TSLPL/SE/2020-21/34

August 23, 2020

The Secretary, Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
Scrip Code: 513010

The Manager – Listing Department
National Stock Exchange of India Limited
"Exchange Plaza", 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051
Symbol: TATASTLLP

Dear Sir/ Madam,

Sub: **Integrated Report & Annual Accounts for Financial Year 2019-20 of Tata Steel Long Products Limited (Formerly Tata Sponge Iron Limited) ("Company")**

This is in furtherance to our letter dated August 19, 2020 wherein the Company had informed that the 37th Annual General Meeting ('**AGM**') of the Company will be held on **Monday, September 14, 2020** at **3.00 p.m. (IST)** via two-way Video Conference / Other Audio-Visual Means only, in accordance with the General Circular issued by the Ministry of Corporate Affairs dated May 5, 2020 read with General Circulars dated April 8, 2020 and April 13, 2020 and SEBI Circular dated May 12, 2020.

Please find enclosed herewith the Integrated Report & Annual Accounts for Financial Year 2019-20 of the Company along with the Notice of the 37th Annual General Meeting of the Company ("Integrated Report"). The Integrated Report is also being sent through electronic mode to those Members whose email addresses are registered with the Company / Registrar and Share Transfer Agent / Depositories.

The Integrated Report is available on the website of the Company at https://www.tatasteellp.com/annual-report-tsil/

This is submitted pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and records.

Thanking You,

Yours faithfully,
For **Tata Steel Long Products Limited**
(Formerly Tata Sponge Iron Limited)

Sanjay Kasture
Company Secretary

Encl. as above

TATA STEEL LONG PRODUCTS LIMITED

(Formerly Tata Sponge Iron Limited)

INTEGRATED REPORT **2019-20**

37TH YEAR

Financial Capital

Manufactured Capital

Intellectual Capital

TRANSFORMING TOWARDS SUSTAINABLE GROWTH

Human Capital

Social and Relationship Capital

Natural Capital

About the Report

This is the Integrated Annual Report of Tata Steel Long Products Limited (TSLP). Financial Year (FY) 2019-20 has been a seminal year for us. The year saw seamless integration of the existing sponge business of Tata Sponge Iron Limited and the acquired steel business of Usha Martin Limited. This Report is an effective platform to present to you the new corporate identity, governance framework, strategic priorities, performance and prospects of Tata Steel Long Products in a comprehensive and concise manner. Apart from the Company's financial performance, the Report covers the non-financial aspects, including operational, environmental and social performance.

Scope

The scope of this Report covers TSLP's raw material locations, the manufacturing and its corporate office and sales offices.

Materiality

The Report aims at a fair and balanced representation of our business model, strategy, performance and prospects in relation to all the issues that are crucial to our value-creation.

The Report also aims to identify our key stakeholders and the issues we engage with as part of our usual business. The material issues have been assessed by the senior management and are intrinsically addressed by our strategy.

Standards and frameworks

The Report is guided by the International Integrated Reporting <IR> Framework. The financial statements are as per the Indian Accounting Standards. The other disclosures in the Report are as per the Listing Obligations and Disclosure Requirements of the Securities and Exchange Board of India and the Companies Act, 2013.

Responsibility

The information covered in this Report is veritable to the best of our knowledge and has been overviewed collectively by multiple functions within TSLP. The management acknowledges its responsibility in ensuring the integrity of the Integrated Report and confirms that the Report addresses all material matters pertaining to the organisation and our stakeholders.

Forward-looking Statements

Certain statements in the Report regarding our business operations may constitute forward-looking statements. These include all atements 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.

Key highlights, FY 2019-20

Total Revenue (₹ in lakh)
3,57,126

EBITDA (₹ in lakh)
18,378

Steel Production ('000 tonnes)
585

DRI Production ('000 tonnes)
765

Contents

For more details, visit our website
www.tatasteellp.com

Corporate information

Corporate Identity Number (CIN)
L27102OR1982PLC001091

Registered Office
P.O. Joda, Dist. Keonjhar
Odisha – 758 034.India.
Phone: 91-6767-278178
Fax: 91-6767-278159
E-mail: investorcell@tatasteellp.com

Corporate Office
11th floor, Tata Centre
43, Chowringhee Road
Kolkata – 700 071. India.
Phone: 91-33-22883714
Fax: 91-33-22883715
E-mail: investorcell@tatasteellp.com

Registrar & Share Transfer Agent
TSR Darashaw Consultants Private Limited
(Unit: Tata Steel Long Products Limited)
6, Haji Moosa Patrawala Industrial Estate
20, Dr. E. Moses Road, Mahalaxmi,
Mumbai – 400 011
Tel: +91 22 6656 8484
Fax: +91 22 6656 8484
E-mail: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

Statutory Auditors
Price Waterhouse & Co
Chartered Accountants LLP

Secretarial Auditors
M/s. S.M. Gupta & Co., Kolkata

Bankers
Axis Bank Ltd.
Kotak Mahindra Bank
Punjab & Sind Bank
The Federal Bank Ltd.
Indian Bank
State Bank of India
ICICI Bank
Canara Bank
HDFC Bank Ltd

Transforming towards sustainable growth

FY 2019-20 was a momentous year for us, as it saw our historic transformation programme unfold. From being a DRI manufacturer to a high-end specialty steel player, with deeper synergies with our parent Tata Steel. Following the acquisition of the steel business of Usha Martin Ltd. (UML), we have now emerged as an integrated player, extending the value chain from iron ore, direct reduced iron (DRI) to specialty steel with significant value addition. We are enlarging our role and responsibility in the global steel landscape and implementing appropriate strategies to transform towards sustainable growth.

Before and after

Details	Before acquisition (FY 2018-19)	After acquisition (FY 2019-20)
Total Revenue	₹1,04,972 lakh	₹3,57,126 lakh
Capacity	0.4 MTPA DRI	1.0 MTPA Crude Steel (along with 1 MTPA DRI capacity)
Fixed assets	₹22,032 lakh	₹4,36,967 lakh
Workforce	385 EOR	2,497 EOR

EOR: Employee On Roll

TRANSFORMING TOWARDS SUSTAINABLE GROWTH Contd.

Here are the critical pivots of our transformation journey.

New identity

With the acquisition of UML's Steel business, the Company has redefined itself as an integrated speciality steel player in the market place for sustainable growth. Accordingly, the Company has been renamed as Tata Steel Long Products Limited (TSLP) from the erstwhile Tata Sponge Iron Limited. This would also help us to leverage our parent's premium positioning, operational excellence and presence across value added sectors. The Board and leadership team are spearheading the journey with prudence and foresight.

Seamless integration

The acquisition has provided us a specialised 1 MTPA alloy-based manufacturing capacity in Jamshedpur, an iron ore mine in Barajamda, a coal mine* under development phase at Hazaribagh and captive power plants. UML's steel business has a rich product mix of carbon and alloy steel, which primarily caters to automotive customers as well as produces high-end wire rods. Our foray into long products steel business has enabled us to move up the steel value chain, catering to new markets and customers with a diversified product portfolio. We enjoy both backward (sponge iron capacity) and forward integration (finished steel long products) with robust raw material security (iron ore).

Agile operations

We have scaled up our production by increasing the utilisation of key assets, sustainable mining activities, integration of key processes and systems. We are also ensuring seamless supplies of key raw materials by leveraging group synergies, thus ensuring enhanced operational efficiency.

Growth capital

This acquisition was made possible with the support and trust of our shareholders, who have provided ₹1,485 crore in the form of rights issue, and our bankers, who have provided ₹2,650 crore of term loan.

Modernised, smarter culture

We have designed standard operating procedures (SOPs) with stringent surveillance mechanism to enhance people productivity and eliminate inefficiencies. We have introduced smarter processes across digital platforms to accelerate project turnaround, while incorporating industry-best practices around safety, health and environment (SHE).

Holistic value for all

Our transformational journey has enabled us to implement a robust and sustainable business model, with deep engagement with customers. We have initiated various engagement programmes with existing and new customers with encouraging outcomes.

Inspired by the spirit of a self-reliant India, we are steadily strengthening our domestic sourcing of ferro alloys, refractories and fluxes and thus reducing import, with the support of our business partners.

Our impactful community initiatives in the vicinity of our operations continue to reaffirm our standing as a conscientious and responsible corporate citizen. On the environment conservation front we accomplished encouraging milestones during the reporting year. Our effluent discharge levels are now minimal, and solid waste utilisation has significantly improved.

*Status as on June 9, 2020

We are beginning the next phase of our journey with more confidence, capacity, capability and commitment to create stakeholder value with a long-term focus.

Evolution through the decades

2019

Foray into long products steel business through acquisition of UML's steel division of 1 MTPA capacity

2012

Acquisition of majority stake of our Company by Tata Steel pursuant to a voluntary open offer

2017

Approval from Ministry of Environment, Forest and Climate Change (MoEF) for enhancement of DRI production from 3,90,000 TPA to 4,25,000 TPA in the existing facility

2006

Installation of 18.5 MW captive power plant

Installation of DRI kiln 3

2003

Listing of equity shares on National Stock Exchange of India Limited

2001

Installation of 7.5 MW captive power plant

1997

Installation of DRI kiln 2

1982

Our Company was incorporated

1984

Public issue of equity shares, and consequent listing of the equity shares on BSE

1986

Installation of DRI kiln 1 and commencement of commercial production of Sponge Iron

1991

Acquisition of the entire stake of Industrial Promotion & Investment Corporation of Odisha (IPICOL) in our Company by Tata Steel

BOARD OF DIRECTORS

Strong governance driven by a diverse Board

Our Board comprises experienced industry leaders from diverse backgrounds and domain specialisations. This expertise repertoire provides us with a significant competitive advantage, as we grow and create sustainable stakeholder value.

Mr. T.V. Narendran
Chairperson (Non-Executive)
Ⓒ Ⓜ

Mr. Prakash Chandra Parakh
Independent Director
Ⓒ Ⓒ

Dr. Sougata Ray
Independent Director
Ⓒ Ⓜ Ⓜ Ⓜ

Dr. Ansuman Das
Additional (Non-Executive, Independent) Director
Ⓒ Ⓜ Ⓜ

Mr. Srikumar Menon
Additional (Non – Executive, Independent) Director
Ⓒ Ⓜ Ⓜ

Mr. Shashi Kant Maudgal
Additional (Non-Executive, Independent) Director
Ⓒ Ⓜ Ⓜ

Ms. Neeta Karmakar
Additional (Non-Executive, Independent) Director
Ⓜ

Mr. Koushik Chatterjee
Non-Executive Director
Ⓜ Ⓜ Ⓜ Ⓜ

Mrs. Meena Lall
Non-Executive Director
Ⓜ

Mr. Ashish Anupam
Managing Director
Ⓜ Ⓜ Ⓜ Ⓜ Ⓜ

- Audit Committee
- Nomination and Remuneration Committee
- Committee of Board
- Corporate Social Responsibility Committee
- Safety, Health and Environment Committee
- Risk Management Committee
- Stakeholders Relationship Committee

Mr. Sanjay Kasture
Chief Risk & Compliance Officer and Company Secretary

Ⓒ Chairman Ⓜ Member

Note: The composition of the Board and Board Committees as mentioned above, are as on June 9, 2020. The brief profile of the above Board Members can be accessed at https://www.tatasteellp.com/organisation-structure/

CHAIRMAN'S MESSAGE

Building for the long-term

Dear Shareholders,

I feel privileged to write to you as Chairman of the Company. FY 2019-20 has been a remarkable year for your Company on the journey to achieve sustainable growth. In the last few months, the COVID-19 pandemic has posed a significant challenge to all of us and has tested our resilience. Our focus during this period has been the health and safety of our people, including the society at large, forging a deeper connect with customers and suppliers, exploring new markets and managing the financial health of the Company. Your Company has been able to display the required agility in actions and strategic realignment in addressing the challenges and has, in fact, emerged stronger. Every crisis brings with it opportunities for shaping the new normal and your Company will be at the forefront of bringing in the required innovation in work paradigm and market strategy.

With over three decades of operating history, your Company has been one of India's largest merchant DRI/Sponge Iron manufacturers. Robust operational efficiency, strong management systems and talent base have enabled steady financial performance and consistent dividend pay out. However, the Company needs to keep reinventing its business model and creating white spaces. DRI is an intermediate product and will be susceptible to the commodity cycle. Increased dominance of integrated steel mills is also leading to demand and price pressure on induction furnace-based business models. There are also important regulatory considerations. These factors pose challenges for the long-term growth objectives of the Company.

Hence, to move beyond manufacturing of DRI and to expand the product portfolio of the Company, last year your Board took a decision to enter the steel long products business. As a step in this direction, we successfully completed the acquisition of the steel business of Usha Martin Ltd. on April 9, 2019 on slump sale basis and are currently in the process of integrating the businesses and defining the roadmap for future. This acquisition is also an important enabler for Tata Steel Long Products Limited to enter in the long products segment and create a footprint in value-added steel. This has been made possible with the support of our shareholders, who infused equity capital by way of rights issue, and our bankers, who provided us with long-term debt funds.

Your Company is now positioned as an integrated steel player with a diversified business portfolio. Reflecting this change, the name of your Company has been changed to Tata Steel Long Products Limited with effect from August 20, 2019.

FY 2019-20 has been a difficult year on multiple fronts. Slowing economic growth globally and in India has manifested itself in the form of sluggishness in key steel consuming sectors. The unprecedented degrowth in the automotive sector has been a crucial factor for Tata Steel Long Products Limited. The COVID-19 outbreak and the subsequent nation-wide lockdown has exacerbated the situation. All through this, the resilience of the team and the action taken across all fronts have reinforced the confidence that we can ride over the toughest cycle and emerge stronger. The concerted efforts towards cost reduction coupled with consistent volume ramp-up and mix enrichment have helped turnaround the Company's performance in Q4 of FY 2019-20, in terms of operating EBITDA and Profit Before Tax (excluding the exceptional items). Your Company has been able to achieve an EBITDA of ₹184 crore in FY 2019-20 and repay the entire short-term loan of ₹400 crore during the year. As we move forward, the focus will be on making ourselves future-ready in terms of technology orientation, innovation, agility and digital enablement. The aim will also be to deleverage the balance sheet.

A strong focus on compliance and good governance remains a critical value driver for your Company.

I am happy to announce that Tata Steel Long Products was conferred the 'Best Governed Company' award under 'Emerging Category – Listed Segment' at the 19th ICSI National Awards for Excellence in Corporate Governance 2019.

The strengthened Board and management are driving several strategic initiatives for sustainable value creation. They are ensuring that the organisation is managed in a transparent, equitable and responsible manner for the benefit of all our stakeholders. We will continue to leverage the experience of our Board and management team and their deep understanding of the steel industry, to capitalise on current and future opportunities.

I would like to thank all the stakeholders for their faith in and support to the Company.

Regards

T. V. Narendran
Chairman

CORPORATE IDENTITY

Building the foundation for a stronger tomorrow

Tata Steel Long Products Limited (TSLP), formerly Tata Sponge Iron Limited, is one of India's largest specialty steel producers in Special Bar Quality (SBQ) segment and one of the largest Merchant DRI producers with an annual capacity of one million tonne (MTPA) sponge iron and steel.

At TSLP, we offer a wide range of high-end steel products for segments like forgings, bearings, fasteners and free-cutting, and cater to automotive, construction and infrastructure, general engineering, railways and agriculture.

Institutions of national and international repute have time and again recognised our Company in its journey towards excellence, with numerous awards in the field of Productivity, Operation Excellence, Safety, Environment Management, HR Excellence, Corporate Governance & Corporate Social Responsibility.

Our Vision

Tata Steel Long Products shall endeavour to be a sustainable and learning organisation for setting a benchmark in creating value in the Special Steel & Sponge Iron business, so as to meet the aspiration of its stakeholders. It shall do so through pursuit of operational excellence and by adopting opportunities of new investments in the value chain. While doing so, Tata Steel Long Products shall continue to remain a responsible corporate citizen.

Our Mission

Tata Steel Long Products shall always contribute towards progress of the nation through economic value creation. In doing so, and consistent with Tata Group's purpose, it will also try to improve the quality of life in its sphere of influence, by contributing to society, from what it earns.

75.91% Promoter and Promoter Group

13.23% Retail Shareholders

10.86% Institutions and others

CORPORATE IDENTITY Contd.

Our capacities

Captive mines	• Iron ore mine • Coal reserve# (under development)	**Iron ore**  **Coal** 
Agglomerates	• **1.2 MTPA** pellet plant • **80 m²** sinter plant • **0.4 MTPA** coke plant	**Pellet**  **Sinter**  **Coke** 
Iron making	• **0.65 MTPA** Blast Furnace (280 m³ and 380 m³) • **1 MTPA** DRI plant (**5 kilns** at Gamharia and **3 kilns** at Joda)	**Sponge iron**  **Hot metal** 
Steel Making	• **1 MTPA** steel (EAF + LF + VD + CCM)* • EAF size: **40T** (two) and **70T** (one) • Number of facilities: **5** LF, **2** VD and **4** Casters	**Crude steel**  **Cast steel** 
Rolling Mills	• **0.1 MTPA** Bar mill • **0.36 MTPA** Wire rod mill • **0.24 MTPA** Bloom mill	**Wire rod**  **Special bar quality steel** 

Power plant
160 MW

Own railway siding
3 tracks capable of handling 150+ rakes/day

Oxygen plant
3 plants with total capacity of 345 TPD

Lime kiln plant
3 kilns with total capacity of 200 TPD

* (EAF: Electric arc furnace, LF: Ladle furnace, VD: Vacuum De-gasser, CCM: Continuous casting machine)
#Status as on June 9, 2020

Our footprint*

* As on June 9, 2020

CORPORATE IDENTITY Contd.

