
(8) Tata Liquid Fund - Growth	1,081.67	-
(9) Tata Overnight Fund - Regular - Growth	-	3,235.07
(10) UTI Liquid Cash Plan - Growth	1,155.16	-
	6,404.46	**3,235.16**

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

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Investments in quoted instruments:		
Aggregate carrying value	537.85	204.31
Aggregate market value	537.85	204.31
(b) Investments in unquoted instruments:		
Aggregate carrying value	28,488.27	23,313.35

NOTES
forming part of the financial statements

7. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page 250]

(ii) Cumulative loss on de-recognition of investments during the year which were carried at fair value through other comprehensive income amounted to ₹**138.68** crore (2019-20: Nil). Fair value of such investments as on the date of de-recognition was ₹**0.00*** crore (2019-20: Nil).

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

* represents value less than ₹0.01 crore.

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

		No. of shares as at March 31, 2021 (face value of ₹10 each fully paid up unless otherwise specified)	As at March 31, 2021 (₹)	As at March 31, 2020 (₹)
(a)	Barajamda Iron Ore Mine Workers' Central Co-operative Stores Ltd.	200	5,000.00	5,000.00
	(Face value of ₹25 each)			
(b)	Bokaro and Ramgarh Ltd.	100	16,225.00	16,225.00
(c)	Eastern Synpacks Limited (Face value of ₹25 each)	1,50,000	1.00	1.00
(d)	Ferro Manganese Plant Employees' Consumer Co-operative Society Ltd.	100	2,500.00	2,500.00
	(Face value of ₹25 each)			
(e)	Investech Advisory Services (India) Limited(Face value of ₹100 each)	1,680	1.00	1.00
(f)	Jamshedpur Co-operative House Building Society Ltd.	10	1,000.00	1,000.00
	(Face value of ₹100 each)			
(g)	Jamshedpur Co-operative Stores Ltd. (Face value of ₹5 each)	50	250.00	250.00
(h)	Jamshedpur Educational and Culture Co-operative Society Ltd.	50	5,000.00	5,000.00
	(Face value of ₹100 each)			
(i)	Joda East Iron Mine Employees' Consumer Co-operative Society Ltd.	100	2,500.00	2,500.00
	(Face value of ₹25 each)			
(j)	Namtech Electronic Devices Limited	48,026	1.00	1.00
(k)	Reliance Firebrick and Pottery Company Ltd. (Partly paid up)	16,800	1.00	1.00
(l)	Reliance Firebrick and Pottery Company Ltd.	2,400	1.00	1.00
(m)	Sanderson Industries Ltd.	3,33,876	2.00	2.00
(n)	Standard Chrome Ltd.	11,16,000	2.00	2.00
(o)	Sijua (Jherriah) Electric Supply Co. Ltd.	4,144	40,260.00	40,260.00
(p)	TBW Publishing and Media Pvt. Limited	100	1.00	1.00
(q)	Wellman Incandescent India Ltd.	15,21,234	2.00	2.00
(r)	Woodland Multispeciality Hospital Ltd.	1,25,000	1.00	1.00
(s)	Unit Trust of India - Mastershares	2,229	55,401.00	47,477.00
			1,28,149.00	**1,20,225.00**

NOTES
forming part of the financial statements

8. Loans

[Item No. I(g)(ii) and II(b)(v), Page 250]

A. Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Security deposits		
Considered good - Unsecured	187.30	184.04
Credit impaired	2.74	1.96
Less: Allowance for credit losses	2.74	1.96
	187.30	**184.04**
(b) Loans to related parties		
Considered good - Unsecured	7,310.50	-
Credit impaired	558.95	558.95
Less: Allowance for credit losses	558.95	558.95
	7,310.50	**-**
(c) Other loans		
Considered good - Unsecured	11.53	15.22
Credit impaired	0.52	0.53
Less: Allowance for credit losses	0.52	0.53
	11.53	**15.22**
	7,509.33	**199.26**

B. Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Security deposits		
Considered good - Unsecured	**2.45**	**2.47**
(b) Loans to related parties		
Considered good - Unsecured	1,550.10	1,600.40
Credit impaired	67.67	67.66
Less: Allowance for credit losses	67.67	67.66
	1,550.10	**1,600.40**
(c) Other loans		
Considered good - Unsecured	3.40	4.45
Credit impaired	2.00	2.00
Less: Allowance for credit losses	2.00	2.00
	3.40	**4.45**
	1,555.95	**1,607.32**

(i) Security deposits are primarily in relation to public utility services and rental agreements. It includes deposit with a subsidiary ₹**14.00** crore (March 31, 2020: ₹14.00 crore) and deposits with Tata Sons Private Limited ₹**1.25** crore (March 31, 2020: ₹1.25 crore).

(ii) Non-current loans to related parties represent loans given to subsidiaries ₹**7,869.45** crore (March 31, 2020: ₹558.95 crore), out of which ₹**558.95** crore (March 31, 2020: ₹558.95 crore) is impaired.

NOTES
forming part of the financial statements

8. Loans (Contd.)

[Item No. I(g)(ii) and II(b)(v), Page 250]

(iii) Current loans to related parties represent loans/advances given to subsidiaries ₹**1,617.77** crore (March 31, 2020: ₹1,640.46 crore) and joint ventures **Nil** (March 31, 2020: ₹27.60 crore) out of which ₹**67.67** crore (2019-20: ₹67.66 crore) and **Nil** (March 31, 2020: Nil) is impaired respectively.

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

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

(a) Loans/advances in the nature of loan outstanding from subsidiaries, associates and joint venture for the year ended March 31, 2021:

(₹ crore)

Name of the Company	Debts outstanding as at March 31, 2021	Maximum balance outstanding during the year
Subsidiaries		
(1) Subarnarekha Port Private Limited	**29.00**	**29.00**
(interest rate 10.51%)	*23.00*	*23.00*
(2) T Steel Holdings Pte. Ltd.[(ii)]	**8,772.60**	**8,815.80**
(interest rate LIBOR + 2 to 6.75%)	*1,511.80*	*1,511.80*
(3) Tata Steel (KZN) (Pty) Ltd.[(iii)]	**558.95**	**558.95**
	558.95	*558.95*
(4) Tata Steel Mining Limited	**-**	**756.60**
(interest rate 9.01%)	*-*	*-*
(5) Tata Steel Special Economic Zone Limited	**59.00**	**59.00**
(interest rate 10.00 % to 10.50%)	*38.00*	*38.00*
(6) Tayo Rolls Limited[(iii)]	**67.00**	**67.00**
(interest rate 7.00 % to 13.07 %)	*67.00*	*67.00*
Joint ventures		
(1) Industrial Energy Limited	**-**	**27.60**
(interest rate 10.00%)	*27.60*	*27.60*
(2) S & T Mining Company Private Limited	**-**	**-**
(interest rate 12.00% to 14.00%)	*-*	*1.07*

Figures in italics represents comparative figures of previous year.

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

(ii) Includes inter-company loan of ₹**7,310.50** crore (March 31, 2020: Nil) extended during the year, for a period of 6 years including moratorium of interest for two and a half years.

(iii) As at March 31, 2021, loans given to Tayo Rolls Limited and Tata Steel (KZN) (Pty) Ltd. were fully impaired.

(b) Details of investments made and guarantees provided are given in note 6, page 274, note 7, page 279 and note 36B, page 319.

(vi) There are no outstanding debts from directors or other officers of the Company.

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forming part of the financial statements

9. Other financial assets

[Item No. I(g)(iv) and II(b)(vii), Page 250]

A. Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Interest accrued on deposits and loans		
Considered good - Unsecured	**35.43**	**1.68**
(b) Earmarked balances with banks	**53.37**	**54.31**
(c) Others		
Considered good - Unsecured	**2.86**	**4.43**
	91.66	**60.42**

B. Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Interest accrued on deposits and loans		
Considered good - Unsecured	15.18	10.42
Credit impaired	14.30	14.30
Less: Allowance for credit losses	14.30	14.30
	15.18	**10.42**
(b) Others		
Considered good - Unsecured	**336.36**	**219.99**
	351.54	**230.41**

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

(ii) Current other financial assets include amount receivable from post-employment benefit funds ₹**91.31** crore (March 31, 2020: ₹56.71 crore) on account of retirement benefit obligations paid by the Company directly.

NOTES
forming part of the financial statements

10. Income tax

[Item No. V(d), Page 250]

A. Income tax expense/(benefit)

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

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax	**17,795.13**	**6,610.98**
Expected income tax expense at statutory income tax rate of 25.168 % (2019-20 : 25.168 %)	4,478.68	1,663.85
(a) Income exempt from tax/ Items not deductible	(290.17)	388.72
(b) Impact of change in tax rate[(i)]	-	(2,185.39)
Tax expense as reported	**4,188.51**	**(132.82)**

(i) The Company has elected to exercise the option permitted under new tax rate regime during the financial year ended March 31, 2020 and accordingly remeasured deferred tax balances expected to reverse in future periods based on the revised applicable tax rate.

NOTES
forming part of the financial statements

10. Income tax (Contd.)

[Item No. V(d), Page 250]

B. Deferred tax assets/(liabilities)

(i) Components of deferred tax assets and liabilities as at March 31, 2021 is as below:

(₹ crore)

	Balance as at April 1, 2020	Recognised/ (reversed) in profit and loss during the year	Recognised in other comprehensive income during the year	Recognised in equity during the year	Balance as at March 31, 2021
Deferred tax assets:					
Investments	2,986.50	-	-	-	2,986.50
Retirement benefit obligations	133.96	-	-	-	133.96
Expenses allowable for tax purposes when paid/written off	2,100.24	160.22	-	-	2,260.46
	5,220.70	**160.22**	**-**	**-**	**5,380.92**
Deferred tax liabilities:					
Property, plant and equipment and intangible assets	10,687.12	(3.18)	-	(3.75)	10,680.19
Others	395.86	402.86	13.71	-	812.43
	11,082.98	**399.68**	**13.71**	**(3.75)**	**11,492.62**
Net deferred tax assets/(liabilities)	**(5,862.28)**	**(239.46)**	**(13.71)**	**3.75**	**(6,111.70)**
Disclosed as:					
Deferred tax liabilities (net)	**(5,862.28)**				**(6,111.70)**

Components of deferred tax assets and liabilities as at March 31, 2020 are as below:

(₹ crore)

	Balance as at April 1, 2019	Recognised/ (reversed) in profit and loss during the year	Recognised in other comprehensive income during the year	Recognised in equity during the year	Balance as at March 31, 2020
Deferred tax assets:					
Investments	3,040.80	(54.30)	-	-	2,986.50
Retirement benefit obligations	186.00	(52.04)	-	-	133.96
Expenses allowable for tax purposes when paid/written off	3,011.80	(911.56)	-	-	2,100.24
	6,238.60	**(1,017.90)**	**-**	**-**	**5,220.70**
Deferred tax liabilities:					
Property, plant and equipment and intangible assets	13,700.23	(3,009.53)	-	(3.58)	10,687.12
Others	345.37	70.86	(20.37)	-	395.86
	14,045.60	**(2,938.67)**	**(20.37)**	**(3.58)**	**11,082.98**
Net deferred tax assets/(liabilities)	**(7,807.00)**	**1,920.77**	**20.37**	**3.58**	**(5,862.28)**
Disclosed as:					
Deferred tax liabilities (net)	**(7,807.00)**				**(5,862.28)**

(ii) Deferred tax assets amounting to ₹**7,967.37** crore as at March 31, 2021 (March 31, 2020: ₹7,967.37 crore) on fair value adjustment recognised in respect of investments held in a subsidiary on transition to Ind AS has not been recognised due to uncertainty surrounding availability of future taxable income against which such loss can be offset.

NOTES
forming part of the financial statements

11. Other assets

[Item No. I(i) and II(c), Page 250]

A. Non-current

(₹ crore)

		As at March 31, 2021	As at March 31, 2020
(a)	**Capital advances**		
	Considered good - Unsecured	567.91	969.40
	Considered doubtful - Unsecured	80.60	83.98
	Less: Provision for doubtful advances	80.60	83.98
		567.91	**969.40**
(b)	**Advances with public bodies**		
	Considered good - Unsecured	1,006.82	1,016.92
	Considered doubtful - Unsecured	22.01	12.23
	Less: Provision for doubtful advances	22.01	12.23
		1,006.82	**1,016.92**
(c)	**Capital advances to related parties**		
	Considered good - Unsecured	**31.97**	**33.99**
(e)	**Others**		
	Considered good - Unsecured	**74.52**	**41.76**
		1,681.22	**2,062.07**

B. Current

(₹ crore)

		As at March 31, 2021	As at March 31, 2020
(a)	**Advances with public bodies**		
	Considered good - Unsecured	523.31	1,179.77
	Considered doubtful - Unsecured	2.47	2.43
	Less: Provision for doubtful advances	2.47	2.43
		523.31	**1,179.77**
(b)	**Advances to related parties**		
	Considered good - Unsecured	**77.98**	**102.27**
(c)	**Others**		
	Considered good - Unsecured	253.70	433.88
	Considered doubtful - Unsecured	83.23	64.52
	Less: Provision for doubtful advances	83.23	64.52
		253.70	**433.88**
		854.99	**1,715.92**

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

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

NOTES

forming part of the financial statements

12. Inventories

[Item No. II(a), Page 250]

(₹ crore)

		As at March 31, 2021	As at March 31, 2020
(a)	Raw materials	2,990.25	3,586.21
(b)	Work-in-progress	-	6.90
(c)	Finished and semi-finished goods	3,293.89	4,663.71
(d)	Stock-in-trade	25.75	113.15
(e)	Stores and spares	2,293.90	2,346.69
		8,603.79	**10,716.66**
Included above, goods-in-transit:			
(i)	Raw materials	594.52	645.00
(ii)	Finished and semi-finished goods	0.09	7.07
(iii)	Stock-in-trade	0.73	39.99
(iv)	Stores and spares	41.62	112.91
		636.96	**804.97**

Value of inventories above is stated after provisions (net of reversal) for slow-moving and obsolete items and write-downs to net realisable value ₹**113.52** crore (March 31, 2020: ₹110.35 crore).

13. Trade receivables

[Item No. II(b)(ii), Page 250]

(₹ crore)

		As at March 31, 2021	As at March 31, 2020
(a)	Considered good - Unsecured	3,863.31	1,016.73
(b)	Credit impaired	43.04	33.16
		3,906.35	**1,049.89**
Less: Allowance for credit losses		43.04	33.16
		3,863.31	**1,016.73**

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

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	33.16	34.74
Charge/(release) during the year	9.88	(1.58)
Balance at the end of the year	**43.04**	**33.16**

NOTES

forming part of the financial statements

13. Trade receivables (Contd.)

[Item No. II(b)(ii), Page 250]

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

(₹ crore)

	As at March 31, 2021		
	Gross credit risk	Allowance for credit losses	Net credit risk
Amounts not yet due	2,773.09	4.68	2,768.41
One month overdue	510.21	2.90	507.31
Two months overdue	403.09	4.05	399.04
Three months overdue	124.33	2.28	122.05
Between three to six months overdue	34.29	5.89	28.40
Greater than six months overdue	61.34	23.24	38.10
	3,906.35	**43.04**	**3,863.31**

(₹ crore)

	As at March 31, 2020		
	Gross credit risk	Allowance for credit losses	Net credit risk
Amounts not yet due	801.91	1.46	800.45
One month overdue	146.79	3.65	143.14
Two months overdue	16.84	1.70	15.14
Three months overdue	10.86	2.03	8.83
Between three to six months overdue	28.04	5.68	22.36
Greater than six months overdue	45.45	18.64	26.81
	1,049.89	**33.16**	**1,016.73**

(iii) The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2021 to be ₹**3,863.31** crore (March 31, 2020: ₹1,016.73 crore), which is the carrying value of trade receivables after allowance for credit losses.

The Company's exposure to customers is diversified and no single customer, other than a subsidiary, contributes more than 10% of the outstanding receivables as at March 31, 2021 and March 31, 2020.

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

NOTES
forming part of the financial statements

14. Cash and cash equivalents
[Item No. II(b)(iii), Page 250]

(₹ crore)

		As at March 31, 2021	As at March 31, 2020
(a)	Cash on hand	0.97	0.50
(b)	Cheques, drafts on hand	0.69	0.34
(c)	Unrestricted balances with banks	1,500.05	992.80
		1,501.71	**993.64**

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

15. Other balances with banks
[Item No. II(b)(iv), Page 250]

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Earmarked balances with banks	170.00	233.23
	170.00	**233.23**

(i) Earmarked balances with banks primarily includes balances held for unpaid dividends ₹**64.08** crore (March 31, 2020: ₹64.20 crore), bank guarantee and margin money ₹**47.26** crore (March 31, 2020: ₹38.90 crore).

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

NOTES
forming part of the financial statements

16. Equity share capital
[Item No. IV(a), Page 250]

(₹ crore)

		As at March 31, 2021	As at March 31, 2020
Authorised:			
1,75,00,00,000	Ordinary Shares of ₹10 each	1,750.00	1,750.00
	(March 31, 2020: 1,75,00,00,000 Ordinary Shares of ₹10 each)		
35,00,00,000	'A' Ordinary Shares of ₹10 each*	350.00	350.00
	(March 31, 2020: 35,00,00,000 'A' Ordinary Shares of ₹10 each)		
2,50,00,000	Cumulative Redeemable Preference Shares of ₹100 each*	250.00	250.00
	(March 31, 2020: 2,50,00,000 Shares of ₹100 each)		
60,00,00,000	Cumulative Convertible Preference Shares of ₹100 each*	6,000.00	6,000.00
	(March 31, 2020: 60,00,00,000 Shares of ₹100 each)		
		8,350.00	**8,350.00**
Issued:			
1,19,78,30,303	Ordinary Shares of ₹10 each	1,197.83	1,127.52
	(March 31, 2020 : 1,12,75,20,570 Ordinary Shares of ₹10 each)		
73,87,547	Ordinary Shares of ₹10 each (partly paid up, ₹2.504 each paid up)	7.39	77.70
	(March 31, 2020 : 7,76,97,280 Ordinary Shares of ₹10 each, ₹2.504 each paid up)		
		1,205.22	**1,205.22**
Subscribed and paid up:			
1,19,67,39,452 **	Ordinary Shares of ₹10 each fully paid up	1,196.74	1,126.49
	(March 31, 2020 : 1,12,64,90,211 Ordinary Shares of ₹10 each)		
73,87,547	Ordinary Shares of ₹10 each (partly paid up, ₹2.504 each paid up)	1.84	19.44
	(March 31, 2020 : 7,76,36,788 Ordinary Shares of ₹10 each, ₹2.504 each paid up)		
	Amount paid up on 3,89,516 Ordinary Shares of ₹10 each forfeited	0.20	0.20
	(March 31, 2020 : 3,89,516 Ordinary Shares of ₹10 each)		
		1,198.78	**1,146.13**

* 'A' class Ordinary Shares and Preference Shares included within the authorised share capital are for disclosure purposes and have not yet been issued.

** Includes 1,51,732 equity shares on which first and final call money has been received and the partly paid-up equity shares have been converted to fully paid-up equity shares but are pending listing and trading approval for fully paid-up shares, and hence continue to be listed under partly paid-up shares.

(i) Subscribed and paid up capital includes **11,81,893** (March 31, 2020: 11,81,893) Ordinary Shares of face value ₹10 each fully paid up, held by subsidiaries of the Company.

NOTES
forming part of the financial statements

16. Equity share capital (Contd.)

[Item No. IV(a), Page 250]

(ii) Details of movement in subscribed and paid up share capital other than forfeited shares is as below:

	Year ended March 31, 2021		Year ended March 31, 2020	
	No. of shares	₹ crore	No. of shares	₹ crore
Ordinary Shares of ₹10 each				
Balance at the beginning of the year	1,20,41,26,999	1,145.93	1,20,41,26,385	1,145.92
Fully paid shares allotted during the year	-	-	531	0.01
Partly paid shares allotted during the year	-	-	83	0.00*
Partly paid-up shares converted to fully paid-up shares during the year(a)	-	52.65	-	-
Balance at the end of the year	**1,20,41,26,999**	**1,198.58**	**1,20,41,26,999**	**1,145.93**

* represents value less than ₹0.01 crore.

(a) During the year ended March 31, 2021, the Company made call on first and final call money payable on **7,76,36,788** partly paid-up equity shares. As on March 31, 2021, **7,02,49,241** partly paid-up equity shares were converted into fully paid-up equity shares.

(iii) As at March 31, 2021, **2,98,822** Ordinary Shares of face value ₹10 each (March 31, 2020: 2,98,822 Ordinary Shares) are kept in abeyance in respect of Rights Issue of 2007.

As at March 31, 2021, **1,21,293** fully paid Ordinary Shares of face value ₹10 each (March 31, 2020: 1,21,293 fully paid Ordinary Shares) are kept in abeyance in respect of Rights Issue of 2018.

As at March 31, 2021, **60,492** fully paid Ordinary Shares of face value of ₹10 each (March 31, 2020: 60,492 partly paid-up shares) are kept in abeyance in respect of Rights Issue of 2018. Pursuant to the first and final call on the partly paid-up equity shares, the right on 60,492 partly paid-up Ordinary shares as on March 31, 2020, is presently the right on fully paid-up equity shares.

(iv) Proceeds from subscription to the first and final call on partly paid-up shares for the Rights Issue of 2018, made during the year ended March 31, 2021 have been utilised in the following manner:

(₹ crore)

Particulars	Proposed to be utilised during 2020-21	Utilised till March 31, 2021	To be utilised during 2021-22
Repayment/ prepayment of loans	2,670.60	2,670.60	13.38
Expenses towards general corporate purpose	32.26	32.26	520.89
Issue expenses	1.36	1.36	-
Total	**2,704.22**	**2,704.22**	**534.27**

(v) Details of shareholders holding more than 5 percent shares in the Company is as below:

	As at March 31, 2021		As at March 31, 2020	
	No. of Ordinary Shares	% held	No. of Ordinary Shares	% held
Name of shareholders				
(a) Tata Sons Private Limited	39,65,08,142	32.93	39,65,08,142	32.93
(b) Life Insurance Corporation of India	10,67,23,335	8.86	10,96,96,176	9.11
(c) HDFC Trustee Company Limited	NA*	NA*	6,02,13,483	5.00

*As on March 31, 2021, HDFC Trustee Company Limited holds less than 5 percent shares in the Company.

NOTES
forming part of the financial statements

16. Equity share capital (Contd.)

[Item No. IV(a), Page 250]

(vi) **1,00,14,395** shares (March 31, 2020: 1,25,61,401 shares) of face value of ₹10 per share represent the shares underlying GDRs which were issued during 1994 and 2009. Each GDR represents one underlying Ordinary Share.

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

A. Ordinary Shares of ₹10 each

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

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

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

B. 'A' Ordinary Shares of ₹10 each

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

– in the case where a resolution is put to vote on a poll, such differential voting entitlement (excluding fractions, if any) will be applicable to holders of 'A' Ordinary Shares.

– in the case where a resolution is put to vote in the meeting and is to be decided on a show of hands, the holders of 'A' Ordinary Shares shall be entitled to the same number of votes as available to holders of Ordinary Shares.

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

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

C. Preference Shares

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

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

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

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

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

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forming part of the financial statements

17. Hybrid perpetual securities

[Item No. IV(b), Page 250]

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	2,275.00	2,275.00
Repayments during the year	(1,500.00)	-
Balance at the end of the year	**775.00**	**2,275.00**

The Company had issued hybrid perpetual securities of ₹775.00 crore and ₹1,500.00 crore in May 2011 and March 2011 respectively. These securities are perpetual in nature with no maturity or redemption and are callable only at the option of the Company. The distribution on these securities are 11.50% p.a. and 11.80% p.a. respectively, with a step up provision if the securities are not called after 10 years. The distribution on the securities may be deferred at the option of the Company if in the six months preceding the relevant distribution payment date, the Company has not made payment on, or repurchased or redeemed, any securities ranking *pari passu* with, or junior to the instrument. As these securities are perpetual in nature and the Company does not have any redemption obligation, these have been classified as equity.

During the year ended March 31, 2021, the Company has exercised its call option and redeemed the perpetual securities worth ₹**1,500.00** crore issued during March 2011.

18. Other equity

[Item No. IV(c), Page 250]

A. Retained earnings

The details of movement in retained earnings is as below:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	32,106.96	27,694.90
Profit for the year	13,606.62	6,743.80
Remeasurement of post-employment defined benefit plans	81.97	(461.27)
Tax on remeasurement of post-employment defined benefit plans	(20.63)	116.09
Dividend	(1,145.93)	(1,489.67)
Tax on dividend	-	(297.71)
Distribution on hybrid perpetual securities(i)	(242.34)	(266.15)
Tax on distribution on hybrid perpetual securities	60.99	66.97
Transfers within equity(ii)	(138.68)	-
Balance at the end of the year	**44,308.96**	**32,106.96**

(i) During the year ended March 31, 2021, distribution of ₹**16.97** crore post exercise of the call option on hybrid perpetual securities has been recognised in the statement of profit & loss.

(ii) Represents loss on sale of investments carried at fair value through other comprehensive income reclassified from investment revaluation reserve.

NOTES
forming part of the financial statements

18. Other equity (Contd.)

[Item No. IV(c), Page 250]

B. Items of other comprehensive income

(a) Cash flow hedge reserve

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

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

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	(61.72)	(1.77)
Other comprehensive income recognised during the year	20.62	(59.95)
Balance at the end of the year	**(41.10)**	**(61.72)**

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Fair value changes recognised during the year	34.65	(74.28)
Fair value changes re-classified to profit and loss/cost of hedged items	(7.09)	(5.48)
Tax impact on above	(6.94)	19.81
	20.62	**(59.95)**

During the year, ineffective portion of cash flow hedges recognised in the statement of profit and loss amounted to **Nil** (2019-20: Nil).

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

- within the next one year: loss ₹**12.10** crore (2019-20: loss ₹4.24 crore).
- later than one year: loss ₹**29.00** crore (2019-20: loss ₹57.48 crore).

(b) Investment revaluation reserve

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

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forming part of the financial statements

18. Other equity (Contd.)

[Item No. IV(c), Page 250]

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	(188.70)	55.04
Other comprehensive income recognised during the year	333.55	(244.30)
Tax impact on above	(6.77)	0.56
Transfers within equity	138.68	-
Balance at the end of the year	**276.76**	**(188.70)**

C. Other reserves

(a) Securities premium

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

The details of movement in securities premium is as below:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	27,780.28	27,780.25
Received/transfer on issue of Ordinary Shares during the year	3,185.84	0.03
Equity issue expenses written (off)/back during the year	(1.36)	-
Balance at the end of the year	**30,964.76**	**27,780.28**

(b) Debenture redemption reserve

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

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

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	2,046.00	2,046.00
Balance at the end of the year	**2,046.00**	**2,046.00**

NOTES
forming part of the financial statements

18. Other equity (Contd.)
[Item No. IV(c), Page 250]

(c) General reserve

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

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	11,596.35	11,596.35
Balance at the end of the year	**11,596.35**	**11,596.35**

(d) Capital redemption reserve

The Companies Act, 2013 requires that when a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Company established this reserve pursuant to the redemption of preference shares issued in earlier years.

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	20.78	20.78
Balance at the end of the year	**20.78**	**20.78**

(e) Others

Others primarily represent amount appropriated out of the statement of profit and loss for unforeseen contingencies. Such appropriations are free in nature.

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	117.04	117.04
Balance at the end of the year	**117.04**	**117.04**

D. Share application money pending allotment

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	-	-
Application money received during the year	3.78	0.04
Allotment of Ordinary Shares during the year	-	(0.04)
Balance at the end of the year	**3.78**	**-**

NOTES

forming part of the financial statements

19. Borrowings

[Item No. V(a)(i) and VI(a)(i), Page 250]

A. Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Secured		
(i) Loans from Joint Plant Committee - Steel Development Fund	2,677.40	2,633.96
(ii) Lease obligations	2,717.41	2,941.15
	5,394.81	**5,575.11**
(b) Unsecured		
(i) Non-convertible debentures	13,567.60	12,567.07
(ii) Term loans from banks/financial institutions	8,351.39	13,239.78
	21,918.99	**25,806.85**
	27,313.80	**31,381.96**

B. Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Secured		
(i) Repayable on demand from banks/financial institutions	-	**43.67**
(b) Unsecured		
(i) Loans from banks/financial institutions	-	4,800.00
(ii) Commercial papers	-	3,013.60
	-	**7,813.60**
	-	**7,857.27**

(i) As at March 31, 2021, ₹**5,394.81** crore (March 31, 2020: ₹5,618.78 crore) of the total outstanding borrowings were secured by a charge on property, plant and equipment, right-of-use assets, inventories and receivables.

(ii) The security details of major borrowings as at March 31, 2021 is as below:

(a) Loan from Joint Plant Committee-Steel Development Fund

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

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

The Company has filed a writ petition before the High Court at Kolkata in February 2006 claiming waiver of the

19. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page 250]

outstanding loan and interest and refund of the balance lying with Steel Development Fund and the matter is subjudice.

The loan includes funded interest ₹**1,038.07** crore (March 31, 2020: ₹994.63 crore).

It includes ₹**1,639.33** crore (March 31, 2020: ₹1,639.33 crore) representing repayments and interest on earlier loans for which applications of funding are awaiting sanction and is not secured by charge on movable assets of the Company.

(b) Lease obligations

The Company has taken certain assets on lease for business purpose. In addition, the Company has entered into long-term arrangements which conveys right to control the use of the identified assets resulting in recognition of a lease. Lease obligations represent the present value of minimum lease payments payable over the lease term.

(iii) The details of major unsecured borrowings as at March 31, 2021 is as below:

(a) Non-Convertible Debentures

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

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

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

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

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

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

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

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

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

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

(xi) 2.00% p.a. interest bearing 15,000 debentures of face value ₹10,00,000 each are redeemable at a premium of 85.03% of the face value on April 23, 2022.

(b) Term loans from banks/financial institutions

(i) Rupee loan amounting ₹**400.00** crore (March 31, 2020: ₹1,000.00 crore) is repayable in 3 semi-annual instalments, the next instalment is due on September 22, 2028.

(ii) Rupee loan amounting ₹**2,600.00** crore (March 31, 2020: Nil) is repayable in 7 semi-annual instalments, the next instalment is due on August 27, 2027.

(iii) Rupee loan amounting ₹**595.00** crore (March 31, 2020: ₹1,447.5 crore) is repayable in 4 semi-annual instalments, the next instalment is due on October 16, 2026.

(iv) Rupee loan amounting ₹**520.00** crore (March 31, 2020: ₹1,000.00 crore) is repayable in 5 semi-annual instalments, the next instalment is due on June 30, 2025.

(v) USD **440.00** million equivalent to ₹**3,217.06** crore (March 31, 2020: USD 330.00 million equivalent to ₹2,494.80 crore) loan is repayable in 3 equal annual instalments commencing from September 9, 2023.

(vi) USD **66.67** million equivalent to ₹**487.43** crore (March 31, 2020: USD 133.33 million equivalent to ₹1,008.00 crore) loan is repayable on February 16, 2022.

(vii) Rupee loan amounting ₹**990.00** crore (March 31, 2020: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on May 14, 2021.

(viii) Euro **28.66** million equivalent to ₹**245.87** crore (March 31, 2020: Euro 47.76 million equivalent to ₹395.80 crore) loan is repayable in 3 equal semi-annual instalments, the next instalment is due on April 30, 2021.

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19. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page 250]

(iv) Commercial papers raised by the Company are short-term in nature ranging between one to three months.

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

(₹ crore)

	As at March 31, 2021			As at March 31, 2020		
	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
INR	14,756.87	9,674.07	24,430.94	24,190.31	13,225.20	37,415.51
EURO	203.01	42.15	245.16	325.31	156.25	481.56
USD	-	3,672.20	3,672.20	-	3,525.80	3,525.80
Total	**14,959.88**	**13,388.42**	**28,348.30**	**24,515.62**	**16,907.25**	**41,422.87**

INR-Indian Rupees, USD-United States Dollars.

(vi) Majority of floating rate borrowings are bank borrowings and debentures bearing interest rates based on MCLR, Repo rate, LIBOR and EURIBOR. Of the total floating rate borrowings as at March 31, 2021, ₹**3,703.27** crore (March 31, 2020: ₹2,778.30 crore) has been hedged using interest rate swaps and interest rate cap and collars, with contracts covering period of more than one year.

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

(₹ crore)

	As at March 31, 2021			As at March 31, 2020		
	Borrowings other than lease obligations	Lease obligations	Total borrowings	Borrowings other than lease obligations	Lease obligations	Total borrowings
Not later than one year or on demand	671.35	719.27	1,390.62	9,675.53	753.36	10,428.89
Later than one year but not two years	2,879.91	536.85	3,416.76	1,672.66	611.87	2,284.53
Later than two years but not three years	6,042.35	462.82	6,505.17	4,014.61	528.24	4,542.85
Later than three years but not four years	1,804.85	429.15	2,234.00	3,291.60	451.01	3,742.61
Later than four years but not five years	1,322.35	398.60	1,720.95	3,464.11	417.32	3,881.43
More than five years	12,707.40	3,519.60	16,227.00	16,263.34	3,716.20	19,979.54
	25,428.21	**6,066.29**	**31,494.50**	**38,381.85**	**6,478.00**	**44,859.85**
Less: Future finance charges on leases	-	2,983.26	2,983.26	-	3,168.20	3,168.20
Less: Capitalisation of transaction costs	162.94	-	162.94	268.78	-	268.78
	25,265.27	**3,083.03**	**28,348.30**	**38,113.07**	**3,309.80**	**41,422.87**

(viii) Some of the Company’s major financing arrangements include financial covenants, which require compliance to certain debt-equity and debt coverage ratios. Additionally, certain negative covenants may limit the Company’s ability to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach. Further, certain current year tax have not been not paid as a part of the Company's strategic planning which has no consequential impact on the financial statements.

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forming part of the financial statements

20. Other financial liabilities

[Item No. V(a)(iii) and VI(a)(iv), Page 250]

A. Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Creditors for other liabilities	413.66	293.59
	413.66	**293.59**

B. Current

(₹ crore)

		As at March 31, 2021	As at March 31, 2020
(a)	Current maturities of long-term borrowings	668.88	1,814.99
(b)	Current maturities of lease obligations	365.62	368.65
(c)	Interest accrued but not due	580.85	385.24
(d)	Unclaimed dividends	64.08	64.20
(e)	Creditors for other liabilities	3,594.68	2,768.47
		5,274.11	**5,401.55**

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

(a) creditors for capital supplies and services ₹**1,788.85** crore (March 31, 2020: ₹1,303.22 crore).

(b) liability for employee family benefit scheme ₹**209.07** crore (March 31, 2020: ₹195.21 crore).

21. Provisions

[Item No. V(b) and VI(b), Page 250]

A. Non-current

(₹ crore)

		As at March 31, 2021	As at March 31, 2020
(a)	Employee benefits	2,085.50	1,756.69
(b)	Others	458.44	356.87
		2,543.94	**2,113.56**

B. Current

(₹ crore)

		As at March 31, 2021	As at March 31, 2020
(a)	Employee benefits	285.14	219.52
(b)	Others	789.29	444.34
		1,074.43	**663.86**

(i) Non-current and current provision for employee benefits include provision for leave salaries ₹**1,230.54** crore (March 31, 2020: ₹1,158.62 crore) and provision for early separation scheme ₹**1,122.62** crore (March 31, 2020: ₹801.46 crore).

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

NOTES
forming part of the financial statements

21. Provisions (Contd.)

[Item No. V(b) and VI(b), Page 250]

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

(a) provision for compensatory afforestation, mine closure, stamp duty and rehabilitation obligations ₹**1,200.40** crore (March 31, 2020: ₹753.88 crore). These amounts become payable upon closure of the mines and are expected to be incurred over a period of 1 to 40 years.

(b) provision for legal and constructive commitments provided by the Company in respect of a loss-making subsidiary ₹**47.33** crore (March 31, 2020: ₹47.33 crore). The same is expected to be settled within one year from the reporting date

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	801.21	838.95
Recognised/(released) during the year[a]	456.35	8.03
Other re-classifications	7.41	-
Utilised during the year	(17.24)	(45.77)
Balance at the end of the year	**1,247.73**	**801.21**

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

22. Retirement benefit obligations

[Item No. V(c) and VI(c), Page 250]

A. Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Retiring gratuities	275.05	528.76
(b) Post-retirement medical benefits	1,530.32	1,446.44
(c) Other defined benefits	282.49	249.24
	2,087.86	**2,224.44**

B. Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Post-retirement medical benefits	100.20	92.66
(b) Other defined benefits	15.90	13.95
	116.10	**106.61**

(i) Detailed disclosure in respect post-retirement defined benefit schemes is provided in note 35, page 311.

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

NOTES
forming part of the financial statements

23. Deferred income
[Item No. VI(d), Page 250]

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Other deferred income	34.44	6.15
	34.44	**6.15**

24. Other liabilities
[Item No. V(e) and VI(f), Page 250]

A. Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Advances received from customers	4,971.82	-
(b) Other credit balances	941.58	684.76
	5,913.40	**684.76**

B. Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Advances received from customers	1,885.67	560.15
(b) Employee recoveries and employer contributions	25.17	27.91
(c) Statutory dues	6,102.16	5,287.89
	8,013.00	**5,875.95**

(i) Non-current and current advance received from customers include an interest-bearing advance of ₹**6,304.69** crore (March 31, 2020: Nil) which will be adjusted over a period of 5 years against export of steel products. Out of such advance outstanding as at March 31, 2021 ₹**1,332.87** crore will be recognised by March 31, 2022, and remaining thereafter.

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

25. Trade payables
[Item No. VI(a)(ii), Page 250]

A. Total outstanding dues of micro and small enterprises

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Dues of micro and small enterprises	160.66	118.62
	160.66	**118.62**

NOTES
forming part of the financial statements

25. Trade payables (Contd.)
[Item No. VI(a)(ii), Page 250]

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

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Creditors for supplies and services	9,316.72	9,340.32
(b) Creditors for accrued wages and salaries	1,161.21	1,142.02
	10,477.93	**10,482.34**

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

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(i) Principal amount remaining unpaid to supplier at the end of the year*	241.89	118.62
(ii) Interest due thereon remaining unpaid to supplier at the end of the year	3.50	3.10
(iii) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	14.73	8.67
(iv) Amount of interest accrued and remaining unpaid at the end of the year	18.23	11.77

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

26. Revenue from operations
[Item No. I, Page 251]

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Sale of products	62,276.67	57,167.71
(b) Sale of power and water	1,466.73	1,647.86
(c) Other operating revenues(ii)	1,125.60	1,620.40
	64,869.00	**60,435.97**

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

(₹ crore)

	Year ended March 31, 2021		
	India	Outside India	Total
(a) Steel	51,461.20	8,223.91	59,685.11
(b) Power and water	1,466.73	-	1,466.73
(c) Others	1,292.80	1,298.76	2,591.56
	54,220.73	**9,522.67**	**63,743.40**

NOTES
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26. Revenue from operations (Contd.)
[Item No. I, Page 251]

(₹ crore)

		Year ended March 31, 2020		
		India	Outside India	Total
(a)	Steel	48,764.20	5,135.81	53,900.01
(b)	Power and water	1,647.86	-	1,647.86
(c)	Others	1,837.84	1,429.86	3,267.70
		52,249.90	**6,565.67**	**58,815.57**

(ii) Other operating revenues includes export incentives and deferred income released to statement of profit and loss.

27. Other income
[Item No. II, Page 251]

(₹ crore)

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Dividend income	68.13	89.73
(b)	Interest income	255.92	73.57
(c)	Net gain/(loss) on sale/fair value changes of mutual funds	195.68	96.19
(d)	Gain/(loss) on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off)	23.50	(1.20)
(e)	Gain/(loss) on cancellation of forwards, swaps and options	60.06	(1.26)
(f)	Other miscellaneous income	34.60	147.09
		637.89	**404.12**

(i) Dividend income includes income from investments carried at fair value through other comprehensive income ₹**19.48** crore (2019-20: ₹20.15 crore).

(ii) Interest income includes income on financial assets carried at amortised cost ₹**255.92** crore (2019-20: ₹73.57 crore).

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28. Changes in inventories of finished and semi-finished goods, stock-in-trade and work-in-progress

[Item No. IV(c), Page 251]

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of the year		
(a) Work-in-progress	-	6.90
(b) Finished and semi-finished goods	3,293.89	4,663.71
(c) Stock-in-trade	25.75	113.15
	3,319.64	**4,783.76**
Inventories at the beginning of the year		
(a) Work-in-progress	6.90	14.54
(b) Finished and semi-finished goods	4,663.71	4,129.28
(c) Stock-in-trade	113.15	75.54
	4,783.76	**4,219.36**
Increase/(decrease)	**(1,464.12)**	**564.40**

29. Employee benefits expense

[Item No. IV(d), Page 251]

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Salaries and wages	4,376.10	4,231.14
(b) Contribution to provident and other funds	548.07	477.48
(c) Staff welfare expenses	274.65	328.00
	5,198.82	**5,036.62**

(i) During the year ended March 31, 2021, the Company has recognised an amount of ₹**34.28** crore (2019-20: ₹32.96 crore) as remuneration to key managerial personnel. The details of such remuneration is as below:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Short-term employee benefits	28.19	21.47
(b) Post-employment benefits	5.82	11.21
(c) Other long-term employee benefits	0.27	0.28
	34.28	**32.96**

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30. Finance costs
[Item No. IV(e), Page 251]

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense on:		
(a) Bonds, debentures, bank borrowings and others	3,178.79	2,767.82
(b) Lease obligation	352.54	366.77
	3,531.33	**3,134.59**
Less: Interest capitalised	137.49	103.58
	3,393.84	**3,031.01**

(a) Interest expense includes interest on income tax ₹**181.84** crore (2019-20: Nil).

31. Depreciation and amortisation expense
[Item No. IV(f), Page 251]

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Depreciation on property, plant and equipment	3,489.14	3,535.23
(b) Depreciation on right-of-use assets	362.54	302.82
(c) Amortisation of intangible assets	135.64	82.07
	3,987.32	**3,920.12**

32. Other expenses
[Item No. IV(g), Page 251]

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Consumption of stores and spares	4,111.91	4,616.04
(b) Repairs to buildings	17.42	64.64
(c) Repairs to machinery	2,966.77	3,181.23
(d) Relining expenses	73.39	93.90
(e) Fuel oil consumed	124.84	198.39
(f) Purchase of power	2,634.18	2,906.01
(g) Conversion charges	2,249.91	2,795.20
(h) Freight and handling charges	3,865.58	4,046.92
(i) Rent	71.47	58.68
(j) Royalty	2,195.31	1,751.32
(k) Rates and taxes	1,101.92	832.18
(l) Insurance charges	145.82	147.17
(m) Commission, discounts and rebates	172.15	180.22
(n) Allowance for credit losses/provision for advances	39.84	2.13
(o) Others	2,976.79	2,929.15
	22,747.30	**23,803.18**

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32. Other expenses (Contd.)

[Item No. IV(g), Page 251]

(i) Others include:

(a) net foreign exchange gain ₹**89.14** crore (2019-20: foreign exchange gain ₹53.04 crore),

(b) gain on fair value changes of financial assets carried at fair value through profit and loss **Nil** (2019-20: gain of ₹356.26 crore).

(ii) During the year ended March 31, 2021, the Company has recognised an amount of ₹**8.29** crore (2019-20: ₹6.95 crore) towards payment to non-executive directors. The details are as below:

(₹ crore)

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Short-term benefits	7.80	6.55
(b)	Sitting fees	0.49	0.40
		8.29	**6.95**

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

(₹ crore)

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Auditors remuneration and out-of-pocket expenses		
	(i) Statutory audit fees	7.45	6.00
	(ii) Tax audit fees	0.60	0.40
	(iii) For other services	0.43	0.69
	(iv) Out-of-pocket expenses	0.37	0.23
(b)	Cost audit fees [including out of pocket expenses **Nil** (2019-20 : ₹58,035)]	0.20	0.21

(iv) As per the Companies Act, 2013, amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹**189.85** crore (2019-20: ₹173.53 crore).

During the year ended March 31, 2021 amount approved by the Board to be spent on CSR activities was ₹**270.17** crore (2019-20: ₹272.00 crore).

During the year ended March 31, 2021, in respect of CSR activities the Company incurred revenue expenditure which was recognised in the statement of profit and loss for amount amounting to ₹**221.98** crore [₹**217.23** crore has been paid in cash and ₹**4.75** crore is yet to be paid]. The amounts spent relates to purpose other than construction or acquisition of any asset and out of the above, ₹**87.34** crore was spent on ongoing projects during the year. There was no amount unspent for year ended March 31, 2021 and the Company does not propose to carry forward any amount spent beyond the statutory requirement.

During the year ended March 31, 2020, similar expense incurred was ₹192.99 crore [₹192.83 crore was paid in cash and ₹0.16 crore was unpaid], which included ₹0.93 crore on construction of assets [paid in cash].

During the year ended March 31, 2021, amount spent on CSR activities through related parties was ₹**104.80** crore (2019-20: ₹80.16 crore).

(v) During the year ended March 31, 2021, revenue expenditure charged to the statement of profit and loss in respect of research and development activities undertaken was ₹**228.29** crore (2019-20: ₹255.64 crore) including depreciation of ₹**9.43** crore (2019-20: ₹9.62 crore). Capital expenditure incurred in respect of research and development activities during the year was ₹**2.75** crore (2019-20: ₹3.72 crore).

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33. Exceptional items

[Item No. VI, Page 251]

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

(a) Profit/(loss) on sale of non-current investments ₹**1,084.85** crore (2019-20: Nil) relates to profit recognised on sale of investments in a subsidiary and two joint ventures of the Company.

(b) Provision for impairment of investments/doubtful advances ₹**149.74** crore (2019-20: charge ₹1,149.80 crore) relates to provision reversed for impairment of investments in a subsidiary, net of charge of ₹**0.26** crore in a joint venture.

(c) During the year ended March 31, 2020, provision for demands and claims ₹196.41 crore relates to provision recognised in respect of certain statutory demands and claims.

(d) Employee separation compensation ₹**443.55** crore (2019-20: ₹107.37 crore) relates to provisions recognised in respect of employee separation scheme of employees.

(e) Gain/(loss) on non-current investments classified as fair value through profit and loss (net) ₹**1,982.01** crore (2019-20: loss ₹250.00 crore) represents notional fair value gain (net) on investments in preference share and debenture held by the Company in a subsidiary and a joint venture respectively.

34. Earnings per share

[Item No. XII, Page 251]

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

(₹ crore)

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Profit after tax	13,606.62	6,743.80
	Less: Distribution on hybrid perpetual securities (net of tax)	181.35	199.18
	Profit attributable to ordinary shareholders- for basic and diluted EPS	13,425.27	6,544.62
		Nos.	Nos.
(b)	Weighted average number of Ordinary Shares for basic EPS	1,14,70,84,629	1,14,59,30,120
	Add: Adjustment for shares held in abeyance	1,08,181	89,536
	Weighted average number of Ordinary Shares and potential Ordinary Shares for diluted EPS	1,14,71,92,810	1,14,60,19,656
(c)	Nominal value of Ordinary Share (₹)	10.00	10.00
(d)	Basic earnings per Ordinary Share (₹)	117.04	57.11
(e)	Diluted earnings per Ordinary Share (₹)	117.03	57.11

(i) As at March 31, 2021, **5,70,42,370** (March 31, 2020: 5,81,96,450) options in respect of partly paid and **1,22,619** (March 31, 2020: 1,21,523) options in respect of fully paid shares were excluded from weighted average number of Ordinary Shares for the computation of diluted earnings per share as these were anti-dilutive.

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35. Employee benefits

A. Defined contribution plans

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

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

(a) Provident fund and pension

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

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

(b) Superannuation fund

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

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

The contributions recognised as an expense in the statement of profit and loss during the year on account of the above defined contribution plans amounted to ₹**171.01** crore (2019-20: ₹178.78 crore).

B. Defined benefit plans

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

(a) Provident fund and pension

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

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

Key assumptions used for actuarial valuation are as below:

	As at March 31, 2021	As at March 31, 2020
Discount rate	6.50%	6.50%
Guaranteed rate of return	8.50%	8.50%
Expected rate of return on investment	8.00%	8.40%

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forming part of the financial statements

35. Employee benefits (Contd.)

(b) Retiring gratuity

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

(c) Post-retirement medical benefits

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

(d) Other defined benefits

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

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

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

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

(iii) Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants.

As such, an increase in salary of the plan participants will increase the plan's liability.

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

C. Details of defined benefit obligations and plan assets:

(a) Retiring gratuity:

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Change in defined benefit obligations:		
Obligation at the beginning of the year	3,002.90	2,839.66
Current service cost	158.13	128.99
Interest costs	183.19	180.11
Remeasurement (gain)/loss	(113.78)	231.65
Adjustment for arrear wage settlement	1.62	192.01
Benefits paid	(364.20)	(569.52)
Obligation at the end of the year	**2,867.86**	**3,002.90**

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35. Employee benefits (Contd.)

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Change in plan assets:		
Fair value of plan assets at the beginning of the year	2,474.14	2,759.45
Interest income	158.99	188.61
Remeasurement gain/(loss) excluding amount included within employee benefit expense	15.80	15.38
Employers' contribution	308.08	80.22
Benefits paid	(364.20)	(569.52)
Fair value of plan assets at the end of the year	**2,592.81**	**2,474.14**

Amounts recognised in the balance sheet consist of:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets	2,592.81	2,474.14
Present value of obligations	(2,867.86)	(3,002.90)
	(275.05)	**(528.76)**
Recognised as:		
Retirement benefit obligations - Non-current	**(275.05)**	**(528.76)**

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Employee benefits expense:		
Current service cost	158.13	128.99
Net interest expense	24.20	(8.50)
	182.33	**120.49**
Other comprehensive income:		
Return on plan assets excluding amount included in employee benefits expense	(15.80)	(15.38)
Actuarial (gain)/loss arising from changes in demographic assumption	(5.60)	-
Actuarial (gain)/loss arising from changes in financial assumption	(30.48)	222.89
Actuarial (gain)/loss arising from changes in experience adjustments	(77.70)	8.76
	(129.58)	**216.27**
Expense/(gain) recognised in the statement of profit and loss	**52.75**	**336.76**

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35. Employee benefits (Contd.)

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

(%)

	As at March 31, 2021	As at March 31, 2020
Assets category (%)		
Equity instruments (quoted)	0.34	0.19
Debt instruments (quoted)	21.02	22.48
Insurance products (unquoted)	78.64	77.33
	100.00	**100.00**

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

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

	As at March 31, 2021	As at March 31, 2020
Discount rate	6.50%	6.50%
Rate of escalation in salary	7.00% to 12.00%	7.50% to 10.00%

(iv) Weighted average duration of the retiring gratuity obligation is **8.00** years (March 31, 2020: 8.10 years).

(v) The Company expects to contribute ₹**275.05** crore to the plan during the financial year 2021-22

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

As at March 31, 2021

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹211.58 crore, increase by ₹245.08 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹238.60 crore, decrease by ₹210.35 crore

As at March 31, 2020

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹222.21 crore, increase by ₹258.25 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹252.24 crore, decrease by ₹222.21 crore

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

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35. Employee benefits (Contd.)

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

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

(₹ crore)

	Year ended March 31, 2021		Year ended March 31, 2020	
	Medical	Others	Medical	Others
Change in defined benefit obligation:				
Obligation at the beginning of the year	1,539.10	263.19	1,271.01	181.25
Current service cost	25.37	44.47	18.58	66.61
Interest cost	97.59	16.16	92.73	12.97
Remeasurement (gain)/loss				
(i) Actuarial (gains)/losses arising from changes in demographic assumptions	(11.90)	(0.40)	-	-
(ii) Actuarial (gains)/losses arising from changes in financial assumptions	-	6.79	210.83	14.92
(iii) Actuarial (gains)/losses arising from changes in experience adjustments	55.64	(2.52)	15.26	3.99
Benefits paid	(75.28)	(29.30)	(69.31)	(16.55)
Obligation at the end of the year	**1,630.52**	**298.39**	**1,539.10**	**263.19**

Amounts recognised in the balance sheet consist of:

(₹ crore)

	As at March 31, 2021		As at March 31, 2020	
	Medical	Others	Medical	Others
Present value of obligations	(1,630.52)	(298.39)	(1,539.10)	(263.19)
Recognised as:				
Retirement benefit obligations - Current	(100.20)	(15.90)	(92.66)	(13.95)
Retirement benefit obligations - Non-current	(1,530.32)	(282.49)	(1,446.44)	(249.24)

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

(₹ crore)

	Year ended March 31, 2021		Year ended March 31, 2020	
	Medical	Others	Medical	Others
Employee benefits expense:				
Current service cost	25.37	44.47	18.58	66.61
Net interest expense	97.59	16.16	92.73	12.97
	122.96	**60.63**	**111.31**	**79.58**
Other comprehensive income:				
Actuarial (gains)/losses arising from changes in demographic assumptions	(11.90)	(0.40)	-	-
Actuarial (gains)/losses arising from changes in financial assumption	-	6.79	210.83	14.92
Actuarial (gains)/losses arising from changes in experience adjustments	55.64	(2.52)	15.26	3.99
	43.74	**3.87**	**226.09**	**18.91**
Expense recognised in the statement of profit and loss	**166.70**	**64.50**	**337.40**	**98.49**

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35. Employee benefits (Contd.)

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

	As at March 31, 2021		As at March 31, 2020	
	Medical	Others	Medical	Others
Discount rate	6.50%	6.50%	6.50%	6.50%
Rate of escalation in salary	N.A	10.50%-15.00%	N.A	10.00%-15.00%
Inflation rate	8.00%	5.00%	8.00%	4.00%

(iii) Weighted average duration of post-retirement medical benefit obligation is **8.00** years (March 31, 2020: 8.00 years). Weighted average duration of other defined benefit obligation ranges from **2.9 to 13** years (March 31, 2020: 3.3 to 13 years)

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

As at March 31, 2021

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹220.01 crore, increase by ₹284.05 crore
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹262.98 crore, decrease by ₹208.60 crore

As at March 31, 2020

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹210.86 crore, increase by ₹272.42crore
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹252.41 crore, decrease by ₹200.08 crore

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

As at March 31, 2021

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹16.25 crore, increase by ₹18.95 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹3.49 crore, decrease by ₹3.21 crore
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹7.75 crore, decrease by ₹6.79 crore

As at March 31, 2020

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹14.90 crore, increase by ₹17.47 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹3.29 crore, decrease by ₹2.99 crore
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹6.82 crore, decrease by ₹5.97 crore

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

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36. Contingencies and commitments

A. Contingencies

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

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

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

Litigations

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

Income tax

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

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

As at March 31, 2021, there are matters and/or disputes pending in appeal amounting to ₹**2,360.77** crore (March 31, 2020: ₹2,260.36 crore).

The details of demands for more than ₹100 crore is as below:

(a) Interest expenditure on loans taken by the Company for acquisition of a subsidiary has been disallowed in assessments with tax demand raised for ₹**1,551.10** crore (inclusive of interest March 31, 2020: ₹1,551.10 crore).

(b) Interest expenditure on "Hybrid Perpetual Securities" has been disallowed in assessments with tax demand raised for ₹**170.54** crore (inclusive of interest) (March 31, 2020: ₹170.54 crore)

In respect of above demands, the Company has deposited an amount of ₹**1,250.54** crore (March 31, 2020: ₹1,165.00 crore) as a precondition for obtaining stay. The Company expects to sustain its position on ultimate resolution of the said appeals.

Customs, excise duty and service tax

As at March 31, 2021, there were pending litigations for various matters relating to customs, excise duty and service taxes involving demands of ₹**304.48** crore (March 31, 2020: ₹365.43 crore).

Sales tax /VAT

The total sales tax demands that are being contested by the Company amounted to ₹**823.37** crore (March 31, 2020: ₹563.30 crore).

The details of demands for more than ₹100 crore is as below:

(a) The Company stock transfers its goods manufactured at Jamshedpur works plant to its various depots/ branches located outside the state of Jharkhand across the country and these goods are then sold to various customers outside the states from depots/ branches. As per the Central Sales Tax Act, 1956, these transfers of goods to depots/branches were made without payment of Central sales tax and F-Form was submitted in lieu of the stock-transfers made during the period of assessment. The value of these sales was also disclosed in the periodical returns filed as per the Jharkhand Vat Act, 2005. The Commercial Tax Department has raised demand of Central Sales tax by levying tax on the differences between value of sales outside the states and value of F-Form submitted for stock transfers. The amount involved for various assessment years beginning 2011-2012 to 2016-2017 as on March 31, 2021 is amounting to ₹**188.65** crore (March 31, 2020: ₹127.00 crore).

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36. Contingencies and commitments (Contd.)

Other taxes, dues and claims

Other amounts for which the Company may contingently be liable aggregate to ₹**13,736.46** crore (March 31, 2020: ₹12,450.66 crore).

The details of demands for more than ₹100 crore are as below:

(a) Claim by a party arising out of conversion arrangement ₹**195.79** crore (March 31, 2020: ₹195.79 crore). The Company has not acknowledged this claim and has instead filed a claim of ₹**141.23** crore (March 31, 2020: ₹141.23 crore) on the party. The matter is pending before the Calcutta High Court.

(b) The State Government of Odisha introduced "Orissa Rural Infrastructure and Socio Economic Development Act, 2004" with effect from February 2005 levying tax on mineral bearing land computed on the basis of value of minerals produced from the mineral bearing land. The Company had filed a writ petition in the Odisha High Court challenging the validity of the Act. The High Court held in December 2005 that the State does not have authority to levy tax on minerals. The State of Odisha filed an appeal in the Supreme Court against the order of the High Court and the case is pending in Supreme Court. The potential liability, as at March 31, 2021 is ₹**9,709.73** crore (March 31, 2020: ₹8,732.29 crore).

(c) The Company pays royalty on iron ore on the basis of quantity removed from the leased area at the rates based on notification issued by the Ministry of Mines, Government of India and the price published by Indian Bureau of Mines (IBM) on a monthly basis.

Demand of ₹411.08 crore has been raised by Deputy Director of Mines, Joda, claiming royalty at sized ore rates on despatches of ore fines. The Company has filed a revision petition on November 14, 2013, before the Mines Tribunal, Government of India, Ministry of Mines, New Delhi, challenging the legality and validity of the demand and to grant refund of royalty paid in excess by the Company. Mines Tribunal has granted stay on the total demand with directive to Government of Odisha not to take any coercive action for realisation of this demanded amount.

The Hon'ble High Court of Odisha in a similar matter held the circulars based on which demands were raised to be valid. The Company has challenged the judgment of the High Court by a separate petition in the Hon'ble Supreme Court on April 29, 2016.

On July 16, 2019, the Company has filed rejoinders to the reply filed by State of Odisha against the revision petition. The State pressed for rejection of revision applications citing the judgment of the High Court. The Company represented before the authorities and explained that the judgment was passed under a particular set of 'facts & circumstances' which cannot have blanket application on the Company considering the case of the Company is factually different. On August 7, 2019, the Mines Tribunal decided to await the outcome of Special leave petition pending before the Hon'ble Supreme Court and adjourned the matter.

Likely demand of royalty on fines at sized ore rates as on March 31, 2021 is ₹**2,207.31** crore (March 31, 2020: ₹1,965.52 crore).

(d) Demand notices were originally issued by the Deputy Director of Mines, Odisha amounting to ₹3,827.29 crore for excess production over the quantity permitted under the mining plan, environment clearance or consent to operate, pertaining to 2000-01 to 2009-10. The demand notices have been raised under Section 21(5) of the Mines & Minerals (Development and Regulations) Act, 1957 (MMDR). The Company filed revision petitions before the Mines Tribunal against all such demand notices. Initially, a stay of demands was granted, later by order dated October 12, 2017, the issue has been remanded to the state for reconsideration of the demand in the light of Supreme Court judgement passed on August 2, 2017.

The Hon'ble Supreme Court pronounced its judgement in the Common Cause case on August 2, 2017 wherein it directed that compensation equivalent to the price of mineral extracted in excess of environment clearance or without forest clearance from the forest land be paid.

In pursuance to the Judgement of Hon'ble Supreme Court, demand/show cause notices amounting to ₹3,873.35 crore have been issued during 2017-18 by the Deputy Director of Mines, Odisha and the District Mining Office, Jharkhand.

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36. Contingencies and commitments (Contd.)

In respect of the above demands:

- as directed by the Hon'ble Supreme Court, the Company has provided and paid for iron ore and manganese ore an amount of ₹614.41 crore during 2017-18 for production in excess of environment clearance to the Deputy Director of Mines, Odisha.
- the Company has provided and paid under protest an amount of ₹56.97 crore during 2017-18 for production in excess of environment clearance to the District Mining Office, Jharkhand.
- the Company has challenged the demands amounting to ₹132.91 crore in 2017-18 for production in excess of lower of mining plan and consent to operate limits raised by the Deputy Director of Mines, Odisha before the Mines Tribunal and obtained a stay on the matter. Mines Tribunal, Delhi vide order dated November 26, 2018 disposed of all the revision applications with a direction to remand it to the State Government to hear all such cases afresh and pass detailed order. Demand amount of ₹**132.91** crore (March 31, 2020: ₹132.91 crore) is considered contingent.
- the Company has made a comprehensive submission before the Deputy Director of Mines, Odisha against show cause notices amounting to ₹694.02 crore received during 2017-18 for production in violation of mining plan, Environment Protection Act, 1986 and Water (Prevention & Control of Pollution) Act, 1981. A demand amounting to ₹234.74 crore has been received in April 2018 from the Deputy Director of Mines, Odisha for production in excess of the Environmental Clearance The Company has challenged the demand and obtained a stay on the matter from the Revisionary Authority, Mines Tribunal, New Delhi. Demand of ₹234.74 crore has been provided and show cause notice of ₹694.02 crore had been considered as contingent as at March 31, 2019.

  During the year ended March 31, 2020, based on the evaluation of current facts and circumstances, the Company has assessed and concluded that the said show cause notice of ₹694.02 crore no longer qualifies to be a contingent liability.
- The Company based on its internal assessment has provided an amount of ₹1,412.89 crore against demand notices amounting to ₹2,140.30 crore received from the District Mining Office, Jharkhand for producing more than environment clearance and the balance amount of ₹**727.41** crore (March 31, 2020: ₹727.41 crore) has been considered contingent. The Company has however been granted a stay by the Revisional Authority, Ministry of Coal, Government of India against such demand notices.

(e) An agreement was executed between the Government of Odisha (GoO) and the Company in December, 1992 for drawl of water from Kundra Nalla for industrial consumption. In December 1993, the Tahsildar, Barbil issued a show-cause notice alleging that the Company has lifted more quantity of water than the sanctioned limit under the agreement and has also not installed water meter.

While the proceedings in this regard were in progress, the Company had applied for allocation of fresh limits. Over the years, there has also been a steep increase in the water charges against which the Company filed writ petitions before Hon'ble High Court of Odisha.

In this regard, the Company has received demand of ₹183.46 crore considering the demand for period beginning from January, 1996 upto November, 2020. The potential exposure as on March 31, 2021 ₹**206.63** crore (March 31, 2020: ₹162.96 crore) is considered as contingent.

The writ petition filed in August, 1997 was listed for hearing before the Full Bench of the Odisha High Court on May 17, 2019. SAIL, one of the petitioners, sought permission to withdraw its writ petition because the settlement arrived with the State Government in the matter. The High court allowed withdrawal of writ petition of SAIL and directed other parties to negotiate with the State Government. The Company has submitted its detailed representation to Principal Secretary, Water Resource Department, GoO on June 21, 2019, which is under consideration.

B. Commitments

(a) The Company has entered into various contracts with suppliers and contractors for the acquisition of plant and machinery, equipment and various civil contracts of capital nature amounting to ₹**6,711.59** crore (March 31, 2020: ₹8,682.73 crore).

Other commitments as at March 31, 2020 amount to ₹**0.01** crore (March 31, 2020 : ₹0.01 crore).

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36. Contingencies and commitments (Contd.)

(b) The Company has given undertakings to:

(i) IDBI not to dispose of its investment in Wellman Incandescent India Ltd.

(ii) IDBI and ICICI Bank Ltd. (formerly ICICI) not to dispose of its investment in Standard Chrome Ltd

(c) Tata Steel Limited and Bluescope Steel Limited have given undertaking to State Bank of India not to reduce collective shareholding in Tata Bluescope Steel Private Limited (TBSPL), below 51% without prior consent of the lender. Further, the Company has given an undertaking to State Bank of India to intimate them before diluting its shareholding in TBSPL below 50%.

During the year ended March 31, 2021, the Company after obtaining a 'no objection certificate' from the lenders of TBSPL, has transferred its stake of 50% in TBSPL to its 100% owned subsidiary Tata Steel Downstream Products Limited.

(d) Tata Steel, as a promoter, had pledged **4,41,55,800** (March 31, 2020: 4,41,55,800) equity shares of Industrial Energy Limited(IEL) with Infrastructure Development Finance Corporation Limited. IEL has repaid the entire loan taken from IDFC in financial year 2020-21 and the pledge is in the process of being released.

(e) The Company has given guarantees aggregating ₹**9,121.69** crore (March 31, 2020 : ₹9,329.87 crore) details of which are as below:

(i) in favour of Commissioner Customs for ₹**1.07** crore (March 31, 2020: ₹1.07 crore) given on behalf of Timken India Limited in respect of goods imported.

(ii) in favour of The President of India for ₹**177.18** crore (March 31, 2020: ₹177.18 crore) against performance of export obligation under the various bonds executed by a joint venture Jamshedpur Continuous Annealing & Processing Company Private Limited.

(iii) in favour of the note holders against due and punctual repayment of the 100% amounts outstanding as on March 31, 2021 towards issued Guaranteed Notes by a subsidiary, ABJA Investment Co. Pte Ltd. for ₹**7,311.50** crore (March 31, 2020 : ₹7,560.00 crore) and ₹**1,631.79** crore (March 31, 2020 : ₹1,591.47 crore). The guarantee is capped at an amount equal to 125% of the outstanding principal amount of the Notes as detailed in "Terms and Conditions" of the Offering Memorandum.

(iv) in favour of President of India for ₹**0.15** crore (March 31, 2020 : ₹0.15 crore) against advance license.

37. Other significant litigations

(a) Odisha Legislative Assembly issued an amendment to Indian Stamp Act, 1889, on May 9, 2013 and inserted a new provision (Section 3A) in respect of stamp duty payable on grant/renewal of mining leases. As per the amended provision, stamp duty is levied equal to 15% of the average royalty that would accrue out of the highest annual extraction of minerals under the approved mining plan multiplied by the period of such mining lease. The Company had filed a writ petition challenging the constitutionality of the Act on July 5, 2013. The Hon'ble High Court, Cuttack passed an order on July 9, 2013 granting interim stay on the operation of the Amendment Act, 2013. Because of the stay, as on date, the Act is not enforceable and any demand received by the Company is not liable to be proceeded with. Meanwhile, the Company received demand notices for the various mines at Odisha totalling to ₹**5,579.00** crore (March 31, 2020: ₹5,579.00 crore). The Company has concluded that it is remote that the claim will sustain on ultimate resolution of the legal case by the court.

In April 2015, the Company has received an intimation from Government of Odisha, granting extension of validity period for leases under the MMDR Amendment Act, 2015 up to March 31,2030 in respect of eight mines and up to March 31, 2020 for two mines subject to execution of supplementary lease deed. Liability has been provided in the books of accounts as on March 31, 2020 as per the existing provisions of the Stamp Act 1899 and the Company had paid the stamp duty and registration charges totalling ₹413.72 crore for supplementary deed execution in respect of eight mines out of the above mines.

(b) Noamundi Iron Ore Mine of the Company was due for its third renewal with effect from January 1, 2012. The application for renewal was submitted by the Company within the stipulated time, but it remained pending consideration with the State and the mining operations were continued in terms of the prevailing law.

By a judgement of April 2014 in the case of Goa mines, the Supreme Court took a view that second and subsequent renewal of mining lease can be effected once the State considers the application and decides to renew the mining lease by issuing an express order. State of Jharkhand

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37. Other significant litigations (Contd.)

issued renewal order to the Company on December 31, 2014. The State, however, took a view on interpretation of Goa judgement that the mining carried out after expiry of the period of second renewal was 'illegal' and hence, issued a demand notice of ₹3,568.31 crore being the price of iron ore extracted. The said demand has been challenged by the Company before the Jharkhand High Court.

The mining operations were suspended from August 1, 2014. Upon issuance of an express order, Company paid ₹152.00 crore under protest, so that mining can be resumed.

The Mines and Minerals Development and Regulation (MMDR) Amendment Ordinance, 2015 promulgated on January 12, 2015 provides for extension of such mining leases whose applications for renewal have remained pending with the State(s). Based on the new Ordinance, Jharkhand Government revised the Express Order on February 12, 2015 for extending the period of lease up to March 31, 2030 with the following terms and conditions:

- value of iron ore produced by alleged unlawful mining during the period January 1, 2012 to April 20, 2014 for ₹2,994.49 crore to be decided on the basis of disposal of our writ petition before Hon'ble High Court of Jharkhand.
- value of iron ore produced from April 21, 2014 to July 17, 2014 amounting to ₹421.83 crore to be paid in maximum 3 instalments.
- value of iron ore produced from July 18, 2014 to August 31, 2014 i.e. ₹152.00 crore to be paid immediately.

District Mining Officer Chaibasa on March 16, 2015 issued a demand notice for payment of ₹421.83 crore, in three monthly instalments. The Company on March 20, 2015 replied that since the lease has been extended by application of law till March 31, 2030, the above demand is not tenable. The Company, has paid ₹50.00 crore under protest on July 27, 2015, because the State had stopped issuance of transit permits.

The company filed another writ petition before the Hon'ble High Court of Jharkhand which was heard on September 9, 2015. An interim order was given by the Hon'ble High Court of Jharkhand on September 17, 2015 wherein the Court has directed the Company to pay the amount of ₹371.83 crore in 3 equal instalments, first instalment by October 15, 2015, second instalment by November 15, 2015 and third instalment by December 15, 2015.

In view of the interim order of the Hon'ble High Court of Jharkhand ₹124.00 crore was paid on September 28, 2015, ₹124.00 crore on November 12, 2015 and ₹123.83 crore on December 14, 2015 under protest.

The case is pending before the Hon'ble High court for disposal. The State issued similar terms and conditions to other mining lessees in the State rendering the mining as illegal. Based on the Company's assessment of the Goa mines judgement read with the Ordinance issued in the year 2015, the Company believes that it is remote that the demand of the State would sustain.

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38. Capital management

The Company's capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings and issue of non-convertible debt securities.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current and earmarked balances) and current investments.

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

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Equity share capital	1,198.78	1,146.13
Hybrid perpetual securities	775.00	2,275.00
Other equity	89,293.33	73,416.99
Total equity (A)	**91,267.11**	**76,838.12**
Non-current borrowings	27,313.80	31,381.96
Current borrowings	-	7,857.27
Current maturities of long-term borrowings and lease obligations	1,034.50	2,183.64
Gross debt (B)	**28,348.30**	**41,422.87**
Total capital (A+B)	**1,19,615.41**	**1,18,260.99**
Gross debt as above	28,348.30	41,422.87
Less: Current investments	6,404.46	3,235.16
Less: Cash and cash equivalents	1,501.71	993.64
Less: Other balances with banks (including non-current earmarked balances)	223.37	287.54
Net debt (C)	**20,218.76**	**36,906.53**
Net debt to equity ratio[(i)]	**0.24**	**0.49**

(i) Net debt to equity ratio as at March 31, 2021 and March 31, 2020 has been computed based on average of opening and closing equity.

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39. Disclosures on financial instruments

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

The details of significant accounting policies, including the criteria for recognition, basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(n), page 261 to the financial statements.

(a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2021 and March 31, 2020:

As at March 31, 2021

(₹ crore)

	Amortised cost	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
Financial assets:							
Cash and bank balances	1,725.08	-	-	-	-	1,725.08	1,725.08
Trade receivables	3,863.31	-	-	-	-	3,863.31	3,863.31
Investments	-	864.80	-	-	28,161.32	29,026.12	29,026.12
Derivatives	-	-	6.96	102.49	-	109.45	109.45
Loans	9,065.28	-	-	-	-	9,065.28	9,065.28
Other financial assets	389.83	-	-	-	-	389.83	389.83
	15,043.50	**864.80**	**6.96**	**102.49**	**28,161.32**	**44,179.07**	**44,179.07**
Financial liabilities:							
Trade payables	10,638.59	-	-	-	-	10,638.59	10,638.59
Borrowings other than lease obligations	25,265.27	-	-	-	-	25,265.27	26,097.42
Derivatives	-	-	64.62	75.97	-	140.59	140.59
Other financial liabilities	4,653.27	-	-	-	-	4,653.27	4,653.27
	40,557.13	**-**	**64.62**	**75.97**	**-**	**40,697.72**	**41,529.87**

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39. Disclosures on financial instruments (Contd.)

As at March 31, 2020

(₹ crore)

	Amortised cost	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
Financial assets:							
Cash and bank balances	1,281.18	-	-	-	-	1,281.18	1,281.18
Trade receivables	1,016.73	-	-	-	-	1,016.73	1,016.73
Investments	-	507.65	-	-	23,010.01	23,517.66	23,517.66
Derivatives	-	-	15.59	356.83	-	372.42	372.42
Loans	1,806.58	-	-	-	-	1,806.58	1,806.58
Other financial assets	236.52	-	-	-	-	236.52	236.52
	4,341.01	**507.65**	**15.59**	**356.83**	**23,010.01**	**28,231.09**	**28,231.09**
Financial liabilities:							
Trade payables	10,600.96	-	-	-	-	10,600.96	10,600.96
Borrowings other than lease obligation	38,113.07	-	-	-	-	38,113.07	38,713.37
Derivatives	-	-	98.07	106.17	-	204.24	204.24
Other financial liabilities	3,511.50	-	-	-	-	3,511.50	3,511.50
	52,225.53	**-**	**98.07**	**106.17**	**-**	**52,429.77**	**53,030.07**

(i) Investments in mutual funds and derivative instruments (other than those designated in a hedging relationship) are mandatorily classified as fair value through profit and loss.

(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This Level consists of investment in quoted equity shares and mutual funds.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This Level of hierarchy includes the Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This Level includes investment in unquoted equity shares and preference shares.

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39. Disclosures on financial instruments (Contd.)

(₹ crore)

	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investment in mutual funds	6,404.46	-	-	6,404.46
Investment in equity shares	537.85	-	326.95	864.80
Investment in preference shares	-	-	21,756.86	21,756.86
Derivative financial assets	-	109.45	-	109.45
	6,942.31	**109.45**	**22,083.81**	**29,135.57**
Financial liabilities:				
Derivative financial liabilities	-	140.59	-	140.59
	-	**140.59**	**-**	**140.59**

(₹ crore)

	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investment in mutual funds	3,235.16	-	-	3,235.16
Investment in equity shares	204.31	-	303.34	507.65
Investment in debentures	-	49.74	-	49.74
Investment in preference shares	-	-	19,725.11	19,725.11
Derivative financial assets	-	372.42	-	372.42
	3,439.47	**422.16**	**20,028.45**	**23,890.08**
Financial liabilities:				
Derivative financial liabilities	-	204.24	-	204.24
	-	**204.24**	**-**	**204.24**

(i) Current financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) Investments carried at fair value are generally based on market price quotations. Investments in equity shares included in Level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value. Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Fair value of investment in preference shares is estimated through a valuation model incorporating assumptions which includes unobservable market data and by discounting the expected future cash flows using a discount rate equivalent to the expected rate of return for a similar instrument and maturity as on the reporting date. Key inputs to the valuation model are expected cash flows and discount rate expected for an instrument with similar terms and maturity as on the reporting date.

(iv) Fair value of investments in preference share of Tata Steel BSL Limited is dependent on its profitability and cash flows available for distribution. The expected cash flows have been discounted considering a pre-tax discount rate of **13.84**% (March 31, 2020: 11.90%). The fair value is sensitive to changes in discount rate and profitability. An increase in cash flow by 1% would lead to an increase in fair value of preference shares by ₹**452.35** crore (March 31, 2020: ₹169.30 crore) and increase in discount rate by 1% would lead to decrease in fair value by ₹**1,376.01** crore (March 31, 2020: ₹1,444.90 crore).

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39. Disclosures on financial instruments (Contd.)

(v) Fair value of borrowings which have a quoted market price in an active market is based on its market price which is categorised as Level1. Fair value of borrowings which do not have an active market or are unquoted is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities which is categorised as Level 2 in the fair value hierarchy.

(vi) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(vii) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2021 and March 31, 2020.

(viii) Reconciliation of Level 3 fair value measurement is as below:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	20,028.45	33,993.14
Additions during the year	23.61	-
Fair value changes through profit or loss	2,031.75	106.26
Reclassification within investments*	-	(14,070.95)
Balance at the end of the year	**22,083.81**	**20,028.45**

* During the year ended March 31, 2020, reclassification represents investment held in preference shares of a subsidiary converted into equity shares.

(c) Derivative financial instruments

Derivative instruments used by the Company include forward exchange contracts, interest rate swaps, currency swaps, options and interest rate caps and collars. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" wherever possible. The Company does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

The following table sets out the fair value of derivatives held by the Company as at the end of each reporting period:

(₹ crore)

	As at March 31, 2021		As at March 31, 2020	
	Assets	Liabilities	Assets	Liabilities
(i) Foreign currency forwards, swaps and options	103.04	75.97	372.42	105.29
(ii) Interest rate swaps and collars	6.41	64.62	-	98.95
	109.45	**140.59**	**372.42**	**204.24**
Classified as:				
Non-current	42.52	71.20	162.46	122.55
Current	66.93	69.39	209.96	81.69

As at the end of the reporting period total notional amount of outstanding foreign currency contracts, interest rate swaps and collars that the Company has committed to is as below:

(US$ million)

	As at March 31, 2021	As at March 31, 2020
(i) Foreign currency forwards, swaps and options	2,322.17	1,345.71
(ii) Interest rate swaps and collars	506.50	367.50
	2,828.67	**1,713.21**

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39. Disclosures on financial instruments (Contd.)

(d) Transfer of financial assets

The Company transfers certain trade receivables under discounting arrangements with banks/financial institutions. Some of such arrangements do not qualify for de-recognition due to recourse arrangements being in place. Consequently, the proceeds received from transfer are recorded as short-term borrowings from banks and financial institutions. As at March 31, 2021 and March 31, 2020, there has been no such transfer of trade receivables.

(e) Financial risk management

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.

(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(i) Market risk

Market risk is the risk of any loss in future earnings, in realising fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(a) Market risk - Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

A 10% appreciation/depreciation of foreign currencies with respect to functional currency of the Company would result in an increase/decrease in the Company's net profit/equity before considering tax impacts by approximately ₹**832.49** crore for the year ended March 31, 2021 (March 31, 2020: ₹158.75 crore) and an increase/decrease in carrying value of property, plant and equipment (before considering depreciation) by approximately Nil as at March 31, 2021 (March 31, 2020: ₹109.94 crore).

The foreign exchange rate sensitivity is calculated by assuming a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the Company.

The sensitivity analysis has been based on the composition of the Company's financial assets and liabilities as at March 31, 2021 and March 31, 2020 excluding trade payables, trade receivables, other derivative and non-derivative financial instruments (except investment in preference shares and loans receivable) not forming part of debt and which do not present a material exposure. The period end balances are not necessarily representative of the average balance outstanding during the period.

(b) Market risk - Interest rate risk:

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations.

Based on the composition of debt as at March 31, 2021 and March 31, 2020 a 100 basis points increase in interest rates would increase the Company's finance costs (before considering interest eligible for capitalisation) and thereby reduce net profit/equity before considering tax impacts by approximately ₹**100.91** crore for the year ended March 31, 2021 (2019-20: ₹149.37 crore).

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This

39. Disclosures on financial instruments (Contd.)

calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

(c) Market risk - Equity price risk:

Equity price risk is related to change in market reference price of investments in equity securities held by the Company.

The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes.

The fair value of quoted investments in equity, classified as fair value through other comprehensive income as at March 31, 2021 and March 31, 2020 was ₹**537.85** crore and ₹204.31 crore, respectively.

A 10% change in equity prices of such securities held as at March 31, 2021 and March 31, 2020, would result in an impact of ₹**53.79** crore and ₹20.43 crore respectively on equity before considering tax impact.

(ii) Credit risk:

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

The Company has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults.

Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments in debt securities and mutual funds, balances with bank, bank deposits, derivatives and financial guarantees provided by the Company. None of the financial instruments of the Company result in material concentration of credit risk except preference shares investments and loans, the Company made in its subsidiary companies.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹**43,313.30** crore and ₹27,722.94 crore, as at March 31, 2021 and March 31, 2020 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments in debt securities, mutual funds, loans, derivative assets and other financial assets.

The risk relating to trade receivables is presented in note 13, page 289.

The Company's exposure to customers is diversified and no single customer, other than a subsidiary, contributes to more than 10% of outstanding trade receivables as at March 31, 2021 and March 31, 2020.

In respect of financial guarantees provided by the Company to banks/financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

(iii) Liquidity risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company have access to undrawn lines of committed and uncommitted borrowing/ facilities, funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Company invests its surplus funds in bank fixed deposits and in mutual funds, which carry no or low market risk. The Company has also invested 15% of the non-convertible debentures (issued by the Company) falling due for repayment in the next 12 months in bank deposits, to meet the regulatory norms of liquidity requirements. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

The Company's liquidity position remains strong at ₹**14,180.59** crore as at March 31, 2021, comprising ₹**8,130.47** crore in the form of current investments, cash and cash equivalents and other balances with banks (including non-current earmarked balances) and ₹**6,050.12** crore in committed undrawn bank lines.

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forming part of the financial statements

39. Disclosures on financial instruments (Contd.)

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company's derivative and non- derivative financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period. Cash flows in foreign currencies are translated using the period end spot rates:

(₹ crore)

	As at March 31, 2021				
	Carrying value	Contractual cash flows	Less than one year	Between one to five years	More than five years
Non-derivative financial liabilities:					
Borrowings other than lease obligation including interest obligations	25,813.66	35,324.47	2,117.01	16,704.44	16,503.02
Lease obligations including interest obligations	3,115.49	6,066.29	719.27	1,827.42	3,519.60
Trade payables	10,638.59	10,638.59	10,638.59	-	-
Other financial liabilities	4,072.42	4,072.42	3,658.76	311.80	101.86
	43,640.16	**56,101.77**	**17,133.63**	**18,843.66**	**20,124.48**
Derivative financial liabilities	**140.59**	**140.59**	**69.39**	**71.20**	**-**

(₹ crore)

	As at March 31, 2020				
	Carrying value	Contractual cash flows	Less than one year	Between one to five years	More than five years
Non-derivative financial liabilities:					
Borrowings including interest obligations	38,461.28	53,465.41	11,715.26	19,407.02	22,343.13
Lease obligations including interest obligations	3,346.83	6,478.00	753.36	2,008.44	3,716.20
Trade payables	10,600.96	10,600.96	10,600.96	-	-
Other financial liabilities	3,126.26	3,126.26	2,832.67	191.49	102.10
	55,535.33	**73,670.63**	**25,902.25**	**21,606.95**	**26,161.43**
Derivative financial liabilities	**204.24**	**204.24**	**81.69**	**115.42**	**7.13**

40. Segment reporting

The Company is primarily engaged in the business of manufacture and distribution of steel products and is operated out of India. In accordance with Ind AS 108 "Operating Segments", the Company has presented segment information on the basis of its consolidated financial statements which forms part of this report.

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forming part of the financial statements

41. Related party transactions

The Company's related parties primarily consist of its subsidiaries, associates, joint ventures and Tata Sons Private Limited including its subsidiaries and joint ventures. The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms.

The following table summarises related party transactions and balances included in the financial statements of the Company for the year ended as at March 31, 2021 and March 31, 2020:

(₹ crore)

	Subsidiaries	Associates	Joint ventures	Tata Sons Private Limited, its subsidiaries and joint ventures	Total
Purchase of goods	**7,741.46**	**20.93**	**157.85**	**120.64**	**8,040.88**
	10,409.01	*24.33*	*222.91*	*75.55*	*10,731.80*
Sale of goods	**9,329.60**	**0.07**	**2,395.67**	**129.59**	**11,854.93**
	6,878.15	*1.00*	*2,338.13*	*208.93*	*9,426.21*
Services received	**1,967.18**	**32.80**	**822.74**	**257.55**	**3,080.27**
	1,963.43	*86.32*	*746.71*	*217.80*	*3,014.26*
Services rendered	**351.50**	**2.45**	**81.80**	**3.24**	**438.99**
	434.53	*4.62*	*80.77*	*1.01*	*520.93*
Interest income recognised	**96.48**	**-**	**2.75**	**-**	**99.23**
	4.33	*-*	*2.91*	*-*	*7.24*
Interest expenses recognised	**-**	**-**	**-**	**8.55**	**8.55**
	-	*-*	*-*	*17.54*	*17.54*
Dividend paid(vi)	**1.18**	**-**	**-**	**379.06**	**380.24**
	1.54	*-*	*-*	*470.41*	*471.95*
Dividend received	**25.22**	**-**	**23.43**	**12.92**	**61.57**
	35.38	*-*	*34.20*	*13.59*	*83.17*
Provision/(reversal) recognised for receivables during the year	**1.50**	**0.02**	**1.52**	**0.02**	**3.06**
	5.76	*0.03*	*(6.62)*	*0.01*	*(0.82)*
Management contracts	**135.01**	**5.32**	**3.00**	**100.00**	**243.33**
	108.63	*27.91*	*1.60*	*100.00*	*238.14*
Sale of investments	**2,245.61**	**-**	**-**	**-**	**2,245.61**
	-	*-*	*-*	*-*	*-*
Finance provided during the year (net of repayments)	**8,353.29**	**-**	**13.20**	**23.61**	**8,390.10**
	10,471.64	*-*	*60.13*	*-*	*10,531.77*

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41. Related party transactions (Contd.)

(₹ crore)

	Subsidiaries	Associates	Joint ventures	Tata Sons Private Limited, its subsidiaries and joint ventures	Total
Outstanding loans and receivables	**11,642.77**	**8.47**	**355.07**	**5.49**	**12,011.80**
	2,702.13	*12.45*	*119.96*	*6.19*	*2,840.73*
Provision for outstanding loans and receivables	**658.26**	**0.08**	**2.36**	**0.05**	**660.75**
	656.76	*0.06*	*0.84*	*0.03*	*657.69*
Outstanding payables	**4,597.90**	**21.92**	**201.52**	**141.00**	**4,962.34**
	4,841.64	*41.78*	*183.48*	*116.83*	*5,183.73*
Guarantees provided outstanding	**8,943.29**	**-**	**177.18**	**-**	**9,120.47**
	9,151.47	*-*	*177.18*	*-*	*9,328.65*
Subscription to first and final call on partly paid-up equity shares(vi)	**-**	**-**	**-**	**1,767.91**	**1,767.91**
	-	-	-	-	-
Purchase of Assets	**10.32**	**-**	**-**	**-**	**10.32**
	-	-	-	-	-
Sale of fixed assets	**62.43**	**-**	**2.01**	**-**	**64.44**
	-	*-*	*267.71*	*-*	*267.71*

Figures in italics represent comparative figures of previous year.

(i) The details of remuneration paid to key managerial personnel and payment to non-executive directors are provided in note 29, page 307 and note 32, page 308 respectively.

During the year ended March 31, 2021, value of shares subscribed by key managerial personnel and their relatives under final call to rights issue is ₹**1,12,484.00** (2019-20: Nil)

The Company has paid dividend of ₹**32,346.00** (2019-20: ₹42,048.50) to key managerial personnel and ₹**6,395.00** (2019-20: ₹8,313.50) to relatives of key managerial personnel during the year ended March 31, 2021.

(ii) During the year ended March 31, 2021, the Company has contributed ₹**553.88** crore (2019-20: ₹346.76 crore) to post employment benefit plans.

As at March 31, 2021, amount receivable from post-employment benefit fund is ₹**91.31** crore (March 31, 2020: ₹56.71 crore) on account of retirement benefit obligations paid by the Company directly.

As at March 31, 2021, amount payable to post-employment benefit fund is **Nil** (March 31, 2020: ₹13.29 crore) on account of retirement benefit obligations.

(iii) Details of investments made by the Company in preference shares of its subsidiaries and associates is disclosed in note 7, page 279.