Special bar quality (SBQ): Key segments and applications

Segments

- **Auto**
  - Passenger vehicle
  - Commercial vehicle
  - Two-/ Three-wheeler
- **Tractor and agri-equipment**
- **Lifting & Excavation (L&E)**
- **General engineering**
- **Railways**
- **Defence**

Applications

Forgings

Bearings

Fasteners

Free-cutting

Wire rod: Key segments and applications

Segments

- **Construction - Reinforcement**
- **Railways - Sleeper**
- **Power - Transmission and Distribution**
- **Automotive and Agriculture - Tyre/ Shock Absorbers**
- **Infra/L&E - Elevator and Cranes**
- **General engineering**

Applications

LRPC

CWE

Coil Springs

Tyre Breads

Chain Links

Bearings

Wire Ropes

Fasteners

DRI: Key segments and applications

Segments

- **Construction & Infrastructure**

Applications

Rebar

Ingot

Our operational excellence

Quality is a 24x7 priority at Tata Steel Long Products. Our continued focus on quality helped us achieve high benchmarks consistently. We follow the internationally recognised management systems and standards in our production processes, including OHSAS 18001, ISO 9001, ISO 14001 and National Accreditation Board for Testing and Calibration Laboratories (NABL) accredited laboratory among others. Moreover, the Tata Business Excellence Model guides our activities, which help us attain operational excellence. The management expertise of our parent group, Tata Steel, lays the foundation of our excellence journey. We have incorporated a culture of continuous improvement with the introduction of Shikhar, a process excellence programme.

Our strengths

1. Leverage Tata Steel's expertise in steel making and strong relationship in automotive and engineering space
2. Track record of best-in-class operational efficiency enabling us to emerge as one of the lowest cost producers
3. Only player in special steel with captive iron ore mine in close proximity coupled with own railway siding
4. Manufacturing flexibility to produce steel through hot metal, DRI or scrap route depending upon financial viability
5. Possesses approvals from all major Original Equipment Manufacturers (OEMs) in commercial vehicle space
6. Offering a wide spectrum of product portfolio ranging from 5.5 mm to 200 mm
7. Efficient logistics and supply chain management
8. Cogeneration of power for captive use and sale
9. Competent, motivated and engaged workforce, resulting in lower attrition
10. Deep community relationships

Awards and accolades

Corporate governance

Received Best Governed Company award (Emerging Category – Listed Segment) at the 19th ICSI National Awards for Excellence in Corporate Governance 2019

Corporate social responsibility (CSR)

Received an 'Honourable Mention' certificate under the National CSR award, 2019

Affirmative action

Received the Tata Affirmative Action Programme (TAAP) award for emphasis on 5 Es – Employment, Employability, Entrepreneurship, Education and Essential Enablers

Productivity

Received the CII Productivity Award for DRI Division, Joda

BUSINESS MODEL

Robust framework for sustainable growth

Capital inputs

Financial
- Equity capital: ₹**4,510** lakh
- Net Debt: ₹**2,59,250** lakh

Manufactured
- State-of-the-art manufacturing facilities
- Crude steel capacity: **1** MTPA
- DRI: **1** MTPA
- Iron ore mine
- Pan-India presence

Intellectual
- Product differentiated value-proposition is dependent on our efforts of product innovation and related research
- Collaboration with M/s TSL Technology Group (TG) and R&D

Human
- Total workforce: **2,497 EOR**
- Investment in employee training and development: ₹**208** lakh
- Employee training: **5.1** person days/employee
- Skilled manpower: **91%**

Social and relationship
- Pan-India dealers: **14** customers
- Pan-India sales offices: **5**
- Application engineers : **4** zonal Product Application Groups (PAGs)
- Customer service teams: **6**
- CSR spend: ₹**321** lakh

Natural
- Energy intensity: **5.404** Giga Cal/T
- Specific water consumption: **4.83** m^3/tcs
- Key raw materials: Iron ore, Coal limestone, Dolomite, Quartzite and Pyroxinite
- Trees planted: ~**6,500**
- Capital spend on environment: ₹**898** lakh

Value creation approach

Vision
Tata Steel Long Products shall endeavour to be a sustainable and learning organisation for setting a benchmark in creating value in the Special Steel & Sponge Iron business, so as to meet the aspiration of its stakeholders. It shall do so through pursuit of operational excellence and by adopting opportunities of new investments in the value chain. While doing so, Tata Steel Long Products shall continue to remain a responsible corporate citizen.

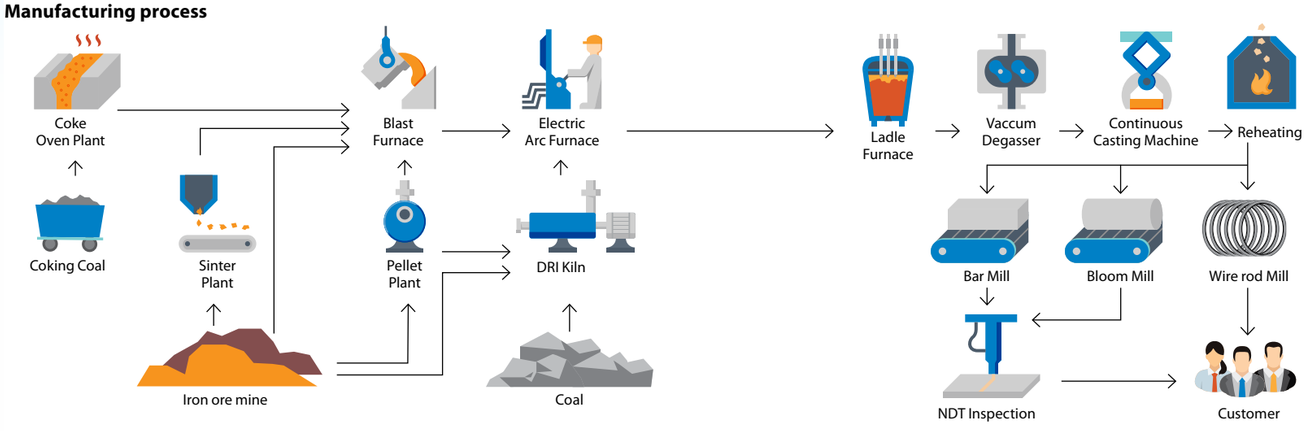
Mission
Tata Steel Long Products shall always contribute towards progress of the nation through economic value creation. In doing so, and consistent with Tata Group's purpose, it will also try to improve the quality of life in its sphere of influence, by contributing to society from what it earns.

Values
- Integrity
- Excellence
- Unity
- Responsibility
- Pioneering

Strategic objectives

SO1: Become most preferred supplier by providing benchmark quality and service
SO2: Achieve sustainable and profitable growth
SO3: Be a respected corporate citizen

Manufacturing process



Output

7,64,664 tonnes
Direct reduced iron (DRI)

5,84,801 tonnes
Crude steel production

4,78,556 tonnes
Rolled products production

Outcomes

Financial
- Revenues: ₹**3,57,126** lakh
- EBITDA: ₹**18,378** lakh

Intellectual
- New products developed: **34**
- Cost savings: ₹**31,800** lakh
- Impact centres launched: **6**
- **100+** workshops and focus group discussions (FGDs) held across all impact centres

Human
- Fatalities: **0**
- Health index: **12.18**
- Employees trained: **2,290 (93%)**
- Employee productivity:
  – Steel: **367** tonnes/employee
  – DRI: **1,260** tonnes/employee

Social and relationship
- Enriched/value-added products sales: **1,622** tonnes annealed products
- Repeat customers: **215**
- Lives touched through CSR initiatives (numbers): **35,000+**

STRATEGIC FRAMEWORK

Crafting a sustainable growth roadmap

We undertake strategic planning with clearly defined goals for a sustainable growth blueprint. Currently, we are undergoing an organisational transformation, enabling diversification of the product range, growing scale, driving innovation and efficiency, while concurrently leveraging group synergies.

Shared value creation underpins our strategy and requires the integration of activities to address economic, environmental and social aspects, and balancing the short and long-term interests of all stakeholders, including the communities in which we operate.

Strategy planning process

Balancing needs and expectations of the stakeholder is an important part of Strategy Development. Considering the criticality of the needs and alignment with organisational success, the following set of strategic objectives and strategic enablers have been identified.

Strategic objectives

	SO1	SO2	SO3
Strategic objectives	**Become most preferred supplier by providing benchmark quality and services** We will focus on attaining benchmarks in operational efficiency, quality parameters, expand our value-added product portfolio to become a first choice for our customers.	**Achieve sustainable and profitable growth** We will enhance the scale and scope of our capabilities and capacities, ensuring consistent revenue momentum.	**Be more respected corporate citizen** We aspire to grow the ambit of sustainable business practices. We are committed to environment-friendly business operations and improve the quality of life of the communities we operate in.
Key performance indicators	• No. 1 position in chosen segments • Emerge among the top 5 technology players	• Accomplish double the revenue growth • Attain cost leadership	• Attain safety leadership with zero fatality • Reduce carbon emission by 25% • Ensure zero effluent discharge • Touch lives through impactful CSR programmes
Goals	• Market share • Technology player	• Value accrual	• Fatality • CO_2 emission intensity • Specific water consumption • CSR Index

Strategic enablers

SE1	SE2	SE3
Develop enthused and high-performing human capital Focus on doubling employee productivity with top quartile engagement score	**Accelerate deployment of digital technologies for future readiness** Focus on emerging among the top five industry leaders in terms of digital technology deployment	**Build a culture of agility and innovation** Focus on covering 75% of the process and value chain

STAKEHOLDER ENGAGEMENT

Creating impactful outcomes together

We engage with a wide range of stakeholders to fine-tune our process of value creation with their insights. There are many focus areas where we prioritise our actions, based on the suggestions of some of our stakeholders.

Stakeholders	Relevance	Current requirements	Emerging priorities	Key Initiatives
Customers	• Business sustenance • Improvement in product/ process innovation • Brand image building	• Consistent quality and timely delivery • Faster response time • New products and competitive pricing	• Technical support • Solution for new application • Value engineering • Convenience	• Development of new grades and sizes • Formation of Customer Service Team for key customers • Initiation of DRI supplies in bagged condition
Investors	• Capital/fund generation • Corporate governance	• Financial performance • Wealth creation • Transparency and regular disclosure	• Sustainable and profitable growth • Brand value/image • Higher shareholder involvement	• Launch of Shikhar platform to drive operational excellence • Leveraging synergy and collaboration
Suppliers	• Production and delivery • Growth • Quality of materials	• Transparency and hassle-free transactions • Fair and sustainable business • Timely payments and financing requirement	• Partnering for benchmark and innovation • Relationship building • Capability building	• Established confidence in payment cycle • Localisation of vendors for import substitution
Employees	• Accomplish work of the organisation • Culture building • Brand ambassador • Innovation	• Enrich workplace • Learning and growth opportunities • Reward and recognition	• Work-life balance • Employee-friendly policies • Capability building • Transparency	• Five working days across location • New canteen for workers in Gamharia • Formation of Kamgar Union at Gamharia • Enhance employee engagement through cross functional initiatives • Structured communication platforms
Community	• Ensure business continuity and sustenance • Tata philosophy • Local information and resource provider • Protection from external influences	• Socio-economic development • Physical infrastructure for health and education • Rehabilitation and resettlement	• Livelihood • Environment-friendly, safe and secure township	• Activities in the area of education, essential services, livelihood, sports & culture, environment and rural development
Government and regulatory bodies	• Business continuity • Industry discipline and governance structure • Help in nation-building	• Compliance with laws and regulations • Revenue collection	• Collaborative policies • Country pride	• Schematic mine development and sustainable mining • Zero effluent discharge • Refurbishment of underperforming equipment to maintain stack emission within norms • Adoption of EY compliance tool to streamline all legal compliances

CORPORATE GOVERNANCE

Foresight to future-readiness

Our strategy is to build a governance framework that remains resilient to present and emerging challenges. We continuously map our operating landscape, do extensive scenario planning, and then take appropriate actions. The overarching objective is to focus on business continuity and sustainability with integrity to all stakeholders.

Our management approach is underpinned by our commitment to sound and robust corporate governance standards, which are essential to our ultimate operational and strategic success. A key element of the approach is to ensure that the Company complies with all laws and regulations as well as the highest levels of corporate governance.

Corporate governance structure

We have a tiered governance structure that comprises the Board of Directors and the Committees of the Board at the level of apex decision-making and the management structure at the operational level. The structure helps to facilitate and accelerate value creation as the Board sets the overall corporate objectives and guidelines and the management has the freedom and space to achieve these corporate objectives within a given framework.

Our Board and Committees

Our Board plays a significant role in ensuring that our Company is driven by prudent strategies and an execution roadmap. The Board operates within a well-defined responsibility framework, which enables it to discharge its fiduciary duties of safeguarding the interest of our Company, ensuring fairness in decision-making, integrity and transparency in our dealing with all our stakeholders.

Trust and transparency

In order to earn trust of all stakeholders, Tata Steel Long Products follows the principles of transparency, disclosure, fairness, independent supervision, healthy competition, equal opportunity in employment, political non-alignment, promotion of health, safety and welfare, compliance with all relevant laws, rules and regulations and meeting social responsibilities besides production of quality products and services.

In recognition of our good governance practices, we were conferred with the 'Best Governed Company – 2019' award at the 19th ICSI National Awards for Excellence in Corporate Governance on January 10, 2020.

Mr. Sanjay Kasture, Chief Risk & Compliance Officer and Company Secretary, receiving the 'Best Governed Company' (Listed Segment – Emerging category) award at the 19th ICSI National Awards for Excellence in Corporate Governance, 2019 from Mr. Anurag Thakur, Minister of State for Finance and Corporate Affairs, in the presence of Mr. Dipak Misra, Former Chief Justice of India

Corporate ethics

At TSLP, we inherited a strong foundation for making corporate governance a way of life and are driven by the Group's core values enshrined in the Tata Code of Conduct (TCoC). The TCoC is deployed across the organisation through a formalised Management of Business Ethics (MBE) structure, which is built on the foundation of Tata Core Values — Integrity, Excellence, Unity, Responsibility and Pioneering.

Internal Apex Ethics Committee safeguards the governance process by ensuring that the day-to-day actions are falling in line with TCoC, besides monitoring adequacy in resolution of concerns.

Deployment of Structured MBE Plan based on four pillars i.e. (i) Leadership engagement, (ii) Compliance structure, (iii) Communication & Training and (iv) Measurement of effectiveness engage us to run the business in a most ethical manner with trust from all stakeholders, which is our prime mover for growth of the organisation.

TSLP is also committed to provide a workplace free from sexual harassment and all forms of intimidation or exploitation of employees at workplace. In this regard, the Company has adopted a gender-neutral POSH policy and formed internal committee for all locations, presided by a senior lady officer. We have Internal Committees for all locations, presided by a senior lady officer, constituting 50% female and an external member from NGO/ associations committed to the cause of women. In its endeavour to create a culture of zero tolerance to sexual harassment, the Internal Committee ensures adequate awareness for all its employees through knowledge sharing sessions, weekly emailers, putting up posters and flexes at conspicuous places inside the premises, among others. The management also ensures capability building of the Internal Committee (IC) members to handle cases through specific training courses.

Ms. Subhashree Das (contractor-employee), getting recognised by Mr. Sanjay Kumar Pattnaik, former Managing Director, for promotion of ethical practices in the Company.

ENTERPRISE RISK MANAGEMENT

Strengthening our safeguards

Our risk-mapping and mitigation framework enables us to navigate challenges by building an effective firewall against uncertainties and prudently evaluate the risk-reward scenario.

The Company has a robust risk management policy in place, which aims to develop a risk intelligent culture in the organisation to support its decision-making process, thereby improving performance.

Risk landscape and mitigation measures

Risks	Mitigation strategies	Strategies deployed	Capitals impacted
Macroeconomic and market risks As the steel industry is heavily linked to macro-economic parameters, geopolitical conditions and overall market sentiments, any slowdown/downturn in the economy adversely impacts steel demand and prices (including its intermediary products viz. DRI/ Sponge Iron). In addition, the Company primarily caters to the automotive segment where demand has declined significantly in last two years and does not show any signs of immediate recovery. This has got further exacerbated due to prolonged slowdown in India and globally on account of COVID-19 spread. This may lead to underloading of assets and lower realisations, thereby impacting profitability.	TSLP continues to enhance its presence beyond the automotive segment and deepening relationship to ring fence with key customers. We are focusing on obtaining approvals from global OEMs and establishing our presence in international markets to counter slowdown in any one sector or region by diverting sales to other sectors/regions. We have taken several steps to deal with the recent crisis on account of the COVID-19 pandemic. Scenario planning has been adopted as part of the business planning processes which has helped us manage through this period. While we had initially curtailed our operations, based on our assessment of external conditions, we chose to quickly ramp up our capacity utilisation levels and make a tactical decision to explore international markets and rapidly increase exports. As the lockdown restrictions are easing out, we are maximising sales in the domestic market.	SO1 SO2	
Financial risks The Company balance sheet is highly leveraged and is exposed to the credit risk of not being able to meet its financial obligation. In addition, the risk on account of currency volatility also prevails, given its import requirements and exports sales.	We are continuously working towards structural and financial robustness to deleverage the balance sheet. We keep a close watch on the liquidity position to pool in and discharge short-term loans. In view of the COVID-19 pandemic, the Company has focused aggressively on managing liquidity and maximising cash. We have ramped up exports and driven collections to increase inflows while minimising outflows by curbing non-essential spend, renegotiating deferral of payments with vendors and reducing capital expenditure. All these efforts have helped us in running operations smoothly.	SO1 SO2	
Operational risks Unanticipated breakdown/equipment failures may lead to disruption in the operations.	In line with the principle of Tata Steel (our parent), we are embarking on the use of data analytics and early warning indicators for preventive maintenance. On a long-term basis, we are also planning to adopt best-in-class practices and technology for detection and protection of critical installations. Inventory levels have been optimised to achieve reduction in working capital without interruption of operations.	SO1 SO2	
Safety risks The Company operates across multiple manufacturing locations and are subject to many risks due to the nature of job and handling of hazardous materials. In addition, the recent pandemic has posed the risk of intermittent disruption of operation in case the COVID-19 infection spreads in the plant.	We have started deploying best safety practices of Tata Steel to build the safety culture in Gamharia plant post acquisition. We have adopted six strategic steps to manage risks related to safety and health in the areas of Process, Contractor, Road/Rail and Occupational Health. In view of the recent COVID-19 pandemic, we developed COVID response procedures and checklist, created awareness and introduced Tata Steel group best practice of 'POD' system to minimise risk within the small group to reduce the spread and business disruption.	SO3	

RISK MANAGEMENT Contd.