(iv) Commitments with respect to subsidiaries, associates and joint ventures is disclosed in note 36B, page 319.

(v) Transactions with joint ventures have been disclosed at full value and not at their proportionate share.

(vi) Subscription to first and final call on partly paid-up equity shares includes ₹**1,744.00** crore (2019-20: Nil) received from Tata Sons Private Limited. Dividend paid includes ₹**368.15** crore (2019-20: ₹458.38 crore) paid to Tata Sons Private Limited.

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forming part of the financial statements

42. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

43. The Board of Directors of the Company, at its meeting held on April 25, 2019, had approved a Composite Scheme of Amalgamation of Bamnipal Steel Limited and Tata Steel BSL Limited (formerly known as Bhushan Steel Limited) into and with the Company subject to the requisite statutory and regulatory approvals. Pursuant to the orders of the Hon'ble NCLT, Mumbai Bench a meeting of the equity shareholders of the Company was convened on Friday, March 26, 2021 to consider and if thought fit, approve the Scheme. The Scheme was approved by the equity shareholders by requisite majority at the said meeting and the necessary disclosures in this regard have been made to the stock exchanges.

Pursuant to the shareholders' approval, "Company Scheme Petition" has been filed with the Hon'ble NCLT, Mumbai Bench with the prayer that the Scheme of Amalgamation be sanctioned with effect from the Appointed Date as defined in the Scheme. The Scheme will be implemented upon its sanction by the NCLT. The Scheme will enable the companies to realize greater synergies between their businesses, yield beneficial results and avail pooled resources in the interest of maximizing value to the shareholders and other stakeholders. The equity shareholders of Tata Steel BSL Limited will be entitled to fully paid-up equity shares of the Company in the ratio as set out in the Scheme.

44. Details of significant investments in subsidiaries, joint ventures and associates

(% direct holding)

	Country of incorporation	As at March 31, 2021	As at March 31, 2020
(a) Subsidiary companies			
(1) ABJA Investment Co. Pte Ltd.	Singapore	100.00	100.00
(2) Adityapur Toll Bridge Company Limited	India	88.50	88.50
(3) Bamnipal Steel Limited	India	100.00	100.00
(4) Bhubaneshwar Power Private Limited	India	93.58	93.58
(5) Bistupur Steel Limited	India	100.00	100.00
(6) Creative Port Development Private Limited	India	51.00	51.00
(7) Dimna Steel Limited	India	100.00	100.00
(8) Jamadoba Steel Limited	India	100.00	100.00
(9) Jamshedpur Football and Sporting Private Limited	India	100.00	100.00
(10) Jugsalai Steel Limited	India	100.00	100.00
(11) Mohar Exports Services Pvt Ltd	India	33.23	33.23
(12) NatSteel Asia Pte. Ltd.	Singapore	100.00	100.00
(13) Noamundi Steel Limited	India	100.00	100.00
(14) Rujuvalika Investments Limited	India	100.00	100.00
(15) Sakchi Steel Limited	India	100.00	100.00
(16) Straight Mile Steel Limited	India	100.00	100.00
(17) Subarnarekha Port Private Limited	India	7.07	7.07
(18) T Steel Holdings Pte. Ltd.	Singapore	100.00	100.00
(19) Tata Korf Engineering Services Ltd	India	100.00	100.00
(20) Tata Metaliks Ltd.	India	60.03	55.06
(21) Tata Steel (KZN) (Pty) Ltd.	South Africa	-	90.00
(22) Tata Steel Downstream Products Limited	India	100.00	100.00
(23) Tata Steel Foundation	India	100.00	100.00
(24) Tata Steel Long Products Limited	India	74.91	75.91
(25) Tata Steel Mining Limited	India	100.00	100.00
(26) Tata Steel Odisha Limited	India	100.00	100.00

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forming part of the financial statements

44. Details of significant investments in subsidiaries, joint ventures and associates (Contd.)

(% direct holding)

	Country of incorporation	As at March 31, 2021	As at March 31, 2020
(27) Tata Steel Special Economic Zone Limited	India	100.00	100.00
(28) Tata Steel Utilities and Infrastructure Services Limited	India	100.00	100.00
(29) Tayo Rolls Limited	India	54.91	54.91
(30) The Indian Steel & Wire Products Ltd.	India	95.01	95.01
(31) The Tata Pigments Limited	India	100.00	100.00
(32) The Tinplate Company of India Limited	India	74.96	74.96
(b) Associate companies			
(1) Kalinga Aquatics Ltd.	India	30.00	30.00
(2) Kumardhubi Fireclay and Silica Works Ltd	India	27.78	27.78
(3) Kumardhubi Metal Casting and Engineering Ltd	India	49.31	49.31
(4) Malusha Travels Pvt Ltd	India	33.23	33.23
(5) Strategic Energy Technology Systems Private Limited	India	25.00	25.00
(6) Tata Construction and Projects Ltd.	India	27.19	27.19
(7) TRF Limited.	India	34.11	34.11
(c) Joint ventures			
(1) Himalaya Steel Mills Services Private Limited	India	26.00	26.00
(2) Industrial Energy Limited	India	26.00	26.00
(3) Jamipol Limited	India	32.67	32.67
(4) Jamshedpur Continuous Annealing & Processing Company Private Limited	India	-	51.00
(5) Medica TS Hospital Pvt Ltd.	India	26.00	26.00
(6) mjunction services limited	India	50.00	50.00
(7) Nicco Jubilee Park Limited	India	20.99	20.99
(8) S & T Mining Company Private Limited	India	50.00	50.00
(9) T M Mining Company Limited	India	74.00	74.00
(10) Tata BlueScope Steel Private Limited	India	-	50.00
(11) Tata NYK Shipping Pte Ltd.	Singapore	50.00	50.00
(12) TM International Logistics Limited	India	51.00	51.00

45. Dividend

The dividend declared by the Company is based on profits available for distribution as reported in the standalone financial statements of the Company. On May 5, 2021 the Board of Directors of the Company have proposed a dividend of ₹**25.00** per Ordinary share of ₹10 each and ₹**6.25** per partly paid Ordinary share of ₹10 each (paid up ₹2.504 per share) in respect of the year ended March 31, 2021 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of approximately ₹**2,996.60** crore.

46. Previous year figures have been recasted/restated wherever necessary.

In terms of our report attached

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

sd/-
Russell I Parera
Partner
Membership Number 042190

Mumbai, May 5, 2021

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

sd/-
Mallika Srinivasan
Independent Director
DIN: 00037022

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

sd/-
Peter Blauwhoff
Independent Director
DIN: 07728872

sd/-
Deepak Kapoor
Independent Director
DIN: 00162957

sd/-
Aman Mehta
Independent Director
DIN: 00009364

sd/-
V. K. Sharma
Non-Executive Director
DIN: 02449088

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Steel Limited

Report on the audit of the Consolidated financial statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of Tata Steel Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities [refer note 1 to the attached Consolidated Financial Statements], which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended, and Notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the Consolidated Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2021, its consolidated total comprehensive income (comprising profit and other comprehensive income), its consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 18 of the Other Matters paragraph below, other than the unaudited financial statements/ financial information as certified by the management and referred to in paragraph 19 and financial information not available as referred to in paragraph 20 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

4. The following Material Uncertainty Relating to Going Concern (as reproduced) has been communicated to us by the auditors of Tata Steel Europe Limited, a subsidiary of the Holding Company, vide their audit report dated May 4, 2021:

   "Without modifying our opinion on the special purpose financial information, we have considered the adequacy of the disclosure made in the special purpose financial information Tata Steel Europe Limited's ability to continue as a going concern. The impact of the COVID-19 global pandemic will require Tata Steel Europe Limited to access group company support in order to meet its obligations as they fall due. Tata Steel Europe Limited has received a letter from TS Global Procurement Company Pte Ltd undertaking to provide working capital and/or other cash support up to a specified amount which exceeds the amount forecast as being required by Tata Steel Europe Limited over the next twelve months. The letter states that it represents present policy, is given by way of comfort only and is not to be construed as constituting a promise as to the future conduct of TS Global Procurement Company Pte Ltd or Tata Steel Limited. Accordingly, there can be no certainty that the funds required by Tata Steel Europe Limited will in fact be made available. These conditions, along with other matters explained in the special purpose financial information, indicate the existence of a material uncertainty which may cast significant doubt about Tata Steel Europe Limited's ability to continue as a going concern. The special purpose financial information does not include the adjustments that would result if Tata Steel Europe Limited was unable to continue as a going concern."

   Also, refer note 48 to the consolidated financial statements in this regard.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Assessment of litigations and related disclosure of contingent liabilities [Refer to Note 2 (c) to the Consolidated financial statements – "Use of estimates and critical accounting judgements – Provisions and contingent liabilities", Note 38 (A) to the Consolidated financial statements – "Contingencies" and Note 39 to the Consolidated financial statements – "Other significant litigations"]. As at March 31, 2021, the Holding Company has exposures towards litigations relating to various matters as set out in the aforesaid Notes. Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised, or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate. As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a Key Audit Matter.	Our audit procedures included the following: • We understood, assessed and tested the design and operating effectiveness of the Holding Company's key controls surrounding assessment of litigations relating to the relevant laws and regulations; • We discussed with management the recent developments and the status of the material litigations which were reviewed and noted by the Holding Company's Audit Committee; • We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/other significant litigations disclosed in relation to the Holding Company's Standalone Financial Statements; • We used auditor's experts / specialist to gain an understanding and to evaluate the disputed tax matters; • We considered external legal opinions, where relevant, obtained by management; • We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements; • We evaluated management's assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered to be remote by the management; and • We assessed the adequacy of the disclosures. Based on the above work performed, the management's assessment in respect of Holding Company's litigations and related disclosures relating to contingent liabilities/other significant litigations in the Consolidated Financial Statements is considered to be reasonable.

Also refer to the Key Audit Matters included by us in our audit report of even date on the standalone financial statements of the Holding Company.

6. The following Key Audit Matters were included in the audit report dated April 28, 2021, containing an unmodified audit opinion on the consolidated special purpose financial information of Tata Steel BSL Limited, a subsidiary of the Holding Company, issued by other auditors and reproduced by us as under:

Key audit matter	How our audit addressed the key audit matter
Recoverability of amounts paid against on-going litigation Refer Note 3 to the Consolidated Special Purpose Financial Information. Prior to the approval of the resolution plan ('the BSL Resolution Plan') under the Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code, 2016 on May 15, 2018, the Holding Company was a party to certain litigations. Pursuant to the approval of the BSL Resolution Plan, it was determined that no amounts are payable in respect of those litigations as they stand extinguished. The Holding Company had also made certain payments to the relevant authorities in respect of those litigations which were presented as recoverable under "Other non-current assets" in the Consolidated Special Purpose Financial Information. The estimates related to expected outcome of litigations and recoverability of payments made in respect thereof have high degree of inherent uncertainty due to insufficient judicial precedents in India in respect of disposal of litigations involving companies admitted to Corporate Insolvency Resolution Process. The application of significant judgment in the aforementioned matter required substantial involvement of senior personnel on the audit engagement including individuals with expertise in tax related matters.	We have performed the following procedures, among others, to test the recoverability of payments made by the Holding Company in relation to litigations instituted against it prior to the approval of the BSL Resolution Plan: • Verified the underlying documents related to litigation and other correspondences with statutory authorities; • Involved direct and indirect tax specialists to review the process used by the management to determine estimates and to test the judgements applied by management in developing the accounting estimates; • Assessed management's estimate of recoverability, supported by an opinion obtained by the management from a legal expert, by determining whether; – The method of measurement used is appropriate in the circumstances; and – The assumptions used by management are reasonable in light of the measurement principles of Ind AS. • Determined whether the methods for making estimates have been applied consistently; • Evaluated whether the accounting principles applied by the management fairly present the amounts recoverable from relevant authorities in Consolidated Special Purpose Financial Information in accordance with the principles of Ind AS.

Other Information

7. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information in the Integrated Report, Board's Report along with its Annexures and Financial Highlights included in the Holding Company's Annual Report (titled as 'Tata Steel Integrated Report & Annual Accounts 2020-21'), but does not include the Consolidated Financial Statements and our auditor's report thereon.

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

9. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 18 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

10. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance consolidated changes in equity and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the

Group and 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 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.

11. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

12. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

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

13. 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.

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

    - Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

15. 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.

16. 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.

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

Other Matters

18. We did not audit the financial statements / special purpose financial information of nine subsidiaries included in the Consolidated Financial Statements, whose financial statements / special purpose financial information reflect total assets of ₹1,29,344.05 crore and net assets of ₹47,746.15 crore as at March 31, 2021, total revenues of ₹89,884.40 crore, total net loss after tax of ₹5,930.05 crore and total comprehensive income of ₹(11,702.23) crore and net cash flows amounting to ₹824.32 crore for the year ended March 31, 2021, as considered in the Consolidated Financial Statements. The consolidated financial statements/special purpose financial information of these subsidiaries also includes their step-down associates and jointly controlled entities constituting ₹26.43 crore and ₹10.13 crore respectively of the Group's share total comprehensive income for the year ended March 31, 2021 respectively. The consolidated financial statements also include the Group's share of total comprehensive income (comprising profit and other comprehensive income) of ₹30.83 crore for the year ended March 31, 2021 in respect of two jointly controlled entities whose financial statements/special purpose financial information have not been audited by us. These financial statements/ special purpose financial information have been audited by other auditors/independent firm of accountants whose reports have been furnished to us by the other auditors/ independent firm of accountants /Management, and our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and jointly controlled entities and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors/independent firm of accountants.

19. We did not audit the financial statements / special purpose financial information of ten subsidiaries, whose financial statements / special financial information reflect total assets of ₹9,038.07 crore and net assets of ₹4,271.18 crore as at March 31, 2021, total revenue of ₹85.74 crore, total net profit after tax of ₹6.69 crore and total comprehensive income of ₹6.73 crore and net cash flows amounting to ₹(0.64) crore for the year ended March 31, 2021, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit after tax and total comprehensive income of ₹26.76 crore and ₹44.98 crore respectively for the year ended March 31, 2021, as considered in the Consolidated Financial Statements, in respect of four associates and five jointly controlled entities respectively, whose financial statements / financial information have not been audited by us. These financial statements/ special purpose financial information are unaudited and have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and jointly controlled entities and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, associates and jointly controlled entities, is based solely on such unaudited financial statements/ special purpose financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ special purpose financial information are not material to the Group.

20. In the case of one subsidiary and one jointly controlled entity, the financial statements/special purpose financial information for the year ended March 31, 2021 is not available. Further, nine subsidiaries, four associates and two jointly controlled entities of the Group are under insolvency proceedings, liquidation or have applied for strike off with the respective authorities and in respect of these entities the financial statements/special purpose financial information for the year ended March 31, 2021 are not available. In absence of the aforesaid financial statements/special purpose financial information, the financial statements/ special purpose financial information in respect of aforesaid subsidiaries and the Group's share of total comprehensive income of these associates and jointly controlled entities

for the year ended March 31, 2021 have not been included in the Consolidated Financial Statements. Accordingly, we do not report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar to the extent these relate to the aforesaid subsidiaries, associates and jointly controlled entities.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors, the financial statements / financial information certified by the Management and the non-availability of financial information.

Report on Other Legal and Regulatory Requirements

21. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

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

    (e) On the basis of the written representations received from the directors of the Holding Company taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled entities incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled entities incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

        i. The Consolidated Financial Statements disclose the impact of pending litigations as on March 31, 2021 on the consolidated financial position of the Group, its associates and jointly controlled entities – Refer Notes 38(A) and 39 to the Consolidated Financial Statements.

        ii. The Group, its associates and jointly controlled entities had long-term contracts including derivative contracts as at March 31, 2021 for which there were no material foreseeable losses.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled entities incorporated in India during the year ended March 31, 2021 except for amount aggregating to ₹6.15 crore, which according to the information and explanations provided by the management is held in abeyance due to dispute / pending legal cases.

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

22. The Group, its associates and jointly controlled entities incorporated as public companies in India, 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 except in the case of one wholly owned subsidiary, audited by us, where excess managerial remuneration amounting to ₹0.09 crore is subject to approval of the shareholders of the subsidiary by way of special resolution in their ensuing Annual General Meeting.

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

Russell I Parera
Partner
Membership Number: 042190
UDIN: 21042190AAAABN7533

Place: Mumbai
Date: May 5, 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 21(f) of the Independent Auditors' Report of even date to the members of Tata Steel Limited on the consolidated financial statements as of and for the year ended March 31, 2021

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, 2021, we have audited the internal financial controls with reference to consolidated financial statements of Tata Steel Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to one subsidiary and three jointly controlled companies incorporated in India namely Tata Steel Foundation and Himalaya Steel Mills Services Private Limited, S & T Mining Company Private Limited and Tata NYK Shipping (India) Private Limited respectively, pursuant to MCA notification GSR 583(E) dated June 13, 2017.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements, 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 issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to thirteen subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

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

Russell I Parera
Partner
Membership Number: 042190
UDIN: 21042190AAAABN7533

Place: Mumbai
Date: May 5, 2021

CONSOLIDATED BALANCE SHEET

as at March 31, 2021

(₹ crore)

	Note	Page	As at March 31, 2021	As at March 31, 2020
Assets				
I Non-current assets				
(a) Property, plant and equipment	3	364	1,19,003.50	1,19,503.98
(b) Capital work-in-progress			18,128.74	18,862.06
(c) Right-of-use assets	4	368	9,450.95	8,549.78
(d) Goodwill on consolidation	5	371	4,344.69	4,054.53
(e) Other intangible assets	6	372	2,976.04	2,442.37
(f) Intangible assets under development			878.66	634.77
(g) Equity accounted investments	7	374	2,475.66	2,168.54
(h) Financial assets				
(i) Investments	8	375	987.38	684.77
(ii) Loans	9	376	336.57	488.71
(iii) Derivative assets			162.66	279.64
(iv) Other financial assets	10	377	214.93	588.93
(i) Retirement benefit assets	11	379	20,019.47	27,278.45
(j) Non-current tax assets			1,845.34	1,725.67
(k) Deferred tax assets	12	380	1,578.02	1,270.33
(l) Other assets	13	383	2,872.70	3,154.20
Total non-current assets			**1,85,275.31**	**1,91,686.73**
II Current assets				
(a) Inventories	14	384	33,276.38	31,068.72
(b) Financial assets				
(i) Investments	8	375	7,218.89	3,431.87
(ii) Trade receivables	15	385	9,539.84	7,884.91
(iii) Cash and cash equivalents	16	386	5,532.08	7,541.96
(iv) Other balances with banks	17	387	250.10	512.76
(v) Loans	9	376	64.72	215.68
(vi) Derivative assets			498.79	1,486.06
(vii) Other financial assets	10	377	1,420.97	446.42
(c) Retirement benefit assets	11	379	0.42	-
(d) Current tax assets			156.74	143.20
(e) Other assets	13	383	2,153.44	3,177.69
Total current assets			**60,112.37**	**55,909.27**
III Assets held for sale	18	387	**99.53**	**2,823.45**
Total assets			**2,45,487.21**	**2,50,419.45**

CONSOLIDATED BALANCE SHEET (CONTD.)

as at March 31, 2021

(₹ crore)

	Note	Page	As at March 31, 2021	As at March 31, 2020
Equity and liabilities				
IV Equity				
(a) Equity share capital	19	389	1,197.61	1,144.95
(b) Hybrid perpetual securities	20	392	775.00	2,275.00
(c) Other equity	21	392	72,266.16	70,156.35
Equity attributable to owners of the Company			**74,238.77**	**73,576.30**
Non-controlling interests			3,269.68	2,586.60
Total equity			**77,508.45**	**76,162.90**
V Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	23	399	72,408.79	94,104.97
(ii) Derivative liabilities			71.41	127.92
(iii) Other financial liabilities	24	403	522.70	387.67
(b) Provisions	25	404	4,691.92	4,235.07
(c) Retirement benefit obligations	11	379	3,499.79	3,598.18
(d) Deferred income	26	405	144.26	151.30
(e) Deferred tax liabilities	12	380	9,241.42	9,261.38
(f) Other liabilities	27	406	6,531.34	729.15
Total non-current liabilities			**97,111.63**	**1,12,595.64**
VI Current liabilities				
(a) Financial liabilities				
(i) Borrowings	23	399	9,492.11	19,184.48
(ii) Trade payables	28	406		
(a) Total outstanding dues of micro and small enterprises			484.66	198.86
(b) Total outstanding dues of creditors other than micro and small enterprises			25,482.83	21,181.99
(iii) Derivative liabilities			510.01	729.22
(iv) Other financial liabilities	24	403	14,403.11	9,518.53
(b) Provisions	25	404	4,725.32	1,663.67
(c) Retirement benefit obligations	11	379	166.84	141.26
(d) Deferred income	26	405	63.98	34.55
(e) Current tax liabilities			4,424.44	609.58
(f) Other liabilities	27	406	11,113.83	7,050.44
Total current liabilities			**70,867.13**	**60,312.58**
VII Liabilities held for sale	18	387	**-**	**1,348.33**
Total equity and liabilities			**2,45,487.21**	**2,50,419.45**
Notes forming part of the consolidated financial statements	**1-52**			

In terms of our report attached

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

sd/-
Russell I Parera
Partner
Membership Number 042190

Mumbai, May 5, 2021

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

sd/-
Mallika Srinivasan
Independent Director
DIN: 00037022

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

sd/-
Peter Blauwhoff
Independent Director
DIN: 07728872

sd/-
Deepak Kapoor
Independent Director
DIN: 00162957

sd/-
Aman Mehta
Independent Director
DIN: 00009364

sd/-
V. K. Sharma
Non-Executive Director
DIN: 02449088

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

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

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

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

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

(₹ crore)

		Note	Page	Year ended March 31, 2021	Year ended March 31, 2020
I	Revenue from operations	29	407	1,56,294.18	1,48,971.71
II	Other income	30	407	895.60	1,821.99
III	**Total income**			**1,57,189.78**	**1,50,793.70**
IV	**Expenses:**				
	(a) Cost of materials consumed			46,187.96	53,592.83
	(b) Purchases of stock-in-trade			9,235.42	10,504.20
	(c) Changes in inventories of finished and semi-finished goods, stock-in- trade and work-in-progress			1,516.77	(490.05)
	(d) Employee benefits expense	31	408	19,908.81	19,152.23
	(e) Finance costs	32	408	7,606.71	7,580.72
	(f) Depreciation and amortisation expense	33	409	9,233.64	8,707.67
	(g) Other expenses	34	409	50,706.65	50,702.93
				1,44,395.96	**1,49,750.53**
	(h) Less: Expenditure (other than interest) transferred to capital and other accounts			1,765.69	2,318.00
	Total expenses			**1,42,630.27**	**1,47,432.53**
V	Share of profit/(loss) of joint ventures and associates			327.34	187.97
VI	**Profit/(loss) before exceptional items and tax (III-IV+V)**			**14,886.85**	**3,549.14**
VII	**Exceptional items:**	35	410		
	(a) Profit on sale of subsidiaries and non-current investments			15.81	202.99
	(b) Provision for impairment of investments/doubtful advances			70.23	(40.95)
	(c) Provision for impairment of non-current assets			(723.41)	(4,372.44)
	(d) Provision for demands and claims			-	(196.41)
	(e) Employee separation compensation			(443.55)	(107.37)
	(f) Restructuring and other provisions			87.50	(165.40)
	(g) Gain/(loss) on non-current investments classified as fair value through profit and loss (net)			(49.74)	(250.00)
	Total exceptional items			**(1,043.16)**	**(4,929.58)**
VIII	**Profit/(loss) before tax (VI+VII)**			**13,843.69**	**(1,380.44)**
IX	**Tax expense:**	12	380		
	(a) Current tax			4,288.27	2,113.63
	(b) Deferred tax			1,365.63	(4,666.53)
	Total tax expense			**5,653.90**	**(2,552.90)**
X	**Profit/(loss) for the year (VIII-IX)**			**8,189.79**	**1,172.46**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (CONTD.)

for the year ended March 31, 2021

(₹ crore)

		Note	Page	Year ended March 31, 2021	Year ended March 31, 2020
XI	**Other comprehensive income/(loss)**				
	A. (i) Items that will not be reclassified subsequently to profit and loss:				
	(a) Remeasurement gain/(loss) on post-employment defined benefit plans			(9,418.17)	5,474.69
	(b) Fair value changes of investments in equity shares			354.38	(250.46)
	(c) Share of equity accounted investees			1.68	(3.25)
	(ii) Income tax on items that will not be reclassified subsequently to profit and loss			1,779.97	(1,019.01)
	B. (i) Items that will be reclassified subsequently to profit and loss:				
	(a) Foreign currency translation differences			(205.82)	554.96
	(b) Fair value changes of cash flow hedges			332.83	(378.49)
	(c) Share of equity accounted investees			18.09	25.94
	(ii) Income tax on items that will be reclassified subsequently to profit and loss			(73.97)	78.45
	Total other comprehensive income/(loss) for the year			**(7,211.01)**	**4,482.83**
XII	**Total comprehensive income/(loss) for the year (X+XI)**			**978.78**	**5,655.29**
XIII	**Profit/(loss) for the year attributable to:**				
	Owners of the Company			7,490.22	1,556.54
	Non-controlling interests			699.57	(384.08)
				8,189.79	**1,172.46**
XIV	**Total comprehensive income for the year attributable to:**				
	Owners of the Company			281.33	6,026.17
	Non-controlling interests			697.45	(370.88)
				978.78	**5,655.29**
XV	**Earnings per share**	36	410		
	Basic (₹)			63.78	11.86
	Diluted(₹)			63.78	11.86
XVI	**Notes forming part of the consolidated financial statements**	**1-52**			

In terms of our report attached

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

sd/-
Russell I Parera
Partner
Membership Number 042190

Mumbai, May 5, 2021

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

sd/-
Mallika Srinivasan
Independent Director
DIN: 00037022

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

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Peter Blauwhoff
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Deepak Kapoor
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Aman Mehta
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V. K. Sharma
Non-Executive Director
DIN: 02449088

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

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

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

A. Equity share capital

(₹ crore)

Balance as at April 1, 2020	Changes during the year	Balance as at March 31, 2021
1,144.95	52.66	**1,197.61**

(₹ crore)

Balance as at April 1, 2019	Changes during the year	Balance as at March 31, 2020
1,144.94	0.01	**1,144.95**

B. Hybrid perpetual securities

(₹ crore)

Balance as at April 1, 2020	Changes during the year	Balance as at March 31, 2021
2,275.00	(1,500.00)	**775.00**

(₹ crore)

Balance as at April 1, 2019	Changes during the year	Balance as at March 31, 2020
2,275.00	-	**2,275.00**

C. Other equity

(₹ crore)

	Retained earnings [refer note 21A, page 392]	Items of other comprehensive income [refer note 21B, page 393]	Other consolidated reserves [refer note 21C, page 394]	Share application money pending allotment [refer note 21D, page 397]	Other equity attributable to the owners of the Company	Non-controlling interests	Total
Balance as at April 1, 2020	18,127.82	7,615.91	44,412.62	-	70,156.35	2,586.60	72,742.95
Profit / (loss) for the year	7,490.22	-	-	-	7,490.22	699.57	8,189.79
Other comprehensive income for the year	(7,627.26)	418.37	-	-	(7,208.89)	(2.12)	(7,211.01)
Total comprehensive income for the year	**(137.04)**	**418.37**	**-**	**-**	**281.33**	**697.45**	**978.78**
Issue of Ordinary Shares	-	-	3,185.84	-	3,185.84	-	3,185.84
Equity issue expenses written (off)/back	(1.96)	-	(1.36)	-	(3.32)	-	(3.32)
Dividend[(i)]	(1,144.75)	-	-	-	(1,144.75)	(5.78)	(1,150.53)
Distribution on hybrid perpetual securities	(242.34)	-	-	-	(242.34)	-	(242.34)
Tax on distribution on hybrid perpetual securities	60.99	-	-	-	60.99	-	60.99
Transfers within equity	(139.39)	138.68	0.71	-	-	-	-
Adjustment for changes in ownership interests	(46.63)	-	-	-	(46.63)	(7.83)	(54.46)
Application money received	-	-	-	3.78	3.78	-	3.78
Other movements	-	-	14.91	-	14.91	(0.76)	14.15
Balance as at March 31, 2021	**16,476.70**	**8,172.96**	**47,612.72**	**3.78**	**72,266.16**	**3,269.68**	**75,535.84**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.)

for the year ended March 31, 2021

C. Other equity (Contd.)

(₹ crore)

	Retained earnings [refer note 21A, page 392]	Items of other comprehensive income [refer note 21B, page 393]	Other consolidated reserves [refer note 21C, page 394]	Share application money pending allotment [refer note 21D, page 397]	Other equity attributable to the owners of the Company	Non-controlling interests	Total
Balance as at April 1, 2019	**14,056.43**	**7,612.15**	**43,836.56**	**-**	**65,505.14**	**2,364.46**	**67,869.60**
Profit/(loss) for the year	1,556.54	-	-	-	1,556.54	(384.08)	1,172.46
Other comprehensive income for the year	4,459.24	10.39	-	-	4,469.63	13.20	4,482.83
Total comprehensive income for the year	**6,015.78**	**10.39**	**-**	**-**	**6,026.17**	**(370.88)**	**5,655.29**
Issue of Ordinary Shares	-	-	0.03	(0.04)	(0.01)	192.80	192.79
Equity issue expenses written (off)/back	(5.31)	-	-	-	(5.31)	-	(5.31)
Dividend(i)	(1,488.13)	-	-	-	(1,488.13)	(18.42)	(1,506.55)
Tax on dividend	(297.40)	-	-	-	(297.40)	-	(297.40)
Distribution on hybrid perpetual securities	(266.15)	-	-	-	(266.15)	-	(266.15)
Tax on distribution on hybrid perpetual securities	66.97	-	-	-	66.97	-	66.97
Transfers within equity	14.28	(6.63)	(7.65)	-	-	-	-
Additions relating to acquisitions	-	-	584.24	-	584.24	219.91	804.15
Disposal of group undertakings	-	-	(0.56)	-	(0.56)	181.47	180.91
Adjustment for changes in ownership interests	31.35	-	-	-	31.35	(31.35)	-
Application money received	-	-	-	0.04	0.04	-	0.04
Other movements	-	-	-	-	-	48.61	48.61
Balance as at March 31, 2020	**18,127.82**	**7,615.91**	**44,412.62**	**-**	**70,156.35**	**2,586.60**	**72,742.95**

(i) Dividend paid during the year ended March 31, 2021 is ₹**10.00** per Ordinary share (face value ₹10 each, fully paid up) and ₹**2.504** per Ordinary Share (face value ₹10 each, partly paid up ₹2.504 per share) (March 31, 2020: ₹13.00 per Ordinary Share of face value ₹10 each, fully paid up and ₹3.25 per Ordinary Share of face value ₹10 each, partly paid up ₹2.504 per share).

D. Notes forming part of the consolidated financial statements — Note 1-52

In terms of our report attached

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

sd/-
Russell I Parera
Partner
Membership Number 042190

Mumbai, May 5, 2021

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

sd/-
Mallika Srinivasan
Independent Director
DIN: 00037022

sd/-
O. P. Bhatt
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Saurabh Agrawal
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DIN: 02144558

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

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2021

(₹ crore)

	Year ended March 31, 2021		Year ended March 31, 2020	
A. Cash flows from operating activities:				
Profit/(loss) before tax		**13,843.69**		**(1,380.44)**
Adjustments for:				
Depreciation and amortisation expense	9,233.64		8,707.67	
Dividend income	(41.42)		(35.08)	
(Gain)/Loss on sale of non-current investments	(0.27)		(2.01)	
(Gain)/loss on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off)	(148.03)		4.36	
Exceptional (income)/expenses	1,043.16		4,929.58	
(Gain)/loss on cancellation of forwards, swaps and options	2.72		1.26	
Interest income and income from current investments	(508.02)		(1,547.11)	
Finance costs	7,606.71		7,580.72	
Foreign exchange (gain)/loss	(2,375.23)		982.07	
Share of profit or loss of joint ventures and associates	(327.34)		(187.97)	
Other non-cash items	210.08		(974.62)	
		14,696.00		**19,458.87**
Operating profit before changes in non-current/current assets and liabilities		**28,539.69**		**18,078.43**
Adjustments for:				
Non-current/current financial and other assets	178.35		4,631.12	
Inventories	45.68		1,561.94	
Non-current/current financial and other liabilities/provisions	16,267.28		(1,996.86)	
		16,491.31		**4,196.20**
Cash generated from operations		**45,031.00**		**22,274.63**
Income taxes paid (net of refund)		(704.32)		(2,105.91)
Net cash from/(used in) operating activities		**44,326.68**		**20,168.72**
B. Cash flows from investing activities:				
Purchase of capital assets	(6,978.59)		(10,398.00)	
Sale of capital assets	444.63		385.73	
Purchase of non-current investments	(70.64)		(61.83)	
Sale of non-current investments	-		121.21	
(Purchase)/sale of current investments (net)	(3,560.04)		(766.15)	
Repayment of loans given	25.78		8.16	
Principal receipts under sublease	101.04		67.72	
Fixed/restricted deposits with banks (placed)/realised	223.80		(138.18)	
Interest received	266.28		202.57	
Dividend received from associates and joint ventures	92.85		56.02	
Dividend received from others	42.03		46.64	
Acquisition of subsidiaries/undertakings	-		(4,432.74)	
Sale of subsidiaries/undertakings[(i)]	89.98		378.50	
Net cash from/(used in) investing activities		**(9,322.88)**		**(14,530.35)**

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)

for the year ended March 31, 2021

(₹ crore)

	Year ended March 31, 2021		Year ended March 31, 2020	
C. Cash flows from financing activities:				
Proceeds from issue of equity shares (net of issue expenses)	3,238.95		187.53	
Proceeds from long-term borrowings (net of issue expenses)	9,800.61		8,907.35	
Repayment of long-term borrowings	(29,168.25)		(7,937.37)	
Proceeds/(repayments) of short term borrowings (net)	(10,008.99)		7,666.32	
Payment of lease obligations	(1,283.92)		(1,028.99)	
Proceeds from divestment of stake in subsidiary	21.06		-	
Amount received/(paid) on utilisation/cancellation of derivatives	31.34		10.78	
Repayment of Hybrid Perpetual securities	(1,500.00)		-	
Distribution on Hybrid Perpetual securities	(266.25)		(265.76)	
Interest paid	(6,803.69)		(7,419.26)	
Dividend paid	(1,150.53)		(1,506.55)	
Tax on dividend paid	-		(308.67)	
Net cash from/(used in) financing activities		**(37,089.67)**		**(1,694.62)**
Net increase/(decrease) in cash and cash equivalents		**(2,085.87)**		**3,943.75**
Opening cash and cash equivalents(ii)		**7,732.34**		**3,270.30**
Effect of exchange rate on translation of foreign currency cash and cash equivalents		(114.39)		518.29
Closing cash and cash equivalents (Refer note 16, page 386)(ii)		**5,532.08**		**7,732.34**

(i) Includes ₹**84.81** crore (2019-20: ₹112.75 crore) received in respect of deferred consideration on disposal of subsidiary and joint venture.

(ii) Opening cash and cash equivalents includes ₹**190.38** crore (2019-20: ₹294.77 crore) and closing cash and cash equivalents includes **Nil** (2019-20: ₹190.38 crore) in respect of subsidiaries classified as held for sale.

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

(a) addition on account of subsidiaries acquired during the year **Nil** (2019-20: ₹121.71 crore) and reclassified from held for sale ₹**534.10** crore (2019-20: Nil)

(b) reduction on account of subsidiaries disposed off and liquidated **Nil** (2019-20: ₹182.28 crore)

(c) exchange loss (including translation) ₹**76.65** crore (2019-20: ₹4,095.03 crore)

(d) amortisation/effective interest rate adjustments of upfront fees ₹**606.55** crore (2019-20: ₹498.76 crore)

(e) net addition to lease obligations ₹**1,536.59** crore (2019-20: increase ₹4,080.85 crore)

(f) gain on refinancing treated as modification of existing borrowings **Nil** (2019-20: ₹1,169.66 crore).

D. Notes forming part of the consolidated financial statements — Note 1-52

In terms of our report attached

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

sd/-
Russell I Parera
Partner
Membership Number 042190

Mumbai, May 5, 2021

For and on behalf of the Board of Directors

sd/- **N. Chandrasekaran**, Chairman, DIN: 00121863

sd/- **Mallika Srinivasan**, Independent Director, DIN: 00037022

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

sd/- **Peter Blauwhoff**, Independent Director, DIN: 07728872

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sd/- **Aman Mehta**, Independent Director, DIN: 00009364

sd/- **V. K. Sharma**, Non-Executive Director, DIN: 02449088

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

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

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

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

NOTES

forming part of the consolidated financial statements

1. Company Information

Tata Steel Limited ("the Company") is a public limited Company incorporated in India with its registered office in Mumbai, Maharashtra, India. The Company is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

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

The consolidated financial statements as at March 31, 2021 present the financial position of the Group as well as its interests in associate companies and joint arrangements. The list of entities consolidated is provided in note 52, page 443.

The functional and presentation currency of the Company and the presentation currency of the Group is Indian Rupee ("₹").

As on March 31, 2021, Tata Sons Private Limited owns 32.93% of the Ordinary Shares of the Company, and has the ability to influence the Group's operations.

The financial statements for the year ended March 31, 2021 were approved by the Board of Directors and authorised for issue on May 5, 2021.

2. Significant accounting policies

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

(a) Statement of compliance

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

(b) Basis of preparation

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

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

(c) Use of estimates and critical accounting judgements

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

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

Key source of estimation of uncertainty at the date of consolidated financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment and intangible assets, valuation of deferred tax assets, provisions and contingent liabilities, fair value measurements of financial instruments, retirement benefit obligations and non-current assets classified as held for sale as discussed below:

Impairment

The Group estimates the value in use of the cash generating unit (CGU) based on future cash flows after considering current economic conditions and trends, estimated future operating results and growth rates and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate in order to calculate the present value. Further details of the Group's impairment review and key assumptions are set out in note 3, page 364, note 4, page 368, note 5, page 371 and note 6, page 372.

Useful lives of property, plant and equipment and intangible assets

The Group reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in

NOTES

forming part of the consolidated financial statements

2. Significant accounting policies (Contd.)

change in depreciation and amortisation expense in future periods. The policy has been detailed in note 2(n), page 355.

Valuation of deferred tax assets

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been detailed in note 2(y), page 361 and its further information are set out in note 12, page 380.

Provisions and contingent liabilities

A provision is recognised when the Group has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Further details are set out in note 25, page 404 and note 38(A), page 422.

Fair value measurements of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Further details are set out in note 42, page 429.

Retirement benefit obligations and assets

The Group's retirement benefit obligations are subject to a number of assumptions including discount rates, inflation, salary growth and mortality rate. Significant assumptions are required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Group's balance sheet and the consolidated statement of profit and loss. The Group sets these assumptions based on previous experience and third party actuarial advice. Further details on the Group's retirement benefit obligations, including key assumptions are set out in note 37, page 411.

Non-current assets held for sale

The recognition of non-current assets (or disposal groups) as held for sale is dependent upon whether its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Significant judgement is required to assess whether the sale of the assets (or disposal group) is highly probable.

Estimation of uncertainties relating to COVID-19

The Group has assessed the possible impact of COVID-19 on its financial statements based on the internal and external information available upto the date of approval of the financial statements and concluded no adjustment is required in these consolidated financial statements. The Group continues to monitor the future economic conditions.

(d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. It also includes the Group's share of profits, net assets and retained post acquisition reserves of joint arrangements and associates that are consolidated using the equity or proportionate method of consolidation, as applicable.

Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power to direct the relevant activities of the entity.

The results of subsidiaries, joint arrangements and associates acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Wherever necessary, adjustments are made to the financial statements of subsidiaries, joint arrangements and associates to bring their accounting policies in line with those used by other members of the Group.

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

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying

2. Significant accounting policies (Contd.)

value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance.

(e) Business combinations

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

Acquisition related costs are recognised in the consolidated statement of profit and loss.

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

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

Business combinations arising from transfer of interests in entities that are under common control are accounted for using the pooling of interest method. The difference between any consideration transferred and the aggregate historical carrying values of assets and liabilities of the acquired entity are recognised in shareholders' equity.

(f) Goodwill

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash- generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

(g) Investment in associates

Associates are those enterprises over which the Group has significant influence, but does not have control or joint control.

Investments in associates are accounted for using the equity method and are initially recognised at cost from the date significant influence commences until the date that significant influence ceases. Subsequent changes in the carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate and impairment charges, if any.

When the Group's share of losses exceeds the carrying value of the associate, the carrying value is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of associates are modified to confirm to the Group's accounting policies.

(h) Interest in joint arrangements

A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity where the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control.

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forming part of the consolidated financial statements

2. Significant accounting policies (Contd.)

Where Group entity undertakes its activities under joint arrangements as joint operations, the Group's share of jointly controlled assets and any liabilities incurred jointly with other parties are recognised in its financial statements and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in joint operations are accounted for on the accrual basis. Income from the sale or use of the Group's share of the output of joint operations, and its share of joint arrangements expenses, are recognised when it is probable that the economic benefits associated with the transactions will flow to the Group and their amount can be measured reliably.

Joint arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as joint ventures. The Group reports its interests in joint ventures using the equity method of accounting whereby an interest in joint venture is initially recorded at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the joint venture. The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture.

When the Group's share of losses exceeds the carrying value of the joint venture, the carrying value is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint venture, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of joint ventures are modified to conform to the Group's accounting policies.

(i) Property, plant and equipment

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

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

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

(j) Exploration for and evaluation of mineral resources

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

- obtaining of the rights to explore and evaluate mineral reserves and resources including costs directly related to this acquisition
- researching and analysing existing exploration data
- conducting geological studies, exploratory drilling and sampling
- examining and testing extraction and treatment methods
- compiling pre-feasibility and feasibility studies
- activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

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

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

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forming part of the consolidated financial statements

2. Significant accounting policies (Contd.)

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

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

(k) Development expenditure for mineral reserves

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

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

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

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

(l) Provision for restoration and environmental costs

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

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

(m) Intangible assets

Patents, trademarks and software costs are included in the consolidated balance sheet as intangible assets when it is probable that associated future economic benefits would flow to the Group. In this case they are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives. All other costs on patents, trademarks and software are expensed in the consolidated statement of profit and loss as and when incurred. Expenditure on research activities is recognised as an expense in the period in which it is incurred. Costs incurred on individual development projects are recognised as intangible assets from the date when all of the following conditions are met:

(i) completion of the development is technically feasible.

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

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

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

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

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

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

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

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forming part of the consolidated financial statements

2. Significant accounting policies (Contd.)

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

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

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

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

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

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

	Estimated useful life (years)
Freehold and long leasehold buildings	upto 60 years*
Roads	5 years
Plant and machinery	upto 40 years*
Furniture, fixture and office equipment	3 to 25 years
Vehicles and aircraft	4 to 20 years
Railway sidings	upto 35 years*
Assets covered under the Electricity Act (life as prescribed under the Electricity Act)	3 to 34 years
Patents and trademarks	4 years
Product and process development costs	5 years
Computer software	upto 8 years
Other assets	1 to 15 years

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

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

Freehold land is not depreciated.

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

(o) Impairment

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

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

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

(p) Leases

The Group determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction

2. Significant accounting policies (Contd.)

is dependent on the use of a specific asset and whether the transaction conveys the right to control the use of that asset to the Group in return for payment.

The Group as lessee

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

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

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

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

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

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

In a sale and lease back transaction, the Group measures right-of-use asset arising from the leaseback as the proportion of the previous carrying amount of the asset that relates to the right of use retained. The gain or loss that the Group recognises in the statement of profit and loss is limited to the proportion of the total gain or loss that relates to the rights transferred to the buyer.

The Group as lessor

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

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

(q) Stripping costs

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

- developmental stripping costs and
- production stripping costs

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

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2. Significant accounting policies (Contd.)

stripping costs ends when the commercial production of the mineral reserves begins.

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

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

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

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

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

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

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

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

(r) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the consolidated statement of profit and loss.

Effective interest method

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

(I) Financial assets

Cash and bank balances

Cash and bank balances consist of:

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

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2. Significant accounting policies (Contd.)

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

Financial assets at amortised cost

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

Financial assets measured at fair value

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

The Group in respect of certain equity investments (other than in associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Group on an instrument by instrument basis at the time of initial recognition of such equity investments. These investments are held for medium or long-term strategic purpose. The Group has chosen to designate these investments in equity instruments as fair value through other comprehensive income as the management believes this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the consolidated statement of profit and loss.

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

Interest income

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

Dividend income

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

Impairment of financial assets

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

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

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

De-recognition of financial assets

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

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

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

(II) Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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2. Significant accounting policies (Contd.)

Financial Liabilities

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

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

De-recognition of financial liabilities

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

Derivative financial instruments and hedge accounting

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

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

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

When hedge accounting is applied:

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

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

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

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2. Significant accounting policies (Contd.)

(s) Employee benefits

Defined contribution plans

Contributions under defined contribution plans are recognised as an expense for the period in which the employee has rendered the service. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

Defined benefit plans

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

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

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

Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

(t) Inventories

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

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

(u) Provisions

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

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

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

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

(v) Onerous contracts

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

(w) Government grants

Government grants are recognised at its fair value, where there is a reasonable assurance that such grants will be received and compliance with the conditions attached therewith have been met. Government grants related to expenditure on property, plant and equipment are credited to the consolidated statement of profit and loss over the useful lives of qualifying assets or other systematic basis representative

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forming part of the consolidated financial statements

2. Significant accounting policies (Contd.)

of the pattern of fulfilment of obligations associated with the grant received. Grants received less amounts credited to the consolidated statement of profit and loss at the reporting date are included in the consolidated balance sheet as deferred income.

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

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

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

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

(y) Income taxes

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

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

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and they are in the same taxable entity, or a Group of taxable entities where the tax losses of one entity are used to offset the taxable profits of another and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability

2. Significant accounting policies (Contd.)

of set off against future income tax liability. MAT is recognised as deferred tax assets in the consolidated balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(z) Revenue

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

Sale of products

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

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

The Group does not adjust the transaction prices for any time value of money in case of contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one year.

Sale of power

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

(aa) Foreign currency transactions and translation

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

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

Exchange differences arising upto March 31, 2020 on translation of long term foreign currency monetary items recognised in the consolidated financial statements before the beginning of the first Ind AS financial reporting period in respect of which the Group has elected to recognise such exchange differences in equity or as part of cost of assets as allowed under Ind As 101-"First-time adoption of Indian Accounting Standards" are recognised directly in equity or added/deducted to/from the cost of assets as the case may be. Such exchange differences recognised in equity or as part of cost of assets is recognised in the consolidated statement of profit and loss on a systematic basis.

Exchange differences arising on the retranslation or settlement of other monetary items are included in the consolidated statement of profit and loss for the period.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Company's foreign subsidiaries, associates and joint ventures are expressed in "₹" using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity. On the disposal of a foreign

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forming part of the consolidated financial statements

2. Significant accounting policies (Contd.)

operation, all of the accumulated exchange differences in respect of that operation attributable to the Company are reclassified to the consolidated statement of profit and loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(ab) Borrowing costs

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

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

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

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

(ac) Earnings per share

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

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

(ad) Recent Accounting Pronouncements

Amendment to Ind AS 116 "Leases" – Insertion of practical expedient for COVID-19 related lease concessions

The amendment provides lessee with a practical expedient and an exemption to assess whether a COVID-19 related rent concession is a lease modification to payments originally due on or before June 30, 2021. Amendment also requires disclosure of the amount recognised in statement of profit and loss to reflect changes in lease payments that arise from such concession. The Group has not recognised any amount as reversal of lease liability in the consolidated statement of profit and loss.

Amendment to Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures" – Interest rate Benchmark Reform

The Group has applied the related amendments. The amendments provide relief from the specific hedge accounting requirements assuming that the interest rate benchmark is not altered as a result of the interest rate benchmark reform. The Group is currently evaluating the potential impact of replacement of interest rate benchmark and will accordingly manage the transition plan.

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forming part of the consolidated financial statements

3. Property, plant and equipment

[Item No. I(a), Page 342]

(₹ crore)

	Land including roads	Buildings	Plant and machinery	Furniture, fixtures and office equipments (FFOE)	Vehicles	Railway sidings	Total
Cost/deemed cost as at April 1, 2020	17,608.78	23,798.04	1,34,338.02	795.59	466.42	1,335.96	1,78,342.81
Additions	29.46	437.32	4,192.36	91.76	4.68	0.70	4,756.28
Disposals	(9.75)	(104.05)	(1,513.45)	(17.21)	(13.43)	(0.25)	(1,658.14)
Reclassified from held for sale	288.46	326.55	1,842.01	156.60	14.52	-	2,628.14
Other re-classifications	0.06	(1.04)	6,429.40	(1.54)	2.12	-	6,429.00
Exchange differences on consolidation	87.06	148.77	1,754.20	7.57	(0.05)	5.73	2,003.28
Cost/deemed cost as at March 31, 2021	**18,004.07**	**24,605.59**	**1,47,042.54**	**1,032.77**	**474.26**	**1,342.14**	**1,92,501.37**
Accumulated impairment as at April 1, 2020	309.15	225.57	4,315.14	19.69	0.06	17.82	4,887.43
Charge for the year	2.23	71.15	1,952.66	-	-	-	2,026.04
Disposals	(6.26)	(10.76)	(121.02)	(0.69)	-	-	(138.73)
Reclassified from held for sale	-	-	78.40	-	-	-	78.40
Other re-classifications	-	1.80	3,313.32	-	1.13	-	3,316.25
Exchange differences on consolidation	19.24	11.39	272.52	0.17	-	1.37	304.69
Accumulated impairment as at March 31, 2021	**324.36**	**299.15**	**9,811.02**	**19.17**	**1.19**	**19.19**	**10,474.08**
Accumulated depreciation as at April 1, 2020	745.48	5,921.83	46,263.60	535.06	213.44	271.99	53,951.40
Charge for the year	115.89	860.29	6,476.96	113.67	35.01	54.90	7,656.72
Disposals	(1.54)	(111.17)	(1,095.16)	(13.33)	(10.88)	(0.11)	(1,232.19)
Reclassified from held for sale	21.18	181.25	1,012.26	126.81	11.38	-	1,352.88
Other re-classifications	0.01	1.30	(0.13)	(0.86)	0.32	-	0.64
Exchange differences on consolidation	(1.33)	136.23	1,148.68	6.67	(0.02)	4.11	1,294.34
Accumulated depreciation as at March 31, 2021	**879.69**	**6,989.73**	**53,806.21**	**768.02**	**249.25**	**330.89**	**63,023.79**
Total accumulated depreciation and impairment as at March 31, 2021	**1,204.05**	**7,288.88**	**63,617.23**	**787.19**	**250.44**	**350.08**	**73,497.87**
Net carrying value as at April 1, 2020	16,554.15	17,650.64	83,759.28	240.84	252.92	1,046.15	1,19,503.98
Net carrying value as at March 31, 2021	**16,800.02**	**17,316.71**	**83,425.31**	**245.58**	**223.82**	**992.06**	**1,19,003.50**

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3. Property, plant and equipment (Contd.)

[Item No. I(a), Page 342]

(₹ crore)

	Land including roads	Buildings	Plant and machinery	Furniture, fixtures and office equipments (FFOE)	Vehicles	Leased FFOE and vehicles	Railway sidings	Total
Cost/deemed cost as at April 1, 2019	17,126.35	21,752.60	1,27,435.12	739.46	398.38	1.02	1,548.97	1,69,001.90
Addition relating to acquisitions	118.14	306.71	4,808.53	3.19	1.04	-	23.63	5,261.24
Additions	238.36	1,851.24	6,045.15	79.48	79.21	-	19.31	8,312.75
Disposals	(8.84)	(33.14)	(960.53)	(33.32)	(12.22)	-	(9.84)	(1,057.89)
Disposal of group undertakings	-	-	(143.13)	-	-	-	-	(143.13)
Other re-classifications	(23.62)	(499.63)	(5,434.76)	6.48	(0.32)	(1.02)	(251.44)	(6,204.31)
Exchange differences on consolidation	158.39	420.26	2,587.64	0.30	0.33	-	5.33	3,172.25
Cost/deemed cost as at March 31, 2020	**17,608.78**	**23,798.04**	**1,34,338.02**	**795.59**	**466.42**	**-**	**1,335.96**	**1,78,342.81**
Accumulated impairment as at April 1, 2019	295.97	221.84	2,231.25	20.60	0.07	-	17.25	2,786.98
Charge for the year	-	1.30	2,180.04	0.11	-	-	-	2,181.45
Disposals	-	(2.78)	(158.63)	(0.90)	(0.02)	-	-	(162.33)
Disposal of group undertakings	-	-	(0.14)	-	-	-	-	(0.14)
Other re-classifications	-	(10.97)	(101.51)	-	0.01	-	-	(112.47)
Exchange differences on consolidation	13.18	16.18	164.13	(0.12)	-	-	0.57	193.94
Accumulated impairment as at March 31, 2020	**309.15**	**225.57**	**4,315.14**	**19.69**	**0.06**	**-**	**17.82**	**4,887.43**
Accumulated depreciation as at April 1, 2019	610.31	5,040.20	41,190.29	455.95	185.58	0.72	280.90	47,763.95
Charge for the year	135.73	824.02	6,281.90	102.23	36.39	-	54.76	7,435.03
Disposals	-	(14.19)	(472.92)	(28.86)	(8.33)	-	(0.18)	(524.48)
Disposal of group undertakings	-	-	(124.93)	-	-	-	-	(124.93)
Other re-classifications	(0.53)	(171.75)	(2,266.86)	7.58	(0.31)	(0.72)	(67.57)	(2,500.16)
Exchange differences on consolidation	(0.03)	243.55	1,656.12	(1.84)	0.11	-	4.08	1,901.99
Accumulated depreciation as at March 31, 2020	**745.48**	**5,921.83**	**46,263.60**	**535.06**	**213.44**	**-**	**271.99**	**53,951.40**
Total accumulated depreciation and impairment as at March 31, 2020	**1,054.63**	**6,147.40**	**50,578.74**	**554.75**	**213.50**	**-**	**289.81**	**58,838.83**
Net carrying value as at April 1, 2019	16,220.07	16,490.56	84,013.58	262.91	212.73	0.30	1,250.82	1,18,450.97
Net carrying value as on March 31, 2020	**16,554.15**	**17,650.64**	**83,759.28**	**240.84**	**252.92**	**-**	**1,046.15**	**1,19,503.98**

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forming part of the consolidated financial statements

3. Property, plant and equipment (Contd.)

[Item No. I(a), Page 342]

(i) For the year ended March 31, 2020, other re-classifications primarily include assets under finance leases of ₹3,521.77 crore (net of accumulated depreciation and impairment), re-classified to right-of-use assets on adoption of Ind AS 116 "Leases".

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

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Furniture and fixtures		
Cost/deemed cost	283.31	228.64
Accumulated depreciation and impairment	219.83	162.57
	63.48	**66.07**
Office equipments		
Cost/deemed cost	749.46	566.95
Accumulated depreciation and impairment	567.36	392.18
	182.10	**174.77**
	245.58	**240.84**

(iii) ₹**159.90** crore (2019-20: ₹241.00 crore) of borrowing costs has been capitalised during the year on qualifying assets under construction. The capitalisation rate ranges between **4.09**% to **9.71**% (2019-20: 6.07% to 9.34%).

(iv) During the year ended March 31, 2020, rupee liability has increased by ₹129.42 crore arising out of retranslation of the value of long-term foreign currency loans and liabilities for procurement of property, plant and equipment, generally plant and machinery. This increase has been adjusted against the carrying cost of assets and has been depreciated over their remaining useful life. The depreciation for the year ended March 31, 2020 is higher by ₹4.32 crore on account of this adjustment.

(v) During the year ended March 31, 2021, the Group considered indicators of impairment for its cash generating units ('CGUs') within the steel, mining and other business operations, such as decline in operational performance, changes in the outlook of future profitability among other potential indicators. In respect of CGUs where indicators of impairment were identified, the Group estimated the recoverable amount based on the value in use.

The outcome of the test as on March 31, 2021 resulted in the Group recognising a net impairment charge of ₹**1,920.32** crore (2019-20: ₹3,024.81 crore) for property, plant and equipment including capital work-in-progress. The impairment charge (net of reversal) is contained within the Indian, European, South-east Asian and overseas mining operations.

Within the Indian operations, the Group has recognised an impairment reversal of ₹**3.84** crore (net of charge of ₹**6.07** crore for plant and machinery) (2019-20: ₹45.97 crore) in respect of expenditure incurred (included within capital work-in-progress) at one of its mining sites. The impairment reversed is included within other expenses in the consolidated statement of profit and loss.

During the year, within the South East Asian operations, the Group has recognised an impairment charge of ₹**4.50** crore. The impairment charge is included within other expenses in the consolidated statement of profit and loss.

During the year, the Group has recognised an impairment reversal of ₹**125.97** crore (2019-20: charge of ₹168.54 crore) with respect to capital work-in- progress within other Indian operations. The impairment recognised is included within exceptional items in the consolidated statement of profit and loss.

NOTES

forming part of the consolidated financial statements

3. Property, plant and equipment (Contd.)

[Item No. I(a), Page 342]

Tata Steel Europe (TSE) is exposed to climate risks through the EU Emission Trading Scheme (ETS) which is applicable to all steel plant within Europe. Given that most European steel producers have not been heavily affected by CO_2 compliance costs to date, TSE's best estimate is that the increased costs of future CO_2 compliance will be passed on to end customers through higher steel selling prices. TSE has a stated ambition to be carbon neutral by 2050 and is considering its future strategy on operating processes while continuing to serve its customers. The technology transition and investments will be dependent on national and international policy which is evolving. Further, the Netherlands Government has enacted legislation for a local additional carbon tax (linked to the EU ETS scheme CO_2 allowances and traded prices), but costs under this tax are not expected until FY25 at the earliest and are not included in the annual plan. Management's assessment is that generally these potential carbon-related costs would be borne by the society, either through higher steel prices or through public spending/ subsidies.

Considering above and consistent with annual test for impairment of goodwill as at March 31, 2021, property, plant and equipment within the Group's European businesses were also tested for impairment at that date where indicators of impairment existed. The outcome of this test indicated that the value in use of the Group's certain CGUs against which property, plant and equipment is included, using a discount rate of **8.10**% p.a. (March 31, 2020: 8.00% p.a.), except in Tata Steel UK Limited where a discount rate of **8.70**% p.a. (2019-20: 8.80% p.a.) was used, was lower than their carrying value. Accordingly, an impairment charge of ₹**1,417.98** crore (2019-20: ₹2,224.61 crore) has been recognised primarily in relation to the Strip Products UK business. Out of the total impairment charge, ₹**1,300.78** crore (2019-20: ₹2,187.79 crore) is included in exceptional items and ₹**117.20** crore (2019-20: ₹36.82 crore) is included within other expenses in the consolidated statement of profit and loss.

During the year ended March 31, 2021, the Group recognised an impairment charge of ₹**627.65** crore (2019-20: ₹677.63 crore) in respect of mining operations carried out in Canada. The value in use was computed using cash flow forecasts based on the most recently approved financial budgets which cover a period of 5 years and future projections taking the analysis out to the period over which the Group has right to use the underlying assets discounted using a discount rate of **10.00**% p.a. (March 31, 2020: 10.00% p.a.) The impairment recognised is included within exceptional items in the consolidated statement of profit and loss.

The Group has conducted sensitivity analysis on the impairment tests of the carrying value in respect of Group's CGUs and property, plant and equipment including sensitivity in respect of inability to fully pass on the Netherlands carbon tax through higher selling prices. The management believes that no reasonably possible change in any of the key assumptions used in the value in use calculations would cause the carrying value of property, plant and equipment in any CGU to materially exceed its value in use, other than in respect of the remaining property, plant and equipment at the Strip Products UK business which had a carrying value as at March 31, 2021 of ₹**3,654.69** crore (March 31, 2020: ₹2,338.38 crore) and overseas Canadian mining business which had a carrying value as at March 31, 2021 of ₹**5,234.71** crore (March 31, 2020: ₹6,448.75 crore). For the mining operations in Canada, the value in use is dependent on improvement in commodity prices and realisation of cost savings in operation. A reasonably possible change in any of these key assumptions would increase the likelihood of impairment losses in the future.

(vi) The details of property, plant and equipment pledged against borrowings is presented in note 23, page 399.

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forming part of the consolidated financial statements

4. Right-of-use assets

[Item No. I(c), Page 342]

(₹ crore)

	Right-of-use land	Right-of-use buildings	Right-of-use plant and machinery	Right-of-use furniture, fixtures and office equipments	Right-of-use vehicles	Right-of-use railway sidings	Total right-of-use assets
Cost as at April 1, 2020	2,244.19	2,084.52	7,576.09	19.26	148.45	339.88	12,412.39
Additions	86.86	93.65	1,407.08	0.53	43.52	-	1,631.64
Disposals	(1.03)	(117.60)	(517.89)	(6.02)	(17.49)	-	(660.03)
Reclassified from held for sale	333.08	35.77	-	0.23	25.09	-	394.17
Other re-classifications	(9.53)	(0.39)	3.06	(0.20)	0.01	-	(7.05)
Exchange differences on consolidation	(1.33)	126.78	84.80	0.61	6.84	(10.60)	207.10
Cost as at March 31, 2021	**2,652.24**	**2,222.73**	**8,553.14**	**14.41**	**206.42**	**329.28**	**13,978.22**
Accumulated impairment as at April 1, 2020	24.03	84.87	16.56	-	-	-	125.46
Charge for the year	(24.03)	4.99	(12.44)	0.24	4.15	-	(27.09)
Disposals	-	(24.93)	(7.20)	-	-	-	(32.13)
Other re-classifications	-	-	2.64	-	-	-	2.64
Exchange differences on consolidation	-	4.65	0.44	-	(0.04)	-	5.05
Accumulated impairment as at March 31, 2021	**-**	**69.58**	**-**	**0.24**	**4.11**	**-**	**73.93**
Accumulated depreciation as at April 1, 2020	107.44	382.31	3,100.30	3.18	42.32	101.60	3,737.15
Charge for the year	85.38	230.14	782.63	2.00	53.93	28.80	1,182.88
Disposals	(0.61)	(50.51)	(509.87)	(2.68)	(16.16)	-	(579.83)
Reclassified from held for sale	34.79	12.63	-	0.11	11.70	-	59.23
Other re-classifications	-	(0.24)	(0.11)	0.12	0.02	-	(0.21)
Exchange differences on consolidation	(0.04)	22.97	32.42	0.14	2.06	(3.43)	54.12
Accumulated depreciation as at March 31, 2021	**226.96**	**597.30**	**3,405.37**	**2.87**	**93.87**	**126.97**	**4,453.34**
Total accumulated depreciation and impairment as at March 31, 2021	**226.96**	**666.88**	**3,405.37**	**3.11**	**97.98**	**126.97**	**4,527.27**
Net carrying value as at April 1, 2020	2,112.72	1,617.34	4,459.23	16.08	106.13	238.28	8,549.78
Net carrying value as at March 31, 2021	**2,425.28**	**1,555.85**	**5,147.77**	**11.30**	**108.44**	**202.31**	**9,450.95**

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forming part of the consolidated financial statements

4. Right-of-use assets (Contd.)

[Item No. I(c), Page 342]

(₹ crore)

	Right-of-use land	Right-of-use buildings	Right-of-use plant and machinery	Right-of-use furniture, fixtures and office equipments	Right-of-use vehicles	Right-of-use railway sidings	Total right-of-use assets
Cost as at April 1, 2019	-	-	-	-	-	-	-
Addition on account of transition to Ind AS 116 "Leases"	59.57	902.55	1,727.07	17.52	71.28	12.13	2,790.12
Addition relating to acquisitions	159.95	3.30	119.12	-	-	-	282.37
Additions	39.71	727.55	318.84	0.12	73.00	5.26	1,164.48
Disposals	-	(74.97)	(100.14)	(0.05)	(2.60)	-	(177.76)
Disposal of group undertakings	-	(92.22)	-	-	-	-	(92.22)
Other re-classifications	1,983.43	539.35	5,416.42	3.61	-	302.45	8,245.26
Exchange differences on consolidation	1.53	78.96	94.78	(1.94)	6.77	20.04	200.14
Cost as at March 31, 2020	**2,244.19**	**2,084.52**	**7,576.09**	**19.26**	**148.45**	**339.88**	**12,412.39**
Accumulated impairment as at April 1, 2019	-	-	-	-	-	-	-
Charge for the year	24.03	54.29	15.25	-	-	-	93.57
Disposals	-	(59.40)	-	-	-	-	(59.40)
Other re-classifications	-	86.93	1.00	-	-	-	87.93
Exchange differences on consolidation	-	3.05	0.31	-	-	-	3.36
Accumulated impairment as at March 31, 2020	**24.03**	**84.87**	**16.56**	**-**	**-**	**-**	**125.46**
Accumulated depreciation as at April 1, 2019	-	-	-	-	-	-	-
Charge for the year	41.02	209.49	665.22	2.44	42.08	26.42	986.67
Disposals	-	(13.18)	(85.02)	(0.01)	(1.67)	-	(99.88)
Disposal of group undertakings	-	(3.94)	-	-	-	-	(3.94)
Other re-classifications	66.41	173.91	2,472.74	0.71	-	69.27	2,783.04
Exchange differences on consolidation	0.01	16.03	47.36	0.04	1.91	5.91	71.26
Accumulated depreciation as at March 31, 2020	**107.44**	**382.31**	**3,100.30**	**3.18**	**42.32**	**101.60**	**3,737.15**
Total accumulated depreciation and impairment as at March 31, 2020	**131.47**	**467.18**	**3,116.86**	**3.18**	**42.32**	**101.60**	**3,862.61**
Net carrying value as at April 1, 2019	-	-	-	-	-	-	-
Net carrying value as on March 31, 2020	**2,112.72**	**1,617.34**	**4,459.23**	**16.08**	**106.13**	**238.28**	**8,549.78**

(i) During the year ended March 31, 2021, the Group recognized an impairment reversal of ₹**27.09** crore (2019-20: charge ₹93.57 crore) against right-of-use assets contained within other Indian operations and European operations. Out of the impairment reversal, ₹**24.03** crore (2019-20: charge 93.18 crore) is included within exceptional items and ₹**3.06** crore (2019-20: charge ₹0.39 crore) is included within other expenses in the consolidated statement of profit and loss.

(ii) The Group's significant leasing arrangements relate to assets specifically set up for dedicated use by the Group under long term arrangements and time charter of vessels. Other leases include land, office space, equipment, vehicles and some IT equipment.

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4. Right-of-use assets (Contd.)

[Item No. I(c), Page 342]

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Extension and termination options are included in a number of property and equipment leases. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Majority of the extension and termination options held are exercisable based on mutual agreement of the Group and the respective lessor.

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

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

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

During the year ended March 31, 2021, the Group recognised the following in the consolidated statement of profit and loss:

(i) expense in respect of short-term leases and leases of low- value assets ₹**28.63** crore (2019-20: ₹96.31 crore) and ₹**11.50** crore (2019-20: ₹11.45 crore) respectively.

(ii) expense in respect of variable lease payments not included in the measurement of lease liabilities ₹**612.68** crore (2019-20: ₹508.04 crore).

(iii) income in respect of sub leases of right-of-use assets ₹**46.83** crore (2019-20: ₹7.84 crore).

(iv) loss on sale and leaseback transaction entered during the year **Nil** (2019-20: ₹0.45 crore).

During the year ended March 31, 2021, total cash outflow in respect of leases amounted to ₹**2,571.07** crore (2019-20: ₹2,308.40 crore).

As at March 31, 2021, commitments for leases not yet commenced was ₹**266.57** crore (March 31, 2020: ₹396.68 crore).

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5. Goodwill on consolidation

[Item No. I(d), Page 342]

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Cost as at beginning of the year	5,552.01	5,388.13
Addition relating to acquisitions	-	5.66
Disposal of group undertakings	-	(11.22)
Exchange differences on consolidation	398.90	169.44
Cost as at end of the year	**5,950.91**	**5,552.01**
Impairment as at beginning of the year	1,497.48	1,391.51
Charge for the year	-	70.00
Disposal of group undertakings	-	(11.22)
Exchange differences on consolidation	108.74	47.19
Impairment as at end of the year	**1,606.22**	**1,497.48**
Net book value as at beginning of the year	**4,054.53**	**3,996.62**
Net book value as at end of the year	**4,344.69**	**4,054.53**

(a) The carrying value of goodwill predominantly relates to the goodwill that arose on the acquisition of erstwhile Corus Group Plc. and has been tested in both periods against the recoverable amount of Strip Products Mainland Europe cash generating unit (CGU) by the Group. This goodwill relates to expected synergies from combining Corus' activities with those of the Group and to assets, which could not be recognised as separately identifiable intangible assets. The goodwill is tested annually for impairment or more frequently if there are any indications that the goodwill may be impaired.

The recoverable amount of Strip Products Mainland Europe CGU has been determined from a value in use calculation. The calculation uses cash flow forecasts based on the most recently approved financial budgets and strategic forecasts which cover a period of three years and future projections taking the analysis out to perpetuity. Key assumptions for the value in use calculation are those regarding expected changes to selling prices, raw material costs, steel demand in European Union, exchange rates, and a discount rate of **8.10**% p.a. (March 31, 2020: 8.00% p.a.). Changes in selling prices, raw material costs, exchange rates and steel demand in European Union are based on expectations of future changes in the steel market based on external market sources. A **Nil** (March 31, 2020: Nil) growth rate is used to extrapolate the cash flow projections beyond the three-year period of the financial budgets into perpetuity. The pre-tax discount rate is derived from the Tata Steel Europe's weighted average cost of capital (WACC) and the WACCs of its main European steel competitors. The outcome of the Group's goodwill impairment test as at March 31, 2021 for the Strip Products Mainland Europe CGU resulted in no impairment of goodwill (2019-20: Nil).

The management believes that no reasonably possible change in any of the key assumptions used in the value in use calculation would cause the carrying value of the CGU to materially exceed its value in use.

(b) During the year ended March 31, 2020, the Group recognised an impairment charge of ₹70.00 crore with respect to one of its Indian subsidiaries, representing a single cash generating unit ("CGU"), engaged in the business of generation and supply of power. The recoverable amount of the CGU related to such goodwill was derived from value in use calculations using cash flow forecasts based on the most recently approved financial budgets and future projections for 23 years and a discount rate of 12.10% p.a. The impairment charge is recognised within exceptional items in the consolidated statement of profit and loss.

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6. Other intangible assets

[Item No. I(e), Page 342]

(₹ crore)

	Patents and trademarks	Development costs	Software costs	Mining assets	Other intangible assets	Total
Cost/deemed cost as at April 1, 2020	29.26	286.40	904.11	2,839.98	680.02	4,739.77
Additions	1.49	8.67	76.05	487.60	240.55	814.36
Disposals	-	-	(1.66)	(97.31)	-	(98.97)
Reclassified from held for sale	-	-	28.03	-	-	28.03
Other re-classifications	-	-	13.82	-	-	13.82
Exchange differences on consolidation	2.32	10.11	21.71	(20.47)	(1.92)	11.75
Cost/deemed cost as at March 31, 2021	**33.07**	**305.18**	**1,042.06**	**3,209.80**	**918.65**	**5,508.76**
Accumulated impairment as at April 1, 2020	11.60	-	26.08	144.32	30.65	212.65
Charge for the year	-	7.69	-	(3.63)	-	4.06
Other re-classifications	-	0.86	-	-	-	0.86
Exchange differences on consolidation	0.88	0.31	1.50	(1.90)	-	0.79
Accumulated impairment as at March 31, 2021	**12.48**	**8.86**	**27.58**	**138.79**	**30.65**	**218.36**
Accumulated amortisation as at April 1, 2020	9.41	278.45	464.56	1,229.23	103.10	2,084.75
Charge for the year	0.64	8.31	121.95	139.32	14.59	284.81
Disposals	-	-	(1.66)	(97.04)	-	(98.70)
Reclassified from held for sale	-	-	21.76	-	-	21.76
Other re-classifications	-	-	0.23	-	-	0.23
Exchange differences on consolidation	2.46	9.45	9.60	-	-	21.51
Accumulated amortisation as at March 31, 2021	**12.51**	**296.21**	**616.44**	**1,271.51**	**117.69**	**2,314.36**
Total accumulated amortisation and impairment as at March 31, 2021	**24.99**	**305.07**	**644.02**	**1,410.30**	**148.34**	**2,532.72**
Net carrying value as at April 1, 2020	8.25	7.95	413.47	1,466.43	546.27	2,442.37
Net carrying value as at March 31, 2021	**8.08**	**0.11**	**398.04**	**1,799.50**	**770.31**	**2,976.04**

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6. Other intangible assets (Contd.)

[Item No. I(e), Page 342]

(₹crore)

	Patents and trademarks	Development costs	Software costs	Mining assets	Other intangible assets	Total
Cost/deemed cost as at April 1, 2019	28.44	268.28	569.55	2,473.97	697.81	4,038.05
Additions relating to acquisitions	-	-	-	315.20	-	315.20
Additions	0.01	-	308.85	0.02	0.24	309.12
Disposals	-	-	(3.62)	-	(14.72)	(18.34)
Other re-classifications	-	-	0.08	-	(3.31)	(3.23)
Exchange differences on consolidation	0.81	18.12	29.25	50.79	-	98.97
Cost/deemed cost as at March 31, 2020	**29.26**	**286.40**	**904.11**	**2,839.98**	**680.02**	**4,739.77**
Accumulated impairment as at April 1, 2019	11.23	-	21.71	135.44	30.65	199.03
Charge for the year	-	-	3.69	-	-	3.69
Other re-classifications	-	-	(0.46)	-	-	(0.46)
Exchange differences on consolidation	0.37	-	1.14	8.88	-	10.39
Accumulated impairment as at March 31, 2020	**11.60**	**-**	**26.08**	**144.32**	**30.65**	**212.65**
Accumulated amortisation as at April 1, 2019	9.17	244.18	358.45	1,154.60	78.30	1,844.70
Charge for the year	0.11	16.81	96.06	74.63	39.52	227.13
Disposals	-	0.06	(3.60)	-	(14.72)	(18.26)
Other re-classifications	-	-	(1.01)	-	-	(1.01)
Exchange differences on consolidation	0.13	17.40	14.66	-	-	32.19
Accumulated amortisation as at March 31, 2020	**9.41**	**278.45**	**464.56**	**1,229.23**	**103.10**	**2,084.75**
Total accumulated amortisation and impairment as at March 31, 2020	**21.01**	**278.45**	**490.64**	**1,373.55**	**133.75**	**2,297.40**
Net carrying value as on April 1, 2019	8.04	24.10	189.39	1,183.93	588.86	1,994.32
Net carrying value as on March 31, 2020	**8.25**	**7.95**	**413.47**	**1,466.43**	**546.27**	**2,442.37**

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

(ii) During the year ended March 31, 2021, the Group recognised net impairment charge of ₹**4.06** crore in respect of intangible assets in its European and Indian operations. The impairment recognised is included within other expenses in the consolidated statement of profit and loss.

During the year ended March 31, 2020, the Group recognised an impairment charge of ₹3.69 crore in respect of intangible assets in its European operations. The impairment recognised was included within other expenses in the consolidated statement of profit and loss.

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7. Equity accounted investments

[Item No. I(g), Page 342]

(a) Investment in associates:

(i) The Group has no material associates as at March 31, 2021. The aggregate summarised financial information in respect of the Group's immaterial associates accounted for using the equity method is as below:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Carrying value of Group's interest in associates*	**173.89**	**161.84**

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Group's share in profit/(loss) for the year of associates*	26.83	16.27
Group's share in other comprehensive income for the year of associates	-	(1.46)
Group's share in total comprehensive income for the year of associates	**26.83**	**14.81**

(ii) Fair value of investments in equity accounted associates for which published price quotation is available, which is a Level 1 input as at March 31, 2021 is ₹**31.92** crore (March 31, 2020: ₹31.92 crore). The carrying value of such investments is **Nil** (March 31, 2020: Nil) as the Group's share of losses in such associates exceeds the cost of investments made.

(iii) Share of unrecognised loss in respect of equity accounted associates amounted to ₹**33.08** crore for the year ended March 31, 2021 (2019-20: ₹62.20 crore). Cumulative share of unrecognised losses in respect of equity accounted associates as at March 31, 2021 amounted to ₹**173.23** crore (March 31, 2020: ₹140.15 crore).

(b) Investment in joint ventures:

(i) The Group holds more than 50% of the equity share capital in TM International Logistics Limited, Jamshedpur Continuous Annealing & Processing Company Private Limited and TM Mining Company Limited. However, decisions in respect of activities which significantly affect the risks and rewards of these businesses, require a unanimous consent of all the shareholders. These entities have therefore been considered as joint ventures.

(ii) The Group has no material joint ventures as at March 31, 2021. The aggregate summarised financial information in respect of the Group's immaterial joint ventures accounted for using the equity method is as below:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Carrying value of Group's interest in joint ventures*	**2,301.77**	**2,006.70**

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Group's share in profit/(loss) for the year of joint ventures*	300.51	171.70
Group's share in other comprehensive income for the year of joint ventures	19.77	24.15
Group's share in total comprehensive income for the year of joint ventures	**320.28**	**195.85**

(iii) Share of unrecognised losses in respect of equity accounted joint ventures amounted to ₹**229.84** crore for the year ended March 31, 2021 (2019-20: ₹78.42 crore). Cumulative share of unrecognised losses in respect of equity accounted joint ventures as at March 31, 2021 amounted to ₹**1,551.38** crore. (March 31, 2020: ₹1,356.19 crore).

(iv) During the year ended March 31, 2021, the Group has recognised an impairment of ₹**0.26** crore (2019-20: Nil) in respect of its equity accounted joint ventures.

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7. Equity accounted investments (Contd.)

[Item No. I(g), Page 342]

(c) Summary of carrying value of Group's interest in equity accounted investees:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Carrying value of immaterial associates	173.89	161.84
Carrying value of immaterial joint ventures	2,301.77	2,006.70
	2,475.66	**2,168.54**

(d) Summary of Group's share in profit/(loss) for the year of equity accounted investees:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Share of profit/(loss) of immaterial associates	26.83	16.27
Share of profit/(loss) of immaterial joint ventures	300.51	171.70
	327.34	**187.97**

(e) Summary of Group's share in other comprehensive income for the year of equity accounted investees:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Share of other comprehensive income of immaterial associates	-	(1.46)
Share of other comprehensive income of immaterial joint ventures	19.77	24.15
	19.77	**22.69**

*Group's share in net assets and profit/(loss) of equity accounted investees has been determined after giving effect for subsequent amortisation/ depreciation and other adjustments arising on account of fair value adjustments made to the identifiable net assets of the equity accounted investees as at the date of acquisition and other adjustment e.g. unrealised profits on inventories etc., arising under the equity method of accounting.

8. Investments

[Item No. I(h)(i) and II(b)(i), Page 342]

A. Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Investments carried at amortised cost:		
Investment in government or trust securities	15.39	14.58
Investment in bonds and debentures	-	0.11
Investment in preference shares	1.61	71.15
	17.00	**85.84**
(b) Investments carried at fair value through other comprehensive income:		
Investment in equity shares#	917.92	506.87
	917.92	**506.87**
(c) Investments carried at fair value through profit and loss:		
Investment in bonds and debentures	-	49.74
Investment in equity shares	52.46	42.32
	52.46	**92.06**
	987.38	**684.77**

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8. Investments (Contd.)

[Item No. I(h)(i) and II(b)(i), Page 342]

B. Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Investments carried at fair value through profit and loss:		
Investment in mutual funds	7,218.89	3,431.87
	7,218.89	**3,431.87**

(i) Carrying value and market value of quoted and unquoted investments is as below:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Investments in quoted instruments:		
Aggregate carrying value	544.13	205.02
Aggregate market value	544.13	205.02
(b) Investments in unquoted instruments:		
Aggregate carrying value	7,662.14	3,911.62

(ii) Cumulative loss on de-recognition of investments during the year which were carried at fair value through other comprehensive income amounted to ₹**138.68** crore (2019-20: gain ₹6.60 crore). Fair value of such investments as on the date of de-recognition was ₹**0.00*** crore (2019-20: ₹7.49 crore).

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

* represents value less than ₹0.01 crore.

9. Loans

[Item No. I(h)(ii) and II(b)(v), Page 342]

A. Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Security deposits		
Considered good- Unsecured	244.64	237.36
Credit impaired	9.14	3.62
Less: Allowance for credit losses	9.14	3.62
	244.64	**237.36**
(b) Loans to related parties		
Considered good- Unsecured	8.20	7.63
Credit impaired	208.75	193.93
Less: Allowance for credit losses	208.75	193.93
	8.20	**7.63**
(c) Other loans		
Considered good- Unsecured	83.73	243.72
Credit impaired	1,586.24	1,464.18
Less: Allowance for credit losses	1,586.24	1,464.18
	83.73	**243.72**
	336.57	**488.71**

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9. Loans (Contd.)

[Item No. I(h)(ii) and II(b)(v), Page 342]

B. Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Security deposits		
Considered good- Unsecured	59.13	64.11
Credit impaired	102.08	82.33
Less: Allowance for credit losses	102.08	82.33
	59.13	**64.11**
(b) Loans to related parties		
Considered good- Unsecured	-	27.60
Credit impaired	877.19	907.89
Less: Allowance for credit losses	877.19	907.89
	-	**27.60**
(c) Other loans		
Considered good- Unsecured	5.59	123.97
Credit impaired	2.09	2.09
Less: Allowance for credit losses	2.09	2.09
	5.59	**123.97**
	64.72	**215.68**

(i) Security deposits are primarily in relation to public utility services and rental agreements. It includes deposit with Tata Sons Private Limited ₹**1.25** crore (March 31, 2020: ₹1.25 crore).

(ii) Non-current loans to related parties represent loans given to joint ventures ₹**208.75** crore (March 31, 2020: ₹193.93 crore) and associates ₹**8.20** crore (March 31, 2020: ₹7.63 crore). Out of loans given to joint ventures, ₹**208.75** crore (March 31, 2020: ₹193.93 crore) is impaired.

(iii) Current loans/advances to related parties represent loans given to joint ventures ₹**877.19** crore (March 31, 2020: ₹935.49 crore) out of which ₹**877.19** crore (March 31, 2020: ₹907.89 crore) is impaired.

10. Other financial assets

[Item No. I(h)(iv) and II(b)(vii), Page 342]

A. Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Interest accrued on deposits, loans and advances		
Considered good- Unsecured	1.02	1.78
Credit impaired	0.27	0.27
Less: Allowance for credit losses	0.27	0.27
	1.02	**1.78**
(b) Earmarked balances with banks	**71.68**	**61.88**
(c) Other balances with banks	**39.91**	**0.29**
(d) Others		
Considered good- Unsecured	102.32	524.98
Credit impaired	48.65	164.05
Less: Allowance for credit losses	48.65	164.05
	102.32	**524.98**
	214.93	**588.93**

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10. Other financial assets (Contd.)

[Item No. I(h)(iv) and II(b)(vii), Page 342]

B. Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Interest accrued on deposits, loans and advances		
Considered good- Unsecured	30.33	33.93
Credit impaired	19.89	20.42
Less: Allowance for credit losses	19.89	20.42
	30.33	**33.93**
(b) Others		
Considered good- Unsecured	1,390.64	412.49
Credit impaired	140.83	1.87
Less: Allowance for credit losses	140.83	1.87
	1,390.64	**412.49**
	1,420.97	**446.42**

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

(ii) Other non-current balances with banks represent bank deposits not due for realisation within 12 months from the balance sheet date.

(iii) Current other financial assets include amount receivable from post-employment benefit funds ₹**92.84** crore (March 31, 2020: ₹57.26 crore) on account of retirement benefit obligations paid by the Group directly.

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11. Retirement benefit assets and obligations

[Item No. I(i), II(c), V(c) and VI(c), Page 342 and 343]

(I) Retirement benefit assets

A. Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Pension	20,018.75	27,278.03
(b) Retiring gratuities	0.72	0.42
	20,019.47	**27,278.45**

B. Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Retiring gratuities	0.42	-

(II) Retirement benefit obligations

A. Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Pension	1,097.88	1,150.49
(b) Retiring gratuities	361.47	625.82
(c) Post-retirement medical benefits	1,578.46	1,490.54
(d) Other defined benefits	461.98	331.33
	3,499.79	**3,598.18**

B. Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Pension	12.71	9.25
(b) Retiring gratuities	14.29	18.62
(c) Post-retirement medical benefits	103.78	95.85
(d) Other defined benefits	36.06	17.54
	166.84	**141.26**

(i) Detailed disclosure in respect of post-retirement defined benefit schemes is provided in note 37, page 411.

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

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12. Income taxes

[Item No. I(k), V(e) and IX, Page 342, 343 and 344]

A. Income tax expenses/(benefit)

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

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains.

Apart from India, major tax jurisdictions for the Group include Singapore, United Kingdom and Netherlands. The number of years that are subject to tax assessments varies depending on the tax jurisdiction.

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit/(loss) before tax	**13,843.69**	**(1,380.44)**
Income tax expense at tax rates applicable to individual entities	**3,276.38**	**230.38**
(a) Tax on income at different rates	-	9.73
(b) Additional tax benefit for capital investment including research and development expenditures	(0.41)	(17.19)
(c) Income exempt from tax/items not deductible	(512.21)	(581.93)
(d) Undistributed earning of subsidiaries, joint ventures and equity accounted investees	39.94	23.29
(e) Deferred tax assets not recognised because realisation is not probable	3,194.40	714.45
(f) Adjustments to taxes in respect of prior periods	(11.57)	(65.26)
(g) Utilisation/credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits	(176.27)	(593.71)
(h) Impact of changes in tax rates[i]	(156.36)	(2,272.66)
Tax expense as reported	**5,653.90**	**(2,552.90)**

(i) Changes in tax rates primarily represented re-measurement of deferred tax balances expected to reverse in future periods based on the revised applicable tax rate by the Company and some of its Indian subsidiaries as per option permitted under new tax rate regime.

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12. Income taxes (Contd.)

[Item No. I(k), V(e) and IX, Page 342, 343 and 344]

B. Deferred tax assets/(liabilities)

(i) Components of deferred tax assets and liabilities as at March 31, 2021 are as below:

(₹ crore)

	Balance as at April 1, 2020	Recognised/ (reversed) in profit and loss during the year	Recognised/ (reversed) in other comprehensive Income during the year	Recognised/ (reversed) in equity during the year	Reclassified from held for sale during the year	Other movements during the year	Exchange differences on consolidation during the year	Balance as at March 31, 2021
Deferred tax assets:								
Tax-loss carry forwards	6,221.14	(785.46)	-	-	6.86	0.35	177.78	5,620.67
Expenses allowable for tax purposes when paid/written off	2,534.16	354.64	(1.73)	-	12.85	(0.10)	13.01	2,912.83
Others	729.16	(567.95)	(83.63)	-	(10.01)	(39.01)	44.47	73.03
	9,484.46	**(998.77)**	**(85.36)**	**-**	**9.70**	**(38.76)**	**235.26**	**8,606.53**
Deferred tax liabilities:								
Property, plant and equipment and Intangible assets	12,728.92	70.25	-	(3.75)	39.24	0.20	(121.72)	12,713.14
Retirement benefit assets/ obligations	4,744.48	309.56	(1,812.64)	-	(14.00)	-	324.50	3,551.90
Others	2.11	1.30	-	-	(0.17)	-	1.65	4.89
	17,475.51	**381.11**	**(1,812.64)**	**(3.75)**	**25.07**	**0.20**	**204.43**	**16,269.93**
Net deferred tax assets/ (liabilities)	**(7,991.05)**	**(1,379.88)**	**1,727.28**	**3.75**	**(15.37)**	**(38.96)**	**30.83**	**(7,663.40)**
Disclosed as:								
Deferred tax assets	**1,270.33**							**1,578.02**
Deferred tax liabilities	**9,261.38**							**9,241.42**
	(7,991.05)							**(7,663.40)**

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12. Income taxes (Contd.)