Risks	Mitigation strategies	Strategies deployed	Capitals impacted
Community risks The Company is responsible to the inhabitants in the immediate vicinity of its manufacturing locations. Social unrest and inability to maintain harmonious relationship with proximate communities on rising income disparity may adversely impact business continuity.	We have adopted a five-pronged approach to address the immediate needs of the community in the areas of education, essential services, livelihood, sports & culture and rural development. Deep relationships with communities enabled us to respond to the prevailing COVID-19 pandemic where we meaningfully reached out to ~20,000 people by distributing food items, running community kitchen and creating awareness. We are also planning to conduct a formal need assessment for Gamharia and Vijay-II unit to roll out customised programmes.	SO3	
Supply chain and commodity risks The disruption in supply chain of imported raw materials and critical spares and/or sharp fluctuation in raw material prices due to unforeseen events and geopolitical conditions may lead to stoppage of production and escalation in costs.	The Company sources all its major raw material through Tata Steel Group Procurement (TSGP), which consolidates the Group requirement and negotiates the best deal. TSGP has established a good balance of long term and spot buy which protects us against price fluctuation. In addition, a common inventory pool and Vendor Managed Inventory with few suppliers help us to further reduce the cost. With the support of Strategic Procurement Team of Tata Steel and Process Improvement Teams, we have developed common blend of coal, along with unified specification across Tata Steel group and developed some alternative sources to manage the sourcing issue. For uninterrupted supply chain we have combined and synchronised our requirements with Tata Steel for ports and shipments as well.	SO1 SO2	

Risks	Mitigation strategies	Strategies deployed	Capitals impacted
Information security/ cyber-attack risks Risk of cyber-attacks are increasing multi-fold on account of the fast evolving nature of threat. Post the COVID -19 pandemic, the Company is big time banking upon the digital platform for various meetings, interactions and work through digital platforms with employees, customers, suppliers and other stakeholders of the Company. Breach of information security may lead to business disruption, reputational damage and imposition of penalties.	We have deployed best practices in terms of password policy, continuous awareness and sensitisation of users, VPN based secure access for core transactions of SAP. Mechanisms are in place to capture alerts and triggers from external sources and any information security related incidents. We are working on best-in-class security operations centre, anti-virus, secure proxy and firewall. We have enacted various policies and procedures to ensure data privacy.	SO1 SO2	
Environment risks Non-compliance with the stringent environmental conditions and other regulatory provisions may lead to penalties, operational disruption and loss of reputation.	We are currently targeting the emissions well within norms and focusing on resource conservation. The Company has identified several Capex projects and other initiatives, which are being executed to reduce fugitive emissions. Our Gamharia unit has got included in the global disclosure programme as part of its commitment towards reducing the carbon footprint.	SO2 SO3	

Harnessing our resources and relationships

The resources and relationships we rely on help us grow, sustain market prominence and create value through our operations with a long-term lens.

Human capital

Our human resource team designs several engaging programmes to upskill our teams. The purpose is to manage talent, encourage learning and development, shape an inspiring work culture, and develop a future leadership pipeline. Our work culture ensures safety, health and overall wellbeing of our full-time employees and contract workforce.

Read more on **Page 34**

Social and relationship capital

The Tata group has a rich legacy of contributing to community wellbeing as a part of the Tata fraternity, we imbibe and energise that legacy with our citizenship initiatives. We continue to reach out and render need-based support to all stakeholders, and build on our social and relationship capital.

Read more on **Page 38**

Natural capital

At TSLP, we have a resource intensive manufacturing process and our operations may also have an impact on the natural environment. We understand this aspect of our business and hence environmental care is a key part of our business plan. We are also cognisant of the impacts of climate change and are pursuing energy efficiency and reduction in GHG emissions as priorities. In addition, minimising water usage and pollution are the key focus areas of our environment management plans.

Read more on **Page 44**

Financial capital

We are prudently using our financial resources to improve and optimise operations to create a more efficient and sustainable business. FY 2019-20 was a year of integration for us as we acquired the steel business of Usha Martin Limited. Throughout the year, we took various strategic steps to build synergies, optimise capital allocation, and strengthen liquidity and margins.

Read more on **Page 26**

Manufactured capital

Our manufacturing strength is dependent on our technology prowess, our process excellence and our constant endeavour to innovate. With the coming together of diverse businesses—Tata Sponge and UML—we are focused on seamless integration of our manufacturing processes, supply chain and technical know-how.

Read more on **Page 28**

Intellectual capital

For us, nurturing a culture of innovation and exploration is a strategic priority. The innovation focus of our organisation is on the broad areas of process and products. A very important aspect of process improvements and building in efficiency is our approach towards digitisation. Right from the beginning, as an organisation we are geared towards embracing the newest technologies and are planning our transformation into an enterprise ready for Industry 4.0.

Read more on **Page 32**

FINANCIAL CAPITAL

Measuring our progress

We are prudently using our financial resources to improve and optimise operations to create a more efficient and sustainable business. FY 2019-20 was a year of integration for us as we acquired the steel business of UML. Throughout the year, we took various strategic steps to build synergies, optimise capital allocation, and strengthen liquidity and margins.

Strategic linkage SO1 SO2

During the year, TSLP reported ₹3,57,126 lakh in total revenues. We deleveraged our balance sheet by repaying the short-term loan of ₹400 crore.

Driving integration

To build seamless integration between the existing sponge business of Tata Sponge Iron Limited and the acquired steel business of UML, we focused on setting the fundamentals right during Q1 FY 2019-20. We secured and met the working capital requirements, concentrated on understanding the market we serve and onboarded customers, besides assimilating and stabilising the different operating units. During this phase, we also started initiatives to identify various synergies with Tata Steel Ltd. and commenced our transformation programme Shikhar that is steering operational excellence, while driving synergies.

Diversifying customer base

In Q2 of the year, we received approval to operate our captive iron ore mine, which helped ramp up production and start the DRI kilns at Usha Martin's recently acquired Gamharia facility in Jharkhand. During this period, we also widened the customer base within the automotive segment and expanded into non-auto segments like agriculture, railways and lifting and excavation equipment. Our focused approach enabled us to increase our market share in all these segments, including the automotive sector, despite a sluggish demand.

Leveraging market landscape

During Q3 FY 2019-20, we witnessed a rise in the prices of steel and DRI. We capitalised this market condition to increase the production of both these products. Our concerted efforts towards enhancing operational efficiencies and mix enrichment enabled us to become EBITDA positive during the quarter.

Enriching our product mix

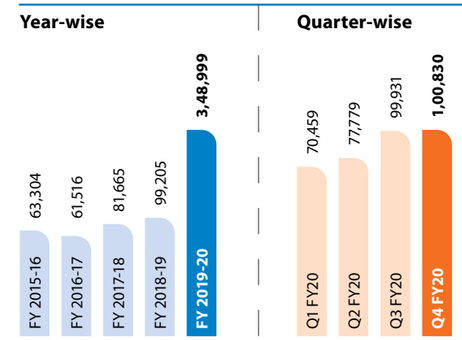
We started commercial production at the pellet plant for Tata Steel on conversion basis during Q4 FY 2019-20. We also emphasised further enhancement of our product mix and looked towards adding more offerings to it. During this phase, we sustained our crude steel production and finished products sale at the Q3 levels, despite a slumping automotive sector and disrupted global supply chain. We were able to grow our EBITDA four times during this phase and ended Q4 with a positive PBT (excluding the exceptional items).

Key achievements in FY 2019-20

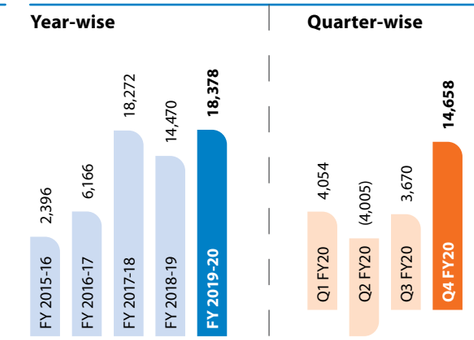
Despite the external adversities, we achieved quite a lot during the last quarter of the year, including:

- Reduced production cost to the tune of ~25% in crude steel on the back of operational enhancement and synergy benefits, as compared to Q1
- Improved working capital cycle time by ~25 days through initiatives focused on increasing sales through the secured route
- Reported a turnaround in terms of becoming PBT positive (excluding the exceptional items), despite the impact of COVID-19
- We deleveraged our balance sheet by repaying the short-term loan of ₹400 crore.

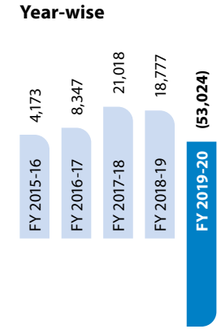
Revenue from operations (₹ in lakh)



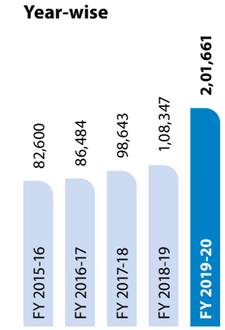
EBITDA (₹ in lakh)



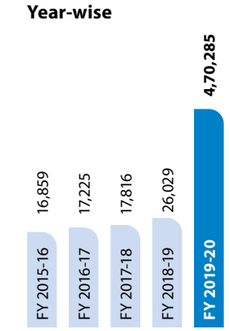
Profit before tax (₹ in lakh)



Net worth (₹ in lakh)



Gross block (₹ in lakh)



MANUFACTURED CAPITAL

Growing manufacturing scale

Our manufacturing strength is dependent on our technology prowess, our process excellence and our constant endeavour to innovate. With the coming together of diverse businesses—Tata Sponge (now Tata Steel Long Products) and Usha Martin Limited (UML)—we are focused on seamless integration of our manufacturing processes, supply chain and technical know-how.

Strategic linkage SO1 SO2

Raw material sourcing

The availability of quality raw material is *sine qua non* for the success of any industry. In steel industry, the use of high-quality iron ore in Blast Furnace (BF) and DRI plant ensures that the product manufactured adheres to the best quality standards.

At TSLP, Vijay-II Mine fulfils the majority of iron ore requirements of the Gamharia plant. The mine supplies lumps and fines with grades containing ~58% Fe content on an average. The presence of high silica and alumina in the ore requires the addition of more flux for removing the same, affecting the throughput of hot metal – used for making of billets and bars. However, by adopting scientific mining and judicious mix, ore quality can be improved to a certain extent.

Post acquisition of the mine, we have undertaken various initiatives to upgrade the quality of extracted ore and elevate the mine's work environment with the help of new technology and Tata Steel's domain experts.

Key focus areas in FY 2019-20

Ramp-up of mine post acquisition

After transfer of mine in Q2, the key focus was to improve the throughput by devolving a robust mining plan. The throughput improved from 2,90,000 tonnes in Q2 to 7,40,000 tonnes in Q4, almost a jump of 2.5 times. Technical support from Tata Steel's Natural Resource Division (NRD) team helped in achieving consistent quality supply to the plant.

Development of scientific mining plan

By using drone survey for the first time in our mine, open space within the lease area has been identified and suitably used for stacking of mineral and waste. This helped in easing the mine's space constraint, which has the potential to jeopardise operation.

Case study: **Swift transfer and smooth operationalisation of Vijay-II mine**

A captive iron ore mine serves as the backbone of a steel plant, supplying it consistent quality and quantity of the key raw material. For our Gamharia steel plant, acquired from UML, Vijay-II mine fulfils the raw material requirement. During the acquisition of UML's steel business, we also obtained the lease for the mine, with complete state government approvals within six months of filing the application.

Vijay-II iron ore mine was then re-operationalised in a record period—a month and seven days—after requisite statutory clearances, ensuring the plant began operations shortly after the acquisition. This demonstrates camaraderie and cooperation among the senior team members of TSLP and UML.

Manufacturing bandwidth

Our steel manufacturing facility is strategically located at Gamharia, Jharkhand. It comprises a pellet plant, sinter plant, oxygen plant, lime kiln plant and coke oven. Our sponge iron plant consists of five kilns, two blast furnaces, rolling mill, captive power plant (CPP) and a steel melting shop.

The pellet plant (using the grate kiln technology) agglomerates and indurates iron ore fines into pellets, while the sinter plant agglomerates iron ore fines into a coarse product – the sinter. Hard and semi-hard coking coal is heated in the coke oven, which consists of two batteries of 48 ovens each.

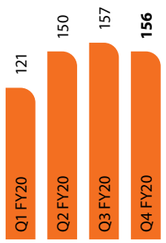
In the sponge iron plant, five kilns with a capacity of 350 TPD each are used to produce DRI (using the OSIL and Lurgi technology). The two blast furnaces there have a volume of 245 m^3 and 380 m^3, respectively.

At our steel melting shop, we operate three electric arc furnaces, two with a capacity of 40 MT each and one with a capacity of 70 MT, to produce liquid steel.

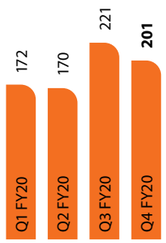
Our steel manufacturing facility also consists of a wire rod mill, a bloom mill and a bar mill, where bars, billets, blooms and other products are reshaped and resized into offerings of various dimensions. Additionally, we have access to a captive railway siding that helps us bring in critical raw materials. We move out finished products by road transport in an efficient and cost-effective manner.

Operational performance

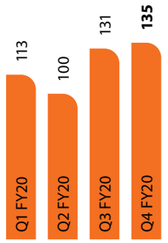
Crude steel production ('000 tonnes)



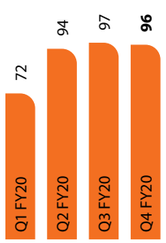
DRI production ('000 tonnes)



Rolled products production ('000 tonnes)



Crude steel capacity utilisation*(%)



*through oxygen blowing route

MANUFACTURED CAPITAL Contd.

Reduction of coke consumption per tonne of hot metal

The consumption of Blast Furnace (BF) coke is measured through coke rate, which is calculated by kilograms of BF coke consumed per tonne of hot metal produced. BF coke is a key material for BF ironmaking, acting as a major energy source (fuel), a reductant, a carburisation agent and a permeable structural support.

BF coke acts as a catalyst for the smelting of iron in BF and is the only material that contributes ~60-65% of the total cost of hot metal. Thus, the reduction of coke rate is one of the major KPIs of the steel industry and has a high impact on the production cost and bottomlines of steel manufacturers.

An efficient blast furnace operates at a low coke rate as well as increased gas throughput. This implies improvement in the furnace permeability and a decline in the specific gas requirement, reflecting reduced specific BF coke consumption. There are many factors that influence the BF coke rate in a blast furnace, including pulverised coal injection (PCI), coke quality, hot blast temperature and decrease in aluminium oxide (Al_2O_3) input, among others.

Key initiatives in FY 2019-20

Enhanced PCI injection rate
PCI injection rate improved by 45% in Q4 of FY 2019-20 over Q1 of FY 2019-20 through oxygen enrichment and other operational efficiency improvements.

Hot blast temperature
We undertook the following initiatives for improvement and seamless supply of hot air blast to the BFs:

- Enrichment of combustion air with oxygen
- Change of stove checkers during BF2's relining shutdown
- Control of air/gas ratio in auto-mode operation instead of manual operation by changing the regulating valves
- Installation of smaller valves (lower diameter valves) for controlling gas pressure fluctuations

Reduction in Blast Furnace slag rate by 10%
We blended lower Al_2O_3 iron ore fines (purchased) with own/captive mines' higher Al_2O_3 iron ore instead of using 100% captive mine iron ore fines. This enabled us to curb the slag volume, influencing fuel reduction in the process.

Case study: **Improved PCI injection at Blast Furnace helped reduce coke rate**

A hot blast stove continuously supplies hot air blast to a BF. The system uses a method of waste heat recovery by utilising the BF gas to pre-heat the blast air before injecting it to the BF tuyeres. This addition of thermal energy helps reduce the use of BF coke substantially, facilitating the injection of auxiliary fuels such as pulverised coal as a replacement for expensive metallurgical coke.

This method improves efficiency of the process, increasing the hot metal production rate and significantly reducing the costs.

Impact

By enrichment of oxygen in combustion air up to 5%, hot blast temperature will increase by 50–70 degree Celsius, which results in reduction of coke consumption by 20-25 kg/THM

Supply chain

Focused effort to minimise road transport use for incoming material through liaising with railways and infrastructure development at the plant - as a result, we achieved ~100% rake transport of incoming material. It helped in reducing carbon emission and overall logistics cost.

Captive power generation

At Gamharia, we have two coal-based captive power plants with generation capacity of 25 MW and 30 MW; two Waste Heat Recovery (WRH) based captive power plants (30 MW generation capacity each); and a coal-gas hybrid captive power plant with 15 MW capacity. With this capacity, Gamharia unit is self-sufficient in power.

At Joda, we have two captive power plants that generate power utilising the waste heat emanating from our kilns during the manufacturing process. Additionally, our three Waste Heat Recovery Boilers (WHRBs) enable us to generate and utilise 'green' power in line with our commitment towards sustainable growth. We had a combined generation capacity of 26 MW as on March 31, 2020. After meeting our captive power requirements, we sell the surplus power generated, which provides us with a steady source of revenue.

Approach to quality

We are committed to consistently deliver high-quality products to our customers. The grade of raw materials used is extremely significant as their relative proportions determine the quality of the final output and the efficiency of our electric arc furnace rotary kilns and blast furnaces.

At our Gamharia facility, we have installed several contemporary equipment and facilities for assisting our upstream and downstream quality assurance processes. These include, *inter alia*, optical emission spectrometer, optical microscopes, Jominy hardenability set up, flame photometer, saturated magnetic analyser, wet chemical laboratory muffle furnace and blue fracture testing machine.

We strive to produce sponge iron that constitutes high metallic iron content, along with consistent chemical and physical characteristics, according to the requirements of our customers. During the production process, we particularly focus on ensuring lower sulphur and phosphorus content as well as negligible tramp element. The end product is screened in size fractions of lump and fines.

Way forward

Going ahead, we want to focus on the following areas for continuous improvement:

- Optimise use of all raw material
- Ensure improved land area management
- Reduce coke consumption
- Ensure higher quality benchmarks of products developed

INTELLECTUAL CAPITAL

Driving efficiency and innovation

For us, nurturing a culture of innovation and exploration is a strategic priority. The innovation focus of our organisation is on the broad areas of processes and products. A very important aspect of process improvement and efficiency build-up is our approach towards digitisation. Right from the beginning, as an organisation we are geared towards embracing the newest technologies and are planning our transformation into an enterprise ready for Industry 4.0.