[Item No. I(k), V(e) and IX, Page 342, 343 and 344]

Components of deferred tax assets and liabilities as at March 31, 2020 are as below:

(₹ crore)

	Balance as at April 1, 2019	Recognised/ (reversed) in profit and loss during the year	Recognised in other comprehensive Income during the year	Recognised in equity during the year	Disposal of group undertakings during the year	Other movements during the year	Exchange differences on consolidation during the year	Balance as at March 31, 2020
Deferred tax assets:								
Tax-loss carry forwards	6,719.14	310.70	-	-	(1.28)	(946.73)	139.31	6,221.14
Expenses allowable for tax purposes when paid/written off	3,169.13	(655.09)	3.44	-	-	-	16.68	2,534.16
Others	780.68	(167.46)	79.01	-	-	(0.45)	37.38	729.16
	10,668.95	**(511.85)**	**82.45**	**-**	**(1.28)**	**(947.18)**	**193.37**	**9,484.46**
Deferred tax liabilities:								
Property, plant and equipment and Intangible assets	18,441.52	(4,723.51)	-	(3.58)	(2.81)	(946.65)	(36.05)	12,728.92
Retirement benefit assets/ obligations	2,769.95	663.67	1,147.58	-	-	(0.03)	163.31	4,744.48
Others	1,108.42	(1,104.94)	-	-	-	-	(1.37)	2.11
	22,319.89	**(5,164.78)**	**1,147.58**	**(3.58)**	**(2.81)**	**(946.68)**	**125.89**	**17,475.51**
Net deferred tax assets/ (liabilities)	**(11,650.94)**	**4,652.93**	**(1,065.13)**	**3.58**	**1.53**	**(0.50)**	**67.48**	**(7,991.05)**
Disclosed as:								
Deferred tax assets	**808.95**							**1,270.33**
Deferred tax liabilities	**12,459.89**							**9,261.38**
	(11,650.94)							**(7,991.05)**

(ii) Deferred tax asset have been recognised based on an evaluation of whether it is probable that taxable profits will be earned in future accounting periods considering all the available evidences, including approved budgets and forecasts by the Board of the respective entities.

(iii) Deferred tax assets have not been recognised in respect of tax losses of ₹**56,968.83** crore (March 31, 2020: ₹**50,956.98** crore) as its recovery is not considered probable in the foreseeable future. Such losses primarily relate to the Group's European operations.

(iv) Tax losses in respect of which deferred tax asset has not been recognised, expire unutilised based on the year of origination as below:

(₹ crore)

	As at March 31, 2021
Within five years	4,208.22
Later than five years but less than ten years	1,965.98
Later than ten years but less than twenty years	1,345.03
No expiry	49,449.60
	56,968.83

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forming part of the consolidated financial statements

12. Income taxes (Contd.)

[Item No. I(k), V(e) and IX, Page 342, 343 and 344]

(v) Unused tax credits and other deductible temporary differences in respect of which deferred tax asset has not been recognised, expire unutilised based on the year of origination as below:

(₹ crore)

	As at March 31, 2021
Later than ten years but less than twenty years	371.54
No expiry	6,714.29
	7,085.83

(vi) As at March 31, 2021, aggregate amount of temporary difference associated with undistributed earnings of subsidiaries for which deferred tax liability has not been recognised is ₹**8,273.84** crore (March 31, 2020: ₹7,201.13 crore). No liability has been recognised in respect of such difference because the Group is in a position to control the timing of reversal of the temporary difference and it is probable that such difference will not reverse in the foreseeable future.

13. Other assets

[Item No. I(l) and II(e), Page 342]

A. Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Capital advances		
Considered good- Unsecured	665.63	1,241.28
Considered doubtful- Unsecured	129.01	132.39
Less: Provision for doubtful advances	129.01	132.39
	665.63	**1,241.28**
(b) Advance with public bodies		
Considered good- Unsecured	1,909.95	1,624.63
Considered doubtful- Unsecured	414.52	397.03
Less: Provision for doubtful advances	414.52	397.03
	1,909.95	**1,624.63**
(c) Capital advances to related parties		
Considered good- Unsecured	**18.53**	**11.07**
(d) Others		
Considered good - Unsecured	278.59	277.22
Considered doubtful - Unsecured	3.40	-
Less: Provision for doubtful advances	3.40	-
	278.59	**277.22**
	2,872.70	**3,154.20**

NOTES
forming part of the consolidated financial statements

13. Other assets (Contd.)
[Item No. I(l) and II(e), Page 342]

B. Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Advance with public bodies		
Considered good- Unsecured	1,136.03	1,998.61
Considered doubtful- Unsecured	2.96	3.04
Less: Provision for doubtful advances	2.96	3.04
	1,136.03	**1,998.61**
(b) Advances to related parties		
Considered good- Unsecured	16.45	7.68
	16.45	**7.68**
(c) Others		
Considered good- Unsecured	1,000.96	1,171.40
Considered doubtful- Unsecured	106.05	83.24
Less: Provision for doubtful advances	106.05	83.24
	1,000.96	**1,171.40**
	2,153.44	**3,177.69**

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

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

14. Inventories
[Item No. II(a), Page 342]

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Raw materials	11,526.97	9,512.47
(b) Work-in-progress	4,562.98	4,273.25
(c) Finished and semi-finished goods	11,940.89	12,391.38
(d) Stock-in-trade	50.97	128.72
(e) Stores and spares	5,194.57	4,762.90
	33,276.38	**31,068.72**
Included above, goods-in-transit:		
(i) Raw materials	2,823.74	1,514.77
(ii) Finished and semi-finished goods	408.58	82.92
(iii) Stock-in-trade	0.73	39.99
(iv) Stores and spares	88.87	205.09
	3,321.92	**1,842.77**

Value of inventories above is stated after provisions (net of reversal) for slow-moving and obsolete items and write-downs to net realisable value ₹**698.25** crore (March 31, 2020: ₹747.92 crore).

NOTES

forming part of the consolidated financial statements

15. Trade receivables

[Item No. II(b)(ii), Page 342]

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Considered good- Unsecured	9,539.84	7,884.91
Credit impaired	359.50	308.74
	9,899.34	**8,193.65**
Less: Allowance for credit losses	359.50	308.74
	9,539.84	**7,884.91**

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

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	308.74	392.92
Charge/(released) during the year	35.30	(8.27)
Utilised during the year	(24.25)	(84.00)
Addition relating to acquisitions	-	22.79
Disposal of group undertakings	-	(0.71)
Reclassified from held for sale	27.95	-
Other reclassifications	-	(15.71)
Exchange differences on consolidation	11.76	1.72
Balance at the end of the year	**359.50**	**308.74**

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

(₹ crore)

	As at March 31, 2021			
	Gross credit risk	Subject to credit insurance cover	Allowance for credit losses	Net credit risk
Amounts not yet due	8,138.61	3,607.49	11.15	4,519.97
One month overdue	724.79	421.82	5.82	297.15
Two months overdue	254.10	150.01	5.85	98.24
Three months overdue	73.94	27.35	4.90	41.69
Between three to six months overdue	106.13	20.65	12.83	72.65
Greater than six months overdue	601.77	129.44	318.95	153.38
	9,899.34	**4,356.76**	**359.50**	**5,183.08**

NOTES

forming part of the consolidated financial statements

15. Trade receivables (Contd.)

[Item No. II(b)(ii), Page 342]

(₹ crore)

	As at March 31, 2020			
	Gross credit risk	Subject to credit insurance cover	Allowance for credit losses	Net credit risk
Amounts not yet due	6,475.28	3,789.33	9.35	2,676.60
One month overdue	837.43	372.58	5.16	459.69
Two months overdue	136.22	38.72	2.09	95.41
Three months overdue	83.11	29.39	2.60	51.12
Between three to six months overdue	106.06	36.48	11.41	58.17
Greater than six months overdue	555.55	83.22	278.13	194.20
	8,193.65	**4,349.72**	**308.74**	**3,535.19**

(iii) The Group considers its maximum exposure to credit risk with respect to customers as at March 31, 2021 to be ₹**5,183.08** crore (March 31, 2020: ₹3,535.19 crore), which is the carrying value of trade receivables after allowance for credit losses and considering insurance cover.

The Group's exposure to customers is diversified and there is no concentration of credit risk with respect to any particular customer.

16. Cash and cash equivalents

[Item No. II(b)(iii), Page 342]

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Cash on hand	1.45	1.32
(b) Cheques, drafts on hand	1.79	2.44
(c) Remittances in-transit	43.97	39.79
(d) Unrestricted balances with banks	5,484.87	7,498.41
	5,532.08	**7,541.96**

(i) Currency profile of cash and cash equivalents is as below:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
INR	3,131.79	2,106.53
GBP	1,220.24	(2,313.30)
EURO	643.75	1,449.22
USD	(102.92)	6,201.16
Others	639.22	98.35
Total	**5,532.08**	**7,541.96**

INR-Indian Rupees, GBP- Great Britain Pound, USD-United States Dollars. Others primarily include SGD- Singapore Dollars, CAD-Canadian Dollars and THB- Thai Baht.

NOTES

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17. Other balances with banks

[Item No. II(b)(iv), Page 342]

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Earmarked balances with banks	250.10	512.76
	250.10	**512.76**

(i) Currency profile of earmarked balances with banks is as below:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
INR	250.10	512.76
Total	**250.10**	**512.76**

INR-Indian rupees.

(ii) Earmarked balances with banks represent balances held for unpaid dividends, margin money/fixed deposits against issue of bank guarantees and deposits made against contract performance.

18. Assets and liabilities held for sale

[Item No. III and VII, Page 342 and 343]

(i) As on March 31, 2020, the Group classified the assets and liabilities of its South East Asia businesses held by NatSteel Holdings Pte. Ltd. ("NSH") and Tata Steel (Thailand) Public Company Ltd. ("TSTH") as held for sale. As at March 31, 2021, even though the Group is committed to dispose off these businesses, there are uncertainties surrounding the completion of a sale transaction within immediate next 12 months from the reporting date. Accordingly, the assets and liabilities of these businesses have been re-classified from "Held for Sale" and the results have been re-presented from "Discontinued Operations" to "Continuing Operations" along with restatement of the previous periods to conform to such a re-classification. Consequent to the re-classification, 'South East Asian Operations' is presented as a separate segment.

As on the reporting date the carrying amount of property, plant and equipment, intangibles assets held within these businesses were tested for possible impairments, if any. The outcome of the assessment did not result in any further impairment charge as the recoverable amount of these assets are higher than their carrying amount and thus fair value loss recognized earlier for these businesses have been reversed. Accordingly, the Group recognized an impairment reversal of ₹**1,230.28** crore during the year ended March 31, 2021, presented within exceptional item in note 35, page 410.

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18. Assets and liabilities held for sale (Contd.)

[Item No. III and VII, Page 342 and 343]

Within Thailand businesses, certain property, plant and equipment have been classified as held for sale as the Group no longer expects to recover the carrying value of such asset through continuing use. The major classes of assets and liabilities classified as held for sale are set out below:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Non-current assets		
Property, plant and equipment	80.20	1,377.86
Capital work-in-progress	-	34.17
Right-of-use assets	-	299.33
Other intangible assets	-	6.38
Intangible assets under development	-	0.44
Other investments	-	33.71
Other financial assets	-	12.45
Non-current tax assets	-	23.60
Deferred tax assets	-	19.63
Other assets	-	1.44
	80.20	**1,809.01**
Current assets		
Inventories	-	1,395.11
Trade receivables	-	563.41
Cash and bank balances	-	190.38
Other financial assets	-	35.21
Derivative assets	-	20.59
Current tax assets	-	1.86
Other assets	-	51.71
	-	**2,258.27**
Fair value adjustments	**-**	**(1,253.16)**
Total assets held for sale	**80.20**	**2,814.12**
Non-current liabilities		
Borrowings	-	270.07
Other financial liabilities	-	0.39
Provisions	-	0.25
Retirement benefit obligations	-	102.15
Deferred tax liabilities	-	40.09
	-	**412.95**
Current liabilities		
Borrowings	-	248.71
Derivative liabilities	-	77.75
Trade payables	-	458.83
Other financial liabilities	-	103.97
Retirement benefit obligations	-	0.75
Provisions	-	3.02
Current tax liabilities	-	21.69
Other liabilities	-	20.61
	-	**935.33**
Total liabilities held for sale	**-**	**1,348.28**

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forming part of the consolidated financial statements

18. Assets and liabilities held for sale (Contd.)

[Item No. III and VII, Page 342 and 343]

ii) As at March 31, 2021, the Group had classified certain assets and liabilities held within a disposal group with net carrying value of ₹**0.06** crore (March 31, 2020: ₹0.89 crore) in respect of one of its Indian subsidiaries as held for sale. These assets and liabilities continue to be classified as held for sale as the Group expects to recover the carrying value principally through sale.

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Property, plant and equipment	0.06	0.06
Inventories	-	0.67
Trade receivables	-	0.19
Other assets	-	0.02
Total assets held for sale	**0.06**	**0.94**
Trade payables	-	0.05
Total liabilities held for sale	**-**	**0.05**

iii) As on March 31, 2021, certain property, plant and equipment (including capital work-in-progress) having carrying value of ₹**19.27** crore (March 31, 2020: ₹8.39 crore) has been classified as held for sale in respect of one of the Indian subsidiaries, as the Group expects to recover the carrying value of these assets principally through sale.

19. Equity share capital

[Item No. IV(a), 343]

(₹ crore)

		As at March 31, 2021	As at March 31, 2020
Authorised:			
1,75,00,00,000	Ordinary Shares of ₹10 each	1,750.00	1,750.00
	(March 31, 2020: 1,75,00,00,000 Ordinary Shares of ₹10 each)		
35,00,00,000	'A' Ordinary Shares of ₹10 each *	350.00	350.00
	(March 31, 2020: 35,00,00,000 'A' Ordinary Shares of ₹10 each)		
2,50,00,000	Cumulative Redeemable Preference Shares of ₹100 each *	250.00	250.00
	(March 31, 2020: 2,50,00,000 Shares of ₹100 each)		
60,00,00,000	Cumulative Convertible Preference Shares of ₹100 each *	6,000.00	6,000.00
	(March 31, 2020: 60,00,00,000 Shares of ₹100 each)		
		8,350.00	**8,350.00**
Issued:			
1,19,78,30,303	Ordinary Shares of ₹10 each	1,197.83	1,127.52
	(March 31, 2020: 1,12,75,20,570 Ordinary Shares of ₹10 each)		
73,87,547	Ordinary Shares of ₹10 each (partly paid up,₹2.504 each paid up)	7.39	77.70
	(March 31, 2020: 7,76,97,280 Ordinary Shares of ₹10 each, ₹2.504 each paid up)		
		1,205.22	**1,205.22**
Subscribed and paid up:			
1,19,55,57,559**	Ordinary Shares of ₹10 each fully paid up	1,195.56	1,125.31
	(March 31, 2020: 1,12,53,08,318 Ordinary Shares of ₹10 each)		
73,87,547	Ordinary Shares of ₹10 each (Partly Paid up,₹2.504 each paid up)	1.85	19.44
	(March 31, 2020: 7,76,36,788 Ordinary Shares of ₹10 each, ₹2.504 each paid up)		
	Amount paid up on 3,89,516 Ordinary Shares of ₹10 each forfeited	0.20	0.20
	(March 31, 2020: 3,89,516 Shares of ₹10 each)		
		1,197.61	**1,144.95**

* 'A' class Ordinary Shares and Preference Shares included within authorised share capital are for disclosures purposes and have not yet been issued.

** Includes 1,51,732 equity shares on which first and final call money has been received and the partly paid-up equity shares have been converted to fully paid-up equity shares but are pending listing and trading approval for fully paid-up shares, and hence continue to be listed under partly paid-up shares.

NOTES

forming part of the consolidated financial statements

19. Equity share capital (Contd.)

[Item No. IV(a), Page 343]

(i) Subscribed and paid up share capital excludes **11,81,893** (March 31, 2020: 11,81,893) Ordinary shares of face value ₹10 each fully paid up held by subsidiaries of the Company.

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

	Year ended March 31, 2021		Year ended March 31, 2020	
	No. of shares	₹ crore	No. of shares	₹ crore
Ordinary Shares of ₹10 each				
Balance at the beginning of the year	1,20,29,45,106	1,144.75	1,20,29,44,492	1,144.74
Fully paid shares allotted during the year	-	-	531	0.01
Partly paid shares allotted during the year	-	-	83	0.00*
Partly paid shares converted to fully paid-up shares during the year[(a)]	-	52.66	-	-
Balance at the end of the year	**1,20,29,45,106**	**1,197.41**	**1,20,29,45,106**	**1,144.75**

* represents value less than ₹0.01 crore.

(a) During the year ended March 31, 2021, the Company made call on first and final call money payable on **7,76,36,788** partly paid-up equity shares. As on March 31, 2021, **7,02,49,241** partly paid-up equity shares were converted into fully paid-up equity shares.

(iii) As at March 31, 2021, **2,98,822** Ordinary Shares of face value of ₹10 each (March 31, 2020: 2,98,822 Ordinary Shares) are kept in abeyance in respect of Rights Issue of 2007.

As at March 31, 2021, **1,21,293** fully paid Ordinary Shares of face value of ₹10 each (March 31, 2020: 1,21,293 fully paid Ordinary Shares) are kept in abeyance in respect of Rights Issue of 2018.

As at March 31, 2021, **60,492** fully paid Ordinary Shares of face value of ₹10 each (March 31, 2020: 60,492 partly paid Ordinary Shares of ₹10 each ₹2.504 paid up) are kept in abeyance in respect of Rights Issue of 2018. Pursuant to the first and final call on the partly paid-up equity shares, the right on 60,492 partly paid-up Ordinary shares as on March 31, 2020, is presently the right on fully paid-up equity shares.

(iv) Proceeds from subscription to the first and final call on partly paid-up shares for the Rights Issue of 2018, made during the year ended March 31, 2021 have been utilised in the following manner:

(₹ crore)

Particulars	Proposed to be utilised during 2020-21	Utilised till March 31, 2021	To be utilised during 2021-22
Repayment/ prepayment of loans	2,670.60	2,670.60	13.38
Expenses towards general corporate purpose	32.26	32.26	520.89
Issue expenses	1.36	1.36	-
Total	**2,704.22**	**2,704.22**	**534.27**

(v) Details of shareholders holding more than 5 percent shares in the Company is as below:

	As at March 31, 2021		As at March 31, 2020	
	No. of ordinary shares	% held	No. of ordinary shares	% held
Name of shareholders				
(a) Tata Sons Private Limited	39,65,08,142	32.93	39,65,08,142	32.93
(b) Life Insurance Corporation of India	10,67,23,335	8.86	10,96,96,176	9.11
(c) HDFC Trustee Company Limited	NA*	NA*	6,02,13,483	5.00

*As on March 31, 2021, HDFC Trustee Company Limited holds less than 5% shares in the Company.

NOTES

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19. Equity share capital (Contd.)

[Item No. IV(a), Page 343]

(vi) **1,00,14,395** shares (March 31, 2020: 1,25,61,401 shares) of face value of ₹10 per share represent the shares underlying GDRs which were issued during 1994 and 2009. Each GDR represents one underlying Ordinary Share.

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

A. Ordinary Shares of ₹10 each

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

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

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

B. 'A' Ordinary Shares of ₹10 each

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

- in the case where a resolution is put to vote on a poll, such differential voting entitlement (excluding fractions, if any) will be applicable to holders of 'A' Ordinary Shares.

- in the case where a resolution is put to vote in the meeting and is to be decided on a show of hands, the holders of 'A' Ordinary Shares shall be entitled to the same number of votes as available to holders of Ordinary Shares.

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

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

C. Preference Shares

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

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

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

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

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

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20. Hybrid perpetual securities
[Item No. IV(b), Page 343]

The details of movement in hybrid perpetual securities is as below:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	2,275.00	2,275.00
Repayments during the year	(1,500.00)	-
Balance at the end of the year	**775.00**	**2,275.00**

The Company had issued hybrid perpetual securities of ₹775.00 crore and ₹1,500.00 crore in May 2011 and March 2011 respectively. These securities are perpetual in nature with no maturity or redemption and are callable only at the option of the Company. The distribution on these securities are 11.50% p.a. and 11.80% p.a. respectively, with a step up provision if the securities are not called after 10 years. The distribution on the securities may be deferred at the option of the Company if in the six months preceding the relevant distribution payment date, the Company has not made payment on, or repurchased or redeemed, any securities ranking *pari passu* with, or junior to the instrument. As these securities are perpetual in nature and the Company does not have any redemption obligation, these have been classified as equity.

During the year ended March 31, 2021 the Company has exercised its call option and redeemed the perpetual securities worth ₹**1,500.00** crore issued during March 2011.

21. Other equity
[Item No. IV(c), Page 343]

A. Retained earnings
The details of movement in retained earnings is as below:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	18,127.82	14,056.43
Profit /(loss) for the year	7,490.22	1,556.54
Remeasurement of post-employment defined employee benefit plans	(9,417.74)	5,480.23
Tax on remeasurement of post-employment defined employee benefit plans	1,790.48	(1,020.99)
Equity issue expenses written off	(1.96)	(5.31)
Dividend	(1,144.75)	(1,488.13)
Tax on dividend	-	(297.40)
Distribution on hybrid perpetual securities(i)	(242.34)	(266.15)
Tax on distribution on hybrid perpetual securities	60.99	66.97
Transfers within equity(ii)	(139.39)	14.28
Adjustment for changes in ownership interests	(46.63)	31.35
Balance at the end of the year	**16,476.70**	**18,127.82**

(i) During the year ended March 31, 2021, distribution of ₹**16.97** crore post exercise of the call option on hybrid perpetual securities has been recognised in the consolidated statement of profit & loss.

(ii) Includes loss on sale of investments carried at fair value through other comprehensive income reclassified from investment revaluation reserve.

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21. Other equity (Contd.)

[Item No. IV(c), Page 343]

B. Items of other comprehensive income

(a) Cash flow hedge reserve

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

The Group has designated certain foreign currency forward contracts, commodity contracts, interest rate swaps and collar as cash flow hedges in respect of foreign exchange, commodity price and interest rate risks.

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	(167.02)	119.63
Other comprehensive income recognised during the year	280.34	(286.65)
Balance at the end of the year	**113.32**	**(167.02)**

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Fair value changes recognised during the year	295.10	(210.17)
Fair value changes reclassified to the consolidated statement of profit and loss/cost of hedged items	59.21	(154.93)
Tax impact on above	(73.97)	78.45
	280.34	**(286.65)**

During the year, ineffective portion of cash flow hedges recognised in the consolidated statement of profit and loss amounted to **Nil** (2019-20: Nil).

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

- within the next one year: gain of ₹**139.25** crore (2019-20: loss of ₹109.54 crore)

- later than one year: loss of ₹**25.93** crore (2019-20: loss of ₹57.48 crore)

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forming part of the consolidated financial statements

21. Other equity (Contd.)

[Item No. IV(c), Page 343]

(b) Investment revaluation reserve

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

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	(173.31)	80.28
Other comprehensive income recognised during the year	351.74	(248.94)
Tax impact on above	(10.51)	1.98
Transfers within equity	138.68	(6.63)
Balance at the end of the year	**306.60**	**(173.31)**

(c) Foreign currency translation reserve

Exchange differences arising on translation of assets, liabilities, income and expenses of the Group's foreign subsidiaries, associates and joint ventures are recognised in other comprehensive income and accumulated separately in foreign currency translation reserve. The amounts recognised are transferred to the consolidated statement of profit and loss on disposal of the related foreign subsidiaries, associates and joint ventures.

The details of movement in foreign currency translation reserve is as below:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	7,956.24	7,412.24
Other comprehensive income recognised during the year	(203.20)	544.00
Balance at the end of the year	**7,753.04**	**7,956.24**

C. Other reserves

(a) Securities premium

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

The details of movement in securities premium is as below:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	27,778.12	27,778.09
Received/ transfer on issue of Ordinary Shares during the year	3,185.84	0.03
Equity issue expenses written (off)/back during the year	(1.36)	-
Balance at the end of the year	**30,962.60**	**27,778.12**

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forming part of the consolidated financial statements

21. Other equity (Contd.)

[Item No. IV(c), Page 343]

(b) Debenture redemption reserve

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

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

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	2,046.00	2,046.00
Balance at the end of the year	**2,046.00**	**2,046.00**

(c) General reserve

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

The details of movement in general reserve is as below:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	12,181.16	12,181.16
Balance at the end of the year	**12,181.16**	**12,181.16**

(d) Capital redemption reserve

The Companies Act, 2013 requires that when a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve may be applied by the company, in paying up unissued shares of the company to be issued to shareholders of the company as fully paid bonus shares. The Group established this reserve pursuant to the redemption of preference shares issued in earlier years.

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	133.11	133.11
Balance at the end of the year	**133.11**	**133.11**

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forming part of the consolidated financial statements

21. Other equity (Contd.)

[Item No. IV(c), Page 343]

(e) Special reserve

Special reserve represents reserve created by certain Indian subsidiaries of the Company pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act") and other related applicable regulations. Under the RBI Act, a non-banking finance company is required to transfer an amount not less than 20% of its net profit to a reserve fund before declaring any dividend. Appropriation from this reserve fund is permitted only for the purposes specified by the RBI.

The details of movement in special reserve is as below:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	10.06	8.14
Transfers within equity	0.42	1.92
Balance at the end of the year	**10.48**	**10.06**

(f) Capital Reserve on consolidation

The excess of fair value of net assets acquired over consideration paid in a business combination is recognised as capital reserve on consolidation. The reserve is not available for distribution.

The details of movement in capital reserve on consolidation is as below:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	2,020.62	1,436.94
Addition relating to acquisitions	-	584.24
Liquidation of group undertakings	-	(0.56)
Balance at the end of the year	**2,020.62**	**2,020.62**

(g) Others

Others primarily represent amounts appropriated out of the statement of profit or loss for unforeseen contingencies. Such appropriations are free in nature.

The details of movement in others is as below:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	243.55	253.12
Additions	14.91	-
Transfers within equity	0.29	(9.57)
Balance at the end of the year	**258.75**	**243.55**

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21. Other equity (Contd.)

[Item No. IV(c), Page 343]

D. Share application money pending allotment

The details of movement in share application money pending allotment is as below:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	-	-
Application money received during the year	3.78	0.04
Allotment of Ordinary Shares during the year	-	(0.04)
Balance at the end of the year	**3.78**	**-**

22. Non-controlling interests

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

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

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Non-controlling interests	**3,269.68**	**2,586.60**

(i) The Company, through its wholly owned subsidiary, T S Global Holdings Pte. Ltd. via TSMUK Limited holds 82.00% (March 31, 2020: 77.68%) equity stake in Tata Steel Minerals Canada Limited.

(ii) Bamnipal Steel Limited, a wholly owned subsidiary of the Company, holds 72.65% (March 31, 2021: 72.65%) stake in Tata Steel BSL Limited.

(iii) The Company holds as at March 31, 2021, 74.91% (March 31, 2020: 75.91%) equity stake in Tata Steel Long Products Limited. During the year ended March 31, 2021, the Company sold 4,51,000 shares to comply with minimum pubic shareholding requirement.

The table below provides information in respect of subsidiaries where material non-controlling interest exists:

(₹ crore)

Name of Subsidiary	Country of incorporation and operation	% of non-controlling interests as at March 31, 2021	% of non-controlling interests as at March 31, 2020	Profit/(loss) attributable to non-controlling interests for the year ended March 31, 2021	Profit/(loss) attributable to non-controlling interests for the year ended March 31, 2020	Non-controlling interests as at March 31, 2021	Non-controlling interests as at March 31, 2020
Tata Steel Minerals Canada Limited	Canada	18.00%	22.32%	(295.18)	(165.84)	127.14	506.41
Tata Steel BSL Limited	India	27.35%	27.35%	688.02	(168.64)	1,023.08	334.92
Tata Steel Long Products Limited	India	25.09%	24.09%	142.08	(135.65)	649.90	485.64

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22. Non-controlling interests (Contd.)

The tables below provides summarised information in respect of consolidated balance sheet as at March 31, 2021, consolidated statement of profit and loss and consolidated statement of cash flows for the year ended March 31, 2021, in respect of the above-mentioned entities:

Summarised balance sheet information

(₹ crore)

Particulars	Tata Steel Minerals Canada Limited		Tata Steel BSL Limited		Tata Steel Long Products Limited	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Non-current assets	6,297.46	7,516.08	30,191.44	31,614.99	4,432.14	4,889.63
Current assets	523.25	270.45	6,957.20	7,223.79	1,457.78	1,274.68
Total assets (A)	**6,820.71**	**7,786.53**	**37,148.64**	**38,838.78**	**5,889.92**	**6,164.31**
Non-current liabilities	4,597.61	4,284.33	10,560.41	15,846.97	1,483.56	2,803.31
Current liabilities	1,516.77	1,233.35	5,551.14	4,471.21	1,827.03	1,356.50
Total liabilities (B)	**6,114.38**	**5,517.68**	**16,111.55**	**20,318.18**	**3,310.59**	**4,159.81**
Net assets (A-B)(i)	**706.33**	**2,268.85**	**21,037.09**	**18,520.60**	**2,579.33**	**2,004.50**

(i) Net assets of Tata Steel BSL Limited as at March 31, 2021, includes equity portion of preference shares ₹**17,295.82** crore (March 31, 2020: ₹17,295.82 crore) issued by Tata Steel BSL Limited to the Company.

Summarised profit and loss information

(₹ crore)

Particulars	Tata Steel Minerals Canada Limited		Tata Steel BSL Limited		Tata Steel Long Products Limited	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Total income	782.56	405.90	21,509.67	18,270.89	4,815.37	3,571.31
Profit/(loss) for the year	(1,510.41)	(743.03)	2,515.99	(616.69)	572.01	(516.23)
Total comprehensive income for the year	(1,510.41)	(743.03)	2,516.50	(625.32)	574.84	(525.71)

Summarised cash flow information

(₹ crore)

Particulars	Tata Steel Minerals Canada Limited		Tata Steel BSL Limited		Tata Steel Long Products Limited	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Net cash from/ (used in) operating activities	(391.09)	440.91	8,160.46	1,866.17	1,689.72	(335.66)
Net cash from/(used in) investing activities	10.24	(860.71)	(662.96)	531.70	91.07	(3,574.41)
Net cash from/(used in) financing activities	392.53	406.61	(7,484.13)	(1,950.69)	(1,559.42)	3,804.89
Effect of exchange rate on cash and cash equivalents	(0.29)	0.63	-	-	-	-
Cash and cash equivalents at the beginning of the year	3.39	15.95	724.83	277.65	58.03	163.21
Cash and cash equivalents at the end of the year	14.78	3.39	738.20	724.83	279.40	58.03

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23. Borrowings

[Item No. V(a)(i) and VI(a)(i), Page 343]

A. Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Secured		
(i) Loan from Joint Plant Committee - Steel Development Fund	2,677.40	2,633.96
(ii) Term loans from banks/financial institutions	22,362.64	28,496.93
(iii) Lease obligations	6,710.78	5,896.52
(iv) Other loans	337.98	309.76
	32,088.80	**37,337.17**
(b) Unsecured		
(i) Bonds and debentures	31,936.51	31,445.29
(ii) Term loans from banks/financial institutions	8,376.38	25,315.71
(iii) Deferred payment liabilities	7.01	6.71
(iv) Other loans	0.09	0.09
	40,319.99	**56,767.80**
	72,408.79	**94,104.97**

B. Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Secured		
(i) Loans from banks/financial institutions	99.75	48.06
(ii) Repayable on demand from banks/financial institutions	322.10	561.52
(iii) Other loans	-	8.19
	421.85	**617.77**
(b) Unsecured		
(i) Preference shares	1.00	1.00
(ii) Loans from banks/financial institutions	9,021.05	14,937.39
(iii) Commercial papers	-	3,013.60
(iv) Other loans	48.21	614.72
	9,070.26	**18,566.71**
	9,492.11	**19,184.48**

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forming part of the consolidated financial statements

23. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page 343]

(i) As at March 31, 2021, ₹**33,715.72** crore (March 31, 2020: ₹39,178.70 crore) of the total outstanding borrowings (including current maturities) were secured by a charge on property, plant and equipment, inventories and receivables.

(ii) The security details of major borrowings as at March 31, 2021 is as below:

(a) Loans from Joint Plant Committee-Steel Development Fund

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

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

The Company has filed a writ petition before the High Court at Kolkata in February 2006 claiming waiver of the outstanding loan and interest and refund of the balance lying with Steel Development Fund and the matter is subjudice.

The loan includes funded interest ₹**1,038.07** crore (March 31, 2020: ₹994.63 crore).

It includes ₹**1,639.33** crore (March 31, 2020: ₹1,639.33 crore) representing repayments and interest on earlier loans for which applications of funding are awaiting sanction and is not secured by charge on movable assets of the Company.

(b) Loans from banks/financial institutions

Majority of the secured borrowings from banks and financial institutions relate to subsidiaries of the Company namely Tata Steel BSL Limited and Tata Steel Europe

The term loans in Tata Steel BSL Limited are secured by a charge on all its immovable and movable properties including movable plant and machinery, spares, tools and accessories, ranking *pari passu* inter-se. The loan is payable in 8 semi-annual instalments starting from March 2027. The other loans are secured by a first *pari passu* charge on all of the stock of raw materials, finished goods, stock in process, consumable stores and book debts.

The borrowings in Tata Steel Europe relate to the senior facility arrangement (SFA) which was refinanced in February 2020. The SFA is secured against the assets and shares of Tata Steel UK Limited and the shares of Tata Steel Netherlands Holdings BV(TSNH). The SFA contains a financial covenant which sets an annual maximum capital expenditure at TSNH and contains covenants for cash flow to debt service and debt tangible net worth calculated at the Company level. The SFA comprises of the following term loans:

Facility A: EURO **410.00** million bullet term loan facility equivalent to ₹**3,516.74** crore (March 31, 2020: EURO 410.00 million equivalent to ₹3,396.71 crore), repayable in February 2025

Facility B: EURO **1,340.00** million bullet term loan facility equivalent to ₹**11,493.73** crore (March 31, 2020: EURO 1,340.00 million equivalent to ₹11,101.44 crore), repayable in February 2026.

(c) Lease obligations

The Group has taken certain assets on lease for business purpose. In addition, the Group has entered into long term arrangements which convey right to control the use of the identified assets resulting in recognition of right-of-use assets and lease obligations. Lease obligations represent the present value of minimum lease payments payable over the lease term.

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23. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page 343]

(iii) The details of major unsecured borrowings as at March 31, 2021 is as below:

(a) Bonds and debentures

(I) Non-convertible Debentures:

The details of debentures issued by the Company is as below:

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

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

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

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

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

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

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

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

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

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

(xi) 2.00% p.a. interest bearing 15,000 debentures of face value ₹10,00,000 each are redeemable at a premium of 85.03% of the face value on April 23, 2022.

(II) Bonds

ABJA Investment Company Pte Ltd. a wholly owned subsidiary of the Company has issued non-convertible bonds that are listed on the Singapore Stock Exchange and Frankfurt Stock Exchange. Details of the bonds outstanding at the end of the reporting period is as below:

Sl. No.	Issued on	Currency	Initial principal due (in millions)	Outstanding principal (in millions) As at March 31, 2021	Outstanding principal (in millions) As at March 31, 2020	Interest rate	Redeemable on
1	January 2018	USD	1,000	1,000	1,000	5.45%	January 2028
2	July 2014	USD	1,000	1,000	1,000	5.95%	July 2024
3	January 2018	USD	300	300	300	4.45%	July 2023
4	May 2013	SGD	300	300	300	4.95%	May 2023

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forming part of the consolidated financial statements

23. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page 343]

(b) Loans from banks/ financial institutions

(I) Details of loans from banks and financial institutions availed by the Company is as below:

(i) Rupee loan amounting ₹**400.00** crore (March 31, 2020: ₹1,000.00 crore) is repayable in 3 semi-annual instalments, the next instalment is due on September 22, 2028.

(ii) Rupee loan amounting ₹**2,600.00** crore (March 31, 2020: Nil) is repayable in 7 semi-annual instalments, the next instalment is due on August 27, 2027.

(iii) Rupee loan amounting ₹**595.00** crore (March 31, 2020: ₹1,447.50 crore) is repayable in 4 semi-annual instalments, the next instalment is due on October 16, 2026.

(iv) Rupee loan amounting ₹**520.00** crore (March 31, 2020: ₹1,000.00 crore) is repayable in 5 semi-annual instalments, the next instalment is due on June 30, 2025.

(v) USD **440.00** million equivalent to ₹**3,217.06** crore (March 31, 2020: USD 330.00 million equivalent to 2,494.80 crore) loan is repayable in 3 equal annual instalments commencing from September 9, 2023.

(vi) USD **66.67** million equivalent to ₹**487.43** crore (March 31, 2020: USD 133.33 million equivalent to ₹1,008.00 crore) loan is repayable on February 16, 2022.

(vii) Rupee loan amounting ₹**990.00** crore (March 31, 2020: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on May 14, 2021.

(viii) EURO **28.66** million equivalent to ₹**245.87** crore (March 31, 2020: EURO 47.76 million equivalent to ₹395.80 crore) loan is repayable in 3 equal semi-annual instalments, the next instalment is due on April 30, 2021.

(II) Details of loans from banks/financial institutions availed by NatSteel Asia Pte Limited a subsidiary of the Company is as below:

(i) USD **459.97** million equivalent to ₹**3,362.61** crore (March 31, 2020: USD 1,151.66 million equivalent to ₹8,705.40 crore), fully repaid on April 22, 2021 which was originally repayable in 3 instalments, beginning April 19, 2022.

(ii) EURO **167.06** million equivalent to ₹**1,432.94** crore (March 31, 2020: EURO 418.27 million equivalent to ₹3,465.22 crore), fully repaid on April 22, 2021 which was originally repayable in 3 annual instalments, beginning April 19, 2022.

(iv) Commercial papers raised by the Group are short-term in nature ranging between one to three months.

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

(₹ crore)

	As at March 31, 2021			As at March 31, 2020		
	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
INR	16,053.06	18,578.71	34,631.77	26,388.35	29,170.92	55,559.27
GBP	2,230.16	1,974.12	4,204.28	1,217.99	1,827.02	3,045.01
EURO	1,066.91	15,441.82	16,508.73	1,238.53	17,270.08	18,508.61
USD	21,400.97	8,789.08	30,190.05	22,147.07	14,825.01	36,972.08
Others	2,838.75	127.83	2,966.58	2,221.04	22.19	2,243.23
Total	**43,589.85**	**44,911.56**	**88,501.41**	**53,212.98**	**63,115.22**	**1,16,328.20**

INR-Indian Rupees, GBP- Great Britain Pound, USD-United States Dollars.

(a) Others primarily include SGD-Singapore Dollars, CAD- Canadian Dollars and THB- Thai Baht.

(b) Majority of floating rate borrowings are bank borrowings bearing interest rates based on LIBOR, EURIBOR or local official rates. Of the total floating rate borrowings, as at March 31, 2021, ₹**3,703.27** crore (March 31, 2020: ₹2,786.70 crore) has been hedged using interest rate swaps and collars, with contracts covering a period of more than one year.

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23. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page 343]

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

	As at March 31, 2021			As at March 31, 2020		
	Borrowings other than lease obligations	Lease obligations	Total borrowings	Borrowings other than lease obligations	Lease obligations	Total borrowings
Not later than one year or on demand	14,971.51	1,702.58	16,674.09	21,101.09	1,721.35	22,822.44
Later than one year but not two years	3,053.40	1,508.11	4,561.51	1,835.76	1,397.53	3,233.29
Later than two years but not three years	10,019.92	1,320.15	11,340.07	7,316.50	1,174.58	8,491.08
Later than three years but not four years	12,567.79	1,261.49	13,829.28	12,785.00	978.90	13,763.90
Later than four years but not five years	12,150.76	943.51	13,094.27	21,116.31	968.75	22,085.06
More than five years	28,609.38	5,343.16	33,952.54	47,411.03	5,160.40	52,571.43
	81,372.76	**12,079.00**	**93,451.76**	**1,11,565.69**	**11,401.51**	**1,22,967.20**
Less: Future finance charges on leases	-	4,244.57	4,244.57	-	4,379.45	4,379.45
Less: Capitalisation of transaction costs	705.78	-	705.78	2,259.55	-	2,259.55
	80,666.98	**7,834.43**	**88,501.41**	**1,09,306.14**	**7,022.06**	**1,16,328.20**

(vii) Some of the Group's major financing arrangements include financial covenants, which require compliance to certain debt-equity ratios and debt coverage ratios by entities within the Group who have availed such borrowings. Additionally, certain negative covenants may limit the ability of entities within the Group to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach. Further, certain current year tax in respect of the Company have not been not paid as a part of the Company's strategic planning which has no consequential impact on the financial statements.

24. Other financial liabilities

[Item No. V(a)(iii) and VI(a)(iv), Page 343]

A. Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Creditors for other liabilities	522.70	387.67
	522.70	**387.67**

B. Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Current maturities of long-term borrowings	5,476.86	1,913.21
(b) Current maturities of lease obligations	1,123.65	1,125.54
(c) Interest accrued but not due	941.25	778.93
(d) Unclaimed dividends	79.45	77.31
(e) Creditors for other liabilities	6,781.90	5,623.54
	14,403.11	**9,518.53**

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

(a) creditors for capital supplies and services of ₹**3,222.61** crore (March 31, 2020: ₹2,904.05 crore).

(b) liability for employee family benefit scheme ₹**209.07** crore (March 31, 2020: ₹195.21 crore).

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25. Provisions

[Item No. V(b) and VI(b), Page 343]

A. Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Employee benefits	3,106.63	2,655.81
(b) Insurance provisions	573.39	566.80
(c) Others	1,011.90	1,012.46
	4,691.92	**4,235.07**

B. Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Employee benefits	409.16	472.03
(b) Others	4,316.16	1,191.64
	4,725.32	**1,663.67**

(i) Non-current and current provision for employee benefits include provision for leave salaries ₹**1,406.70** crore (March 31, 2020: ₹1,317.48 crore) and provision for early separation, disability and other long term employee benefits ₹**2,026.78** crore (March 31, 2020: ₹1,735.39 crore).

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

(iii) Insurance provisions currently held by Tata Steel Europe, a wholly owned indirect subsidiary of the Group cover its historical liability risks, including those covered by its captive insurance company, Crucible Insurance Company Limited, in respect of its retrospective hearing impairment policy and those for which it is now responsible for under its current insurance arrangements. The provisions include a suitable amount in respect of its known outstanding claims and an appropriate amount in respect of liabilities that have been incurred but not yet reported. The provisions are subject to regular review and are adjusted as appropriate. The value of the final insurance settlements is uncertain and so is the timing of the expenditure.

(iv) Non-current and current other provisions primarily include:

(a) provision for compensatory afforestation, mine closure and rehabilitation obligations and other environmental remediation obligations ₹**4,790.84** crore (March 31, 2020: ₹1,438.86 crore). These amounts become payable upon closure of the mines/sites and are expected to be incurred over a period of 1 to 40 years.

(b) provision in respect of onerous leases contracts amounting to ₹**132.86** crore (March 31, 2020: ₹173.79 crore).

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25. Provisions (Contd.)

[Item No. V(b) and VI(b), Page 343]

(v) The details of movement in provision balances is as below:

Year ended March 31, 2021

(₹ crore)

	Insurance Provision	Others	Total
Balance at the beginning of the year	566.80	2,204.10	2,770.90
Recognised/ (released) during the year(i)	(1.79)	3,526.62	3,524.83
Utilised during the year	(33.36)	(517.42)	(550.78)
Other re-classifications	-	15.50	15.50
Reclassified from held for sale	-	0.25	0.25
Exchange differences on consolidation	41.74	99.01	140.75
Balance at the end of the year	**573.39**	**5,328.06**	**5,901.45**

Year ended March 31, 2020

(₹ crore)

	Insurance Provision	Others	Total
Balance at the beginning of the year	661.77	1,840.99	2,502.76
Recognised/ (released) during the year(i)	(73.53)	591.19	517.66
Addition relating to acquisition	-	27.42	27.42
Disposal of group undertakings	-	(9.91)	(9.91)
Utilised during the year	(39.41)	(238.61)	(278.02)
Other re-classifications(ii)	-	(76.24)	(76.24)
Exchange differences on consolidation	17.97	69.26	87.23
Balance at the end of the year	**566.80**	**2,204.10**	**2,770.90**

(i) Includes provisions capitalised during the year in respect of restoration obligations.

(ii) Represents provision for onerous leases reclassified to right-of-use assets.