Strategic linkage SO1 SO2 SO3 SE

Process efficiency

As part of our business excellence journey, we look for every scope of improvement in our management styles, resource planning, approach to efficiency and productivity, customer and partner relationships, among others. To guide us in our pursuit of excellence, we follow the Tata Business Excellence Model.

We have undertaken a process transformation programme under the name 'Shikhar'. The core objectives of this programme are:

- Identify and facilitate EBITDA improvement in the next two-three years
- Benchmark with industry's best and the best of industry practices
- Drive breakthrough improvements with rigour without compromising safety, environment and people norms
- Formation of process improvement team (PIT) & cross-functional team (CFT) for cross-learning and capability development. Pulverized coal injection (PCI) rate improvement, coking coal blend optimisation, wire rod mill (WRM) yield improvement are the outcomes of PIT and CFT reviews
- Collaborate with internal and external stakeholders to achieve better outcomes

Product innovation

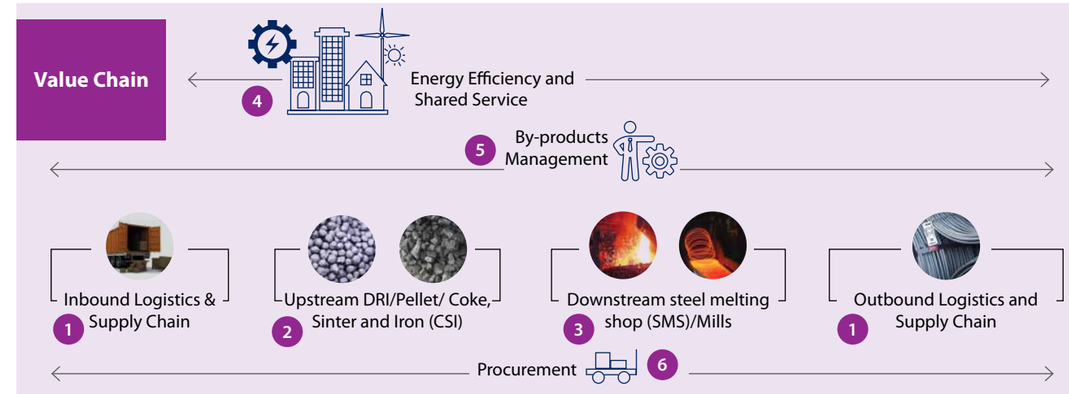
Our steel business caters to the needs of the automobile and engineering sectors, amongst others – which require high-end premium long products.

We sell a significant percentage of our alloyed steel products to manufacturers of parts and components in the conventional vehicles and farming industries, which require precision in quality.

Hence, our R&D focus is on developing superior quality high-end products that find application in multiple sectors.

During the year under review, we have been able to introduce 34 new products in the market.

Identified six impact centres across the value chain



Moving ahead with digitalisation

We value the importance of technology as a strategic enabler and intend to leverage both steel and digital technology to achieve service excellence.

During FY 2019-20, we embarked on our digital technology and IT-enabled business transformation programme to drive value creation across the enterprise. As a first step, we adopted Cloud computing enterprise widely and successfully moved our core business transaction from SAP system to Amazon Web Services (AWS). Communication & Collaboration platform has also been moved to the state-of-the-art Microsoft O365 Cloud Solution enabling agile, anywhere, anytime collaboration.

We aspire towards digitalising our plants and processes and are taking steps towards building capabilities to deliver transformative solutions. The goal is to become agile, intelligent and smart in all our business processes, and enhance stakeholder experience, while generating substantial and sustainable long-term improvement.

Our key business transformation initiatives are in the domains of Smart Plant Operations, Digital-Twins, Integrated Supply Chain and Logistics and innovative digital solutions for mining.

To drive and sustain transformation at scale and deploy digital solutions, we have structurally altered our IT infrastructure spend. We have moved from being capex-heavy to capex-light by opting for managed services, cloud computing, SaaS, BPaaS, pay as you use model to augment the IT layers of connectivity, infrastructure and cyber-security. We remain focused on investing in various digital initiatives, enabling new business models and enhancing the digital maturity of the organisation, as well as onboarding Tata Steel group level initiatives like One Tata Operating Model (OTON).

Way forward

On the road ahead, we will:

- Ensure diligent execution of process excellence programme to derive best outcomes
- Create a stronger technology roadmap
- Strengthen our digitisation drive by adopting new technologies
- Undertake more product innovation based on market insight
- Facilitate new projects to increase overall efficiency

HUMAN CAPITAL

Making our teams future-facing

Our human resource team designs several engaging programmes to upskill our teams. The purpose is to manage talent, encourage learning and development, shape an inspiring work culture, and develop the future leadership pipeline. Our work culture ensures safety, health and overall wellbeing of our full-time employees and contract workforce.

Strategic linkage SO3 SE

Total employees
2,497 EOR

Cultural transformation and engagement

At the beginning of the year, TSLP was formed as a result of merging two different entities. 'Connecting @ Workplace' was introduced as an integration platform for both the teams, wherein the senior leadership visited the shop floors and offices to communicate and interact with the people.

Work-life balance of our people has always been our priority. Moreover, we introduced new policies and processes for building stronger and enduring bonds with our people.

Facilitating a healthy and hygienic ambience

During the year, we upgraded the existing canteen at our Joda unit, with modern amenities and seating facility. We also inaugurated a 8,000-square-feet, state-of-the-art canteen with a seating capacity of 170 at our Gamharia facility.

Culture of freedom and appreciation

Our robust reward and recognition programme for officers, associates and Contract Workforce (CWF) awarded ~670 deserving people through different forums like Sparkle Knight and Adarsh, among others. The winners also got an opportunity for a one-on-one interaction with our senior leadership team.

Capability development

We invested in focused functional and managerial training according to our organisational and individual need. The implementation of MATLAB Tools (Special Project with IIT Bhubaneswar); KPI-aligned training; steel and iron making training for identified talent; six-months tailormade induction programme for new hires (ITI and diploma training); Leadership Development Programme @ CII/IIM; TOC – Theory of Constraints and LAMP training for identified top talent; tailormade behavioural module are some of the excellent development track implemented during the year.

We also conducted a special operational training programme in the Gamharia unit on PCI injection rate in BF and the reduced rejection in the steel melting process due to entrapment. The training was conducted by Shavak Nanavati Technical Institute (SNTI) based on their findings following their study on the matter.

Harmonious work environment

TSLP has always believed in achieving business results through building confidence and relationship with employee unions. We have invested significantly in developing strong bonds with our workers' unions by organising consultative meetings and communicating to larger employee groups through the two union bodies (Tata Sponge Shramik Sangha at Joda and Tata Kamagar Union at Gamharia) to align everyone with our values and growth aspirations.

Diversity and inclusion

We promote diversity in the workforce. As part of our commitment to diversity, we hire 20% women engineers at the entry level. Apart from enabling infrastructure and work practices like maternity and paternity support programmes, we constantly evaluate various employee support requirements to remain a progressive employer. The senior leadership continues to play an important role in our journey of building an agile and inclusive organisation. During the year, 2.64% of our workforce consisted of women and we plan to increase this to 10% by 2025.

Case study: **Functional training for productivity enhancement**

Accretion is a deposition of low-melting complexes like ash, gangue and metallic iron. It poses a critical challenge for coal-based sponge iron units, resulting in frequent shutdowns and low production rate by impacting coal utilisation and thermal efficiency of the plant. These factors impact the quality of the output.

While there is no known technique to eliminate accretion, its rate of formation can be curbed by manipulating process variables like flow rate of iron ore, kiln rotational speed and others.

We collaborated with IIT Bhubaneswar to develop a maintenance model to decrease the rate of accretion. We created an artificial intelligence-based model, embedded in our decision support system for guiding plant engineers. The dynamic model was developed by using MATLAB, which helps in increasing the available days of production and its efficiency.

We initiated a capability development project with IIT Bhubaneswar to successfully conduct this project and provided a five-day MATLAB training programme for our 15 key engineers. Moreover, we identified six enabling projects and six cross functional teams (CFTs) were formed to supervise them, while four engineers were provided advanced MATLAB training at MATLAB Institute, Bengaluru.

HUMAN CAPITAL Contd.

Safety is our priority

We aim to comply with applicable health and safety regulations and other requirements in our operations. We have adopted safety, health and environment policies and procedures that are aimed at complying with legislative requirements, requirements of our licences, approvals, various certifications and ensuring the safety of our employees and the persons working at our facilities or under our management.

We follow the most recognised industry standard, OHSAS 18001, for managing our safety practices. With an astute focus on systematic health and safety risk analysis, we train our people on safety practices and the use of personal protective equipment (PPE). Our focus is on integrating safety, health and environmental requirements within our business-planning and decision-making processes.

Safety performance (LTIFR)

14

Safety training man-days

3,000

Committed to 'zero injury'

At TSLP, safety is a priority and achieving 'zero injury' comes before any other business target. This is reflected in our safety measure investments that incorporate and institutionalise path-breaking practices across the operating environment. Besides, we aim to provide superior-quality safety training to our people. Our safety priorities during FY 2019-20 focused on:

- Building (safety) leadership capability at all levels to achieve Zero Harm
- Improving competency and capability for hazard identification and risk management
- Eliminating safety incidents on road and rail
- Achieving excellence in process safety management
- Establishing industrial hygiene and improving occupational health

We undertook the following initiatives to reinforce the organisation's safety culture:

- Felt Leadership Programme
- Line Walk by the Senior Management
- Safety Observations
- Safety Consequence Management Policy
- Development of model SOPs
- IT-based Ensafe system for monitoring, reporting and control

We further augmented occupational health at the Gamharia unit by adding three doctors and additional ambulances to serve the personnel. Besides, we also initiated heath checkup among contract employees during the year.

Going forward, we will continue to improve our safety practices and procedures and are confident of improving our safety performance.

Safety Kundali

This is a unique way to review safety performance of our people. Implemented at the Joda facility, it provides information, at any given point of time, on an employee's safety observations, safety kaizens, safety suggestions and other such features.

Way forward

Moving ahead, we want to focus on the following areas for continuous improvement:

- Strengthen process orientation and digitisation
- Capability development and talent management
- Health, wellness and engagement
- Culture of appreciation

SOCIAL AND RELATIONSHIP CAPITAL

Dedicated to common good

The Tata group has a rich legacy of contributing to community wellbeing; and as its part, we imbibe and energise that legacy with our citizenship initiatives. We continue to reach out and render need-based support to the stakeholders, and build on our social and relationship capital.

Strategic linkage SO1 SO2 SO3

Social commitments

Over the years, we have played a significant role in bringing about a perceptible change among the communities around us. Our social responsibility programmes emphasise education, essential services (comprising sanitation, drinking water and healthcare) livelihood, sports and culture, and rural development.

Our social responsibility agenda is further aligned to the framework on Affirmative Action (AA) prepared by the Confederation of Indian Industry and Tata Business Excellence Group and focuses on the 5Es of employment, employability, entrepreneurship, education and essential amenities.

Lives touched through CSR initiatives

35,000+

We primarily serve the five gram panchayats (GPs) in Keonjhar district, Odisha and have extended our community development programmes in the new areas of our operations, including Gamharia and Vijay-II mine near Barajamda.

At TSLP, our CSR vision is 'mainstreaming the village community in our immediate surrounding' and implementing various programmes for inclusive growth of the disadvantaged communities in our neighbourhood.

Key CSR focus areas

1. **Education**
2. **Essential services**
3. **Livelihood**
4. **Sports and culture**
5. **Environment and rural development**

Education

Keonjhar primarily has a tribal population and education is not a priority for these communities. At TSLP, we seek to bring a change in this scenario and encourage education in the region. As a result, we cater to the three major prerequisites of availability, accessibility and quality to improve education. Over the years, we have developed the following programmes to pursue our goals:

Project Prarambh

Project Prarambh aims to build educational capabilities of all Anganwadi centres for proper psychological, physical and social development of children in the surrounding villages, concurrently ensuring pre-school education process among children in the age group of 3–6 years.

We have adopted a two-pronged approach under Project Prarambh to promote healthy and environment-friendly education for the children by:

- Construction of model Anganwadi centres (AWCs), which offer multiple child-friendly features and facilitate a teaching environment that ensures a joyful stimulating learning ambience
- Capability building of the Anganwadi workers to improve pre-school education standards

We organise annual training programmes in association with Integrated Child Development Society (ICDS) for the Anganwadi workers to keep them abreast of the contemporary techniques.

We have constructed 12 prime model Anganwadi centres (AWCs) and one interim centre, benefiting 445 children, some of whom commute from remote mountainous villages. These AWCs comprise a spacious classroom, office, kitchen and storeroom, long veranda for the Mid-Day-Meal (MDM) programme, toilets, water facility and compound wall, among others. The AWCs have walls adorned with child-friendly paintings based on the pre-school syllabus (BaLA Painting), to aid the teaching and learning processes. We have also provided smokeless burners at 67 AWCs.

Protsahan

Protsahan provides scholarships to meritorious children from economically weaker homes, especially from the AA community, to continue their studies and settle well in life. We sponsor technical and job oriented courses and monitor the progress of beneficiaries periodically. During FY 2019-20, 32 candidates benefited from this programme.

Residential Bridge Course (RBC) Centre

The RBC Centre benefits children from disadvantaged homes who have given up formal education. It seeks to bridge the gap in learning by providing these children a shelter and age-appropriate coaching that enables them to re-join mainstream education in government schools. The centre is being maintained with the help of Tata Steel and Aspire, a non-profit. Out of the 177 children brought to the centre so far, 70 have already been mainstreamed.

Science exhibition

We organise a science exhibition annually on 2nd November in Keonjhar, to coincide with the inauguration of Tata Sponge and encourage teachers and students to showcase their talent in science. The exhibition hosted in 2019 witnessed participation from 68 schools, with 308 students and 99 faculty members exhibiting 111 projects.

Pre-matric coaching

We started special coaching classes for high school students in core subjects of Science, Mathematics and English on request from students and parents. These classes enable better understanding of concepts and ensure improved performance in the Matriculation examination. We have arranged for 11 teachers who currently teach ~375 students in five high schools.

Primary learning centres

We deployed teachers in 13 schools of Keonjhar to provide a strong foundation for learning among children in the primary classes for their all-round development. A total of 11 teachers across five GPs improve the fundamentals of language and numbers for 483 children. The initiative has also been successful in increasing attendance in schools and a steep reduction in the dropout rate.

Other educational initiatives

We have also contributed to the infrastructure development in primary schools, especially constructing boundary walls and new classrooms, replacing the old, tiled roofs and frail classrooms. We also provided desks, benches and cupboards, with ergonomics in mind. All AWCs have been provided with a tubewell, which is maintained regularly.

Essential services

We aim to bridge the gap between infrastructure facilities and grassroots' requirements, with need-specific and responsive interventions.

Project Swabhiman

Project Swabhiman aims at ensuring that the houses of the six villages of Birikala gram panchayat become Open Defecation Free (ODF) by 2020. The project model includes the building of household toilets, bathrooms and community water supply facilities. To facilitate this mega project, we forged partnership with a credible non-profit, Gram Vikas and district Rural Water Supply and Sanitation (RWSS) wing. Till date, we have constructed 732 toilets and bathrooms, out of the 1,100 units that we intend to complete by FY 2021-22.

SOCIAL AND RELATIONSHIP CAPITAL Contd.

Project Jaldhara

We implemented Project Jaldhara at Bilaipada village to provide piped drinking water connection to ~230 families residing in the village. The project involved digging dug wells and bore wells, pumping water to a cleaning station, and thereafter to an over-head tank, laying out pipes around the village to provide potable water. We completed the entire project with the involvement of the village youth and opinion leaders and have created a committee to oversee their maintenance, with contributions from the beneficiaries.

Other water projects

We have also provisioned borewells and tubewells to provide a source of water near the five GPs we assist. We have made 173 such provisions till date, which have benefited ~5,000 families who reside in these five GPs. This also includes 16 tube wells provided in various schools of the region. During the year, we erected two solar-powered borewell stations.

Project Drishti

Project Drishti focuses on cataract patients in the five GPs, helping them get quality medical care for their eyes. We collaborated with Purnima Netralaya to screen patients for cataracts. Overall, 1,305 patient have been screened for surgery and as per diagnosis, 231 patients have undergone surgery successfully in nine camps organised till date.

The project was extended to our new locations in Vijay-II mine and Gamharia, as well. In Vijay-II mine, 111 people were screened for cataract, of whom 21 underwent surgery and in Gamharia 201 were tested of whom 42 got operated.

Health camps

We organise several medical camps for the benefit of the villagers. These medical camps are conducted for eyes, skin, prevention of TB, heart and other diseases. A mobile camp of doctor and paramedics periodically visit nearby villages for free diagnosis and distribution of medicines. During FY 2019-20, we provided medical care to 575 patients for different ailments.

Livelihood programmes

We run several livelihood programmes that help supplement the income of villagers by helping them adopt contemporary cultivation practices. Some of them are:

Project Hariyali

This project facilitates increase in agricultural income through multi-cropping and vegetable farming, distribution of agricultural implements and fertilisers. The farmer group (13 families) has already started getting regular income and reinvesting their surplus earning. This project is helping realise the concept of 'Lakhpati Kisan' in a realistic manner.

Project Wadi

We organised a loan from the District Mineral Fund (DMF) to start the Wadi Projects for a section of farmers at Ramchandrapur under which 2,000 mango saplings were planted in a 10-acre land. The trees are expected to bear fruit in another 2-3 years, thus providing a perennial source of additional income to the farmers.

Under the project, we developed a self-help group (SHG) comprising AA community women to provide fresh vegetable to the TSLP canteen and sell in the open market.

The endeavour has been quite successful, and the committee members now earn a decent monthly income. Besides, several SHGs have been formed, which were given training to start business in different trades, including supply of meals, incense sticks, rice flakes, fried snacks, phenyl and others. The members in these SHGs have been very successful in earning extra income through these small enterprises. We also facilitated one AA entrepreneur to engage in video and photo shooting, providing several contracts to them.

Skill building programmes

Our interventions support sustainable livelihood generation that empower individuals. We provide different vocational trainings to strengthen employability of the youth.

Project Sakshyam

In collaboration with government agencies like ITI, Barbil and Board of Practical Training (BoPT), Kolkata, we have developed an in-house vocational training module that imparts a one-year on-the-job trade skills training and pays stipends. The trades, for which in-house training is provided, have good demand in this area. Over the past five years, we have trained 200 candidates.

Project Manavi

In-house training programme on tailoring is regularly being conducted by Vidya Shakti Niyas (VSN) (a non-dependent, charitable Trust formed by the spouses of Tata Sponge employees) which has witnessed ~400 women undergoing this six-month course from the nearby villages in the past five years. Many of them are either self-employed or engaged in other commercial establishments today.

Project Abhiyan

VSN also provides a comprehensive one-and-a-half months driving training to youth from the region. Besides driving, the training also includes basic knowledge of vehicle repair and maintenance. VSN authorities also facilitate issuance of licence from District RTO Office, whereby the candidates passing out of VSN's driving school are not required to furnish any certificate or appear for a test, for issuance of licence.

Project Liberty (Industrial Sewing Machine Operator's Course)

During FY 2017-18, we partnered with M/s Shahi Udyog Pvt. Ltd. to train young girls who had studied till standard VIII in industrial stitching. The initiative imparts free training to the shortlisted girls for two months and upon successful completion, inducts them into permanent employment in the organisation's centres at Bengaluru and Bhubaneswar. Till date, we have conducted four sessions and 59 girls have already been offered employment, of which seven are from Vijay-II mine.

SOCIAL AND RELATIONSHIP CAPITAL Contd.

Sports and culture

Sports and culture are an important part of community life and offers people a chance to come together and strengthen social bonds.

Project Krida

We promote sports in the schools/villages through a special project called Krida that helps organise annual sports day in schools, GP-level Panchasakha football, cricket and volleyball tournaments every year. We also sponsor annual sports in Youth Club and nearby schools and provide professional coaching of football to the youth. We have also developed a playground at Bilaipada for the students from village schools to hone their talent on various outdoor activities.

Project Ama Sanskriti

We sponsor various cultural activities in villages, which include HO Dance, Sankirtan, Jhumar, and others among the local youth. We have also constructed community centres for the villagers to use the space for social gathering, meetings and indoor games and entertainment facilities.

Mr. A.M. Misra, former Chairman of TSLP, Mr. T.V. Narendran, Chairman and Mr. Sanjay Kumar Pattnaik, former MD of TSLP, receiving an 'Honourable Mention' certificate under the National CSR award, 2019 from Mr. Anurag Thakur, Minister of State for Finance and Corporate Affairs

Way forward

We will enhance our focus on the following parameters of community growth:

- Enhance our scale of social initiatives around our newly acquired location of Gamharia
- Bring more people under the ambit of our social programmes
- Focus on bridging the gap between infrastructure facilities and grassroots' requirements
- Support interventions that help supplement/generate livelihoods
- Emphasise strong social bonds

Fortifying key relationships

We consider our customers and vendors as our partners in growth. We focus on engaging with them consistently to build enduring bonds. We cater to the bespoke requirements of our customers and maintain transparency with our vendors, bridging the gap with both parties with effective communication and collaboration. We aim to maintain our win-win relationship with both stakeholder groups.

Engaging with our customers

We cater to the needs of the automobile and engineering sectors, among others. A significant percentage of our alloyed steel products are sold to manufacturers of parts and components in the conventional vehicles and farming industries. Additionally, we also supply alloyed steel to various players in the bearings, earth-moving, mining and oil and gas sectors, among others.

Addressing customer complaint with focus

The handling of customer complaint is one of the most important parameters in customer service and delight. This is widely used to measure customer trust and provides immense opportunities for improvement, triggering the journey towards excellence.

In the last few years, our customer complaint trend was ~1,600 PPM. During the last financial year, we initiated several measures to curb this trend with data-driven initiatives and successfully brought it down to 450 PPM during FY 2019-20. This helped us deepen our footprint in the domestic and Asian markets. This change further prompted a paradigm shift in our strategy, with a significant shift from High Carbon Wire Rods (HCWR), to alloy and specialty steel products and high-end application of HCWR. As a result, the sale of alloy and specialty steel in wire rods enhanced from 8,000–10,000 MT/month previously to 14,000–16,000 MT/month in FY 2019-20.

Our knowledge management and training programmes at different levels helped us get started on our journey towards excellence. Going forward, we aim to achieve less than 200 PPM in terms of customer complaints.

Key enablers and initiatives, FY 2019-20

- Initiated customer facing processes for fostering the relationship
  - 6 customer sales team constituted
  - S&OP process developed
  - New product development process aligned with Tata Steel mythology
  - Customer Complaint Management Process (CCMP) is under development
- Reviewed and redesigned the customer process and evaluation methods
- Improved steel making and hot rolling processes
- Implemented various inputs received through customer interaction, OEM approvals and new product requirements, among others

Working closely with suppliers

The approach for supplier engagement was to focus on synergy of buy along with Tata Steel Limited (TSL) for bulk material supplier and coordinated and syndicated vendor base with TSL supplier. To enable synergy of buy for price advantage, we have onboarded suppliers of TSL during FY 2019-20. This helped in extending long-term contract of bulk material.

For ferro alloy, metal and other consumables we have synergised our vendor panel and some of the vendors we have onboarded as supply base. In services area also we have engaged Tata Steel Limited, Jamshedpur.

Vendor capability development programme was initiated for service vendors. E-procurement was implemented for transparency in business as well as agility in process and system. Supplier day programme were organised and these are being continued to have joint projects, new ideas for cost saving, and value in use (VIU) based contracting for a win-win situation.

Responsible supply chain sustainability programme was initiated with our vendor partners for their engagement and onboarding to promote fair business practices, health and safety, human rights and environmental protection. Process of zero-based budgeting cost modelling is kept before going for contract negotiation. Special focus is kept on Deprop activity for replacement of proprietary items/OEM items, ferro alloys index-based, long-term ordering, identification of alternative material as replacement of existing item on VIU basis and new vendor development for strong vendor base.

Way forward

On the road ahead, we will:

- Strengthen our relationship with customers to understand and deliver better
- Make vendors more integrated into our operations
- Incorporate new compliance developments with proactiveness

NATURAL CAPITAL

Caring for the environment

At TSLP, we have a resource intensive manufacturing process and our operations may also have an impact on the natural environment. We understand this aspect of our business and hence environmental care is a key part of our business plan. We are also cognisant of the impacts of climate change and pursuing energy efficiency and reduction in greenhouse gas (GHG) emissions as priorities. In addition, minimising water usage and pollution are the key focus areas of our environment management plans.

Strategic linkage SO1 SO2 SO3

Our operations are subject to various central and state laws and regulations, with respect to environmental protection.

We believe sustainable production is the cornerstone of our development and acts as a key driver for our future growth and prospects.

Cutting down emissions

We have invested in various pollution control devices like de-dusting systems, mobile vacuum cleaning van and Electrostatic Precipitator (ESP), among others. We have also implemented different practices as part of our approach towards the preservation of our ecosystem.

We have also a dedicated pollution control department at the sponge iron facility to monitor and ensure compliance with pollution control norms. This department is equipped with advanced pollution monitoring equipment such as high-volume samplers, stack monitoring kit and sound level meters. It is responsible for taking periodic readings at different locations in the plant, ensuring continuous and efficient operation of the pollution control equipment and liaising with government authorities on various environmental issues.

CO_2 emissions
4.525 tCO_2/tcs

Dust emissions intensity
2.86 kg/tcs

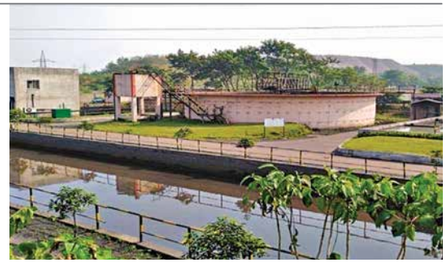
Nitrogen oxides (NOx) emission
1.0 kt

Sulphur oxides (SOx) emission
5.28 kt

Benchmark for environmental protection practices

Our sponge iron facility was proposed as a benchmark plant in a West Bengal State Pollution Control Board (SPCB) initiative undertaken for identifying good manufacturing practices and clean technology options in the sponge iron industry. The programme was conducted in collaboration with independent industry bodies like Central Pollution Control Board (CPCB) and Odisha SPCB. Under this initiative, various elements of our procedures were scrutinised and added to the Standard Operating Procedure (SOP) prescribed by the CPCB.

Besides, we have received several awards for our safety, environment and health practices.



Reducing water pollution

We have a robust water management system that helps us control our specific water consumption by continuously evaluating our water intake and discharge. We have a clear water pump, which ensures continuous cleaning of contaminated water for reuse in operations. We have also improved the efficiency of ETP, which helped in achieving Zero Water discharge.

Minimising waste

As a responsible business entity, we remain conscious of the impact our business has on the environment. We are committed to reduce waste production. We have equipped our plants with best-in-class and contemporary waste control equipment.

Plantation drives

To increase green cover near our operating units, we started a sapling plantation drive near both our manufacturing units and mines. During the year, we planted ~6,500 trees.

Sapling plantation

Gamharia	Joda
2,270	1,500

Vijay – II mine
2,820

Water recycled during FY 2019-20
100%

Effluent discharge intensity
NIL

Specific water consumption
7.71 m^3/tcs

Solid waste utilisation
93.5%

Way forward

With an unwavering focus on environmental care, we will:

- Focus on further reducing our carbon footprint with reduced emissions and increased plantation drives
- Incorporate new and upcoming technologies that will enable us to decrease water consumption and pollution and minimise waste production

Statutory Reports

Financial Statements

BOARD'S REPORT

Dear Members,

The Directors take pleasure in presenting the Integrated Report (prepared as per the framework set forth by the International Integrated Reporting Council) and the Annual Accounts on the business and operations of Tata Steel Long Products Limited, along with the summary of standalone and consolidated financial statements for the year ended March 31, 2020.

A. Financial Results

(₹ lakh)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from operations	3,48,999.39	99,205.30	3,48,999.39	99,205.30
Total expenditure before finance cost, depreciation	3,33,672.65	84,735.02	3,33,673.55	84,736.22
Operating Profit	15,326.74	14,470.28	15,325.84	14,469.08
Add: Other income	8,126.40	5,766.39	8,131.81	5,773.10
Profit before finance cost, depreciation, exceptional items and taxes	23,453.14	20,236.67	23,457.65	20,242.18
Less: Finance costs	29,284.47	302.18	29,284.47	302.18
Profit before depreciation, exceptional items and taxes	(5,831.33)	19,934.49	(5,826.82)	19,940.00
Less: Depreciation and amortisation expenses	31,079.38	1,157.90	31,079.38	1,157.90
Profit/(Loss) before exceptional items & tax	**(36,910.71)**	**18,776.59**	**(36,906.20)**	**18,782.10**
Add/(Less): Exceptional Items	(16,113.37)	-	(16,113.37)	-
Profit before taxes	**(53,024.08)**	**18,776.59**	**(53,019.57)**	**18,782.10**
Less: Tax Expense	(1,396.37)	6,343.43	(1,396.37)	6,343.43
(A) Net Profit/(Loss) for the Period	**(51,627.71)**	**12,433.16**	**(51,623.20)**	**12,438.67**
Total Profit/(Loss) for the period attributable to:				
Owners of the Company	-	-	(51,623.20)	12,438.67
Non-controlling interests	-	-	-	-
(B) Total other comprehensive income	(706.66)	984.57	(706.66)	984.57
(C) Total comprehensive income for the period [A + B]	(52,334.37)	13,417.73	(52,329.86)	13,423.24
Retained Earnings: Balance brought forward from the previous year	15,953.65	20,233.59	15,969.16	20,243.59
Add: Profit for the period	(51,627.71)	12,433.16	(51,623.20)	12,438.67
Add: Other movements within equity	-	(13,000.00)	-	(13,000.00)
Balance	(35,674.06)	19,666.75	(35,654.04)	19,682.26
Which the Directors have apportioned as under to:-				
(i) Dividend on Ordinary Shares	1,925.00	3,080.00	1,925.00	3,080.00
(ii) Tax on dividends	395.69	633.10	395.69	633.10
Total Appropriations	**2,320.69**	**3,713.10**	**2,320.69**	**3,713.10**
Retained Earnings: Balance to be carried forward	**(37,994.75)**	**15,953.65**	**(37,974.73)**	**15,969.16**

1. Dividend

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company has formulated and adopted the Dividend Distribution Policy ('the Policy'). The said policy is available on the website of the Company, https://www.tatasteellp.com/performance-corporate-governance/.

The Company has been consistently paying dividend to its esteemed equity shareholders over the years and has maintained a good track record in this regard. In order to ensure a more sustainable future, change in the business model from sole reliance on sponge iron business to forward integration into steel business was inevitable. Accordingly, the Company acquired the steel business of Usha Martin Limited ("UML") on April 09, 2019 and added special steel long products into its portfolio. Unfortunately, the Indian steel demand witnessed unprecedented sluggishness; with significant de-growth in the automotive sector. The Company took several measures; such as operational improvement and synergy drives which helped it to contain the impact of the market forces on its realisation, but the same could not fully cover the huge decline in the

BOARD'S REPORT Contd.

realisations resulting into recording of a loss in FY 2019-20. In view of the financial performance of the Company in FY 2019-20, the Board has decided not to recommend any dividend for the financial year 2019-20. This decision has also taken into account the negative impact of the COVID-19 pandemic on the business of the Company. However, the Board of Directors remains committed for creating value for the shareholders of the Company.

2. Transfer to Reserves

The Directors do not propose to transfer any amount to the general reserve.

3. Capex and Liquidity

During the year under review, the Company has paid a sum of ₹390,612 lakh towards purchase consideration for acquisition of steel business. The Company spent ₹3,813 lakh on capital projects largely towards essential sustenance and replacement.

The Company's liquidity position remains strong at ₹68,161 lakh as on March 31, 2020, comprising of ₹16,161 lakh in cash and cash equivalent and ₹52,000 lakh in undrawn bank lines.

4. Management Discussion & Analysis Report

The Management Discussion and Analysis Report for the year under review, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, is annexed to the report (**Annexure A**) and forms part of this Integrated Report.

5. Credit Rating

The Company enjoys a sound reputation for its prudent financial management and its ability to meet financial obligations. The details of Credit Rating forms part of the Corporate Governance Report.

B. Integrated Report

In continuation with our efforts towards enhancing stakeholder value, we are happy to present you our Integrated Report which endeavours to articulate the measures undertaken by the Company and is a governance-based reporting. The Integrated Report is prepared by adopting the framework developed by the International Integrated Reporting Council.

C. External Environment

Global economic activity faced several headwinds in 2019 and ended with a slowdown worse than the global economic crisis. The first half remained sluggish for manufacturing and global trade on account of higher tariffs, uncertain trade environment and disruption in the automotive industry from new emission standards in Euro area and a slowing growth in China. The fourth quarter witnessed a bottoming out of the growth. While 2020 started on a good note with the US and China reaching phase 1 agreement and waning uncertainties of Brexit, the world got an enormous shock in the form of COVID-19. Lockdowns and travel bans were necessary to preserve the health and prevent the virus from spreading, however caused significant damage to the economy and crude Oil prices hit rock bottom. As the days are passing through, few bright spots have emerged. Timely actions and significant stimulus have somewhat cushioned the blow and things are returning to normalcy in pockets.

Indian economy growth moderated to 4.2% in FY20 from 6.1% in FY19 on account of weak domestic consumption, continued liquidity crunch, sluggish manufacturing and investments and extended monsoon etc. In 2019, RBI made a cumulative cut of 135 basis point in the repo rate and in view of the COVID-19 pandemic, another 75-basis points rate cut was done in March 20. The government was quick to announce 1.7 lakh crore interim relief package targeting the bottom of the economic pyramid and subsequently announced 20 lakh crore comprehensive package under the name of "Aatma Nirbhar Bharat Abhiyaan". The package focused upon five pillars defined as a) economy, b) infrastructure c) system d) vibrant demography and e) demand. The Post COVID-19 revival strategy lays renewed thrust on Rural and MSME (Micro, small and medium enterprises) segment along with the preference for domestically manufactured products.

D. Steel Industry

In Calender Year ("CY") 2019, the world crude steel production grew by 3.4% over CY 2018 largely driven by growth in Asia and Middle east with China remaining the world's largest crude steel producer with 996 million tons followed by India 111 million tons and Japan 99 million tons in same period. However steel prices remained under pressure coupled with softening demand across the advanced and emerging economies.

FY20 was a year of two halves for the steel industry. The first half witnessed a muted demand and subdued pricing environment. Key consuming segments experienced further downturn in Automotive & allied industries owing to high inventory and liquidity crunch. The second half started witnessing some recovery in later part of Q3FY20 on improved market sentiments with higher demand and uptrend in pricing, however this got squashed by COVID-19 led unprecedented disruption towards end March'20. The world steel Association and various analysts expect Indian Steel demand to contract by 18-20% in 2020 on the back of COVID-19 pandemic induced halt of economic and business activities.

E. Operations & Performance

Despite several macroeconomic headwinds, volatile market environment and operational challenges, the Company delivered a respectable performance driven by a strong focus on operational excellence and market penetration. During the year under review, the Company acquired Steel business of Usha Martin Limited on April 9, 2020. This being the 1st year of operations for steel, the Company primarily focused on seamless integration of organisation, institutionalising a robust governance mechanism and stabilising its operations.

With the addition of Gamharia unit, DRI business registered a substantial growth both in production (75%) and sales (43%) on a year on year basis. The Company also achieved more than 95% Crude steel capacity utilization in H2FY20 (in blowing mode). On the market front, the Company has been able to consolidate its position in Special Bar Quality ("SBQ") by increasing its market share from 9% in FY19 to 12% in FY20 (MS in H2-FY20: 15%) amidst a de-growing automotive industry. It has also made in-roads in Non-Automotive segments focusing on L&E, Tractors and Railways, collectively constituting 25 kt sales and kept a keen focus on enriching its Wire-Rods sales mix towards Alloy Steel in FY20. The proportion of Alloy Wire-Rods has increased from 29% in FY19 to 37% in FY20. Continued focus and concerted efforts towards operational efficiency and synergy initiatives helped to reduce the crude steel cost substantially by ~ ₹12,000/t in Q4FY20 from the year beginning level, 75% of which is sustainable (operation efficiency improvement & synergy with parent company). All these efforts have finally resulted in ₹184 crore of EBITDA with 18% growth year on year.