26. Deferred income

[Item No. V(d) and VI(d), Page 343]

A. Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Grants relating to property, plant and equipment	36.17	45.47
(b) Revenue grants	17.55	18.25
(c) Others	90.54	87.58
	144.26	**151.30**

B. Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Grants relating to property, plant and equipment	21.03	20.75
(b) Others	42.95	13.80
	63.98	**34.55**

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27. Other liabilities

[Item No. V(f) and VI(f), Page 343]

A. Non-current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Advances received from customers	4,974.49	2.73
(b) Statutory dues	576.37	-
(c) Other credit balances	980.48	726.42
	6,531.34	**729.15**

B. Current

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Advances received from customers	2,363.94	810.06
(b) Employee recoveries and employer contributions	183.51	135.04
(c) Statutory dues	8,531.53	6,046.67
(d) Other credit balances	34.85	58.67
	11,113.83	**7,050.44**

(i) Non-current and current advance received from customers include an interest-bearing advance of ₹**6,304.69** crore (March 31, 2020: Nil) which will be adjusted over a period of 5 years against export of steel products. Out of such advance outstanding as at March 31, 2021, ₹**1,332.87** crore will be recognised by March 31, 2022, and remaining thereafter.

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

28. Trade Payables

[Item No. VI(a)(ii), Page 343]

A. Total outstanding dues of micro and small enterprises

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Dues of micro and small enterprises	484.66	198.86
	484.66	**198.86**

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

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
(a) Creditors for supplies and services	21,331.24	17,618.35
(b) Creditors for accrued wages and salaries	4,151.59	3,563.64
	25,482.83	**21,181.99**

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29. Revenue from Operations

[Item No. I, Page 344]

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Sale of products	1,51,698.89	1,44,280.45
(b) Sale of power and water	1,529.77	1,659.46
(c) Income from services	79.73	166.09
(d) Other operating revenues[(ii)]	2,985.79	2,865.71
	1,56,294.18	**1,48,971.71**

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) India	73,488.41	70,125.20
(b) Outside India	79,819.98	75,980.80
	1,53,308.39	**1,46,106.00**

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Steel	1,43,882.76	1,35,120.83
(b) Power and water	1,529.77	1,659.46
(c) Others	7,895.86	9,325.71
	1,53,308.39	**1,46,106.00**

Revenue outside India includes Asia excluding India ₹**20,135.38** crore (2019-20: ₹18,089.85 crore), UK ₹**11,745.40** crore (2019-20: ₹12,651.47 crore) and other European countries ₹**37,792.85** crore (2019-20: ₹35,857.62 crore).

(ii) Other operating revenues include export incentives and deferred income released to consolidated statement of profit and loss.

30. Other income

[Item No. II, Page 344]

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Dividend income	42.03	46.64
(b) Interest income	280.43	1,394.51
(c) Net gain/ (loss) on sale/ fair value changes of mutual funds	226.98	140.86
(d) Net gain/ (loss) on sale of non-current investments	0.27	2.01
(e) Gain/ (loss) on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/ written off)	148.03	(4.36)
(f) Gain/ (loss) on cancellation of forwards, swaps and options	69.92	(1.26)
(g) Other miscellaneous income	127.94	243.59
	895.60	**1,821.99**

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30. Other income (Contd.)

[Item No. II, Page 344]

(i) Dividend income includes income from investments carried at fair value through other comprehensive income of ₹**19.48** crore (2019-20: ₹20.29 crore)

(ii) Interest income includes:

(a) income from financial assets carried at amortised cost of ₹**265.47** crore (2019-20: ₹215.57 crore).

(b) income from financial assets carried at fair value through profit and loss ₹**14.96** crore (2019-20: ₹9.28 crore).

(iii) For the year ended March 31, 2020, interest income included gain of ₹1,169.66 crore on senior facility arrangement refinancing in February 2020 within Tata Steel Europe, treated as a debt modification in accordance with Ind AS 109 "Financial Instruments". The gain arises as the effective interest rate used to discount the cashflows is higher than the actual interest rate charged on the facility.

31. Employee benefits expense

[Item No. IV(d), Page 344]

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Salaries and wages	16,476.38	15,750.09
(b) Contribution to provident and other funds	2,900.36	2,734.45
(c) Staff welfare expenses	532.07	667.69
	19,908.81	**19,152.23**

During the year ended March 31, 2021, the Company has recognised an amount of ₹**34.28** crore (2019-20: ₹32.96 crore) as remuneration to key managerial personnel. The details of such remuneration is as below:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Short-term employee benefits	28.19	21.47
(b) Post-employment benefits	5.82	11.21
(c) Other long-term employee benefits	0.27	0.28
	34.28	**32.96**

32. Finance Costs

[Item No. IV(e), Page 344]

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense on:		
(a) Bonds, debentures, bank borrowings and others	7,090.14	7,138.87
(b) Lease obligations	676.47	682.85
	7,766.61	**7,821.72**
Less: Interest capitalised	159.90	241.00
	7,606.71	**7,580.72**

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33. Depreciation and amortisation expense

[Item No. IV(f), Page 344]

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on tangible and amortisation of intangible assets	8,103.38	7,888.94
Depreciation on right-of-use assets	1,215.10	1,026.84
Less: Transferred to capital accounts	73.70	195.89
Less: Amount released from grants received	11.14	12.22
	9,233.64	**8,707.67**

34. Other expenses

[Item No. IV(g), Page 344]

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Consumption of stores and spares	10,868.31	11,874.81
(b) Repairs to buildings	123.29	110.49
(c) Repairs to machinery	7,469.88	6,986.92
(d) Relining expenses	171.25	198.38
(e) Fuel oil consumed	601.71	821.40
(f) Purchase of power	5,186.77	5,522.45
(g) Conversion charges	2,112.19	2,687.41
(h) Freight and handling charges	8,847.69	9,120.21
(i) Rent	2,248.49	2,352.51
(j) Royalty	3,483.67	1,825.21
(k) Rates and taxes	1,530.38	1,186.24
(l) Insurance charges	509.46	369.80
(m) Commission, discounts and rebates	304.24	241.14
(n) Allowance for credit losses/ provision for advances	85.41	5.82
(o) Others	7,163.91	7,400.14
	50,706.65	**50,702.93**

(i) Others include net foreign exchange gain ₹**1,895.17** crore (2019-20: gain ₹722.12 crore).

(ii) During the year ended March 31, 2021, the Company has recognized an amount of ₹**8.29** crore (2019-20: ₹6.95 crore) as payment to non-executive directors. The details are as below:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Short-term benefits	7.80	6.55
(b) Sitting fees	0.49	0.40
	8.29	**6.95**

(iii) Revenue expenditure charged to the consolidated statement of profit and loss in respect of research and development activities undertaken during the year is ₹**738.31** crore (2019-20: ₹756.31 crore)

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35. Exceptional items

[Item No. VII, Page 344]

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

(a) Profit on sale of subsidiaries and non-current investments includes profit of ₹**25.57** crore on realisation of deferred consideration on sale of a joint venture and loss of ₹**9.76** crore on liquidation of subsidiaries (2019-20: includes profit of ₹121.01 crore on sale and ₹81.98 crore on liquidation of subsidiaries within the European and South East Asian Operations).

(b) Provision for impairment of investments/doubtful advances ₹**70.23** crore (2019-20: charge of ₹40.95 crore) primarily includes impairment reversal in one of the associates of the Group.

(c) Provision for impairment of non-current assets includes:

a. net impairment recognised in respect of property, plant and equipment (including capital work-in-progress), right-of-use assets and other assets ₹**1,953.69** crore (2019-20: ₹4,372.44 crore). The impairment recognized is contained within European, South East Asian, other Indian operations and Rest of the world segments. For the year ended March 31, 2020, the impairment charge of ₹4,372.44 crore was contained within Tata Steel Europe, Rest of the world, Other Indian operations, Bamnipal Steel (including Tata Steel BSL) and South East Asian operations segments. The impairment recognized is shown within exceptional items in segment reporting and does not form part of segment results.

b. reversal of fair value loss ₹**1,230.28** on reclassification from held for sale, that was earlier recognized for South East Asian businesses.

(d) Provision for demands and claims **Nil** (2019-20: ₹196.41 crore) is in respect of certain statutory demands and claims.

(e) Employee separation compensation ₹**443.55** crore (2019-20: ₹107.37 crore) relates to provisions recognised in respect of early separation of employee within Indian operations.

(f) Restructuring and other provisions ₹**87.50** crore primarily represents reversal of provisions in European Operations. For the year ended March 31, 2020, ₹165.40 crore primarily includes provision relating to performance obligation towards development of a coal block within Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited), restructuring provisions within European and South East Asian Operations and write-back of liabilities no longer required).

(g) Gain/(loss) on non-current investments classified as fair value through profit and loss (net) ₹**49.74** crore represents fair value loss on investments in debentures of a joint venture of the Company (2019-20: ₹250.00 crore on investments in preference shares of an associate of the Company).

36. Earnings per share

[Item No. XV, Page 345]

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

(₹ crore)

		Year ended March 31, 2021	Year ended March 31, 2020
(a)	Profit/(loss) after tax	7,490.22	1,556.54
	Less: Distribution on hybrid perpetual securities (net of tax)	181.35	199.18
	Profit/(loss) after tax attributable to ordinary shareholders- for basic and diluted EPS	7,308.87	1,357.36
		Nos.	Nos.
(b)	Weighted average number of ordinary shares for basic EPS	1,14,59,02,736	1,14,47,48,227
	Add: Adjustment for shares held in abeyance	1,08,181	89,536
	Weighted average number of ordinary shares and potential ordinary shares for diluted EPS	1,14,60,10,917	1,14,48,37,763
(c)	Nominal value of Ordinary Share (₹)	10.00	10.00
(d)	Basic earnings per Ordinary Share (₹)	63.78	11.86
	Diluted earnings per Ordinary Share (₹)	63.78	11.86

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36. Earnings per share (Contd.)

[Item No. XV, Page 345]

(i) As at March 31, 2021, **5,70,42,370** options (March 31, 2020: 5,81,96,450) in respect of partly paid shares and **1,22,619** options (March 31, 2020: 1,21,523) in respect of fully paid shares were excluded from weighted average number of Ordinary Shares for the computation of diluted earnings per share as these were anti-dilutive.

37. Employee benefits

A. Defined contribution plans

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

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

(a) Provident fund and pension

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

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

(b) Superannuation fund

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

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

The contributions recognised as an expense in the consolidated statement of profit and loss during the year on account of the above defined contribution plans amounted to ₹**1,553.37** crore (2019-20: ₹1,419.38 crore).

B. Defined benefit plans

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

(a) Provident fund and pension

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

In accordance with an actuarial valuation of provident fund liabilities of Company and its Indian subsidiaries based on guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, other than the amounts provided during the year in respect of two Indian subsidiaries ₹19.32 crore, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

Key assumptions used for actuarial valuation are as below:

	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate	6.50% - 6.80%	6.20% - 6.70%
Guaranteed rate of return	8.00% - 8.50%	8.00% - 8.50%
Expected rate of return on investment	7.50% - 8.00%	8.00% - 8.50%

37. Employee benefits (Contd.)

(b) Retiring gratuity

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

(c) Post-retirement medical benefits

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

(d) Tata Steel Europe's pension plan

Tata Steel Europe (TSE), a wholly owned indirect subsidiary of the Company, operates a number of defined benefit pension and post-retirement schemes. The benefits offered by these schemes are largely based on pensionable pay and years of service at retirement. With the exception of certain unfunded arrangements, the assets of these schemes are held in administered funds that are legally separated from TSE. For those pension schemes set up under a trust, the trustees are required by law to act in the best interests of the schemes beneficiaries in accordance with the scheme rules and relevant pension legislation. The trustees are generally responsible for the investment policy with regard to the assets of the fund, after consulting with the sponsoring employer.

TSE accounts for all pension and post-retirement defined benefit arrangements using Ind AS 19 "Employee Benefits", with independent actuaries being used to calculate the costs, assets and liabilities to be recognised in relation to these schemes. The present value of the defined benefit obligation, the current service cost and past service costs are calculated by these actuaries using the Projected unit credit method. However, the ongoing funding arrangements of each scheme, in place to meet their long-term pension liabilities, are governed by the individual scheme documentation and national legislation. The accounting and disclosure requirements of Ind AS 19 "Employee benefits" do not affect these funding arrangements.

The British Steel Pension Scheme (BSPS) is the legacy defined benefit pension scheme in the UK and is closed to future accrual. The current Scheme is the successor to the old BSPS which entered a Pension Protection Fund (PPF) assessment period in March 2018. The Scheme currently has around 71,500 members of which over 80% are pensioners with benefits in payment. The BSPS is sponsored by Tata Steel UK Limited (TSUK). Although TSUK has a legal obligation to fund any future deficit, a key condition of the new BSPS going forward was that it was sufficiently well funded to meet the scheme's modified liabilities on a self-sufficiency basis with a buffer to cover residual risks. With the assets that it holds, the new scheme is therefore well positioned to pay benefits securely on a low risk basis without recourse to TSUK. Pension risks relating to the Scheme include economic risks (such as interest rate risk and inflation risk), demographic risks (for example members living longer than expected), and legal risks (for example changes in legislation that may increase liabilities). TSUK has worked with the Trustee to develop and implement an Integrated Risk Management ('IRM') framework to manage these risks. The framework provides ongoing monitoring of the key investment, funding and covenant risks facing the scheme and tracks progress against the scheme's journey plan and target. Measures taken by the Trustee to manage risk include the use of asset-liability matching techniques to reduce interest rate risk, and investment in assets that are expected to be correlated to future inflation in the longer term to mitigate inflation risk. In particular, the scheme's investment policy has regard for the maturity and nature of the scheme's liabilities and seeks to match a large part of the scheme's liabilities with secure bonds, whilst achieving a higher long term return on a small proportion of equity and other investments. However, the scheme's interest rate risk is hedged on a long term funding basis linked to gilts whereas AA corporate bonds are implicit in the Ind AS 19 "Employee Benefits" discount rate and so there is some mismatching risk to the TSE financial statements should yields on gilts and corporate bonds diverge.

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37. Employee benefits (Contd.)

The BSPS Trustee and TSE are currently exploring options to further manage the Scheme's risks with one or more insurers. This might include establishing a framework for partial buy-in transactions and/or longevity swaps over a period of time.

The BSPS holds an anti-embarrassment interest in TSUK agreed as part of the Regulated Apportionment Arrangement ("RAA") entered into in 2017. The anti-embarrassment interest was initially 33.33% at the time of the RAA but has since been diluted to less than 1% due to successive equity issuances by TSUK to its parent company Corus Group Limited. No value has been included in the BSPS's assets at March 31, 2021 (March 31, 2020: Nil) for its interest in TSUK.

At March 31, 2021 the new scheme had an Ind AS 19 surplus of ₹**18,860.16** crore (March 31, 2020: ₹26,067.36 crore). TSE has recognised 100% (March 31, 2020: 100%) of the surplus as it has an unconditional right to a refund of the surplus. The new scheme is fully funded on a low-risk technical provisions ('TP') basis and TSUK is working with the Trustee to explore options to increase security for members and to work towards an ultimate winding up of the scheme in which all benefits are fully secured with one or more insurance companies. TSUK is investigating with the BSPS Trustee options to buy-in some or all of the scheme's liabilities with an insurer. TSUK retains the sole power to decide whether to subsequently proceed to wind-up and buy-out liabilities. The Pensions Framework Agreement agreed as part of the RAA stipulates that this can only be achieved if the valuation of the scheme on a "buyout" basis is either at or above 103%. The 3% excess above full funding would be applied for restoration of an element of member benefits foregone as part of the RAA. As the chance of achieving the required pricing level is currently not probable, no adjustments in respect of restoration has been made to the Ind AS 19 "Employee Benefits" valuation of the BSPS at March 31, 2021 with the assumption of pension payouts being retained at 100%. The March 31, 2018 valuation was agreed between TSUK and the BSPS Trustee on April 11, 2019. This was a surplus of ₹6,008.56 crore on a TP (more prudent) basis equating to a funding ratio of 106.3%. The agreed Schedule of Contributions confirmed that neither ordinary nor deficit recovery contributions are due from TSE.

The weighted average duration of the scheme's liabilities at March 31, 2021 was **14.5** years (March 31, 2020: 14.5 years). On October 26, 2018 the High Court ruled that UK pension schemes would be required to equalise guaranteed minimum pensions ('GMP'). The ruling also provided guidance on how this equalisation should be undertaken. Following this ruling, TSE recognised in financial year 2018-19 an increase of ₹458.10 crore to the BSPS liabilities in respect of the estimated impact of this equalisation with the related charge recognised in other comprehensive income. This reserve has been retained at the same value in the March 31, 2021 Ind AS 19 position.

(e) Other defined benefits

Other benefits provided under unfunded schemes include pension payable to directors on their retirement, farewell gifts, post-retirement lumpsum benefit and reimbursement of packing and transportation charges to the employees based on their last drawn salary. The defined benefit plans expose the Group to a number of actuarial risks as below:

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

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

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

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

(v) **Inflation risk:** Some of the Group's Pension obligations are linked to inflation, and higher inflation will lead to higher liabilities although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation.

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37. Employee benefits (Contd.)

C. Details of defined benefit obligations and plan assets:

(a) Retiring gratuity:

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Change in defined benefit obligations:		
Obligation at the beginning of the year	3,331.04	3,096.99
Addition relating to acquisitions	-	24.77
Current service cost	188.15	150.73
Past service cost	14.92	-
Interest cost	205.42	200.10
Benefits paid	(387.54)	(597.47)
Remeasurement (gain)/loss	(118.86)	269.36
Adjustment for arrear wage settlement	1.62	192.01
Obligations of companies disposed	-	(5.45)
Obligation at the end of the year	**3,234.75**	**3,331.04**

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Change in plan assets:		
Fair value of plan assets at the beginning of the year	2,687.02	2,976.94
Interest income	173.81	204.18
Remeasurement gain/(loss) excluding amount included within employee benefit expense	13.37	16.11
Employers' contribution	370.77	86.94
Benefits paid	(384.84)	(592.51)
Assets of companies disposed	-	(4.64)
Fair value of plan assets at the end of the year	**2,860.13**	**2,687.02**

Amounts recognised in the consolidated balance sheet consist of:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets	2,860.13	2,687.02
Present value of obligation	3,234.75	3,331.04
	(374.62)	**(644.02)**
Recognised as:		
Retirement benefit assets - Non-current	0.72	0.42
Retirement benefit assets - Current	0.42	-
Retirement benefit obligations - Non-current	(361.47)	(625.82)
Retirement benefit obligations - Current	(14.29)	(18.62)
	(374.62)	**(644.02)**

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37. Employee benefits (Contd.)

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Employee benefits expense:		
Current service cost	188.15	150.73
Past service cost	14.92	-
Net interest expense	31.61	(4.08)
	234.68	**146.65**
Other comprehensive income:		
Return on plan assets excluding amount included in employee benefits expense	(13.37)	(16.11)
Actuarial (gain)/loss arising from changes in demographic assumptions	(5.59)	0.26
Actuarial (gain)/loss arising from changes in financial assumptions	(31.28)	254.40
Actuarial (gain)/loss arising from changes in experience adjustments	(81.99)	14.70
	(132.23)	**253.25**
Expense/(gain) recognised in the consolidated statement of profit and loss	**102.45**	**399.90**

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

	As at March 31, 2021	As at March 31, 2020
Assets category (%)		
Quoted		
Equity instruments	0.32	0.22
Debt instruments	19.99	21.65
	20.31	**21.87**
Unquoted		
Debt instruments	0.79	1.00
Insurance products	75.13	73.53
Others	3.77	3.60
	79.69	**78.13**
	100.00	**100.00**

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

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

	As at March 31, 2021	As at March 31, 2020
Discount rate	6.00 - 7.00 %	6.20 - 6.96 %
Rate of escalation in salary	5.00 - 12.00 %	5.00 - 10.00 %

(iv) Weighted average duration of the retiring gratuity obligation ranges between **6 to 20** years (March 31, 2020: 6 to 16 years).

(v) The Group expects to contribute ₹**312.37** crore to the plan during the financial year 2021-22.

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

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37. Employee benefits (Contd.)

As at March 31, 2021

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹236.75 crore, increase by ₹272.35 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹266.17 crore, decrease by ₹235.55 crore

As at March 31, 2020

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹245.08 crore, increase by ₹285.02 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹278.14 crore, decrease by ₹245.13 crore

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

(b) Tata Steel Europe's Pension Plan

(i) The following table sets out the amounts recognised in the consolidated financial statements in respect of Tata Steel Europe's pension plans.

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Change in defined benefit obligations:		
Obligation at the beginning of the year	74,192.91	77,973.85
Current service cost	184.47	153.33
Past service cost	-	(36.08)
Interest cost	1,825.31	1,731.77
Remeasurement (gain)/loss	9,255.53	(3,239.54)
Settlements	-	(108.24)
Benefits paid	(4,971.04)	(4,744.32)
Exchange differences on consolidation	5,722.52	2,462.14
Obligation at the end of the year	**86,209.70**	**74,192.91**

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Change in plan assets:		
Fair value of plan assets at the beginning of the year	1,00,260.27	96,807.02
Interest income	2,485.53	2,173.73
Remeasurement gain/(loss)	(252.44)	2,769.02
Employer's contribution	58.25	63.14
Settlements	-	(108.24)
Benefits paid	(4,951.63)	(4,726.28)
Exchange differences on consolidation	7,469.88	3,281.88
Fair value of plan assets at the end of the year	**1,05,069.86**	**1,00,260.27**

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forming part of the consolidated financial statements

37. Employee benefits (Contd.)

Amounts recognised in the consolidated balance sheet consist of:

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Fair value of plan assets	1,05,069.86	1,00,260.27
Present value of obligation	86,209.70	74,192.91
	18,860.16	**26,067.36**
Recognised as:		
Retirement benefit assets - Non-current	20,018.75	27,278.03
Retirement benefit obligations - Current	(12.71)	(9.25)
Retirement benefit obligations - Non-current	(1,145.88)	(1,201.42)
	18,860.16	**26,067.36**

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Employee benefits expense:		
Current service cost	184.47	153.33
Past service costs	-	(36.08)
Net interest expense/(income)	(660.22)	(441.96)
	(475.75)	**(324.71)**
Other comprehensive income:		
Return on plan assets excluding amount included in employee benefits expense	252.44	(2,769.02)
Actuarial (gain)/loss arising from changes in demographic assumptions	77.28	342.50
Actuarial (gain)/loss arising from changes in financial assumptions	9,834.01	(3,588.86)
Actuarial (gain)/loss arising from changes in experience adjustments	(655.76)	6.82
	9,507.97	**(6,008.56)**
Expense/(gain) recognised in the consolidated statement of profit and loss	**9,032.22**	**(6,333.27)**

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

	As at March 31, 2021	As at March 31, 2020
Assets category (%)		
Quoted		
(a) Equity - UK entities	0.39	0.44
(b) Equity - Non-UK entities	4.09	3.92
(c) Bonds - Fixed rate	78.45	68.36
(d) Bonds - Indexed linked	15.75	29.25
(e) Others	0.42	0.34
	99.10	**102.31**
Unquoted		
(a) Property	11.64	11.18
(b) Derivatives	(13.38)	(16.06)
(c) Others	2.64	2.57
	0.90	**(2.31)**
	100.00	**100.00**

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37. Employee benefits (Contd.)

(iii) Key assumptions used in the measurement of pension benefits is as below:

	As at March 31, 2021		As at March 31, 2020	
	BSPS	Others	BSPS	Others
Discount rate	2.05%	0.40 - 3.00%	2.45%	0.30 - 3.20%
Rate of escalation in salary	N.A	1.00 - 2.00%	N.A.	1.00 - 2.00%
Inflation rate	3.20%	1.00 - 3.00%	2.55%	1.00 - 3.00%

Demographic assumptions are set having regard to the latest trends in life expectancy, plan experience and other relevant data, including externally published actuarial information within each national jurisdiction. The assumptions are reviewed and updated as necessary as part of the periodic actuarial funding valuations of the individual pension and post-retirement plans. For the BSPS the liability calculations as at March 31, 2021 use the Self-Administered Pension Schemes 2 (SAPS 2) base tables, S2NMA/S2DFA with the 2015 CMI projections with a **1.50**% p.a. (2019-20: 1.50% p.a.) long-term trend applied from 2007 to 2016 [(adjusted by a multiplier of **1.15** p.a. (2019-20: 1.15 p.a.) for males and **1.21** p.a. (2019-20: 1.21 p.a.) for females)]. In addition, future mortality improvements are allowed for in line with the 2020 CMI Projections with a long-term improvement trend of 1% per annum and a smoothing parameter of 7.0. This indicates that today's 65 year old male member is expected to live on average to approximately **86** years (2019-20: 86 years) of age and a male member reaching age 65 in 15 years time is then expected to live on average to **87** years (2019-20: 87) of age.

(iv) Weighted average duration of the pension obligations is **14.5** years (March 31, 2020: 14.5 years).

(v) The Group expects to contribute **Nil** to the plan during the financial year 2021-22.

(vi) The table below outlines the effect on pension obligations in the event of a decrease/increase of 10 bps in the assumptions used.

As at March 31, 2021

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 10 bps, decrease by 10 bps	Decrease by 1.4%, increase by 1.4%
Rate of escalation in salary	Increase by 10 bps, decrease by 10 bps	Not applicable as pensionable earnings is capped
Inflation rate	Increase by 10 bps, decrease by 10 bps	Increase by 1.0%, decrease by 1.0%
Mortality rate	One year increase/decrease in life expectancy	Increase by 2.8%, decrease by 2.8%

As at March 31, 2020

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 10 bps, decrease by 10 bps	Decrease by 1.4%, increase by 1.4%
Rate of escalation in salary	Increase by 10 bps, decrease by 10 bps	Not applicable as pensionable earnings is capped
Inflation rate	Increase by 10 bps, decrease by 10 bps	Increase by 1.0%, decrease by 1.0%
Mortality rate	One year increase/decrease in life expectancy	Increase by 3%, decrease by 3%

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

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37. Employee benefits (Contd.)

(c) Post-retirement medical and other defined benefit plans

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

(₹ crore)

	Year ended March 31, 2021		Year ended March 31, 2020	
	Medical	Others	Medical	Others
Change in defined benefit obligations:				
Obligation at the beginning of the year	1,586.39	297.94	1,307.49	211.21
Current service cost	26.57	52.77	19.38	66.79
Interest cost	100.51	20.01	95.27	15.10
Remeasurement (gain)/loss				
(i) Actuarial (gain)/losses arising from changes in demographic assumptions	(11.90)	(0.41)	-	-
(ii) Actuarial (gain)/losses arising from changes in financial assumptions	(0.83)	(0.38)	215.48	18.56
(iii) Actuarial (gain)/losses arising from changes in experience adjustments	61.33	(4.38)	23.34	4.99
Benefits paid	(79.83)	(38.66)	(73.35)	(19.14)
Settlements	-	1.45	-	-
Addition relating to acquisition	-	-	-	0.43
Obligations of companies disposed	-	-	(1.22)	-
Reclassified from held for sale	-	106.11	-	-
Exchange differences on consolidation	-	(1.75)	-	-
Obligation at the end of the year	**1,682.24**	**432.70**	**1,586.39**	**297.94**

Amounts recognised in the consolidated balance sheet consist of:

(₹ crore)

	As at March 31, 2021		As at March 31, 2020	
	Medical	Others	Medical	Others
Present value of obligations	1,682.24	432.70	1,586.39	297.94
Recognised as:				
(a) Retirement benefit obligations - Current	103.78	18.71	95.85	17.54
(b) Retirement benefit obligations - Non-current	1,578.46	413.99	1,490.54	280.40
	1,682.24	**432.70**	**1,586.39**	**297.94**

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37. Employee benefits (Contd.)

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

(₹ crore)

	Year ended March 31, 2021		Year ended March 31, 2020	
	Medical	Others	Medical	Others
Employee benefits expense:				
Current service cost	26.57	52.77	19.38	66.79
Interest cost	100.51	20.01	95.27	15.10
	127.08	**72.78**	**114.65**	**81.89**
Other comprehensive income:				
Actuarial (gain)/loss arising from changes in demographic assumptions	(11.90)	(0.41)	-	-
Actuarial (gain)/loss arising from changes in financial assumption	(0.83)	(0.38)	215.48	18.56
Actuarial (gain)/loss arising from changes in experience adjustments	61.33	(4.38)	23.34	4.99
	48.60	**(5.17)**	**238.82**	**23.55**
Expense/(gain) recognised in the consolidated statement of profit and loss	**175.68**	**67.61**	**353.47**	**105.44**

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

	As at March 31, 2021		As at March 31, 2020	
	Medical	Others	Medical	Others
Discount rate	6.50 - 7.00%	0.51 - 6.96%	6.20 - 6.75%	6.20% - 6.75%
Rate of escalation in salary	N.A	3.50 - 15.00%	N.A	3.50 - 15.00%
Inflation rate	5.00 - 20.00%	5.00 - 6.00%	5.00 - 8.00%	4.00 - 6.00%

(iii) Weighted average duration of post-retirement medical benefit obligations ranges between **7 to 13** years (March 31, 2020: 7 to 10 years). Weighted average duration of other defined benefit obligations ranges between **2.9 to 35** years (March 31, 2020: 5 to 12 years).

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37. Employee benefits (Contd.)

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

As at March 31, 2021

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹225.41 crore, increase by ₹290.98 crore
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹269.54 crore, decrease by ₹213.71 crore

As at March 31, 2020

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹216.09 crore, increase by ₹278.55 crore
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹258.25 crore, decrease by ₹205.01 crore

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

As at March 31, 2021

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹29.48 crore, increase by ₹34.44 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹17.33 crore, decrease by ₹15.19 crore
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹8.29 crore, decrease by ₹7.26 crore

As at March 31, 2020

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹17.96 crore, increase by ₹21.07 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹5.93 crore, decrease by ₹5.26 crore
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹7.52 crore, decrease by ₹6.58 crore

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

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38. Contingencies and commitments

A. Contingencies

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

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

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

Litigations

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

Income tax

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

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

As at March 31, 2021, there are matters and/or disputes pending in appeal amounting to ₹**2,461.62** crore (March 31, 2020: ₹2,364.13 crore) which includes ₹**8.38** crore (March 31, 2020: ₹11.62 crore) in respect of equity accounted investees.

The details of significant demands are as below:

(a) Interest expenditure on loans taken by the Company for acquisition of a subsidiary has been disallowed in assessments with tax demand raised for ₹**1,551.10** crore (inclusive of interest) (March 31, 2020: ₹1,551.10 crore).

(b) Interest expenditure on "Hybrid Perpetual Securities" has been disallowed in assessments with tax demand raised for ₹**170.54** crore (inclusive of interest) (March 31, 2020: ₹170.54 crore)

In respect of above demands, the Company has deposited an amount of ₹**1,250.54** crore (March 31, 2020: ₹1,165.00 crore) as a precondition for obtaining stay. The Company expects to sustain its position on ultimate resolution of the said appeals.

Customs, Excise Duty and Service tax

As at March 31, 2021, there were pending litigations for various matters relating to customs, excise duty and service tax involving demands of ₹**542.04** crore (March 31, 2020: ₹614.58 crore), which includes ₹**37.32** crore (March 31, 2020: ₹20.50 crore) in respect of equity accounted investees.

Sales tax /VAT

The total sales tax demands that are being contested by the Group amounted to ₹**998.87** crore (March 31, 2020: ₹742.66 crore), which includes ₹**76.33** crore (March 31, 2020: ₹79.05 crore) in respect of equity accounted investees.

The detail of significant demand is as below:

(a) The Company stock transfers its goods manufactured at Jamshedpur works plant to its various depots/branches located outside the state of Jharkhand across the country and these goods are then sold to various customers outside the states from depots/branches. As per the Central Sales Tax Act, 1956, these transfers of goods to depots/branches were made without payment of Central sales tax and F-Form was submitted in lieu of the stock-transfers made during the period of assessment. The value of these sales was also disclosed in the periodical returns filed as per the Jharkhand Vat Act, 2005. The Commercial Tax Department has raised demand of Central Sales tax by levying tax on the differences between value of sales outside the states and value of F-Form submitted for stock transfers. The amount involved for various assessment years beginning 2011-2012 to 2016-2017 as on March 31, 2021 is amounting to ₹**188.65** crore (March 31, 2020: ₹127.00 crore).

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38. Contingencies and commitments (Contd.)

Other taxes, dues and claims

Other amounts for which the Group may contingently be liable aggregate to ₹**14,354.82** crore (March 31, 2020: ₹13,044.46 crore), which includes ₹**93.59** crore (March 31, 2020: ₹90.53 crore) in respect of equity accounted investees.

The details of significant demands are as below:

(a) Claim by a party arising out of conversion arrangement ₹**195.79** crore (March 31, 2020: ₹195.79 crore). The Company has not acknowledged this claim and has instead filed a claim of ₹**141.23** crore (March 31, 2020: ₹141.23 crore) on the party. The matter is pending before the Calcutta High Court.

(b) The State Government of Odisha introduced "Orissa Rural Infrastructure and Socio Economic Development Act, 2004" with effect from February 2005 levying tax on mineral bearing land computed on the basis of value of minerals produced from the mineral bearing land. The Company had filed a writ petition in the Orissa High Court challenging the validity of the Act. The High Court held in December 2005 that the State does not have authority to levy tax on minerals. The State of Odisha filed an appeal in the Supreme Court against the order of the High Court and the case is pending in Supreme Court. The potential liability, as at March 31, 2021 is ₹**9,709.73** crore (March 31, 2020: ₹8,732.29 crore).

(c) The Company pays royalty on iron ore on the basis of quantity removed from the leased area at the rates based on notification issued by the Ministry of Mines, Government of India and the price published by India Bureau of Mines (IBM) on a monthly basis.

Demand of ₹411.08 crore has been raised by Deputy Director of Mines, Joda, claiming royalty at sized ore rates on despatches of ore fines. The Company has filed a revision petition on November 14, 2013 before the Mines Tribunal, Government of India, Ministry of Mines, New Delhi, challenging the legality and validity of the demand and to grant refund of royalty paid in excess by the Company. Mines Tribunal has granted stay on the total demand with directive to Government of Odisha not to take any coercive action for realisation of this demanded amount.

The Hon'ble High Court of Orissa, in a similar matter held the circulars based on which demands were raised to be valid. The Company has challenged the judgement of the High Court by a separate petition in the Hon'ble Supreme Court on April 29, 2016.

On July 16, 2019, the Company has filed rejoinders to the reply filed by State of Odisha against the revision petition. The State pressed for rejection of revision applications citing the judgment of the High Court. The Company represented before the authorities and explained that the judgment was passed under a particular set of 'facts & circumstances' which cannot have blanket application on the Company considering the case of the Company is factually different. On August 7, 2019, the Mines Tribunal decided to await the outcome of Special leave petition pending before the Hon'ble Supreme Court and adjourned the matter.

Likely demand of royalty on fines at sized ore rates as on March 31, 2021, is ₹**2,207.31** crore (March 31, 2020: ₹1,965.52 crore).

(d) Demand notices were originally issued by the Deputy Director of Mines, Odisha amounting to ₹3,827.29 crore for excess production over the quantity permitted under the mining plan, environment clearance or consent to operate, pertaining to 2000-01 to 2009-10. The demand notices have been raised under Section 21(5) of the Mines & Minerals (Development and Regulations) Act, 1957 (MMDR). The Company filed revision petitions before the Mines Tribunal against all such demand notices. Initially, a stay of demands was granted, later by order dated October 12, 2017, the issue has been remanded to the state for reconsideration of the demand in the light of Supreme Court judgement passed on August 2, 2017.

The Hon'ble Supreme Court pronounced its judgement in the Common Cause case on August 2, 2017 wherein it directed that compensation equivalent to the price of mineral extracted in excess of environment clearance or without forest clearance from the forest land be paid.

In pursuance to the Judgement of Hon'ble Supreme Court, demand/show cause notices amounting to ₹3,873.35 crore have been issued during 2017-18 by the Deputy Director of Mines, Odisha and the District Mining Office, Jharkhand.

In respect of the above demands:

- as directed by the Hon'ble Supreme Court, the Company has provided and paid for iron ore and manganese ore an amount of ₹614.41 crore during 2017-18 for production in excess of environment clearance to the Deputy Director of Mines, Odisha.

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38. Contingencies and commitments (Contd.)

- the Company has provided and paid under protest an amount of ₹56.97 crore during 2017-18 for production in excess of environment clearance to the District Mining Office, Jharkhand.
- the Company has challenged the demands amounting to ₹132.91 crore in 2017-18 for production in excess of lower of mining plan and consent to operate limits raised by the Deputy Director of Mines, Odisha before the Mines Tribunal and obtained a stay on the matter. Mines Tribunal, Delhi vide order dated November 26, 2018 disposed of all the revision applications with a direction to remand it to the State Government to hear all such cases afresh and pass detailed order. Demand amount of ₹**132.91** crore (March 31, 2020: ₹132.91 crore) is considered contingent.
- the Company has made a comprehensive submission before the Deputy Director of Mines, Odisha against show cause notices amounting to ₹694.02 crore received during 2017-18 for production in violation of mining plan, Environment Protection Act, 1986 and Water (Prevention & Control of Pollution) Act, 1981. A demand amounting to ₹234.74 crore has been received in April, 2018 from the Deputy Director of Mines, Odisha for production in excess of the Environmental Clearance. The Company has challenged the demand and obtained a stay on the matter from the Revisionary Authority, Mines Tribunal, New Delhi. Demand of ₹234.74 crore has been provided and show cause notice of ₹694.02 crore was considered as contingent as at March 31, 2019.

  During the year ended March 31, 2020, based on the evaluation of current facts and circumstances, the Company assessed and concluded that the said show cause notice of ₹694.02 crore no longer qualifies to be a contingent liability.
- the Company based on its internal assessment has provided an amount of ₹1,412.89 crore against demand notices amounting to ₹2,140.30 crore received from the District Mining Office, Jharkhand for producing more than environment clearance and the balance amount of ₹**727.41** crore (March 31, 2020: ₹727.41 crore) is considered contingent. The Company has however been granted a stay by the Revisional Authority, Ministry of Coal, Government of India against such demand notices.

(e) An agreement was executed between the Government of Odisha (GoO) and the Company in December, 1992 for drawal of water from Kundra Nalla for industrial consumption. In December 1993, the Tahsildar, Barbil issued a show-cause notice alleging that the Company has lifted more quantity of water than the sanctioned limit under the agreement and has also not installed the water meter.

While the proceedings in this regard were in progress, the Company had applied for allocation of fresh limits. Over the years, there has also been a steep increase in water charges against which the Company filed writ petitions before the Hon'ble High Court of Odisha.

In this regard, the Company has received demands of ₹183.46 crore considering the demand for the period beginning January 1996 to November 2020. The potential exposure as on March 31, 2021 is ₹**206.63** crore (March 31, 2020: ₹162.96 crore) is considered as contingent.

The writ petition filed in August 1997 was listed for hearing before the Full Bench of High Court of Orissa on May 17, 2019. SAIL, one of the petitioners, sought permission to withdraw its writ petition because the settlement was arrived with the State Government on the matter. The High Court allowed withdrawal of writ petition of SAIL and directed other parties to negotiate with the State Government. The Company has submitted its detailed representation to Principal Secretary, Water Resource Department, GoO on June 21, 2019, which is under consideration.

B. Commitments

(a) The Group has entered into various contracts with suppliers and contractors for acquisition of plant and machinery, equipment and various civil contracts of capital nature amounting to ₹**8,438.53** crore, which includes ₹**63.25** crore in respect of equity accounted investees (March 31, 2020: ₹11,128.64 crore which includes ₹91.89 crore in respect of equity accounted investees). Other commitment as at March 31, 2021 amounts to ₹**0.01** crore which includes **Nil** in respect of equity accounted investees (March 31, 2020: ₹0.01 crore which includes Nil in respect of equity accounted investees).

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38. Contingencies and commitments (Contd.)

(b) The Company has given undertakings to:

(i) IDBI not to dispose of its investment in Wellman Incandescent India Ltd.,

(ii) IDBI and ICICI Bank Ltd. (formerly ICICI) not to dispose of its investment in Standard Chrome Ltd.,

(c) The Company and Bluescope Steel Limited have given undertaking to State Bank of India not to reduce collective shareholding in Tata Bluescope Steel Private Limited (TBSPL), below 51% without prior consent of the lender. Further, the Company has given an undertaking to State bank of India to intimate them before diluting its shareholding in TBSPL below 50%. During the year ended March 31, 2021, the Company after obtaining a 'no objection certificate' from the lenders of TBSPL, has transferred its stake of 50% in TBSPL to its 100% owned subsidiary Tata Steel Downstream Products Limited.

(d) The Company, as a promoter, has pledged **4,41,55,800** (March 31, 2020: 4,41,55,800) equity shares of Industrial Energy Limited (IEL) with Infrastructure Development Finance Corporation Limited. IEL has repaid the entire loan taken from IDFC in financial year 2020-21 and the pledge is in the process of being released.

(e) The Group has given guarantees aggregating ₹**178.40** crore (March 31, 2020: ₹178.40 crore) details of which are as below:

(i) in favour of Commissioner of Customs for ₹**1.07** crore (March 31, 2020: ₹1.07 crore) given on behalf of Timken India Limited in respect of goods imported.

(ii) in favour of The President of India for ₹**177.18** crore (March 31, 2020: ₹177.18 crore) against performance of export obligations under various bonds executed by a joint venture Jamshedpur Continuous Annealing and Processing Company Private Limited.

(iii) in favour of President of India for ₹**0.15** crore (March 31, 2020: ₹0.15 crore) against advance license.

39. Other significant litigations

a) Odisha Legislative Assembly issued an amendment to Indian Stamp Act, 1889, on May 9, 2013 and inserted a new provision (Section 3A) in respect of stamp duty payable on grant/ renewal of mining leases. As per the amended provision, stamp duty is levied equal to 15% of the average royalty that would accrue out of the highest annual extraction of minerals under the approved mining plan multiplied by the period of such mining lease. The Company had filed a writ petition challenging the constitutionality of the Act on July 5, 2013. The Hon'ble High Court, Cuttack passed an order on July 9, 2013 granting interim stay on the operation of the Amendment Act, 2013. Because of the stay, as on date, the Act is not enforceable and any demand received by the Company is not liable to be proceeded with. Meanwhile, the Company received demand notices for the various mines at Odisha totalling to ₹**5,579.00** crore (March 31, 2020: ₹5,579.00 crore). The Company has concluded that it is remote that the claim will sustain on ultimate resolution of the legal case by the court.

In April 2015, the Company has received an intimation from Government of Odisha, granting extension of validity period for leases under the MMDR Amendment Act, 2015 up to March 31, 2030 in respect of eight mines and up to March 31, 2020 for two mines subject to execution of supplementary lease deed. Liability has been provided in the books of accounts as on March 31, 2021 as per the existing provisions of the Stamp Act 1899 and the Company had paid the stamp duty and registration charges totalling ₹413.72 crore for supplementary deed execution in respect of eight mines out of the above mines.

b) Noamundi Iron Mine of the Company was due for its third renewal with effect from January 1, 2012. The application for renewal was submitted by the company within the stipulated time, but it remained pending consideration with the State and the mining operations were continued in terms of the prevailing law.

By a judgement of April 2014 in the case of Goa mines, the Supreme Court took a view that second and subsequent renewal of mining lease can be effected once the State considers the application and decides to renew the mining lease by issuing an express order. State of Jharkhand issued renewal order to the Company on December 31, 2014. The State, however, took a view on an interpretation of Goa judgment that the mining carried out after expiry

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39. Other significant litigations (Contd.)

of the period of second renewal was 'illegal' and hence, issued a demand notice of ₹3,568.31 crore being the price of iron ore extracted. The said demand has been challenged by the Company before the Jharkhand High Court.

The mining operations were suspended from August 1, 2014. Upon issuance of an express order, Company paid ₹152.00 crore under protest, so that mining can be resumed.

The Mines and Minerals Development and Regulation (MMDR) Amendment Ordinance 2015 promulgated on January 12, 2015 provides for extension of such mining leases whose applications for renewal have remained pending with the State(s). Based on the new Ordinance, Jharkhand Government revised the Express Order on February 12, 2015 for extending the period of lease upto March 31, 2030 with the following terms and conditions:

- value of iron ore produced by alleged unlawful mining during the period January 1, 2012 to April 20, 2014 for ₹2,994.49 crore to be decided on the basis of disposal of our writ petition before Hon'ble High Court of Jharkhand.
- value of iron ore produced from April 21, 2014 to July 17, 2014 amounting to ₹421.83 crore to be paid in maximum 3 instalments.
- value of iron ore produced from July 18, 2014 to August 31, 2014 ₹152.00 crore to be paid immediately.