F. Business Impact of COVID-19

The COVID-19 breakdown has led to unprecedented socio-economic disruption worldwide. The nation-wide stringent lockdown got imposed from March 25, 2020 which brought the economic activities to a standstill. While Steel and mining activities were kept exempt subject to certain guidelines, the steel demand got impacted adversely as key consuming segments struggled to operate amidst weakening economic activities, major hubs in red/containment zones, working capital constraints, migrant labour issues and logistic challenges.

During this period, the first and foremost priority for the Company remains the health and safety of the employees and the communities in which it operates while managing any impact for its customers and suppliers. As an immediate response to this pandemic, the Company has rolled out several employee friendly policies, morale building platforms and put in place the stringent mechanism on sanitisation and social distancing norms. The Company forthwith decided to scale down the operations and had been able to quickly ramp-up the operations by making a tactical decision to rapidly ramp-up the exports.

As economic activities have started recovering with the removal of the lockdown and gradual relaxation in mobility restrictions, the Company is continuously leveraging the opportunities to increase penetration in the domestic market. In addition, the Company is continuously focusing upon the cash conservation and adequate liquidity for the smooth operations.

For further details, please refer Management Discussion and Analysis Report which forms part of this report.

G. Update On Radhikapur Coal Block

In the month of November 2012, Ministry of Coal ("MoC") issued notices to the Company for invocation of bank guarantee of ₹3,250 lakh submitted towards performance of conditions for allocation of Radhikapur (East) coal block against which the Company had filed a writ petition in the Hon'ble High Court of Delhi, which directed the Company to keep the bank guarantee valid till November 30, 2015 by which date the MoC was directed to take decision. The bank guarantee expired after November 30, 2015 and had not been renewed, since no communication had been received from MoC. Subsequently, MoC issued a notice dated December 28, 2015, stating that the bank guarantee be invoked and the aforesaid amount be deposited. Consequent to MoC's notice, the Company had moved to the Hon'ble High Court of Delhi. In a recent judgment dated May 27, 2020, the Hon'ble High Court of Delhi has remanded the matter to MoC to consider afresh on the aspect whether the delay in achieving the milestones is attributable to the Company and has directed the Company to ensure that the bank guarantee furnished by it is kept alive till the said decision is rendered by the MoC. Pending finalisation of the matter, the amount continues to be disclosed as a contingent liability.

During pendency of the aforesaid matters in Hon'ble High Court of Delhi, the Hon'ble Supreme Court of India vide its order dated September 24, 2014 had cancelled allocation of 214 coal blocks including the Radhikapur (East) Coal Block which was allotted to the Company on February 7, 2006. The amount incurred on the Radhikapur (East) Coal Block upto March 31, 2020 aggregates to ₹18,040.96 lakh, (March 31, 2019: ₹18 ,040.96 lakh), and the carrying amount in the books, net of depreciation and write off as at March 31, 2020 is ₹17,893 lakh (March 31, 2019: ₹17,905 lakh).

Pursuant to the judgment of the Hon'ble Supreme Court of India, the Government of India had promulgated Coal Mines (Special Provision) Rules, 2014 ("Rules") for allocation of the coal mines through auction and matters related thereto. In terms of the said Rules, the successful bidder will be called upon to pay to the prior allocattee the expenses incurred by the prior allocattee towards land and mine infrastructure. Pursuant to the judgement dated March 9, 2017 of the Hon'ble High Court of Delhi in W.P (c) 973/2015, the directives of MoC vide its letter dated February 1, 2018 and as per details prescribed by Nominated Authority, the Company has furnished the

BOARD'S REPORT Contd.

required statement of expenses and other details in the prescribed format on February 22, 2018. Relying on the legal position and legal opinion obtained by the Company in respect of the recoverability of the amount, no provision is considered necessary.

H. Strategy

The year under review had been quite accomplishing for the Company in terms of forward integration of the business and laying down the strong foundation for a sustainable future. The Company has adopted strategic planning framework which is used to develop and deploy both Long term and short-term plans of the Company. It continuously scans the external environment and competitive landscape to understand the various risks, opportunities and threats in the light of our organisational strengths and weaknesses.

Going forward, the Company aspires to achieve the industry leadership by pursuing the following priorities in medium to long term

a) Become the most preferred supplier in the chosen segments by providing benchmark quality and services

b) Achieve sustainable and profitable growth

c) Be a more respected corporate citizen

In order to achieve its strategic objectives, the Company has also defined a set of strategic enablers. Human capital is the critical success factor for any organisation, hence the Company is focusing upon developing enthused and high performing human capital. With the onset of industry 4.0, it becomes imperative for the Company to accelerate the deployment of digital technologies for future readiness. Along with this, the Company is also focused on creating a culture of agility and innovation to keep pace with the fast-changing environment and create a differentiation.

I. Material Developments during the Financial Year

a. Acquisition of Steel business undertaking of Usha Martin Limited

The Company, as a part of its strategy to grow in long products, executed definitive agreements for acquisition of steel business of Usha Martin Limited ('UML'), a special steel and wire rope manufacturer, through a slump sale on a going concern basis. The Company had been evaluating various strategic options to enhance its product portfolio and had identified an entry into steel manufacturing in long products as a route to ensure sustainable value creation for its shareholders.

On April 09, 2019, the Company completed the acquisition of steel business undertaking including captive power plants pursuant to a cash consideration (after adjustment for negative working capital and debt like items) payable to Usha Martin Limited of ₹4,094 crore (Rupees Four Thousand Ninety Four crore only). Subsequently, the negative net working capital amount after transfer of the iron ore mines increased and the net cash consideration of the takeover was reduced to ₹4,049 crore (Rupees Four Thousand Forty Nine crore only).

b. Issue of Equity Shares on Rights Basis

The Board at its meeting held on October 24, 2018, approved the issuance of fully paid up ordinary shares of the Company, by way of a rights issue to the existing shareholders of the Company upto an amount not exceeding ₹1,800 crore (Rupees Eighteen Hundred crore only).

Subsequently, the Committee of Board at its meeting held on June 13, 2019, approved the issuance of 3,30,00,000 equity shares of face value of ₹10 each, on a rights basis, not exceeding an amount of ₹1,650 crore (Rupees One Thousand Six Hundred Fifty crore only) by the Company to the eligible equity shareholders. The Rights Entitlement ratio was fixed in the ratio of 15:7. The issue price was fixed to ₹500 per Rights Equity Share (including a premium of ₹490 per Rights Equity Share). The said issue opened for subscription by shareholders on July 02, 2019 and closed on July 16, 2019.

On July 24, 2019, the Company allotted 2,97,00,000 Rights Equity Shares at a price of ₹500 per Rights Equity Share (including a premium of ₹490 per Rights Equity Share) having face value ₹10 each for an amount aggregating to ₹1,485 crore (Rupees One Thousand Four Hundred Eighty Five crore only), to the eligible equity shareholders of the Company.

Accordingly, pursuant to the aforesaid allotment, the paid-up equity share capital of the Company has increased from ₹15,40,00,000/- to ₹45,10,00,000/- consisting of 4,51,00,000 equity shares of face value of ₹10 each.

c. Issue of Non-Convertible Redeemable Preference Shares

The Board at its meeting held on October 24, 2018, approved the issuance of Non-Convertible Redeemable Preference Shares ("NCRPS") of upto ₹1,000 crore (Rupees One Thousand crore only) to Tata Steel Limited on Private Placement basis, subject to the approval of Shareholders of the Company.

Subsequently, the Shareholders of the Company at its Extra-Ordinary General meeting held on December 14, 2018, approved the offer and issuance of 11.30% NCRPS for an amount not exceeding ₹1,000 crore (Rupees One Thousand crore only) to Tata Steel Limited on Private Placement basis.

However, the Company has not felt the need as yet to issue Non-Convertible Redeemable Preference Shares to Tata Steel Limited.

d. Change in name of the Company

In order to align the name of the Company with the aspiration to pursue growth in long products specialty steel and the newly acquired steel business undertaking of Usha Martin Limited being the first step in that direction, the Board at its meeting held on April 18, 2019, approved the proposal to change the name of the Company from "Tata Sponge Iron Limited" to "Tata Steel Long Products Limited", subject to the approval of the Shareholders of the Company and Central Government.

Subsequently, the shareholders at the Annual General Meeting of the Company held on July 15, 2019 approved the proposal of change in name of the Company and consequently, with the approval of the Central Government, the name of the Company was changed from "Tata Sponge Iron Limited" to "Tata Steel Long Products Limited" effective August 20, 2019.

e. Shifting of Registered Office of the Company from the State of Odisha to the State of West Bengal

The Board of Directors of the Company at its meeting held on April 18, 2019, accorded its approval for shifting of registered office of the Company, from the State of Odisha to the State of West Bengal. Subsequently, the Shareholders of the Company, accorded their approval to the said proposal, at the 36th Annual General Meeting of the Company held on July 15, 2019.

However, basis the feedback received from the key stakeholders, the Board at its meeting held on June 09, 2020, decided not to pursue the said proposal of shifting the registered office of the Company, for the time being. Hence, the registered office of the Company will continue to be at Joda, Odisha.

J. Corporate Sustainability

Our commitment to sustainability is anchored firmly in Tata group's ethos and values, which have been revitalised with a concerted focus on customer success, trust, passion, change and performance. The balance between economic success, environmental protection and social responsibility has been an integral part of our corporate culture for years now.

At Tata Steel Long Products, sustainability also means creating distinct values for all its stakeholders– customers, shareholders, employees, suppliers and community in a balanced manner. This is apparent from the high perceptional scores given by the stakeholders, year-on-year, in the feedback surveys conducted by the Company. Over the years, the Company has effectively focused on the key sustainability drivers and aspires to enhance them in future.

The concept of inclusive growth through Affirmative Action ("AA") had been adopted by the Company in the past. Further efforts have been made by the Company during the year to strengthen the actions.

Safety and Environment

Conducting business responsibly is a cornerstone of the Company's strategy and culture. The Company has adopted a holistic approach for its sustainability framework by giving focused impetus in areas of Safety, Health and Environment ("SHE"). Establishing high safety standards and enhancing safety performance at work are among the key priorities of the organisation. During the last year, emphasis was laid on capability building through structured trainings to evolve a mature safety culture. The Felt Leadership safety training for the employees continues to progress steadily to sensitise and build leadership competence on safety. Other strategies such as demonstration of visible leadership on the shop-floor by identification & elimination of Commonly Accepted Unsafe Practices (E-CAUP) by Senior Leaders; Identification & correction of Fatality Potential unsafe conditions (Safety Observations) by Middle level leaders; Identification & stoppage of fatality & serious injury potential unsafe acts (Site Severity Audits) by front line leaders were initiated to bring a holistic approach in field of safety management. Incident reporting and analysis was made more robust with introduction of standard investigation protocols and procedures. Roll out of online portal - 'Ensafe' for reporting safety deviations; mandatory inclusion of SHE conditions in work orders of vendor partners; introduction of 'process safety management' were few other initiatives conceived and implemented during the year.

We have always believed that protecting the environment in which we operate & live are among our highest priorities. The Company has established an Environmental policy, Climate change policy and Energy policy and key tenants of the policies always guide in identifying and successfully managing the Environmental issues, energy usages, reduction in greenhouse gases ("GHG") and water conservation. Over the years we are continuously focusing on lowering the dust emission and other gaseous pollution from our industry by adopting the state of art technologies. The Electro Static Precipitators (ESP) of captive power plant were recently upgraded to ensure emission much below the standards set by the government. Regular audits and monitoring are done to identify gaps and required engineering solutions are provided to bridge the gaps. The steel industry contributes to about 7-9% of global emission and is considered to be a 'hard to abate sector' since carbon is used as a reductant in the steelmaking process. Tata Steel Long Products has adopted several technologies to lower down the CO_2 emission and have conceptualised some other best practices for adoption in its steel manufacturing, such as utilisation of waste heat for power generation and use of less carbon intensive substances in steel making. Reduction of CO2 emission through reduced dependence of non-renewable energy was demonstrated through Installation of 235 KW solar based power plant at Joda. The Company believes that new technologies, will be

BOARD'S REPORT Contd.

fundamental means for industries to reduce their carbon footprints exponentially to achieve the global targets of climate change and has aligned its goals accordingly.

Corporate Social Responsibility (CSR)

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in **Annexure B** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report.

During the year under review, there has been no change to the CSR Policy. The Policy is available on the website of the Company at https://www.tatasteellp.com/performance-corporate-governance/ During the year, the Company has spent ₹320.88 lakh on CSR Activities.

K. Material Changes Post Closure of Financial Year

- The outbreak of COVID-19 and ensuing mobility restrictions severely impacted industrial activity and consumer sentiment.
- Despite these constraints which led to throttling of production by ~50% during April'20 and May'20, crude steel production in 1QFY21 was sustained at 1QFY20 levels. While sales in April'20 and May'20 were lower, the Company significantly increased sales volumes in June with opening of economic activity in India which led to a 25%YoY growth in 1QFY21 saleable steel sales. Steel exports sales were ramped up significantly by tapping new markets and ramping up the supply chain capability.
- The Company is closely monitoring the situation and taking appropriate actions as per the directions issued by the regulatory authorities from time to time keeping in view the health and safety of its employees and the community and the interests of its customers and other stakeholders

L. Corporate Governance

The Company believes that facilitation of effective, entrepreneurial and prudent management helps in delivering long term success of the Company. The fundamental objective of corporate governance in the Company is to boost and maximise shareholder value and protect the interest of other stakeholders.

In terms of Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section on Corporate Governance, together with certificate from Practicing Company Secretary, certifying compliance with conditions of Corporate Governance, forms part of this Report (**Annexure C**).

Meetings of the Board and Committees of the Board

A calendar of meetings is prepared and circulated in advance to the Directors at the beginning of the year. During the year Seven (7) meetings of Board and Six (6) Audit Committee meetings were held, details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All recommendations made by the Audit Committee were accepted by the Board during the financial year 2019-20. The details of composition of the Board and its Committees as well as details of other Board Committee meetings held during the year are given in the Corporate Governance Report, which forms part of this Report.

Selection of New Directors and Board Membership Criteria

The Nomination and Remuneration Committee ('NRC') works 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. 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 ("Policy")

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 has been no change to the Policy.

The Policy is available on the website of the Company at https://www.tatasteellp.com/performance-corporate-governance/

Familiarisation Programme for Directors

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, Board constitution and procedures, matters reserved for the Board, and the major risks and risk management strategy of the Company. Visits to plant are organised for the new Directors to enable them to understand the business better. During the year under review, four new Independent Directors were inducted on the Board of the Company, namely, Dr. Ansuman Das, Mr. Srikumar Menon, Mr. Shashi Kant Maudgal and Ms. Neeta Karmakar. All the newly inducted Independent Director has undergone the structured orientation programme except Ms. Neeta Karmakar who was inducted on the Board of the Company effective March 30, 2020. The Familiarization Programme of Ms. Karmakar shall be conducted during Financial Year 2020-21. Details of orientation given to the existing independent directors in the areas of Corporate Social Responsibility, Operations, Marketing, Sales & Supply Chain Management, Governance Risk & Compliance, Human Resource Management etc., are available on the website at https://www.tatasteellp.com/wp-content/uploads/2020/08/Familiarization-Independent-Directors-2019-20.pdf

Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 05, 2017.

The Chairman of the Board had one-on-one meetings with each Independent Director and the Chairman of NRC had one-on-one meetings with each 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 independent directors, performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and 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 Nomination and Remuneration Committee, the performance of the Board, its committees, and individual directors was discussed.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the resilience of the Board and the Management in navigating the Company during challenging times, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management, and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities and fiduciary duties.

Remuneration Policy for the Board and Senior Management

Based on the recommendations of 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, KMPs, 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 and Non-Executive Directors.
- It lays down the parameters based on which remuneration (including fixed salary, benefits and perquisites, bonus/performance linked incentive, commission, retirement

BOARD'S REPORT Contd.

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.tatasteellp.com/performance-corporate-governance/.

Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report **[Annexure D(i)]**.

In terms of the provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 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 set out in the said Rules forms part of the report. **[Annexure D(ii)]**.

Independent Directors' Declaration

The Independent Directors of the Company have been appointed in terms of the requirements of the Companies Act, 2013 ("the Act"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Company has received declaration from the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act read with Regulation 16(1) (b) of the Listing Regulations. In terms of Regulation 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstances or situations which exist or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

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. In terms of Section 150 of the Act, read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have undertaken requisite steps towards the inclusion of their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs.

Independent Directors' Meeting:

During the year under review, the Independent Directors met on March 27, 2020, inter alia, to:

a) Review the performance of Non-Independent Directors and the Board of Directors as a whole;

b) Review the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors;

c) Assess the quality, content and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at this meeting.

The observations made by the Independent Directors have been adopted and put into force.

Board Diversity

The Company recognises and embraces the importance of a diverse Board in its success. The Company believes that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help the Company to retain its competitive advantage.

Director(s)

During the year under review, the following changes took place in the Board of Directors of the Company:

Inductions

The Board of Directors of the Company, based on the recommendation of Nomination and Remuneration Committee ("NRC"), approved the following appointments on the Board of the Company:

1. Appointment of Dr. Ansuman Das (DIN: 02845138) as an Additional (Non-Executive, Independent) Director effective July 15, 2019.

2. Appointment of Mr. Srikumar Menon (DIN: 00470254), as an Additional (Non-Executive, Independent) Director of the Company effective July 15, 2019.

3. Appointment of Mr. Shashi Kant Maudgal (DIN: 00918431), as an Additional (Non-Executive, Independent) Director of the Company effective July 15, 2019.

4. Appointment of Mr. Ashish Anupam (DIN: 08384201) as Managing Director of the Company effective November 01, 2019.

5. Appointment of Ms. Neeta Karmakar (DIN: 08730604) as an an Additional (Non-Executive, Independent) Director of the Company effective March 30, 2020.

The Board is satisfied with the integrity, expertise and experience (including proficiency) of all the above Independent Directors.

The resolution for confirming the above appointment(s) forms part of the Notice convening the Annual General Meeting scheduled to be held on September 14, 2020.

The profile and particulars of experience, attributes and skills that qualify the above Directors for the Board membership are disclosed in the Notice convening the forthcoming Annual General Meeting to be held on September 14, 2020.

Re-Appointment

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Koushik Chatterjee (DIN: 00004989) (Non-Executive Non-Independent Director), retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, seeks re-appointment.

The necessary resolution for re-appointment of Mr. Koushik Chatterjee forms part of the Notice convening the ensuing Annual General Meeting scheduled to be held on September 14, 2020.

The profile and particulars of experience, attributes and skills that qualify Mr. Koushik Chatterjee (DIN: 00004989) for the Board membership are disclosed in the Notice convening the Annual General Meeting to be held on September 14, 2020.

Cessations

During the year, Mr. Dipak Kumar Banerjee (DIN: 00028123), Mr. Manoj T. Thomas (DIN: 03614981) and Dr. O N Mohanty (DIN: 03058576) ceased to be Independent Directors of the Company, on completion of their tenure as Members of the Board. Mr. Banerjee and Mr. Thomas ceased as Members of the Board effective July 14, 2019 and Dr. Mohanty ceased as Member of the Board effective July 15, 2019.

Mr. Sanjay Kumar Pattnaik (DIN: 00256832), on completion of his tenure, ceased to be the Managing Director of the Company, effective October 31, 2019.

The Board places on record its appreciation for their invaluable contribution and guidance during their tenure as Directors of the Company.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Board Committees of the Company.

Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2020, are:

1. Mr. Ashish Anupam – Managing Director;
2. Mr. S. K. Mishra – Chief Financial Officer;
3. Mr. Sanjay Kumar Shrivastav – Joint Chief Financial Officer;
4. Mr. Sanjay Kasture – Chief Risk & Compliance Officer and Company Secretary.

During the year, the following changes took place in the key managerial personnel of the Company.

1. Mr. Sanjay Kumar Shrivastav was appointed as the Joint Chief Financial Officer of the Company effective July 29, 2019.
2. Mr. Ashish Anupam (DIN: 08384201) was appointed as the Managing Director of the Company effective November 01, 2019, subject to the approval of the Shareholders of the Company.
3. Mr. Sanjay Kumar Pattnaik (DIN: 00256832), on completion of his tenure, ceased to be the Managing Director of the Company, effective October 31, 2019.

The remuneration and other details of the Key Managerial Personnel for FY 2019-20 are provided in the Extract of the Annual Return which forms part of this report.

Audit Committee

The Audit Committee is duly constituted as per the provisions of the Companies Act, 2013, applicable Rules framed thereunder read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The primary objective of the Committee is monitoring and supervising the Management's financial reporting process to ensure accurate and timely disclosures with highest levels of transparency, integrity and quality of financial reporting. During the financial year, there has been no instance where the Board has not accepted any recommendation of the Committee.

The Committee comprises of Mr. P.C. Parakh (Chairman), Mr. Srikumar Menon, Mr. Shashi Kant Maudgal, Ms. Neeta Karmakar and Mr. Koushik Chatterjee. The Committee met 6 (six) times during the year under review. Details of terms of reference of the Committee, number and dates of meeting held and attendance of Members during the year are part of the Corporate Governance Report.

Internal Process & Financial Control

Improvement in the business processes and systems across all functions is a continuous process, in line with the Tata Business Excellence Model that the Company has adopted. The Company continues to maintain Integrated Management System (IMS) comprising of Quality Management System

BOARD'S REPORT Contd.

(ISO: 9001), Environment Management System (ISO: 14001) and Occupational Health, Safety & Accountability Management System (ISO: 18001).

The Company has an internal control system commensurate with the size, scale and complexity of its operations. The scope of authority of the Internal Audit function is defined in the Internal Audit Charter. The Company's internal controls are tested for adequacy and effectiveness by the Internal Auditor and Statutory Auditors on a regular basis.

Enterprise Risk Management ("ERM")

The Company has a Board-level Risk Management committee which got reconstituted on July 18, 2019 to onboard larger group of independent directors with diverse set of expertise. The committee assists the board to oversee the risk management policy, to provide guidelines for implementing the ERM framework and also reviews the key risks and mitigation plan of the Company. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. The development and implementation of risk management policy has been covered in the Management Discussion and Analysis, which forms part of this report.

Vigil Mechanism/ Whistle Blower Mechanism

Your Company has a well-defined Vigil Mechanism policy in place that provides a formal mechanism for all Directors, employees, business associates and vendors of the Company to approach the Ethics Counsellor / Chairman of the Audit Committee. The mechanism can be availed to make protective disclosures about any unethical behaviour, actual or suspected fraud or violation of the Tata Code of Conduct (TCoC). During the year under review, no person has been denied access to the Chairman of the Audit Committee. In addition, Directors, employees, and vendors, may approach the Ethics Counsellor to make any such protected disclosure.

During FY 2019-20, the Company received 19 whistle blower complaints and all of the complaints were investigated and resolved at the end of the year. The Vigil Mechanism includes policies viz. Whistle Blower Policy, Gifts Policy, Anti Bribery Anti Corruption Policy, Anti Money laundering Policy, as adopted by the Company, which is available on the website of the Company at https://www.tatasteellp.com/wp-content/uploads/2019/12/WB-Policy-for-Directors-Employees.pdf

Related Party Transactions:

In line with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a Policy on Related Party Transactions ("RPTs") and the same can be accessed on the Company's website at https://www.tatasteellp.com/performance-corporate-governance/

All transactions with related parties (including material transactions) during FY 2019-20 were reviewed and approved by the Audit Committee and were at arm's length and in the ordinary course of business. Prior omnibus approval was obtained for RPTs which were of repetitive nature and entered in the ordinary course of business and on an arm's length basis. The transactions entered into pursuant to the omnibus approval so granted were reviewed by Audit Committee on quarterly basis. There were 6 (six) material RPTs in FY 2019-20 under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of transactions with related party as per Form AOC-2 are provided in **Annexure – "E"** to this Report.

Details of RPTs entered into by the Company, in terms of Ind AS-24 are disclosed in notes to the standalone/consolidated financial statements forming part of this Integrated Report. There was no other material RPTs entered into by the Company with its Promoters, Directors, KMPs or other designated persons during FY 2019-20, except those reported in the financial statements. None of your Directors or KMPs had any pecuniary relationships or transactions with the Company during FY 2019-20.

Approval of Members is being sought for 9 (nine) material RPTs for FY 2020-21 and FY 2021-22 at the ensuing AGM.

Prevention of Sexual Harassment at Workplaces

The Company has zero tolerance for sexual harassment at workplace and 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 thereunder.

Further, the Company has an Internal Complaint Committees for various locations of the Company in compliance with the above mentioned Act and Rules. During the financial year 2019-20, the Company had received two complaints of sexual harassment, out of which one complaint has already been resolved by taking appropriate action. One complaint is under investigation.

Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory, Cost and Secretarial Auditors and external consultant(s) including audit of internal financial controls over financial reporting by the statutory auditors, reviews performed by the 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 the financial year 2019-20.

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

(i) In the preparation of annual financial statements, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(ii) 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 2019-20 and of the loss of the Company for that period;

(iii) 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;

(iv) They have prepared the annual accounts on a going concern basis;

(v) They had laid down proper internal financial controls and such internal financial controls are adequate and were operating effectively;

(vi) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Governance Guidelines

The Company's governance guidelines on Board effectiveness cover aspects relating to composition and role of the Board, Chairman and Directors, Board diversity, term of Directors, retirement age and committees of the Board. The guidelines also cover key aspects relating to nomination, appointment, induction and development of Directors, Directors remuneration, oversight on subsidiary performances, code of conduct, Board effectiveness reviews and various mandates of Board Committees.

Business Responsibility Report

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report (BRR) on initiatives taken from an environmental, social and governance perspective, is enclosed as **Annexure "F"** and is also available on the Company's website, https://www.tatasteellp.com/performance-corporate-governance/

Subsidiary Company

The Company has a wholly owned subsidiary i.e. "TSIL Energy Limited". There is no associate or joint venture company as defined under the Companies Act, 2013.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 and the amendments thereto, and the SEBI Listing Regulations, a statement containing salient features of the financial statements of TSIL Energy Limited in Form AOC-1 is annexed as **Annexure "G"**.

Further, pursuant to provisions of Section 136 of the Companies Act, 2013, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts of TSIL Energy Limited are available on the website of the Company at https://www.tatasteellp.com/subsidiary-information/

Auditors

(a) Statutory Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013, read with Companies (Audit and Auditors) Rules, 2014, as amended from time to time, Messrs. Price Waterhouse & Co. Chartered Accountants LLP (Firm Registration Number: 304026E / E300009) ('PWC'), were appointed as statutory auditors from the conclusion of the Thirty fourth Annual General Meeting ("AGM") held on August 04, 2017 for a period of 5 years commencing from the conclusion of the Thirty fourth AGM held on August 04, 2017 until the conclusion of the Thirty-ninth 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 2019-20. There is no Audit qualification, reservation, adverse remark or disclaimer for the year under review.

(b) Cost Auditor

Pursuant to the provisions of Section 148 of the Companies Act, 2013 ("the Act"), read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to maintain cost records and have the audit of its cost records conducted by a Cost Accountant. Pursuant to Section 148(1) of the Act, the Company has been maintaining cost records and carrying out cost audit every year. The Cost Audit Report of the Company for the Financial Year ended March 31, 2019 was filed by the Company in XBRL mode.

BOARD'S REPORT Contd.

The Board of Directors, on the recommendation of Audit Committee, has appointed Messrs. Shome & Banerjee, Cost Accountants, (Firm Registration Number: 000001) as Cost Auditor to audit the cost statements of the Company for the financial year 2020-21.

Messrs. 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.

Pursuant to Section 148 of the Act, read with Rule 14(a)(ii) of Companies (Audit and Auditors) Rules, 2014, ratification of the remuneration payable to the Cost Auditors (as recommended by the Audit Committee and approved by the Board) is being sought from the Members of the Company at the ensuing AGM. The details of the same are provided in the Notice convening the AGM. We seek your support in ratifying the proposed remuneration of ₹6 lakh plus applicable taxes and reimbursement of out-of-pocket expenses payable to the Cost Auditors for the Financial Year ending March 31, 2021.

(c) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed Messrs. S. M. Gupta & Co., a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for the financial year 2019-20.

The Secretarial Audit Report for the financial year 2019-20, is annexed herewith as **Annexure – H**. There are no qualifications, observations, adverse remark or disclaimer in the said Report.

The Board has also appointed Messrs. S. M. Gupta & Co., as Secretarial Auditor to conduct the Secretarial Audit of the Company for Financial Year 2020-21.

Comments on Statutory Auditors' Report/ Secretarial Audit Report

There are no qualifications, reservations or adverse remarks or disclaimers made either by the Statutory Auditors or by the Secretarial Auditors in their report for the year under review. During the year under review, the Auditors did not report any matter under Section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

Extract of Annual Return

The extract of annual return in Form MGT 9 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is enclosed as **Annexure "I"** and can be accessed in 'Investors' section of the Company's website at https://www.tatasteellp.com/extracts-of-annual-return/

Disclosures with Respect to Employees Stock Option Scheme

The Company does not have any Employees Stock Option Scheme.

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

As required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, the particulars regarding conservation of energy, technology absorption, foreign exchange earnings and outgo are annexed to this report as **Annexure J**.

Particulars of Loans, Guarantees or Investments by the Company

The details of loans, guarantees or investments, are annexed to this report as **Annexure K**.

Awards

During the year under the review, the following awards were received by the Company:

(i) The Company was adjudged as the "Best Governed Company" [Emerging Listed Entity Segment] at the 19th ICSI National Awards for Excellence in Corporate Governance, 2019.

(ii) The Company has received 'Honourable Mention' certificate under the National CSR award, 2019.

(iii) The Tata Affirmative Action Programme (TAAP) awards for emphasises on our endeavours on 5 Es – Employment, Employability, Entrepreneurship, Education and Essential Enablers.

Deposits From Public

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Listing Fees

The Annual Listing Fee for the year 2019-20 has been paid to the Stock Exchanges where the Company's shares are listed.

Industrial Relations

During the year under review, industrial relations remained harmonious and cordial.

Significant and Material Orders Passed by the Regulators or Courts

There have been no significant and material orders 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.

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.

M. Acknowledgement

Your Directors take this opportunity to thank all its Stakeholders, i.e. Members, Customers, Vendors, Dealers, Investors, Business Associates and Bankers, for their continued support during the year. They place on record their deep sense of appreciation for the contribution made by Senior Leadership team and employees at all levels across the organisation. The resilience to meet and successfully overcome several challenges was possible due to their hard work, solidarity, co-operation and support.

Your Directors also express their gratitude towards Government of India, Governments of various States in India, concerned Government departments & agencies and regulatory authorities for their continued support and we look forward to their guidance in the future.

On behalf of the Board of Directors

Sd/-

T.V. Narendran

Chairman

(DIN: 03083605)

Place: Jamshedpur

Date: June 09, 2020

ANNEXURE A

Management Discussion & Analysis Report

Financial year 2019-20 has been a historic year for the Company. During the year, the Company transformed from a mere Sponge Iron (or Direct Reduced Iron) producer to a high-end long products specialty steel player. During the year, it also repositioned itself as a long product steel player in the marketplace and aligned closer to its parent Company. This was enabled with completion of acquisition process of the steel business of Usha Martin Limited (UML) on April 09, 2019. The Company has become an integrated player of special steel by establishing both backward and forward linkages with the existing line of DRI business.

The following review is intended to convey the Management's perspective on external business environment and financial & operating performance of the Company during the Financial Year 2019-20. This report should be read in conjunction with the Company's standalone/consolidated financial statements, the schedules, notes thereto and other information included elsewhere in the integrated report. Aspects on Strategy, Risk & Opportunities, Governance mechanism, Human Resource and Industrial Relations have also been separately covered as part of the integrated report. The Company's financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013, as amended and regulations issued by the Securities and Exchange Board of India ('SEBI') from time to time. This report is an integral part of the Board's Report and covers aspects on external environment, strategic focus, business performance, significant operational initiatives, risk & opportunities, internal control and statutory compliances.

External environment

Economy overview

Global Economy: 2019 was a difficult year for the global economy during which the world output grew at 2.9%, at its slowest pace post the Global Financial crisis. This was a synchronized slowdown, resulting from weakening trade & manufacturing growth and has impacted almost 90% of the economies world over. While the global growth was projected to rise to 3.3% in CY20, supported by positive sentiments arising out of easing US-China trade tension and consumption led recovery, this has been severely impacted by the spread of COVID-19. This Pandemic has brought an unprecedented global health and livelihood crisis and has led to a severe negative impact on global economic activities. As a result, the global economy is now projected to see a sharp contraction by -4.9% in 2020, surpassing the decline seen during 2008-09 financial crisis.

Indian Economy: Indian economy has been on a downward spiral since Q1 FY20. During the year, the GDP fell to a 27-quarter low of 4.7% by Q3 FY20 due to significant fall in manufacturing and agriculture output; however, service sector growth remained stable. On expenditure side, investments were very weak, registering a de-growth in H1 FY20, while the consumption was mainly supported by urban India. Some improvement in consumption was witnessed in Q3 FY20, mainly due to festivals and back to back rate cuts by Reserve Bank of India. Just when the fundamentals started to look up in January-February 2020, the COVID-19 outbreak adversely impacted the growth; imposition of a complete Nationwide lockdown since March 25, 2020 brought the economic activity to a standstill, especially in manufacturing & services sector. Except for the essential services, all other business activities were suspended. As a result, Q4 FY20 GDP grew at 3.1% and FY20 GDP grew at 4.2% as against 6.1 % in FY19. With the phased removal of the lockdown, economic activities have started to pick up and are expected to improve going forward. However, the environment is fluid and uncertain making it difficult to predict the likely path of economic activity.

Industry overview and outlook

Global Steel Industry: According to World Steel Association (WSA), global crude steel production reached about 1870 million tons in 2019, up by 3.4% compared to 2018, mainly driven by Asia, USA and Middle East. China's share of global crude steel production increased from 50.9% in 2018 to 53.3% in 2019.

The global steel industry has been impacted due to shutdowns, disrupted supply chains as well as decline in consumption activity. Financial market volatility and depressed oil prices have further undermined investment. After slower than expected growth in 2019, a further decline in global steel demand is expected in 2020.

Indian Steel Industry: With the production of 111.2 million tonnes (up by 1.8% over 2018), India was 2nd largest crude steel producer in 2019. India's Apparent Steel Usage (ASU) growth for FY20 was estimated to be 5% but the weak demand from large consuming segments coupled with negative impact on business activities on account of COVID-19 led to a growth of only 1%. Steel ASU is estimated at 100.1 mt and India again became a net exporter of steel in FY20.

The domestic Automotive industry production has been facing a series of challenges on account of regulatory changes (Bharat Stage Emission Standards - BSVI, Corporate Average Fuel Efficiency - CAFE norms, Crash standards, revised axle norms etc.), Societal trends (ride sharing, traffic congestion, cost of ownership etc.), technological upheavals (electric vehicle) and liquidity crunch. The COVID-19 pandemic further exacerbated the situation as the supply chain got disrupted and there was suspension in production. As a result, production in the automotive sector declined by 15% in FY20 to 26.3 million vehicles, shrinking back to FY17 level. Two Wheelers and Passenger vehicles witnessed a drop of 14-15% whereas Commercial vehicle was the worst hit. Demand and production of commercial vehicles shrank by 29% and 32% respectively in FY20 owing to poor fleet utilisation, revised axle norms and inventory liquidation.

Capital goods and consumer durables also remained in the downward trajectory on account of weak manufacturing activity and muted demand in rural India.

Construction is the only consuming sector which witnessed a marginal growth in FY20 over FY19. The sector remained weak till Nov 2019 due to sluggish new investments, lower economic activities and continued liquidity crunch but started showing some signs of improvement from Dec'19 onwards on account of various stimulus and infrastructure push by the Government. However, halt in outdoor construction during the lockdowns has severely impacted the growth.

India's steel demand is likely to contract by 15-18% in FY21 due to lockdown induced weakness in manufacturing and construction sectors.

Indian Sponge/Direct Reduced Iron (DRI) Industry: India is the world's largest producer of Sponge Iron (or DRI) and has over 400 manufacturing units. Sponge iron is produced from Iron ore and used in steel making primarily through the secondary route. Based on Joint Plant Committee report, India has produced ~37.1 million tonnes of Sponge iron in FY20 as against 34.7 million tonnes in FY19 and registered a growth of 7%. Of the total DRI production in India, large portion is used for captive consumption by the major producers.