District Mining Officer Chaibasa on March 16, 2015 issued a demand notice for payment of ₹421.83 crore in three monthly installments. The Company on March 20, 2015 replied that since the lease has been extended by application of law till March 31, 2030, the above demand is not tenable. The Company has paid ₹50.00 crore under protest on July 27, 2015, because the State had stopped issuance of transit permits.

The Company filed another writ petition before the Hon'ble High Court of Jharkhand which was heard on September 9, 2015. An interim order was given by the Hon'ble High Court of Jharkhand on September 17, 2015, wherein the Court has directed the Company to pay the amount of ₹371.83 crore in 3 equal instalments, first instalment by October 15, 2015, second instalment by November 15, 2015 and third instalment by December 15, 2015.

In view of the interim order of the Hon'ble High Court of Jharkhand ₹124.00 crore was paid on September 28, 2015, ₹124.00 crore on November 12, 2015 and ₹123.83 crore on December 14, 2015 under protest.

The case is pending before the Hon'ble High court for disposal. The State issued similar terms and conditions to other mining lessees in the State rendering the mining as illegal. Based on the Company's assessment of the Goa mines judgement read with the Ordinance issued in the year 2015, the Company believes that it is remote that the demand of the State would sustain.

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40. Disposal of subsidiaries

During the year ended March 31, 2020, the Group disposed off Firsteel business and Cogent Power Inc. units in Europe.

A profit of ₹148.99 crore being the difference between the fair value of consideration received and carrying value of net assets disposed off in respect of these businesses was recognized in the consolidated statement of profit and loss as an exceptional item.

(i) Details of net assets disposed off and profit/(loss) on disposal is as below:

(₹ crore)

	Year ended March 31, 2020
Non-current assets	
Property, plant and equipment	18.06
Capital work-in-progress	6.74
Right-of-use assets	88.28
	113.08
Current assets	
Inventories	153.68
Trade receivables	136.83
Cash and bank balances	6.91
Other financial assets	1.46
Current tax assets	7.25
Other non-financial assets	22.79
	328.92
Non-current liabilities	
Borrowings	89.37
Provisions	2.09
Deferred tax liabilities	1.53
	92.99
Current liabilities	
Trade payables	215.17
Other financial liabilities	3.65
	218.82
Carrying value of net assets disposed off	**130.19**

40. Disposal of subsidiaries (Contd.)

(₹ crore)

	Year ended March 31, 2020
Sale consideration	263.31
Transaction costs	(0.43)
Foreign exchange recycled to profit/(loss) on disposal	16.30
Carrying value of net assets disposed off	(130.19)
Profit/(loss) on disposal	**148.99**

(ii) Details of net cash flow arising on disposal is as below:

(₹ crore)

	Year ended March 31, 2020
Consideration received in cash and cash equivalents	263.31
Cash and cash equivalents disposed of	(6.91)
Net cash flow arising on disposal	**256.40**

41. Capital management

The Group's capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Group.

The Group determines the amount of capital required on the basis of annual business plan of entities within the Group coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long and short-term bank borrowings and issue of non-convertible debt securities.

The Group monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current and earmarked balances) and current investments.

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41. Capital management (Contd.)

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

(₹ crore)

	As at March 31, 2021	As at March 31, 2020
Equity share capital	1,197.61	1,144.95
Hybrid perpetual securities	775.00	2,275.00
Other equity	72,266.16	70,156.35
Equity attributable to shareholders of the Company	**74,238.77**	**73,576.30**
Non-controlling interests	3,269.68	2,586.60
Total equity (A)	**77,508.45**	**76,162.90**
Non-current borrowings	72,408.79	94,104.97
Current borrowings	9,492.11	19,184.48
Current maturities of long-term borrowings and lease obligations	6,600.51	3,038.75
Gross debt (B)	**88,501.41**	**1,16,328.20**
Total capital (A+B)	**1,66,009.86**	**1,92,491.10**
Gross debt as above	88,501.41	1,16,328.20
Less: Current investments	7,218.89	3,431.87
Less: Cash and cash equivalents	5,532.08	7,541.96
Less: Other balances with banks (including non-current earmarked balances)	361.69	574.93
Net debt (C)	**75,388.75**	**1,04,779.44**
Net debt to equity ratio(i)	**0.98**	**1.42**

(i) Net debt to equity ratio as at March 31, 2021 and March 31, 2020 has been computed based on the average of opening and closing equity.

42. Disclosures on financial instruments

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

The details of significant accounting policies, including the criteria for recognition, basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(r), page 357 to the consolidated financial statements.

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42. Disclosures on financial instruments (Contd.)

(a) Financial assets and liabilities

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

As at March 31, 2021

(₹ crore)

	Amortised cost	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
Financial assets:							
Cash and bank balances	5,893.77	-	-	-	-	5,893.77	5,893.77
Trade receivables	9,539.84	-	-	-	-	9,539.84	9,539.84
Investments	17.00	917.92	-	-	7,271.35	8,206.27	8,206.27
Derivatives	-	-	359.17	302.28	-	661.45	661.45
Loans	401.29	-	-	-	-	401.29	401.29
Other financial assets	1,524.31	-	-	-	-	1,524.31	1,524.31
	17,376.21	**917.92**	**359.17**	**302.28**	**7,271.35**	**26,226.93**	**26,226.93**
Financial liabilities:							
Trade payables	25,967.49	-	-	-	-	25,967.49	25,967.49
Borrowings other than lease obligations	80,666.98	-	-	-	-	80,666.98	81,901.52
Derivatives	-	-	440.39	141.03	-	581.42	581.42
Other financial liabilities	8,325.30	-	-	-	-	8,325.30	8,325.30
	1,14,959.77	**-**	**440.39**	**141.03**	**-**	**1,15,541.19**	**1,16,775.73**

As at March 31, 2020

(₹ crore)

	Amortised cost	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
Financial assets:							
Cash and bank balances	8,116.89	-	-	-	-	8,116.89	8,116.89
Trade receivables	7,884.91	-	-	-	-	7,884.91	7,884.91
Investments	85.84	506.87	-	-	3,523.93	4,116.64	4,116.64
Derivatives	-	-	684.23	1,081.47	-	1,765.70	1,765.70
Loans	704.39	-	-	-	-	704.39	704.39
Other financial assets	973.18	-	-	-	-	973.18	973.18
	17,765.21	**506.87**	**684.23**	**1,081.47**	**3,523.93**	**23,561.71**	**23,561.71**
Financial liabilities:							
Trade payables	21,380.85	-	-	-	-	21,380.85	21,380.85
Borrowings other than lease obligations	1,09,306.14	-	-	-	-	1,09,306.14	1,08,728.40
Derivatives	-	-	513.76	343.38	-	857.14	857.14
Other financial liabilities	6,867.45	-	-	-	-	6,867.45	6,867.45
	1,37,554.44	**-**	**513.76**	**343.38**	**-**	**1,38,411.58**	**1,37,833.84**

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42. Disclosures on financial instruments (Contd.)

(i) Investments in mutual funds and derivative instruments (other than those designated in a hedging relationship) are mandatorily classified as fair value through profit and loss.

(b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This Level of hierarchy includes financial assets and liabilities, that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This Level consists of investments in quoted equity shares and mutual funds.

Valuation techniques with observable inputs (Level 2): This Level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This Level of hierarchy includes the Group's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This Level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This Level includes investment in unquoted equity shares and preference shares.

(₹ crore)

	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in mutual funds	7,218.89	-	-	7,218.89
Investments in equity shares	544.13	-	426.25	970.38
Derivative financial assets	-	661.45	-	661.45
	7,763.02	**661.45**	**426.25**	**8,850.72**
Financial liabilities:				
Derivative financial liabilities	-	581.42	-	581.42
	-	**581.42**	**-**	**581.42**

(₹ crore)

	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in mutual funds	3,431.87	-	-	3,431.87
Investments in equity shares	205.02	-	344.17	549.19
Investments in bonds and debentures	-	49.74	-	49.74
Derivative financial assets	-	1,765.70	-	1,765.70
	3,636.89	**1,815.44**	**344.17**	**5,796.50**
Financial liabilities:				
Derivative financial liabilities	-	857.14	-	857.14
	-	**857.14**	**-**	**857.14**

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42. Disclosures on financial instruments (Contd.)

Notes:

(i) Current financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) Investments carried at fair value are generally based on market price quotations. Investments in equity shares included in level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value. Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. Fair value of investment in preference shares is estimated by discounting the expected future cash flows using a discount rate equivalent to the expected rate of return for a similar instrument and maturity as on the reporting date.

(iv) Fair value of borrowings which have a quoted market price in an active market is based on its market price which is categorised as Level 1. Fair value of borrowings which do not have an active market or are unquoted is estimated by discounting the expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities which is categorised as Level 2 in the fair value hierarchy.

(v) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(vi) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2021 and March 31, 2020.

(vii) Reconciliation of Level 3 fair value measurement is as below:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning of the year	344.17	612.61
Additions during the year	30.99	0.63
Disposals	(0.68)	(10.90)
Fair value changes during the year	14.42	(242.44)
Reclassified from held for sale	34.84	-
Re-classification within investments*	-	(17.01)
Exchange rate differences on consolidation	2.51	1.28
Balance at the end of the year	**426.25**	**344.17**

* During the year ended March 31, 2020, reclassification represents investments reclassified from fair value through profit and loss to amortized cost.

(c) Derivative financial instruments

Derivative instruments used by the Group include forward exchange contracts, interest rate swaps, currency swaps, options, commodity futures, interest rate caps and collars. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" wherever possible. The Group does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

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42. Disclosures on financial instruments (Contd.)

The following table sets out the fair value of derivatives held by the Group as at the end of the reporting period.

(₹ crore)

	As at March 31, 2021		As at March 31, 2020	
	Assets	Liabilities	Assets	Liabilities
(a) Foreign currency forwards, futures, swaps and options	495.54	516.30	1,739.90	539.34
(b) Commodity futures and options	150.53	0.50	13.05	218.85
(c) Interest rate swaps and collars	15.38	64.62	12.75	98.95
	661.45	**581.42**	**1,765.70**	**857.14**
Classified as:				
Non-current	162.66	71.41	279.64	127.92
Current	498.79	510.01	1,486.06	729.22

As at the end of the reporting period, total notional amount of outstanding foreign currency contracts, commodity futures, options, interest rate swap and collars that the Group has committed to is as below:

(US$ million)

	As at March 31, 2021	As at March 31, 2020
(i) Foreign currency forwards, futures, swaps and options	7,698.86	7,040.34
(ii) Commodity futures and options	217.47	109.30
(iii) Interest rate swaps and collars	618.09	368.63
	8,534.42	**7,518.27**

(d) Transfer of financial assets

The Group transfers certain trade receivables under discounting arrangements with banks and financial institutions. Some of such arrangements do not qualify for de-recognition due to recourse arrangements being in place. Consequently, the proceeds received from transfer are recorded as short-term borrowings from banks and financial institutions.

The carrying value of trade receivables not de-recognised along with the associated liabilities is as below:

(₹ crore)

	As at March 31, 2021		As at March 31, 2020	
	Carrying value of assets transferred	Carrying value of associated liabilities	Carrying value of assets transferred	Carrying value of associated liabilities
Trade receivables	-	-	8.19	8.19

(e) Financial risk management

In the course of its business, the Group is exposed primarily to fluctuations in foreign currency exchange rates, commodity prices, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

Entities within the Group have a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors of the respective companies. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency, commodity prices and interest rate fluctuations on the entity's business plan.

(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

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42. Disclosures on financial instruments (Contd.)

(i) Market risk

Market risk is the risk of any loss in future earnings, in realising fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, commodity prices, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(a) Market risk - Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have potential impact on the consolidated statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Great British Pound, Euro, Singapore Dollar and Thai Baht against the respective functional currencies of the Company and its subsidiaries.

Entities as per their risk management policy, use foreign exchange forward and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Any weakening of the functional currency may impact the respective entities' cost of imports and cost of borrowings and consequently may increase the cost of financing the Group's capital expenditures.

A 10% appreciation/depreciation of foreign currencies with respect to the functional currency of the entities within the Group would result in a decrease/increase in the Group's net profit and equity before considering tax impacts by approximately ₹**1,191.46** crore for the year ended March 31, 2021 (2019-20: ₹578.31 crore) and increase/decrease in carrying value of property, plant and equipment (before considering depreciation impact) by **Nil** as at March 31, 2021 (March 31, 2020: approximately ₹109.94 crore).

The foreign exchange rate sensitivity is calculated by assuming a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the entities within the Group.

The sensitivity analysis has been based on the composition of the Group's financial assets and liabilities as at March 31, 2021 and March 31, 2020 excluding trade payables, trade receivables, other derivative and non-derivative financial instruments not forming part of debt and which do not present a material exposure. The period end balances are not necessarily representative of the average debt outstanding during the period.

(b) Market risk - Interest rate risk:

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs.

The Group is subject to variable interest rates on some of its interest bearing liabilities. The Group's interest rate exposure is mainly related to debt obligations.

Based on the composition of debt as at March 31, 2021 and March 31, 2020 a 100 basis points increase in interest rates would increase the Group's finance costs (before considering interest eligible for capitalization) and thereby reduce net profit and equity before considering tax impacts by approximately ₹**420.54** crore for the year ended March 31, 2021 (2019-20: ₹629.81 crore).

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

(c) Market risk - Equity price risk:

Equity price risk is related to the change in market reference price of investments in equity securities held by the Group.

The fair value of quoted investments held by the Group exposes the Group to equity price risks. In general, these investments are not held for trading purposes.

The fair value of quoted investments in equity classified as fair value through other comprehensive income/profit and loss as at March 31, 2021 and March 31, 2020 was ₹**544.13** crore and ₹205.02 crore respectively.

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42. Disclosures on financial instruments (Contd.)

A 10% change in equity prices of such securities held as at March 31, 2021 and March 31, 2020 would result in an impact of ₹**54.41** crore and ₹20.50 crore respectively on equity before considering tax impact.

(ii) Commodity risk

The Group makes use of commodity futures contracts and options to manage its purchase price risk for certain commodities. Across the Group, forward purchases are also made of zinc, tin and nickel to cover sales contracts with fixed metal prices.

There was no significant market risk relating to the consolidated statement of profit and loss since the majority of commodity derivatives are treated as cash flow hedges with movements being reflected in equity and the timing and recognition in the consolidated statement of profit and loss would depend on the point at which the underlying hedged transactions are recognised.

(iii) Credit risk

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Entities within the Group have a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults.

Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments in debt securities and mutual funds, balances with banks, bank deposits, derivatives and financial guarantees provided by the Group. None of the financial instruments of the Group result in material concentration of credit risk.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹**20,898.34** crore and ₹18,661.48 crore as at March 31, 2021 and March 31, 2020 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments in debt securities and mutual funds, loans, derivative assets and other financial assets net of insurance cover, where applicable.

The risk relating to trade receivables is presented in note 15, page 385.

The Group's exposure to customers is diversified and there is no concentration of credit risk with respect to any particular customer as at March 31, 2021 and March 31, 2020.

In respect of financial guarantees provided by the Group to banks and financial institutions, the maximum exposure which the Group is exposed to is the maximum amount which the Group would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

(iv) Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the entities within the Group have access to undrawn lines of committed and uncommitted borrowing/facilities, funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Group invests its surplus funds in bank fixed deposits and mutual funds, which carry no or low mark to market risk. The Company and entities within the Group, wherever applicable, have also invested 15% of the non-convertible debentures (issued by the Company/entities) falling due for repayment in the next 12 months in bank deposits, to meet the regulatory norms of liquidity requirements. The Group also constantly monitors funding options available in the debt and capital markets with a view of maintaining financial flexibility.

The Group's liquidity position remains strong as at March 31, 2021, comprising of current investments, cash and cash equivalents and other balances with bank, in addition to committed undrawn bank lines.

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42. Disclosures on financial instruments (Contd.)

The following table shows a maturity analysis of the anticipated cash flows including future interest obligations for the Group's derivative and non-derivative financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period. Cash flows in foreign currencies are translated using the period end spot rates.

(₹ crore)

	As at March 31, 2021				
	Carrying value	Contractual cash flows	less than one year	between one to five years	more than five years
Non-derivative financial liabilities:					
Borrowings other than lease obligations including interest obligations	81,577.29	1,03,480.55	18,918.74	49,486.11	35,075.70
Lease obligations including interest obligations	7,865.37	12,079.00	1,702.58	5,033.26	5,343.16
Trade payables	25,967.49	25,967.49	25,967.49	-	-
Other financial liabilities	7,384.05	7,437.89	6,861.35	313.81	262.73
	1,22,794.20	**1,48,964.93**	**53,450.16**	**54,833.18**	**40,681.59**
Derivative financial liabilities	**581.42**	**581.42**	**510.01**	**71.41**	**-**

(₹ crore)

	As at March 31, 2020				
	Carrying value	Contractual cash flows	less than one year	between one to five years	more than five years
Non-derivative financial liabilities:					
Borrowings other than lease obligations including interest obligations	1,10,048.97	1,47,106.89	26,888.52	61,686.58	58,531.79
Lease obligations including interest obligations	7,058.16	11,401.51	1,721.35	4,519.76	5,160.40
Trade payables	21,380.85	21,380.85	21,380.85	-	-
Other financial liabilities	6,088.52	6,088.52	5,700.85	233.61	154.06
	1,44,576.50	**1,85,977.77**	**55,691.57**	**66,439.95**	**63,846.25**
Derivative financial liabilities	**857.14**	**857.14**	**729.22**	**120.79**	**7.13**

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43. Segment reporting

The Group is primarily engaged in the business of manufacture and distribution of steel products across the globe. Operating segments have been identified based on how the Chief Operating Decision Maker (CODM) reviews and assesses the Group's performance, which is on the basis of the different geographical areas wherein major entities within the Group operate.

The Group's reportable segments and segment information is presented below:

(₹ crore)

	Tata Steel India	Bamnipal Steel (including Tata Steel BSL)	Tata Steel Long Products	Other Indian operations	Tata Steel Europe	Other trade related operations	South-East Asian operations	Rest of the world	Inter-segment eliminations	Total
Segment revenue										
External revenue	**55,224.53**	**21,097.13**	**4,175.09**	**8,366.60**	**55,885.04**	**1,882.91**	**8,860.79**	**802.09**	**-**	**1,56,294.18**
	53,122.57	*18,051.38*	*3,183.07*	*7,635.93*	*55,753.35*	*1,655.20*	*9,155.66*	*414.55*	*-*	*1,48,971.71*
Intersegment revenue	**9,644.47**	**321.50**	**574.78**	**1,941.12**	**165.89**	**27,461.25**	**450.28**	**-**	**(40,559.29)**	**-**
	7,313.40	*147.76*	*306.92*	*1,859.82*	*185.64*	*30,072.89*	*620.81*	*-*	*(40,507.24)*	*-*
Total Revenue	**64,869.00**	**21,418.63**	**4,749.87**	**10,307.72**	**56,050.93**	**29,344.16**	**9,311.07**	**802.09**	**(40,559.29)**	**1,56,294.18**
	60,435.97	*18,199.14*	*3,489.99*	*9,495.75*	*55,938.99*	*31,728.09*	*9,776.47*	*414.55*	*(40,507.24)*	*1,48,971.71*
Segment results before exceptional items, interest, tax and depreciation:	**21,951.63**	**5,480.69**	**1,154.25**	**1,032.15**	**(618.39)**	**3,076.93**	**548.87**	**(498.30)**	**(1,235.99)**	**30,891.84**
	15,095.93	*2,370.12*	*183.77*	*879.95*	*(664.19)*	*1,799.71*	*366.22*	*13.01*	*(1,941.90)*	*18,102.62*
Reconciliation to profit/(loss) for the year:										
Add: Finance income										**508.02**
										1,546.94
Less: Finance costs										**7,606.71**
										7,580.72
Less: Depreciation and amortisation										**9,233.64**
										8,707.67
Add: Share of profit / (loss) of joint ventures and associates										**327.34**
										187.97
Profit before exceptional items and tax										**14,886.85**
										3,549.14
Add: Exceptional items (refer note 35, page 410)										**(1,043.16)**
										(4,929.58)
Profit before tax										**13,843.69**
										(1,380.44)
Less: Tax expense										**5,653.90**
										(2,552.90)

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43. Segment reporting (Contd.)

(₹ crore)

	Tata Steel India	Bamnipal Steel (including Tata Steel BSL)	Tata Steel Long Products	Other Indian operations	Tata Steel Europe	Other trade related operations	South-East Asian operations	Rest of the world	Inter-segment eliminations	Total
Net profit/(loss) for the year										**8,189.79**
										1,172.46
Segment assets	**1,37,115.21**	**37,234.43**	**5,870.65**	**12,367.04**	**73,827.18**	**21,635.98**	**4,656.49**	**6,837.69**	**(54,156.99)**	**2,45,387.68**
	1,25,469.14	*38,924.26*	*6,155.92*	*7,867.82*	*78,314.90*	*21,778.73*	*-*	*8,525.75*	*(39,440.52)*	*2,47,596.00*
Assets held for sale										**99.53**
										2,823.45
Total assets										**2,45,487.21**
										2,50,419.45
Segment assets include:										
Equity accounted investments	**961.34**	**-**	**0.80**	**1,162.02**	**339.36**	**12.14**	**-**	**-**	**-**	**2,475.66**
	1,778.74	*-*	*0.80*	*20.10*	*357.27*	*11.63*	*-*	*-*	*-*	*2,168.54*
Segment liabilities	**76,755.39**	**16,111.57**	**3,310.58**	**4,504.84**	**51,725.62**	**40,489.84**	**2,288.87**	**7,265.48**	**(34,473.43)**	**1,67,978.76**
	76,540.96	*20,318.21*	*4,159.82*	*3,762.13*	*42,911.68*	*40,825.92*	*-*	*6,000.08*	*(21,610.58)*	*1,72,908.22*
Liabilities held for sale										**-**
										1,348.33
Total liabilities										**1,67,978.76**
										1,74,256.55
Addition to non-current assets	**3,703.43**	**120.24**	**57.80**	**616.37**	**4,905.67**	**-**	**22.05**	**74.56**	**-**	**9,500.12**
	5,779.68	*735.89*	*54.49*	*729.15*	*5,936.60*	*285.29*	*-*	*758.15*	*-*	*14,279.25*

Figures in italics represent comparative figures of previous year.

(i) Details of revenue by nature of business is as below:

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
Steel	1,45,260.07	1,35,600.79
Others	11,034.11	13,370.92
	1,56,294.18	**1,48,971.71**

Revenue from other businesses primarily relate to ferro alloys, power and water and other services.

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43. Segment reporting (Contd.)

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

(₹ crore)

	Year ended March 31, 2021	Year ended March 31, 2020
India	76,256.55	72,888.19
Outside India	80,037.63	76,083.52
	1,56,294.18	**1,48,971.71**

Revenue outside India includes: Asia excluding India ₹**20,325.66** crore (2019-20: ₹18,150.14 crore), UK ₹**11,761.27** crore (2019-20: ₹12,686.76 crore) and other European countries ₹**37,803.83** crore (2019-20: ₹35,866.47 crore).

(iii) Details of non-current assets (property, plant and equipment, capital work-in-progress, right-of-use assets, intangibles and goodwill on consolidation) based on geographical area is as below:

(₹crore)

	As at March 31, 2021	As at March 31, 2020
India	1,17,307.90	1,18,818.73
Outside India	37,474.68	35,228.76
	1,54,782.58	**1,54,047.49**

Non-current assets outside India includes: Asia excluding India ₹**1,470.72** crore (March 31, 2020: ₹185.27 crore), UK ₹**9,257.77** crore (March 31, 2020: ₹7,959.37 crore) and other European countries ₹**20,426.88** crore (March 31, 2020: ₹19,575.18 crore).

Notes:

(i) Segment performance is reviewed by the CODM on the basis of profit or loss before finance income/cost, depreciation and amortisation expenses, share of profit/(loss) of joint ventures and associates and tax expenses. Segment results reviewed by the CODM also exclude income or expenses which are non-recurring in nature and are classified as an exceptional item. Information about segment assets and liabilities provided to the CODM, however, include the related assets and liabilities arising on account of items excluded in measurement of segment results. Such amounts, therefore, form part of the reported segment assets and liabilities.

(ii) No single customer represents 10% or more of the Group's total revenue during the year ended March 31, 2021 and March 31, 2020.

(iii) The accounting policies of the reportable segments are the same as of the Group's accounting policies.

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44. Related party transactions

The Group's related parties primarily consist of its joint ventures and associates, Tata Sons Private Limited including its subsidiaries and joint ventures. The Group routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms. Transactions and balances between the Company, its subsidiaries and fellow subsidiaries are eliminated on consolidation.

The following table summarises the related-party transactions and balances included in the consolidated financial statements for the year ended/as at March 31, 2021 and March 31, 2020.

(₹ crore)

	Associates	Joint venture	Tata Sons Private Limited, its subsidiaries and joint ventures	Total
Purchase of goods	**21.76**	**223.07**	**381.28**	**626.11**
	303.85	*289.89*	*664.68*	*1,258.42*
Sale of goods	**910.57**	**2,408.71**	**906.53**	**4,225.81**
	950.93	*2,915.81*	*649.94*	*4,516.68*
Services received	**317.57**	**1,999.72**	**879.20**	**3,196.49**
	86.32	*1,720.04*	*712.56*	*2,518.92*
Services rendered	**2.75**	**586.48**	**17.81**	**607.04**
	7.19	*116.58*	*23.01*	*146.78*
Sale of fixed assets	**-**	**2.01**	**-**	**2.01**
	-	*267.71*	*-*	*267.71*
Interest income recognised	**-**	**2.75**	**-**	**2.75**
	-	*2.91*	*-*	*2.91*
Interest expenses recognised	**-**	**6.69**	**9.24**	**15.93**
	-	*-*	*17.88*	*17.88*
Dividend paid(vi)	**-**	**-**	**379.06**	**379.06**
	-	*-*	*470.41*	*470.41*
Dividend received	**20.05**	**74.17**	**12.92**	**107.14**
	20.47	*35.04*	*13.59*	*69.10*
Provision/ (reversal) recognised for receivables during the year	**0.02**	**1.52**	**0.02**	**1.56**
	0.03	*(6.62)*	*0.01*	*(6.58)*
Management contracts	**5.32**	**3.00**	**173.06**	**181.38**
	27.91	*1.60*	*107.45*	*136.96*
Finance provided during the year (net of repayments)	**-**	**13.20**	**23.61**	**36.81**
	-	*60.13*	*-*	*60.13*
Outstanding loans and receivables	**141.03**	**1,547.80**	**17.52**	**1,706.35**
	97.45	*1,130.67*	*25.03*	*1,253.15*
Provision for outstanding loans and receivables	**0.08**	**1,088.30**	**0.08**	**1,088.46**
	10.74	*1,094.09*	*0.03*	*1,104.86*
Outstanding payables	**47.98**	**451.91**	**420.07**	**919.96**
	65.78	*230.08*	*322.60*	*618.46*
Guarantees provided outstanding	**-**	**177.18**	**-**	**177.18**
	-	*177.18*	*-*	*177.18*
Subscription to first and final call on partly paid-up equity shares(vi)	**-**	**-**	**1,767.91**	**1,767.91**
	-	*-*	*-*	*-*

Figures in italics represent comparative figures of previous year.

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44. Related party transactions (Contd.)

(i) The details of remuneration paid to the key managerial personnel and payments to non-executive directors are provided in note 31, page 408 and note 34, page 409, respectively.

During the year ended March 31, 2021, value of shares subscribed by key managerial personnel and their relatives under final call to rights issue is ₹**1,12,484.00** (2019-20: Nil)

The Group paid dividend of ₹**32,346.00** (2019-20: ₹42,048.50) to key managerial personnel and ₹**6,395.00** (2019-20: ₹8,313.50) to relatives of key managerial personnel during the year ended March 31, 2021.

(ii) During the year ended March 31, 2021, the Group has contributed ₹**581.73** crore (2019-20: ₹370.47 crore) to post employment benefit plans.

As at March 31, 2021, amount receivable from post-employment benefit funds is ₹**92.84** crore (March 31, 2020: ₹57.26 crore) on account of retirement benefit obligations paid by the entities within the Group directly.

As at March 31, 2021, amount payable to post-employment benefit funds is ₹**2.12** crore (March 31, 2020: ₹20.14 crore) on account of retirement benefit obligations.

(iii) Details of investments made by the Company in preference shares of its joint ventures and associates is disclosed in note 7, page 374.

(iv) Commitments with respect to joint venture and associates are disclosed in note 38(B), page 424.

(v) Transactions with joint ventures have been disclosed at full value and not at their proportionate share.

(vi) Subscription to first and final call on partly paid-up equity shares includes ₹**1,744.00** crore (2019-20: Nil) received from Tata Sons Private Limited. Dividend paid includes ₹**368.15** crore (2019-20: ₹458.38 crore) paid to Tata Sons Private Limited.

45. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Company and its Indian subsidiaries will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

46. The Board of Directors of the Company, at its meeting held on April 25, 2019, had approved a Composite Scheme of Amalgamation of Bamnipal Steel Limited and Tata Steel BSL Limited (formerly known as Bhushan Steel Limited) into and with the Company subject to the requisite statutory and regulatory approvals. Pursuant to the orders of the Hon'ble NCLT, Mumbai Bench a meeting of the equity shareholders of the Company was convened on Friday, March 26, 2021 to consider and if thought fit, approve the Scheme. The Scheme was approved by the equity shareholders by requisite majority at the said meeting and the necessary disclosures in this regard have been made to the stock exchanges.

Pursuant to the shareholders' approval, "Company Scheme Petition" has been filed with the Hon'ble NCLT, Mumbai Bench with the prayer that the Scheme of Amalgamation be sanctioned with effect from the Appointed Date as defined in the Scheme. The Scheme will be implemented upon its sanction by the NCLT. The Scheme will enable the companies to realize greater synergies between their businesses, yield beneficial results and avail pooled resources in the interest of maximizing value to the shareholders and other stakeholders. The equity shareholders of Tata Steel BSL Limited will be entitled to fully paid-up equity shares of the Company in the ratio as set out in the Scheme.

47. The Board of Directors of Tata Steel Long Products Limited ('TSLP'), Tata Metaliks Limited ('TML') and The Indian Steel & Wire Products Limited ('ISWP') had approved the scheme of amalgamation of TML into TSLP and ISWP into TSLP at their respective meetings held on November 13, 2020. The Board of Directors of TSLP and TML had recommended exchange ratio of 12 fully paid up equity shares of ₹10 each of TSLP for every 10 fully paid up equity shares of ₹10 each held in the TML. The Board of Directors of TSLP and ISWP had recommended exchange ratio of 10 fully paid up equity shares of ₹10 each of TSLP for every 16 fully paid up equity shares of ₹10 each held in ISWP. TSLP and TML have submitted the aforementioned scheme of amalgamation to Stock Exchanges for approval.

48. The Group has assessed the ability of Tata Steel UK Limited (TSUK), a subsidiary of the Company held through Tata Steel Europe Limited (TSE) to continue as going concern and meet its liquidity requirements.

Given the improvement in outlook for European steel market, the directors of TSE observed that while there is a reasonable expectation that TSE has adequate resources to continue operating for the foreseeable future and that the going concern basis for the preparation of its financial statements remains appropriate, there exists a material uncertainty in respect of TSUK. The financial statements of TSE are prepared on a going concern basis and do not include any adjustment regarding going concern of TSUK.

The Group has assessed its ability to meet any liquidity requirements at TSE, if required, and concluded that its cashflow and liquidity position remains strong.

49. The net worth of TRF Limited, an associate of the Company, has been fully eroded. The carrying value of the share of investment in the consolidated financial statements is Nil. The financial statements of TRF Limited have been prepared on a going concern basis as it expects to generate cash flow from improvements in its operations, increased business from the Company, increased efficiencies in the project activities, proceeds from restructuring of its subsidiaries, facilities from banks as required and the Company is expected to provide the necessary financial support to TRF Limited, if required, to meet its future obligations.

50. Dividend

The dividend declared by the Company is based on profits available for distribution as reported in the standalone financial statements of the Company. On May 5, 2021, the Board of Directors of the Company have proposed a dividend of ₹**25.00** per Ordinary share ₹10 each and ₹**6.25** per partly paid Ordinary share of ₹10 each (paid-up ₹2.504 per share) in respect of the year ended March 31, 2021 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of approximately ₹**2,993.65** crore.

51. Previous year figures have been recasted/restated wherever necessary.

52. Statement of net assets and profit or loss attributable to owners and minority interest

SL No.	Name of the entity	Reporting currency	Net Assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or (loss)	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
A.	**Parent**									
	Tata Steel Limited	INR	122.94	91,267.11	181.66	13,606.62	(5.67)	408.74	4,981.82	14,015.36
B.	**Subsidiaries**									
a)	**Indian**									
1	Adityapur Toll Bridge Company Limited	INR	0.07	52.88	0.02	1.78	-	-	0.63	1.78
2	Tata Steel Special Economic Zone Limited	INR	0.49	363.08	(0.09)	(6.68)	0.00	0.02	(2.37)	(6.66)
3	Indian Steel & Wire Products Ltd	INR	0.17	123.57	0.16	11.98	0.02	(1.23)	3.82	10.75
4	Tata Steel Utilities and Infrastructure Services Limited	INR	0.26	193.97	0.46	34.48	(0.01)	0.77	12.53	35.25
5	Haldia Water Management Limited	INR	(0.07)	(50.68)	0.00	0.30	-	-	0.11	0.30
6	Kalimati Global Shared Services Limited	INR	0.01	9.08	0.05	3.68	0.00	0.01	1.31	3.69
7	Mohar Export Services Pvt. Ltd	INR	0.00	(0.04)	0.00	(0.00)	-	-	0.00	(0.00)
8	Rujuvalika Investments Limited	INR	0.17	129.20	0.03	2.12	(0.87)	62.49	22.97	64.61
9	Tata Steel Mining Limited (Formerly known as T S Alloys Limited)	INR	1.29	954.94	0.15	10.90	0.00	(0.03)	3.86	10.87
10	Tata Korf Engineering Services Ltd	INR	-	-	-	-	-	-	-	-
11	Tata Metaliks Ltd.	INR	1.75	1,300.05	2.93	219.81	0.00	(0.30)	78.03	219.51
12	Tata Steel Long Products Limited	INR	3.49	2,593.89	7.64	571.97	(0.07)	5.31	205.20	577.28
13	TSIL Energy Limited	INR	0.00	1.30	0.00	0.04	-	-	0.01	0.04
14	Tata Steel International (India) Limited	INR	0.04	32.66	(0.02)	(1.42)	-	-	(0.50)	(1.42)
15	Tata Steel Odisha Limited	INR	0.00	(0.05)	0.00	(0.01)	-	-	(0.01)	(0.01)
16	Tata Steel Downstream Products Limited	INR	4.13	3,064.66	1.08	80.90	0.01	(0.42)	28.61	80.48
17	Tayo Rolls Limited	INR	-	-	-	-	-	-	-	-
18	The Tata Pigments Limited	INR	0.08	62.54	0.07	5.10	0.00	0.26	1.91	5.36
19	The Tinplate Company of India Limited	INR	1.14	846.09	1.31	98.15	0.03	(2.33)	34.06	95.82
20	Tata Steel Foundation	INR	0.01	5.39	0.05	3.51	-	-	1.25	3.51
21	Jamshedpur Football and Sporting Private Limited	INR	0.03	24.18	0.01	0.91	-	-	0.32	0.91
22	Bhubaneshwar Power Private Limited	INR	0.44	323.75	0.26	19.71	0.00	(0.00)	7.00	19.70
23	Bamnipal Steel Limited	INR	0.33	244.64	0.00	0.31	-	-	0.11	0.31
24	Tata Steel BSL Limited	INR	27.11	20,125.66	32.92	2,465.99	(0.05)	3.40	877.75	2,469.39
25	Angul Energy Limited	INR	1.12	831.75	0.19	14.13	0.00	(0.08)	4.99	14.05
26	Bhushan Steel (Orissa) Ltd.	INR	0.00	0.84	0.04	2.75	0.03	(1.93)	0.29	0.82
27	Bhushan Steel (South) Ltd.	INR	0.00	0.21	0.00	(0.03)	-	-	(0.01)	(0.03)
28	Bhushan Steel (Madhya Bharat) Ltd.	INR	0.00	1.93	0.06	4.30	0.03	(2.40)	0.67	1.90
29	Creative Port Development Private Limited	INR	(0.01)	(8.00)	(0.03)	(2.25)	-	-	(0.80)	(2.25)
30	Subarnarekha Port Private Limited	INR	0.06	41.84	0.02	1.22	-	-	0.43	1.22

52. Statement of net assets and profit or loss attributable to owners and minority interest (Contd.)

SL No.	Name of the entity	Reporting currency	Net Assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or (loss)	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
b)	**Foreign**									
1	ABJA Investment Co. Pte. Ltd.	USD	(0.18)	(133.22)	(1.06)	(79.14)	-	-	(28.13)	(79.14)
2	NatSteel Asia Pte. Ltd.	USD	1.08	800.31	5.00	374.47	-	-	133.11	374.47
3	TS Asia (Hong Kong) Ltd.	USD	0.26	196.64	0.03	2.47	-	-	0.88	2.47
4	T Steel Holdings Pte. Ltd.	GBP	30.24	22,447.36	0.00	(0.20)	-	-	(0.07)	(0.20)
5	T S Global Holdings Pte Ltd.	GBP	33.14	24,604.98	13.01	974.45	3.07	(221.22)	267.74	753.23
6	T S Global Minerals Holdings Pte Ltd.	USD	-	-	-	-	-	-	-	-
7	Orchid Netherlands (No.1) B.V.	EUR	0.00	0.40	(0.01)	(0.45)	-	-	(0.16)	(0.45)
8	NatSteel Holdings Pte. Ltd.	SGD	(0.20)	(149.12)	(0.12)	(8.64)	(0.52)	37.54	10.27	28.90
9	Easteel Services (M) Sdn. Bhd.	MYR	0.06	42.88	0.05	3.42	-	-	1.22	3.42
10	Eastern Steel Fabricators Philippines, Inc.	SGD	(0.06)	(46.78)	-	-	-	-	-	-
11	NatSteel Recycling Pte Ltd.	SGD	0.33	247.26	0.00	(0.16)	-	-	(0.06)	(0.16)
12	NatSteel Trade International Pte. Ltd.	USD	0.02	16.61	0.00	(0.04)	-	-	(0.01)	(0.04)
13	The Siam Industrial Wire Company Ltd.	THB	1.84	1,368.02	0.71	53.08	0.22	(15.90)	13.21	37.18
14	TSN Wires Co., Ltd.	THB	0.02	13.95	0.01	0.85	-	-	0.30	0.85
15	Tata Steel Europe Limited	GBP	51.28	38,071.28	(1.63)	(122.40)	-	-	(43.51)	(122.40)
16	Apollo Metals Limited	USD	0.26	191.64	0.45	33.38	(0.05)	3.64	13.16	37.02
17	British Steel Corporation Limited	GBP	0.54	397.59	-	-	-	-	-	-
18	British Steel Directors (Nominees) Limited	GBP	0.00	0.00	-	-	-	-	-	-
19	British Steel Nederland International B.V.	EUR	0.40	298.91	0.91	68.30	-	-	24.28	68.30
20	C V Benine	EUR	0.03	18.57	-	-	-	-	-	-
21	Catnic GmbH	EUR	0.09	67.03	0.08	5.80	-	-	2.06	5.80
22	Catnic Limited	GBP	0.00	(0.61)	-	-	-	-	-	-
23	Tata Steel International Mexico SA de CV	USD	0.00	1.15	0.00	0.16	-	-	0.06	0.16
24	Cogent Power Inc	USD	0.00	0.33	0.02	1.27	-	-	0.45	1.27
25	Cogent Power Limited	GBP	0.38	284.58	0.26	19.18	-	-	6.82	19.18
26	Corbeil Les Rives SCI	EUR	0.01	10.54	-	-	-	-	-	-
27	Corby (Northants) & District Water Company Limited	GBP	0.01	6.15	0.00	(0.00)	-	-	0.00	(0.00)
28	Corus CNBV Investments	GBP	0.00	0.00	-	-	-	-	-	-
29	Corus Engineering Steels (UK) Limited	GBP	0.00	0.00	-	-	-	-	-	-
30	Corus Engineering Steels Limited	GBP	0.00	0.00	-	-	-	-	-	-
31	Corus Group Limited	GBP	2.87	2,129.91	(1.09)	(81.95)	-	-	(29.13)	(81.95)
32	Corus Holdings Limited	GBP	0.01	5.81	-	-	-	-	-	-
33	Corus International (Overseas Holdings) Limited	GBP	9.02	6,697.32	1.12	84.18	(22.75)	1,640.07	612.89	1,724.25
34	Corus International Limited	GBP	4.15	3,079.16	0.15	11.00	-	-	3.91	11.00
35	Corus International Romania SRL.	RON	0.00	2.55	0.02	1.16	-	-	0.41	1.16
36	Corus Investments Limited	GBP	0.31	228.35	-	-	-	-	-	-
37	Corus Ireland Limited	EUR	0.00	1.52	0.03	2.15	-	-	0.77	2.15
38	Corus Liaison Services (India) Limited	GBP	(0.03)	(24.07)	-	-	-	-	-	-
39	Corus Management Limited	GBP	0.55	407.12	-	-	-	-	-	-

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52. Statement of net assets and profit or loss attributable to owners and minority interest (Contd.)

SL No.	Name of the entity	Reporting currency	Net Assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or (loss)	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
40	Corus Property	GBP	0.00	0.00	-	-	-	-	-	-
41	Corus UK Healthcare Trustee Limited	GBP	0.00	0.00	-	-	-	-	-	-
42	Crucible Insurance Company Limited	GBP	0.39	287.86	0.03	2.38	-	-	0.84	2.38
43	Degels GmbH	EUR	0.02	17.38	0.33	24.98	0.03	(2.46)	8.00	22.52
44	Demka B.V.	EUR	0.10	75.10	0.00	(0.00)	-	-	0.00	(0.00)
45	00026466 Limited (Formerly known as Firsteel Group Limited)	GBP	0.00	0.96	0.01	0.96	-	-	0.34	0.96
46	Fischer Profil GmbH	EUR	0.04	28.63	0.14	10.30	0.22	(15.68)	(1.91)	(5.38)
47	Gamble Simms Metals Limited	EUR	-	-	-	-	-	-	-	-
48	H E Samson Limited	GBP	0.00	0.00	-	-	-	-	-	-
49	Hadfields Holdings Limited	GBP	(0.02)	(12.59)	-	-	-	-	-	-
50	Halmstad Steel Service Centre AB	SEK	0.13	95.23	0.22	16.30	-	-	5.80	16.30
51	Hille & Muller GmbH	EUR	0.22	164.88	0.11	8.60	0.24	(17.20)	(3.06)	(8.60)
52	Hille & Muller USA Inc.	USD	0.13	99.75	0.02	1.37	-	-	0.49	1.37
53	Hoogovens USA Inc.	USD	0.77	572.25	0.12	9.22	-	-	3.28	9.22
54	Huizenbezit "Breesaap" B.V.	EUR	(0.01)	(8.97)	0.00	0.05	-	-	0.02	0.05
55	Inter Metal Distribution SAS	EUR	0.07	49.02	0.09	7.04	0.00	(0.02)	2.50	7.02
56	Layde Steel S.L.	EUR	0.16	117.82	0.09	6.80	(0.59)	42.41	17.49	49.21
57	London Works Steel Company Limited	GBP	(0.14)	(103.76)	-	-	-	-	-	-
58	Montana Bausysteme AG	CHF	0.13	93.75	0.12	9.35	(0.04)	2.97	4.38	12.32
59	Naantali Steel Service Centre OY	EUR	0.04	27.96	0.11	8.04	-	-	2.86	8.04
60	Norsk Stal Tynnplater AS	NOK	0.05	39.40	0.07	5.28	-	-	1.88	5.28
61	Norsk Stal Tynnplater AB	NOK	0.03	25.21	0.05	3.41	-	-	1.21	3.41
62	Orb Electrical Steels Limited	GBP	0.00	0.00	-	-	-	-	-	-
63	Oremco Inc.	USD	-	-	0.21	15.43	-	-	5.49	15.43
64	Rafferty-Brown Steel Co Inc Of Conn.	USD	0.03	25.28	(0.05)	(4.08)	-	-	(1.45)	(4.08)
65	S A B Profiel B.V.	EUR	0.43	320.54	0.11	8.29	-	-	2.95	8.29
66	S A B Profil GmbH	EUR	0.20	145.31	(0.01)	(0.53)	-	-	(0.19)	(0.53)
67	Service Center Gelsenkirchen GmbH	EUR	0.26	193.94	0.06	4.20	0.09	(6.82)	(0.93)	(2.62)
68	Service Centre Maastricht B.V.	EUR	0.21	156.52	0.17	12.85	-	-	4.57	12.85
69	Societe Europeenne De Galvanisation (Segal) Sa	EUR	0.36	267.73	0.16	12.00	-	-	4.27	12.00
70	Staalverwerking en Handel B.V.	EUR	1.57	1,168.17	(0.06)	(4.65)	-	-	(1.65)	(4.65)
71	Surahammar Bruks AB	SEK	0.03	25.08	(0.69)	(51.96)	(0.07)	5.00	(16.69)	(46.96)
72	Swinden Housing Association Limited	GBP	0.02	13.80	0.00	0.27	-	-	0.10	0.27
73	Tata Steel Belgium Packaging Steels N.V.	EUR	0.22	164.61	0.28	21.27	-	-	7.56	21.27
74	Tata Steel Belgium Services N.V.	EUR	0.31	230.87	0.04	3.08	0.01	(0.51)	0.91	2.57
75	Tata Steel France Batiment et Systemes SAS	EUR	(0.36)	(264.24)	(1.11)	(83.30)	-	-	(29.61)	(83.30)
76	Tata Steel France Holdings SAS	EUR	1.29	955.50	0.02	1.31	-	-	0.47	1.31
77	Tata Steel Germany GmbH	EUR	0.61	454.92	(1.93)	(144.55)	0.14	(9.99)	(54.93)	(154.54)
78	Tata Steel IJmuiden BV	EUR	28.19	20,927.93	(16.64)	(1,246.28)	(2.59)	186.60	(376.67)	(1,059.68)
79	Tata Steel International (Americas) Holdings Inc	USD	(0.79)	(584.99)	0.14	10.33	(5.14)	370.86	135.50	381.19
80	Tata Steel International (Americas) Inc	USD	1.27	944.75	0.21	15.69	1.49	(107.33)	(32.57)	(91.64)

52. Statement of net assets and profit or loss attributable to owners and minority interest (Contd.)

SL No.	Name of the entity	Reporting currency	Net Assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or (loss)	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
81	Tata Steel International (Czech Republic) S.R.O	CZK	0.02	15.23	0.11	8.57	-	-	3.05	8.57
82	Tata Steel International (France) SAS	EUR	0.07	54.35	0.07	4.88	-	-	1.73	4.88
83	Tata Steel International (Germany) GmbH	EUR	0.01	3.89	0.03	2.39	0.06	(4.20)	(0.64)	(1.81)
84	Tata Steel International (South America) Representações LTDA	USD	0.00	1.97	0.00	0.25	-	-	0.09	0.25
85	Tata Steel International (Italia) SRL	EUR	0.03	25.54	0.12	8.77	-	-	3.12	8.77
86	Tata Steel International (Middle East) FZE	AED	0.13	97.46	0.02	1.69	-	-	0.60	1.69
87	Tata Steel International (Nigeria) Ltd.	NGN	-	-	-	-	-	-	-	-
88	Tata Steel International (Poland) sp Zoo	PLZ	0.02	17.18	0.07	5.35	-	-	1.90	5.35
89	Tata Steel International (Sweden) AB	SEK	0.08	62.50	0.37	27.57	-	-	9.80	27.57
90	Tata Steel International Iberica SA	EUR	0.04	32.61	0.39	29.25	-	-	10.40	29.25
91	Tata Steel Istanbul Metal Sanayi ve Ticaret AS	USD	0.06	46.33	(0.14)	(10.31)	-	-	(3.66)	(10.31)
92	Tata Steel Maubeuge SAS	EUR	0.30	219.51	1.46	109.20	(0.14)	10.21	42.44	119.41
93	Tata Steel Nederland BV	EUR	18.42	13,674.98	4.71	352.75	-	-	125.39	352.75
94	Tata Steel Nederland Consulting & Technical Services BV	EUR	0.03	25.75	0.00	(0.04)	-	-	(0.01)	(0.04)
95	Tata Steel Nederland Services BV	EUR	0.05	33.72	(1.69)	(126.21)	0.29	(21.16)	(52.38)	(147.37)
96	Tata Steel Nederland Technology BV	EUR	0.87	646.94	0.55	41.51	-	-	14.75	41.51
97	Tata Steel Nederland Tubes BV	EUR	0.22	163.19	(2.61)	(195.30)	-	-	(69.42)	(195.30)
98	Tata Steel Netherlands Holdings B.V.	EUR	36.66	27,216.70	(13.53)	(1,013.65)	-	-	(360.30)	(1,013.65)
99	Tata Steel Norway Byggsystemer A/S	NOK	0.09	69.06	0.13	9.49	-	-	3.37	9.49
100	Tata Steel UK Consulting Limited	GBP	(0.01)	(6.50)	0.00	0.02	-	-	0.01	0.02
101	Tata Steel UK Holdings Limited	GBP	45.79	33,991.67	1.04	78.00	-	-	27.72	78.00
102	Tata Steel UK Limited	GBP	8.46	6,281.06	(68.95)	(5,164.50)	110.94	(7,997.79)	(4,678.60)	(13,162.29)
103	Tata Steel USA Inc.	USD	0.08	59.62	0.01	0.73	-	-	0.26	0.73
104	The Newport And South Wales Tube Company Limited	GBP	0.00	0.35	-	-	-	-	-	-
105	Thomas Processing Company	USD	0.21	158.92	0.01	0.80	-	-	0.28	0.80
106	Thomas Steel Strip Corp.	USD	(0.25)	(188.46)	0.82	61.29	(1.13)	81.82	50.87	143.11
107	TS South Africa Sales Office Proprietary Limited	ZAR	0.01	8.67	0.07	4.96	-	-	1.76	4.96
108	Tulip UK Holdings (No.2) Limited	GBP	52.86	39,240.62	-	-	-	-	-	-
109	Tulip UK Holdings (No.3) Limited	GBP	53.02	39,360.77	0.00	(0.15)	-	-	(0.06)	(0.15)
110	UK Steel Enterprise Limited	GBP	0.25	185.53	0.18	13.24	-	-	4.71	13.24
111	Tata Steel Europe Distribution BV	EUR	-	-	-	-	-	-	-	-
112	CBS Investissements SAS	EUR	-	-	-	-	-	-	-	-
113	British Steel Trading Limited	GBP	(0.38)	(285.43)	-	-	-	-	-	-
114	Unitol SAS	EUR	(0.03)	(21.59)	(0.23)	(16.86)	(0.04)	3.03	(4.91)	(13.83)
115	Al Rimal Mining LLC	OMR	0.01	6.83	0.00	(0.07)	-	-	(0.02)	(0.07)
116	TSMUK Limited	USD	5.34	3,966.16	0.00	(0.15)	-	-	(0.05)	(0.15)
117	T S Canada Capital Ltd	USD	0.04	32.15	0.01	0.54	-	-	0.19	0.54
118	Tata Steel Minerals Canada Limited	USD	0.95	706.33	(19.86)	(1,487.93)	-	-	(528.89)	(1,487.93)
119	Tata Steel (Thailand) Public Company Limited	THB	4.24	3,144.46	0.08	5.64	0.00	(0.32)	1.89	5.32

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52. Statement of net assets and profit or loss attributable to owners and minority interest (Contd.)

SL No.	Name of the entity	Reporting currency	Net Assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or (loss)	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
120	Tata Steel Manufacturing (Thailand) Public Company Limited (formerly N.T.S Steel Group Public Limited Company)	THB	0.70	522.39	1.39	103.77	0.03	(2.41)	36.03	101.36
121	The Siam Construction Steel Company Limited	THB	1.15	855.05	0.32	23.81	0.01	(1.07)	8.08	22.74
122	The Siam Iron and Steel (2001) Company Limited	THB	0.80	597.27	0.22	16.48	0.02	(1.75)	5.23	14.73
123	T S Global Procurement Company Pte. Ltd.	USD	4.74	3,518.50	2.34	175.58	-	-	62.41	175.58
124	ProCo Issuer Pte. Ltd.	USD	-	-	-	-	-	-	-	-
125	Tata Steel International (Singapore) Holdings Pte. Ltd	HKD	-	-	-	-	-	-	-	-
126	Tata Steel International (Asia) Limited	HKD	0.00	2.89	0.02	1.18	-	-	0.42	1.18
127	Tata Steel International (Shanghai) Ltd.	CNY	0.01	5.84	(0.04)	(2.86)	(0.37)	26.82	8.52	23.96
128	Bhushan Steel (Australia) PTY Ltd.	AUD	0.01	6.40	(0.02)	(1.19)	-	-	(0.42)	(1.19)
129	Bowen Energy PTY Ltd.	AUD	(0.04)	(26.04)	0.00	(0.00)	-	-	0.00	(0.00)
130	Bowen Coal PTY Ltd.	AUD	0.00	0.00	-	-	-	-	-	-
131	Bowen Consolidated PTY Ltd.	AUD	0.00	0.00	-	-	-	-	-	-
C.	**Joint Ventures**									
a)	**Indian**									
1	Himalaya Steel Mills Services Private Limited	INR	0.01	6.46	0.02	1.66	0.00	(0.02)	0.58	1.64
2	mjunction services limited	INR	0.22	163.12	0.25	18.41	0.00	0.04	6.56	18.45
3	S & T Mining Company Private Limited	INR	0.00	(0.63)	(0.01)	(0.42)	-	-	(0.15)	(0.42)
4	Tata NYK Shipping (India) Pvt. Ltd.	INR	0.00	2.63	0.00	0.14	-	-	0.05	0.14
5	T M Mining Company Limited	INR	-	-	-	-	-	-	-	-
6	TM International Logistics Limited	INR	0.30	222.03	0.24	18.16	0.00	(0.12)	6.41	18.04
7	TKM Global Logistics Limited	INR	0.04	29.21	0.00	0.11	0.00	0.16	0.09	0.27
8	Industrial Energy Limited	INR	0.33	246.17	0.39	29.02	0.00	0.17	10.38	29.19
9	Jamipol Ltd.	INR	0.09	68.48	0.14	10.12	(0.02)	1.34	4.07	11.46
10	Nicco Jubilee Park Limited	INR	-	-	-	-	-	-	-	-
11	Medica TS Hospital Pvt. Ltd.	INR	-	-	-	-	-	-	-	-
12	SEZ Adityapur Limited	INR	-	-	-	-	-	-	-	-
13	Naba Diganta Water Management Limited	INR	0.04	26.21	0.04	3.22	0.00	0.01	1.15	3.23
14	Andal East Coal Company Pvt. Ltd.	INR	-	-	-	-	-	-	-	-
15	Tata BlueScope Steel Private Limited	INR	0.78	580.76	1.48	110.80	0.00	0.13	39.43	110.93
16	Jamshedpur Continuous Annealing & Processing Company Private Limited	INR	0.77	574.73	1.40	105.14	0.00	0.19	37.44	105.33
b)	**Foreign**									
1	Tata NYK Shipping Pte Ltd.	USD	0.15	112.88	0.10	7.68	(0.29)	21.16	10.25	28.84
2	International Shipping and Logistics FZE	USD	0.37	271.21	0.16	12.29	0.00	(0.35)	4.24	11.94
3	TKM Global China Ltd	CNY	0.01	4.56	0.00	(0.13)	-	-	(0.05)	(0.13)
4	TKM Global GmbH	EUR	0.26	195.44	0.05	3.74	-	-	1.33	3.74
5	Air Products Llanwern Limited	GBP	0.02	12.75	0.06	4.51	-	-	1.60	4.51

52. Statement of net assets and profit or loss attributable to owners and minority interest (Contd.)

SL No.	Name of the entity	Reporting currency	Net Assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or (loss)	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
6	Laura Metaal Holding B.V.	EUR	0.20	150.41	0.00	0.03	-	-	0.01	0.03
7	Ravenscraig Limited	GBP	(0.10)	(76.22)	0.03	1.87	-	-	0.67	1.87
8	Tata Steel Ticaret AS	TRY	0.01	6.33	0.08	5.66	-	-	2.01	5.66
9	Texturing Technology Limited	GBP	0.03	23.60	0.06	4.32	-	-	1.54	4.32
10	Hoogovens Court Roll Service Technologies VOF	EUR	0.02	18.18	0.02	1.74	-	-	0.62	1.74
11	Minas De Benga (Mauritius) Limited	USD	(1.88)	(1,397.36)	(2.52)	(188.99)	(0.12)	(8.58)	(70.23)	(197.57)
12	BlueScope Lysaght Lanka (Pvt) Ltd	LKR	0.03	19.49	0.03	2.43	-	-	0.86	2.43
D.	**Associates**									
a)	**Indian**									
1	Kalinga Aquatics Ltd.	INR	-	-	-	-	-	-	-	-
2	Kumardhubi Fireclay & Silica Works Ltd.	INR	-	-	-	-	-	-	-	-
3	Kumardhubi Metal Casting and Engineering Limited	INR	-	-	-	-	-	-	-	-
4	Strategic Energy Technology Systems Private Limited	INR	-	-	-	-	-	-	-	-
5	Tata Construction & Projects Ltd.	INR	-	-	-	-	-	-	-	-
6	TRF Limited	INR	(0.12)	(90.99)	(0.31)	(23.18)	(0.01)	0.76	(7.97)	(22.42)
7	Malusha Travels Pvt Ltd.	INR	-	-	-	-	-	-	-	-
8	Bhushan Capital & Credit Services Private Limited	INR	-	-	-	-	-	-	-	-
9	Jawahar Credit & Holdings Private Limited	INR	-	-	-	-	-	-	-	-
b)	**Foreign**									
1	TRF Singapore Pte Limited	SGD	0.03	20.53	(0.12)	(8.83)	-	-	(3.14)	(8.83)
2	TRF Holding Pte Limited	USD	0.00	(0.09)	0.00	(0.05)	-	-	(0.02)	(0.05)
3	Dutch Lanka Trailer Manufacturers Limited	USD	0.02	13.25	0.05	4.00	0.00	0.01	1.43	4.01
4	Dutch Lanka Engineering (Private) Limited	LKR	0.00	(0.56)	(0.01)	(0.67)	0.00	0.00	(0.24)	(0.66)
5	European Profiles (M) Sdn. Bhd.	MYR	0.02	12.16	0.01	0.39	-	-	0.14	0.39
6	Albi Profils SRL	EUR	-	-	-	-	-	-	-	-
7	GietWalsOnderhoudCombinatie B.V.	EUR	0.03	21.56	0.04	3.20	-	-	1.14	3.20
8	Hoogovens Gan Multimedia S.A. De C.V.	MXN	-	-	-	-	-	-	-	-
9	ISSB Limited	GBP	-	-	-	-	-	-	-	-
10	Wupperman Staal Nederland B.V.	EUR	0.19	143.53	0.31	23.02	-	-	8.18	23.02
11	Fabsec Limited	GBP	-	-	-	-	-	-	-	-
12	9336-0634 Québec Inc	CAD	-	-	-	-	-	-	-	-
13	New Millennium Iron Corp	CAD	-	-	0.05	3.52	0.00	(0.26)	1.16	3.26
E.	**Adjustment due to consolidation**		(474.43)	(3,52,208.72)	(38.81)	(2,907.14)	23.32	(1,680.94)	(1,630.85)	(4,588.08)
	TOTAL		**100.00**	**74,238.77**	**100.00**	**7,490.22**	**100.00**	**(7,208.89)**	**100.00**	**281.33**

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52. Statement of net assets and profit or loss attributable to owners and minority interest (Contd.)

SL No.	Name of the entity	Reporting currency	Net Assets		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
			As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or (loss)	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of consolidated total comprehensive income	Amount (₹ crore)
F.	**Minority interests in subsidiaries**									
a)	**Indian subsidiaries**									
1	The Tinplate Company of India Limited	INR		211.89		24.58		(0.58)		24.00
2	Indian Steel & Wire Products Ltd.	INR		6.17		0.60		(0.06)		0.54
3	Tata Metaliks Ltd.	INR		519.59		91.31		(0.13)		91.18
4	Adityapur Toll Bridge Company Limited	INR		6.07		0.20		-		0.20
5	Tata Steel Long Products Limited	INR		649.88		142.08		0.71		142.79
6	Tata Steel Utilities and Infrastructure Services Limited	INR		23.34		-		-		-
7	Creative Port Development Private Limited	INR		202.32		(0.43)		-		(0.43)
8	Tata Steel BSL Limited	INR		1,023.10		688.02		0.14		688.16
9	Mohar Export Services Pvt. Ltd	INR		(0.01)		-		-		-
b)	**Foreign subsidiaries**									
1	Tata Steel (Thailand) Public Company Ltd.	THB		481.93		48.69		10.46		59.15
2	Tata Steel Europe Limited	GBP		8.97		(0.88)		(1.37)		(2.25)
3	NatSteel Holdings Pte. Ltd.	SGD		9.29		0.58		(0.12)		0.46
4	Tata Steel Minerals Canada Limited	USD		127.14		(295.18)		(11.17)		(306.35)
	Total non-controlling interests in subsidiaries			**3,269.68**		**699.57**		**(2.12)**		**697.45**
	Consolidated net assets/profit after tax			**77,508.45**		**8,189.79**		**(7,211.01)**		**978.78**

52. Statement of net assets and profit or loss attributable to owners and minority interest (Contd.)

(i) List of subsidiaries, associates and joint ventures which have not been consolidated and reasons for not consolidating:

Sl. No.	Name	Reason
1	Tayo Rolls Limited	Undergoing Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016.
2	Tata Korf Engineering Services Ltd.	Financial information not available
3	Straight Mile Steel Limited	Under strike-off
4	Jamadoba Steel Limited	Under strike-off
5	Bistupur Steel Limited	Under strike-off
6	Dimna Steel Limited	Under strike-off
7	Jugsalai Steel Limited	Under strike-off
8	Noamundi Steel Limited	Under strike-off
9	Sakchi Steel Limited	Under strike-off
10	Bell & Harwood Limited	Under liquidation
11	Blastmega Limited	Under liquidation
12	Bore Samson Group Limited	Under liquidation
13	Bore Steel Limited	Under liquidation
14	British Guide Rails Limited	Under liquidation
15	British Steel Engineering Steels (Exports) Limited	Under liquidation
16	British Steel Service Centres Limited	Under liquidation
17	C Walker & Sons Limited	Under liquidation
18	Color Steels Limited	Under liquidation
19	Cordor (C& B) Limited	Under liquidation
20	Corus Cold Drawn Tubes Limited	Under liquidation
21	Corus Engineering Steels Holdings Limited	Under liquidation
22	Corus Engineering Steels Overseas Holdings Limited	Under liquidation
23	Corus Engineering Steels Pension Scheme Trustee Limited	Under liquidation
24	Corus Large Diameter Pipes Limited	Under liquidation
25	Corus Service Centre Limited	Under liquidation
26	DSRM Group Limited	Under liquidation
27	Europressings Limited	Under liquidation
28	02727547 Limited (Formerly known as Firsteel Holdings Limited)	Under liquidation
29	Grant Lyon Eagre Limited	Under liquidation
30	Hammermega Limited	Under liquidation
31	Lister Tubes Limited	Under liquidation
32	Nationwide Steelstock Limited	Under liquidation
33	Ore Carriers Limited	Under liquidation
34	Plated Strip (International) Limited	Under liquidation
35	Precoat International Limited	Under liquidation
36	Precoat Limited	Under liquidation
37	Round Oak Steelworks Limited	Under liquidation
38	Runblast Limited	Under liquidation
39	Runmega Limited	Under liquidation
40	Seamless Tubes Limited	Under liquidation
41	Steel StockHoldings Limited	Under liquidation

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forming part of the consolidated financial statements

52. Statement of net assets and profit or loss attributable to owners and minority interest (Contd.)

Sl. No.	Name	Reason
42	Steelstock Limited	Under liquidation
43	Stewarts & Lloyds Of Ireland Limited	Under liquidation
44	Stewarts And Lloyds (Overseas) Limited	Under liquidation
45	Tata Steel Denmark Byggsystemer A/S	Under liquidation
46	Tata Steel Sweden Byggsystem AB	Under liquidation
47	The Stanton Housing Company Limited	Under liquidation
48	The Templeborough Rolling Mills Limited	Under liquidation
49	Toronto Industrial Fabrications Limited	Under liquidation
50	U.E.S. Bright Bar Limited	Under liquidation
51	UKSE Fund Managers Limited	Under liquidation
52	Walker Manufacturing And Investments Limited	Under liquidation
53	Walkersteelstock Ireland Limited	Under liquidation
54	Walkersteelstock Limited	Under liquidation
55	Westwood Steel Services Limited	Under liquidation
56	Whitehead (Narrow Strip) Limited	Under liquidation
57	T M Mining Company Limited	Under strike-off
58	Nicco Jubilee Park Limited	Financial information not available
59	9336-0634 Québec Inc	Financial information not available
60	SEZ Adityapur Limited	Under strike-off
61	Andal East Coal Company Pvt. Ltd.	Under liquidation
62	Kalinga Aquatics Ltd.	Under liquidation
63	Tata Construction & Projects Ltd.	Under liquidation
64	Kumardhubi Fireclay & Silica Works Ltd.	Under liquidation
65	Kumardhubi Metal Casting and Engineering Limited	Under liquidation
66	European Profiles (M) Sdn. Bhd.	No control over financial and operating policies and hence not considered for consolidation
67	Albi Profils SRL	Operations are not significant and hence immaterial for consolidation
68	Hoogovens Gan Multimedia S.A. De C.V.	Operations are not significant and hence immaterial for consolidation
69	ISSB Limited	Operations are not significant and hence immaterial for consolidation
70	Fabsec Limited	Operations are not significant and hence immaterial for consolidation

(ii) The Group is continuing with its focus on simplifying the corporate structure which saw a significant number of entities enter into voluntary liquidation in the previous and current year. There remains an objective to simplify the structure further by dissolving additional entities which are either dormant or have ceased to have business operations.

In terms of our report attached

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

sd/-
Russell I Parera
Partner
Membership Number 042190

Mumbai, May 5, 2021

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

sd/-
Mallika Srinivasan
Independent Director
DIN: 00037022

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

sd/-
Peter Blauwhoff
Independent Director
DIN: 07728872

sd/-
Deepak Kapoor
Independent Director
DIN: 00162957

sd/-
Aman Mehta
Independent Director
DIN: 00009364

sd/-
V. K. Sharma
Non-Executive Director
DIN: 02449088

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

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

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

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

NOTICE

Notice is hereby given that the 114th Annual General Meeting of the Members of Tata Steel Limited will be held on Wednesday, June 30, 2021, at 3.00 p.m. (IST) through Video Conferencing / Other Audio-Visual Means, to transact the following business:

Ordinary Business:

Item No. 1 – Adoption of Audited Standalone Financial Statements

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021 together with the Reports of the Board of Directors and the Auditors thereon.

Item No. 2 – Adoption of Audited Consolidated Financial Statements

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 together with the Report of the Auditors thereon.

Item No. 3 – Declaration of Dividend

To declare dividend of:

- ₹25/- per fully paid-up Ordinary (equity) Share of face value ₹10/- each for the Financial Year 2020-21.
- ₹6.25 per partly paid-up Ordinary (equity) Share of face value ₹10/- each (paid-up ₹2.504 per share) for the Financial Year 2020-21 on which call money remains unpaid.

Item No. 4 – Re-appointment of a Director

To appoint a Director in the place of Mr. Saurabh Agrawal (DIN: 02144558), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, seeks re-appointment.

Special Business:

Item No. 5 – Ratification of Remuneration of Cost Auditors

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹20 lakh plus applicable taxes and reimbursement of out-of-pocket expenses payable to Messrs Shome & Banerjee, Cost Accountants (Firm Registration Number – 000001), who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as the Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company, for the Financial Year ending March 31, 2022."

NOTES:

(a) The Statement, pursuant to Section 102 of the Companies Act, 2013, as amended (**'Act'**) setting out material facts concerning the business with respect to Item No. 5 forms part of this Notice. Additional information, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (**'SEBI Listing Regulations'**) and Secretarial Standard – 2 on General Meetings issued by The Institute of Company Secretaries of India, in respect of Director retiring by rotation seeking re-appointment at this Annual General Meeting (**'Meeting' or 'AGM'**) is furnished as an annexure to the Notice.

(b) In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (**'MCA'**) vide its Circular Nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, read with Circular Nos. 20/2020 dated May 5, 2020 and 02/2021 dated January 13, 2021 (collectively referred to as **'MCA Circulars'**), and Securities and Exchange Board of India (**'SEBI'**) vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, and SEBI/HO/CFD/ CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred to as **'SEBI Circulars'**), have permitted the holding of Annual General Meeting through Video Conferencing (**'VC'**) or Other Audio-Visual Means (**'OAVM'**), without the physical presence of the Members at a common venue. In accordance with the MCA Circulars and SEBI Circulars, the 114th AGM of the Company is being held through VC / OAVM on Wednesday, June 30, 2021 at 3.00 p.m. (IST). The deemed venue for the 114th AGM shall be Bombay House, 24, Homi Mody Street, Fort, Mumbai – 400 001.

(c) **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS AND SEBI CIRCULARS THROUGH VC / OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM**

AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.

(d) The Members can join the AGM in the VC / OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the National Securities Depository Limited's (**'NSDL'**) e-Voting website at www.evoting.nsdl.com The facility of participation at the AGM through VC / OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars.

(e) Institutional / corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of their respective Board or governing body Resolution / Authorisation etc., authorising their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-Voting. The said Resolution / Authorisation shall be sent by e-mail on Scrutiniser's e-mail address at tsl.scrutiniser@gmail.com with a copy marked to evoting@nsdl.co.in

(f) The Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

(g) In case of joint holders, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote at the meeting.

(h) In accordance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Integrated Report & Annual Accounts 2020-21 are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. The Notice convening the 114th AGM along with the Integrated Report & Annual Accounts 2020-21 will also be available on the website of the Company at www.tatasteel.com, websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the website of NSDL at www.evoting.nsdl.com

(i) **Book Closure and Dividend:**

The Register of Members and Share Transfer Books of the Company (for both, fully paid-up and partly paid-up Ordinary (equity) Shares) will be closed from Saturday, June 19, 2021 to Wednesday, June 30, 2021 (both days inclusive) for the purpose of payment of dividend and AGM for Financial Year 2020-21. The dividend of ₹25/- per fully paid-up Ordinary (equity) Share of ₹10/- each and ₹6.25 per partly paid-up Ordinary (equity) Share of ₹10/- each (paid-up ₹2.504 per share) in respect of the outstanding partly paid-up Ordinary (equity) Shares of the Company on which call money remains unpaid as on the date of book closure, if approved by the Members at the AGM, will be paid subject to deduction of income-tax at source (**'TDS'**) on and from Friday, July 2, 2021 as under:

- **In respect of Ordinary Shares held in physical form:** To all the Members, after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company as on close of business hours of Friday, June 18, 2021.
- **In respect of Ordinary Shares held in electronic form:** To all beneficial owners of the shares, as on the close of business hours on Friday, June 18, 2021, as per details furnished by the Depositories for this purpose.

Pursuant to Finance Act, 2020, dividend income is taxable in the hands of shareholders effective April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and the amendments thereof. In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential status, PAN, Category with their depository participants (**'DPs'**) or in case shares are held in physical form, with the Company / Registrars and Transfer Agents (**'RTA'**) by sending documents through e-mail on or before Friday, June 4, 2021. For the detailed process, please click here: 'Communication on Tax Deduction on Dividend'.

Updation of mandate for receiving dividend directly in bank account through Electronic Clearing System or any other means in a timely manner:

Shares held in physical form: Members are requested to send hard copies of the following details / documents to the Company's Registrars and Transfer Agent, viz. TSR Darashaw Consultants Private Limited, (formerly TSR Darashaw Limited) at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083, latest by Friday, June 4, 2021:

a) a signed request letter mentioning your name, folio number(s), complete address and following details relating to bank account, in which the dividend is to be received:

   i) Name & Branch of Bank and Bank Account type;

   ii) Bank Account Number & Type allotted by your Bank after implementation of Core Banking Solutions;

   iii) 11 digit IFSC Code.

b) cancelled cheque in original, bearing the name of the Member or first holder, in case shares are held jointly;

c) self-attested copy of the PAN Card; and

d) self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

Shares held in electronic form: Members may please note that their bank details as furnished by the respective DPs to the Company will be considered for remittance of dividend as per the applicable regulations of the DPs and the Company will not entertain any direct request from such Members for change / addition / deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective DPs.

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

The Members who are unable to receive the dividend directly in their bank account through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the warrant / Bankers' cheque / demand draft to such Members, upon normalisation of postal services and other activities.

(j) **Nomination facility:** As per the provisions of Section 72 of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form SH-14. The said forms can be downloaded from the Company's website at www.tatasteel.com Members are requested to submit the said form to their DPs in case the shares are held in electronic form and to the RTA at csg-unit@tcplindia.co.in in case the shares are held in physical form, quoting their folio no(s).

(k) **Consolidation of Physical Share Certificates:** Members holding shares in physical form, in identical order of names, in more than one folio, are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

(l) Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (**'IEPF'**). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members / Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in The attention of Members is particularly drawn to the Corporate Governance Report forming part of the Board's Report in respect of unclaimed dividends and transfer of dividends / shares to the IEPF.

(m) Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs in case the shares are held in electronic form and to the RTA at csg-unit@tcplindia.co.in in case the shares are held in physical form, quoting their folio no(s). Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.

(n) As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of the listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition and re-lodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members may contact the Company's RTA, TSR Darashaw Consultants Private Limited at csg-unit@tcplindia.co.in for assistance in this regard. Members may also refer to Frequently Asked Questions (**'FAQs'**) on the Company's website. For details click here: FAQs

(o) To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned

Depository Participant and holdings should be verified from time to time.

PROCESS FOR REGISTERING E-MAIL ADDRESS:

i. **One time registration of e-mail address with RTA for receiving the Integrated Report & Annual Accounts 2020-21 and to cast votes electronically:** The Company has made special arrangements with RTA for registration of e-mail address of those Members (holding shares either in electronic or physical form) who wish to receive the Integrated Report & Annual Accounts for FY 2020-21 and cast votes electronically. Eligible Members whose e-mail addresses are not registered with the Company / DPs are required to provide the same to RTA on or before 5.00 p.m. (IST) on **Wednesday, June 23, 2021**.

   Process to be followed for one time registration of e-mail address (for shares held in physical form or in electronic form) is as follows:

   a) Visit the link: https://tcpl.linkintime.co.in/EmailReg/Email_Register.html

   b) Select the name of the Company from drop-down

   c) Enter details in respective fields such as DP ID and Client ID (if shares held in electronic form) / Folio no. and Certificate no. (if shares held in physical form), Shareholder name, PAN, mobile number and e-mail id

   d) System will send OTP on mobile no. and e-mail id

   e) Enter OTP received on mobile no. and e-mail id and submit.

   After successful submission of the e-mail address, NSDL will e-mail a copy of this AGM Notice and Integrated Report & Annual Accounts FY 2020-21 along with the e-Voting user ID and password. In case of any queries, Members may write to csg-unit@tcplindia.co.in or evoting@nsdl.co.in

ii. **Registration of e-mail address permanently with Company / DP:** Members are requested to register the email address with their concerned DPs, in respect of electronic holding and with RTA, in respect of physical holding, by writing to them at csg-unit@tcplindia.co.in Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated / updated with their DPs / RTA to enable servicing of notices / documents / Integrated Reports and other communications electronically to their e-mail address in future.

INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM ARE AS FOLLOWS:

A. PROCESS AND MANNER FOR VOTING THROUGH ELECTRONIC MEANS:

1. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the SEBI Listing Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by NSDL.

2. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of Wednesday, June 23, 2021 may cast their vote by remote e-Voting. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as remote e-Voting during the AGM.

   Any shareholder(s) holding shares in physical form or non-individual shareholders who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Wednesday, June 23, 2021, may obtain the User ID and Password by sending a request at evoting@nsdl.co.in However, if a person is already registered with NSDL for remote e-Voting then he / she can use his / her existing User ID and password for casting the vote.

   In case of Individual Shareholder who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holds shares in demat mode as on the cut-off date may follow the steps mentioned under **'Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode.'**

3. The remote e-Voting period commences on **Friday, June 25, 2021 at 9.00 a.m. (IST) and ends on Tuesday, June 29, 2021 at 5.00 p.m. (IST)**. The remote e-Voting

module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the **cut-off date i.e. Wednesday, June 23, 2021.**

4. Members will be provided with the facility for voting through electronic voting system during the VC / OAVM proceedings at the AGM and Members participating at the AGM, who have not already cast their vote on the resolution(s) by remote e-Voting, will be eligible to exercise their right to vote on such resolution(s) upon announcement by the Chairman. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC / OAVM but shall not be entitled to cast their vote on such resolution(s) again. The remote e-Voting module on the day of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM AND REMOTE E-VOTING (BEFORE AND DURING THE AGM) ARE AS UNDER:

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at https://www.evoting.nsdl.com by following the steps mentioned under 'Access NSDL e-Voting system'. After successful login, Member(s) can click on link of VC / OAVM placed under "Join General Meeting" menu against Company name. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of the Company will be displayed. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID / Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice.

2. Members are encouraged to submit their questions in advance with respect to the accounts or the business to be transacted at the AGM. These queries may be submitted from their registered e-mail address, mentioning their name, DP ID and Client ID / folio number and mobile number, to reach the Company's e-mail address at cosec@tatasteel.com before 3.00 p.m. (IST) on Wednesday, June 23, 2021.

3. The Register of Directors and Key Managerial Personnel and their Shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an e-mail to cosec@tatasteel.com

4. Members who would like to express their views or ask questions during the AGM may pre-register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at cosec@tatasteel.com between June 24, 2021 (9:00 a.m. IST) to June 26, 2021 (5:00 p.m. IST). The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

5. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in /1800 1020 990/1800 224 430 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in or Mr. Sanjeev Yadav, Assistant Manager–NSDL at sanjeevy@nsdl.co.in

THE INSTRUCTIONS FOR REMOTE E-VOTING BEFORE/ DURING THE AGM

The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Access NSDL e-Voting system

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

Details on Step 1 are mentioned below:

A. Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode

In order to increase the efficiency of the voting process and in pursuance of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, e-Voting facility is being provided to all the demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / Depository Participants. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (**'ESP'**) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

Shareholders are advised to update their mobile number and e-mail-id with their DPs in order to access e-Voting facility.

Login method for individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	**A. NSDL IDeAS facility** **If you are already registered, follow the below steps:** 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ 2. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under "Login" which is available under **"IDeAS"** section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. 4. Click on "Access to e-Voting" appearing on left hand side under e-Voting services and you will be able to see e-Voting page. 5. Click on options available against company name or **e-Voting service provider – NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting and remote e-Voting during the meeting. **If you are not registered, follow the below steps:** 1. Option to register is available at https://eservices.nsdl.com 2. Select **"Register Online for IDeAS"** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Please follow steps given in points 1-5. **B. Visit the e-Voting website of NSDL** 1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against company name or **e-Voting service provider – NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and remote e-Voting during the meeting.
Individual Shareholders holding securities in demat mode with Central Depository Services (India) Limited (**'CDSL'**)	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will see the e-Voting Menu. The Menu will have links of ESP **i.e. NSDL Portal. Click on NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and E-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) logging through their depository participants	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. 2. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on options available against company name or **e-Voting service provider – NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and remote voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at respective website.

Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depositories i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B. Login Method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/
2. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder / Member' section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example, if folio number is S1******** and EVEN is 116005 (for fully paid-up Ordinary (equity) Shares) then user ID is 116005S1******** and, If, EVEN is 116006 (for partly paid-up Ordinary (equity) Shares) then user ID is 116006PV********

5. Your password details are given below:

(a) If you are already registered for e-Voting, then you can use your existing password to log-in and cast your vote.

(b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

(c) How to retrieve your 'initial password'?

   i. If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Open the e-mail sent to you by NSDL and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

   ii. If your e-mail ID is not registered, please follow steps mentioned in process for those shareholders whose e-mail ids are not registered.

6. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:

(a) Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com

(b) Click on 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on www.evoting.nsdl.com

(c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

(d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.
8. Now, you will have to click on 'Login' button.
9. After you click on the 'Login' button, Home page of e-Voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see "EVEN" of all the companies in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of the Company, in case of fully paid-up Ordinary (equity) Shares – 116005 and in case of partly paid-up Ordinary (equity) Shares – 116006, for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting"
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
5. Upon confirmation, the message 'Vote cast successfully' will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

The instructions for e-Voting during the AGM are as under:

1. The procedure for remote e-Voting during the AGM is same as the instructions mentioned above for remote e-Voting since the Meeting is being held through VC/OAVM.
2. Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote on such resolution(s) through remote e-Voting system at the AGM.

General Guidelines for Shareholders:

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.
2. In case of any queries/grievances pertaining to remote e-Voting (before the AGM and during the AGM), you may refer to the Frequently Asked Questions (**'FAQs'**) for Shareholders and e-Voting user manual for Shareholders available in the 'Download' section of www.evoting.nsdl.com or call on the toll-free number: 1800 1020 990/1800 224 430 or send a request at evoting@nsdl.co.in or contact Mr. Amit Vishal or Ms. Pallavi Mhatre from NSDL at the designated e-mail IDs: amitv@nsdl.co.in or pallavid@nsdl.co.in

Other Instructions:

i. The Board of Directors has appointed Mr. P. N. Parikh (Membership No. FCS 327) or failing him, Ms. Jigyasa Ved (Membership No. FCS 6488) or failing her, Mr. Mitesh Dhabliwala (Membership No. FCS 8331) of M/s. Parikh & Associates, Practising Company Secretaries, as the Scrutinizer to scrutinise the remote e-Voting process as well as voting during the AGM in a fair and transparent manner.

ii. The Scrutinizer shall immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast prior to the AGM) and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

iii. The results declared along with the Scrutiniser's Report shall be placed on the website of the Company www.tatasteel.com and on the website of NSDL www.evoting.nsdl.com immediately. The Company shall simultaneously communicate the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

By Order of the Board of Directors
Sd/-
Parvatheesam Kanchinadham
Company Secretary &
Chief Legal Officer (Corporate & Compliance)
Membership No. ACS: 15921

Mumbai
May 5, 2021

Registered Office:
Bombay House, 24, Homi Mody Street,
Fort, Mumbai - 400 001
Tel: +91 22 6665 8282
CIN: L27100MH1907PLC000260
Website: www.tatasteel.com
E-mail: cosec@tatasteel.com

Statement pursuant to Section 102(1) of the Companies Act, 2013, as amended ('Act')

The following Statement sets out all material facts relating to Item No. 5 mentioned in the accompanying Notice.

Item No. 5:

The Company is required under Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have the audit of its cost records for products covered under the Companies (Cost Records and Audit) Rules, 2014 conducted by a Cost Accountant in practice. Based on the documents made available and the discussions held at the meeting of the Audit Committee, it considered and recommended the appointment and remuneration of the Cost Auditors to the Board of Directors ('**Board**'). The Board has, on the recommendation of the Audit Committee approved the appointment and remuneration of Messrs Shome & Banerjee, Cost Accountants (Firm Registration Number – 000001) as the Cost Auditor of the Company for the Financial Year 2021-22.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the Members of the Company. The Board has fixed the remuneration payable to Cost Auditors for Financial Year 2021-22 at ₹20 lakh plus applicable taxes and reimbursement of out of pocket expenses, to cover the cost audit of different divisions including Tubes, Bearings, Ferro Alloys and Minerals Division, Steel Products, Growth Shop, health services, power business, and Kalinganagar plant. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditor of the Company for the Financial Year ending March 31, 2022.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

The Board recommends the Resolution set forth in Item No. 5 for the approval of the Members.

By Order of the Board of Directors
Sd/-
Parvatheesam Kanchinadham
Company Secretary &
Chief Legal Officer (Corporate & Compliance)
Membership No. ACS: 15921

Mumbai
May 5, 2021

Registered Office:
Bombay House, 24, Homi Mody Street,
Fort, Mumbai-400 001
Tel: +91 22 6665 8282
CIN: L27100MH1907PLC000260
Website: www.tatasteel.com
E-mail: cosec@tatasteel.com

Annexure to the Notice

Details of the Director seeking re-appointment in the forthcoming Annual General Meeting

[Pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Secretarial Standard 2 on General Meeting]

Profile of Mr. Saurabh Agrawal

Mr. Saurabh Agrawal (DIN: 02144558) (51) was appointed as a Member of the Board effective August 10, 2017. Mr. Agrawal joined Tata Sons Private Limited in June 2017 as Group Chief Financial Officer and was appointed as the Executive Director of Tata Sons in November 2017. Prior to joining the Tata Group, he was the Head of Strategy at the Aditya Birla Group. In a career spanning over two decades, Mr. Agrawal has also been the head of investment banking in India for Bank of America Merrill Lynch and also head of corporate finance business in India and South Asia for Standard Chartered Bank.

Mr. Agrawal holds a graduate degree in chemical engineering, with honours, from the Indian Institute of Technology, Roorkee and holds a Post-Graduate Diploma in Management from Indian Institute of Management, Calcutta.

Experience

Mr. Agrawal has a wide-ranging experience in strategy and capital markets where he had a ringside view of the evolution of Indian economy since the mid-90s. He has advised clients on transactions valued more than US$16 billion. In addition, Mr. Agrawal has helped various large Indian and Global corporates raise over US$10 billion from the capital markets.

Mr. Agrawal has experience across strategy and execution, covering a wide range of industries. Mr. Agrawal's leadership capabilities, his rich experience in portfolio optimisation, investment management and capital allocation and his deep understanding of the complex strategic and financial issues will strengthen the Board's collective vision, knowledge, capabilities and experience.

Board Meeting Attendance and Remuneration

Details regarding the attendance at the Board Meetings and remuneration paid to Mr. Agrawal are provided in the Board's Report and in the Corporate Governance Report forming part of the Board's Report.

Disclosure of Relationship *inter-se* between Directors, Manager and other Key Managerial Personnel

There is no *inter-se* relationship between Mr. Saurabh Agrawal, other members of the Board and Key Managerial Personnel of the Company.

Shareholding in the Company

Mr. Agrawal does not hold any Equity Shares of the Company.

Bodies Corporate (other than Tata Steel Limited and foreign companies) in which Mr. Saurabh Agrawal holds Directorships and Committee Membership

Directorships

Tata Sons Private Limited
Voltas Limited
Gradis Trading Private Limited
Tata Capital Limited
Tata AIA Life Insurance Company Limited
Tata AIG General Insurance Company Limited
The Tata Power Company Limited
Tata Sky Limited
Talace Private Limited

Chairman of Board Committees

Tata Sons Private Limited
Asset Liability Management Committee

Tata Capital Limited
Risk Management Committee
Finance & Asset Liability Supervisory Committee
Corporate Social Responsibility Committee

Tata AIA Life Insurance Company Limited
Corporate Social Responsibility Committee

Tata AIG General Insurance Company Limited
Investment Committee

Member of Board Committees

Tata Sons Private Limited
Group Risk Management Committee

Tata Capital Limited
Nomination and Remuneration Committee

Tata AIA Life Insurance Company Limited
Audit Committee
Investment Committee
Nomination and Remuneration Committee

Tata AIG General Insurance Company Limited
Nomination and Remuneration Committee
Corporate Social Responsibility Committee

The Tata Power Company Limited
Audit Committee

Tata Sky Limited
Nomination and Remuneration Committee

TATA STEEL

Tata Steel Limited
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Fort, Mumbai - 400 001
www.tatasteel.com

/TataSteelLtd/

/TataSteelLtd

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/Content and design consultants **AICL** (hello@aicl.in)