As far as merchant DRI demand is concerned, market was weak in Q2 and Q3 FY20 due to constrained liquidity, unrest in the National Capital Region and restricted construction activities on account of prolonged monsoon. While a gradual recovery was seen from end of Dec 2019, however, the COVID-19 outbreak has adversely affected the demand.

Impact of COVID-19 Pandemic on the company

The nation-wide lockdown, which was imposed from March 25, 2020 due to COVID-19 pandemic adversely impacted economic activities across the country.

At Tata Steel Long Products, the first and foremost priority is the health and safety of the employees and the communities in which the Company operates while managing any impact for its customers and suppliers.

a) Impact on the operations

Key steel consuming segments viz. automotive, infrastructure, capital goods, consumer durables witnessed significant reduction. Muted demand from the consuming sectors coupled with shortage of manpower, liquidity constraints and logistics issues have resulted in sharp reduction of steel production and demand.

Being part of the essential services and process industries, the company's steel and mining operations were exempt from lockdown restrictions, The company has followed all the advisories issued by the Central and the State Governments, including the prescribed hygiene, safety standards and social distancing norms. Initially, the company has curtailed its operations due to lack of demand from its customers and supply chain issues. The company worked hard to resolve these issues and ensured quick resumption for movement of raw material & finished goods.

The company has rolled out several employee friendly policies, morale building platforms and put in place the stringent mechanism on sanitization and social distancing norms. All employees in corporate offices and regional sales offices have been advised to work from home. The company has also put in place digital interventions to ensure smooth functioning of essential services. The company has touched lives of ~20,000 people by distributing food items, running community kitchen and organising awareness sessions at various levels.

With the phased removal of the lockdown restrictions in India, the company quickly ramp up its steel making operations to 100% level and made a tactical decision to explore international market and rapidly ramped up the exports.

b) Impact on financials

Reduced deliveries on account of COVID-19 pandemic has resulted in sharp decline of earnings and increase in inventories. In response to the COVID-19, the Company is focused on managing liquidity and conserving cash. The Company has quickly ramped up exports and driven collections to increase inflows while minimizing outflows by curbing non-essential spend, renegotiating payment terms with vendors and reducing capital expenditure. All these efforts have helped the Company to maintain adequate liquidity to meet its business and financial commitments.

Strategic focus - Transformation of the organisation

After acquiring the Usha Martin Steel Business assets in early April 2019 and the mining assets in July 2019, the immediate focus has been to lay down strong foundation for creating a sustainable organisation. To drive the transformation, the Company focused on three aspects viz. a) People & culture b) Infrastructure & Operations and c) External Stakeholders.

On the people front, the focus was to strengthen system & processes, build capability to achieve benchmark performance and bring cohesiveness across the organisation. Leadership positions have been reviewed and filled up after due diligence, responsibility matrix of key positions and segregation of duties refined to ensure smooth functioning of the newly acquired business. Several initiatives were rolled out to create safe work environment and nurture the safety culture in the organisation, The practices related to work safety and environment protection have been revamped to bring the related parameters on fore and drive them with greater focus. Key standard operating practices (SOPs) have been reviewed & revised and newer checks & controls have been introduced with the enhanced usage of Information Technology and digital initiatives.

The Company scaled up production by increasing the utilisation of key assets, preparation of Schematic mine development and sustainable mining plan, integration of key processes and systems based on the

ANNEXURE A Contd.

previous learning from Joda and Tata Steel Limited operations. The Company also changed its key raw materials (e.g., coal) sourcing strategy by using the Tata Steel group procurement channels. This has created significant value by ensuring consistent supply of raw materials, optimizing the quality, better costs and payment terms.

Tata Steel principles and values were adopted to engage with our stakeholders. Various customers engagement programs were initiated, and senior leadership engaged extensively in building a deep customer connect. This coupled with new product development and improvement in due date delivery (performance) helped in increasing the share of business with existing customers and acquiring new customers in the chosen segments. The Company also focused on gaining the confidence of the vendors on payment cycle and converted various ferro alloys, refractories and fluxes to domestic sourcing as against imports which has helped in improving costs as well as the working capital cycle. Some CSR initiatives have also been initiated for the newer locations viz. Gamharia and Barajamda, in line with our strong CSR programs already running in Joda and nearby locations. As part of our responsible corporate citizenship, we have achieved zero effluent discharge and improved solid waste utilisation.

Outcomes of the above transformation initiatives have started to be visible in terms of improvement trends in production and key operating parameters. This has helped the turn-around of the Company in Q4FY20 in terms of becoming Profit Before Tax (excluding the exceptional items) positive despite the loss of sales in the last week of March'20 due to COVID-19 pandemic. The Company will carry on with its efforts of transformation bringing in the good practices from the Tata Steel Group and enhance the synergies to drive business value.

Business Performance

TSLP's current product portfolio is unique in nature. It primarily deals in two ends of the value chain viz. Special Steel and Sponge Iron/ DRI (Direct Reduced Iron). Special steel is used for high-end and critical applications such as forging, bearings, fasteners, spring etc. which are used primarily by the Automotive sector but also in other areas such as construction, capital goods, etc. On the other hand, DRI is highly commoditised in nature and used as a raw material (Substitute / in addition to Steel scrap) in the electric arc furnaces or induction furnaces.

Steel Business: FY20 was challenging year for TSLP. The acquisition coincided with a sharp decline in its key segment, i.e., the automotive industry. However, over the quarters we have taken several initiatives at the marketplace and consistently improved our presence through increase in share of business with the existing customers and acquisition of 30 new customers. The overall market share in special steel business has improved from 9% in Q4FY19 (erstwhile UML) to ~13% in FY20. The Company has also developed various new grades and sizes to increase the penetration in non-automotive segments and has been able to receive product approvals from Two-wheeler OEMs (2 nos.) and a Global OEM. In the Wire rod segment, the Company has continued to focus on mix enrichment while ramping up volumes. The Company registered 2X growth in Alloy wire rod sales in Q4FY20 over Q1FY20 while tapping the complementary demand from Tata Steel's existing wire rod customers.

Product wise Sales performance (All figures in kt)

Particulars	FY20
Straight Length (Bar & Blooms)	173
Wire Rod	269
Billet	69
Total Steel Sales	**511**

Sponge/DRI: TSLP produces DRI at Joda as well as Gamharia plants. Initially the DRI plant capacity utilisation in Gamharia was quite low, post acquisition, which subsequently improved from Q3 FY20 onwards on higher captive ore availability from Vijay II Mine. This has resulted in an overall production of 765 kt with an increase of 75% w.r.t FY19.

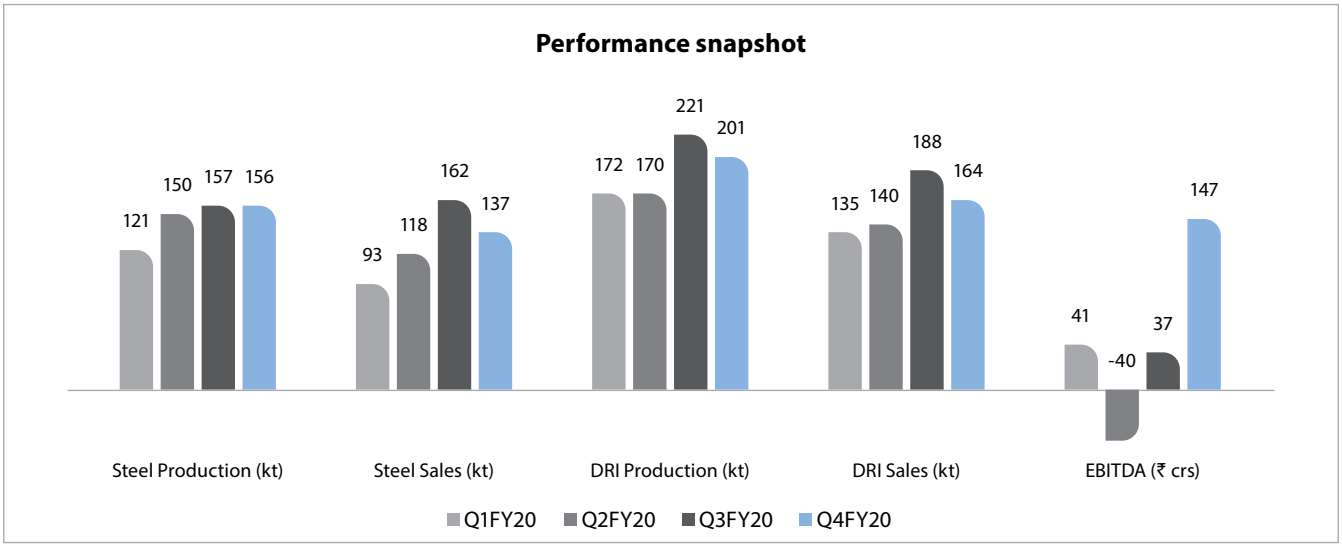
Over the years, erstwhile Tata Sponge has established itself as the market leader in DRI space and is considered as the most trusted supplier of consistent quality. This has helped TSLP to quickly stabilise the Gamharia product in the market place. In addition, the Company has also increased its presence in the international market. This has resulted in DRI sales of 626 kt and registered a growth of 43% (y-o-y).

Operational Excellence: The culture of continuous improvement is deeply embedded in the ethos of Tata Steel Group and has anchored long term sustainability and transformation of all its acquisitions. To accelerate and elevate the transformation Tata Steel's marquee transformation program called "Shikhar" (Sanskrit word for "peak,") was launched in Tata Steel Long products within the 1st Quarter of its acquisition on May 27, 2019. The Shikhar programme covers the entire steel value chain with structured collaboration from Raw Materials division to Marketing & Sales division as an umbrella initiative and focusses on key structural issues such as improvement of Overall Equipment Effectiveness (OEE), effective utilisation of material, spend reduction, lower carbon rate in iron making, optimised steel making mix, supply chain optimisation and maximising energy and material efficiency. It is a multi-divisional, cross functional improvement initiative that aims to drive breakthrough improvement projects with rigor and simplified governance in collaboration with internal/external stakeholders to achieve best in class operational performance, while building institutional capability. Most companies hunt for large value creation opportunities while pursuing change related goals and a result, those smaller ideas that are often proposed by workers or middle managers fail to grab attention or to gain traction. Capturing each of such ideas has been the driving force of this programme and it has, thus, generated steady credence for this large transformational

initiative. Over the last 9 months the program has generated more than 1100 ideas and has successfully implemented majority of them, resulting in total savings of around ₹300 crore Through focused approach, participation of operating teams and rigorous reviews, we have been able to achieve encouraging improvement in coal rate in blast furnaces (reduced coke rate and enhanced PCI rate), mill yields, coal consumption in DRI, power and electrode consumption, etc. In the area of inbound supply chain, we maximized the rake usage to 95%+ and systems have been put in place to sustain this.

Financial Performance

The FY20 and FY19 financial performances are not on like to like basis as the financial performance of FY20 includes the performance of the steel business acquired from Usha Martin Limited on April 09, 2019. As discussed in the earlier sections, the year commenced on a downward spiral in the market front, starting from sharp slowdown of the steel consuming sectors, especially Automotive, prices for both Steel & DRI hitting the low range (till middle of November'19) and lastly the disruption caused by the COVID-19 pandemic. Being the 1st year of acquisition, the Company had worked upon addressing multiple challenges to scale up the operations and bring smoothness in the entire value chain. In addition to above, several decisive actions had been taken throughout the year to improve the financial flexibility and liquidity of the Company in a progressive manner. During Q1FY20, the primary focus was on setting the basics right, securing and meeting working capital requirements, getting understanding of the market along with on-boarding of customers, integration & stabilisation of various operating units and seeding actions to realise the identified synergies with the parent, Tata Steel Limited In order to achieve seamless integration and operational efficiencies, a transformation program called "Shikhar" was started by utilizing subject matter experts from the parent organization, where such programme has been run successfully for many years and built the expertise over the years. The Company has got the approval to operate it's captive mine of Iron ore in Q2FY20 which helped in ramping up the steel making production and start the DRI kilns at Gamharia. However, the iron ore supplies got impacted during the rainy season owing to heavy monsoon. TSLP focused upon widening the customer base within automotive and diversifying to non-auto segments like agriculture, railways and lifting & excavation. This has resulted in an increase of market share across segments, including automotive sector despite the slowing demand. In Q3FY20, both Steel and DRI volume had been ramped up to take advantage of increasing prices in the marketplace. The concerted efforts towards operational efficiencies and mix enrichment enabled TSLP to become EBITDA positive during the quarter. In Q4FY20, the Company could start roduction at pellet plant on conversion basis for Tata Steel and shifted its focus towards further mix enrichment to maximise the realisations. Crude steel production and finished products sales levels were sustained in Q4FY20 despite lockdown in the later part of March'20 and severely hit Automotive sector production due to global supply chain disruption from Jan'20 onwards. The EBITDA grew by 4X and ended with positive PBT (excluding the exceptional items) for the last quarter of the financial year 2019-20. This was enabled by successful achievement of a cost reduction of ₹~12,000 per ton of crude steel (from Q1FY20 to Q4FY20) primarily on account of operational improvement and synergy benefits driven by the Shikhar programme. In order to improve the financial liquidity of the Company, several initiatives were rolled out including the revision in credit policies and introduction of financing mechanisms. These have helped in increasing sales through secured route thereby improving the working capital cycle time by ~25 days. The Company has deleveraged its balance sheet by repaying the short-term borrowing of ₹400 crore in H2FY20.



ANNEXURE A Contd.

a. Revenue from operations

(₹ in lakh)

	Standalone			Consolidated		
	FY 20	FY 19	Change %	FY 20	FY 19	Change %
Sale of products	332,069	92,975	257%	332,069	92,975	257%
Sale of power	5,955	5,332	12%	5,955	5,332	12%
Income from services	4,743	0	n/a	4,743	0	n/a
Other operating revenue	6,232	898	594%	6,232	898	594%
Total revenue from operations	**348,999**	**99,205**	**252%**	**348,999**	**99,205**	**252%**

Revenue from operations consists of ₹266,860 lakh of acquired steel business during the current year. However, the overall revenue remains suppressed on account of lower market prices of both Steel and DRI.

b. Cost of materials consumed

(₹ in lakh)

	Standalone			Consolidated		
	FY 20	FY 19	Change %	FY 20	FY 19	Change %
Cost of Materials consumed	239,229	70,869	238%	239,229	70,869	238%

Cost of material consumed has increased primarily on account of acquired steel business.

c. Employee benefits expense

(₹ in lakh)

	Standalone			Consolidated		
	FY 20	FY 19	Change %	FY 20	FY 19	Change %
Employee benefit expenses	19,211	4,487	328%	19,211	4,487	328%

During the year under review employee benefit expenses have increased due to acquired steel business, which constituted ₹14,377 lakh. Balance increase is on account of salary revisions, and its consequential impact on the retirement provisions.

d. Depreciation and amortisation expense

(₹ in lakh)

	Standalone			Consolidated		
	FY 20	FY 19	Change %	FY 20	FY 19	Change %
Depreciation and amortisation expenses	31,079	1,158	2584%	31,079	1,158	2584%

During the year under review, Depreciation and amortisation expenses has increased due to acquired steel business, which constituted ₹30,002 lakh.

e. Other expenses

(₹ in lakh)

	Standalone			Consolidated		
	FY 20	FY 19	Change %	FY 20	FY 19	Change %
Other Expenses	96,197	9,366	927%	96,198	9,367	927%

Other Expenses represents the following expenditure: (₹ in lakh)

Particulars	Standalone			Consolidated		
	FY 20	FY 19	Change %	FY 20	FY 19	Change %
Consumption of stores and spare parts	27,567	1,026	2587%	27,567	1,026	2587%
Fuel oil consumed	8,525	108	7794%	8,525	108	7794%
Purchase of power	5,100	21	24186%	5,100	21	24186%
Rent	392	81	384%	392	81	384%
Repairs to buildings	898	657	37%	898	657	37%
Repairs to machinery	10,347	1,545	570%	10,347	1,545	570%
Insurance	720	81	789%	720	81	789%
Rates and taxes	1,416	898	58%	1,416	898	58%
Freight and handling charges	23,649	1,110	2031%	23,649	1,110	2028%
Commission, discounts and rebates	79	43	84%	79	43	84%
Packing and forwarding	750	508	48%	750	508	48%
Royalty	7,528	0	n/a	7,528	0	n/a
Legal and professional costs	1,682	654	157%	1,683	655	157%
Advertisement, promotion and selling expenses	31	43	(28)%	31	43	(28)%
Travelling expenses	844	186	354%	844	186	354%
Net Loss on foreign currency transactions	1,565	252	521%	1,565	252	521%
Corporate social responsibility expenses	321	236	36%	321	236	36%
Provision for doubtful advances	347	0	n/a	347	0	n/a
Loss on disposal of property plant and equipment	207	0	n/a	207	0	n/a
Other general expenses	4,229	1,916	121%	4,229	1,917	121%
Total Other expenses	**96,197**	**9,366**	**927%**	**96,198**	**9,367**	**927%**

Other expenses have increased primarily on account of acquired steel business.

f. Finance costs and net finance costs

(₹ in lakh)

	Standalone			Consolidated		
	FY 20	FY 19	Change %	FY 20	FY 19	Change %
Finance cost	29,284	302	9597%	29,284	302	9597%
Net finance cost	24,209	(3,614)	(770)%	24209	(3,614)	(770)%

The Company was debt free till FY19. Interest cost in FY19 was related to interest on statutory dues. During FY20, the Company had taken borrowings to fund the acquisition of steel business, due to which the finance cost has increased.

g. Exceptional items

(₹ in lakh)

	Standalone			Consolidated		
	FY 20	FY 19	Change %	FY 20	FY 19	Change %
(i) Acquisition related expenditures	2,742	0	n/a	2,742	0	n/a
(ii) Provision for coal block performance obligation	13,372	0	n/a	13,372	0	n/a

(i) Represents expenses incurred on stamp duty and registration fees for a portion of land parcels and mines acquired as part of business combination aggregating to ₹2,741.85 lakh during the year ended March 31, 2020.

ANNEXURE A Contd.

(ii) The Company acquired the Steel business of Usha Martin Limited (UML) at Gamharia, Jamshedpur under a going concern and slump sale basis. The transaction included a greenfield coal block with corresponding performance obligation by way of bank guarantee to the Nominated Authority, Ministry of Coal towards development of the said coal block. Post acquisition, the Company has assessed the social and environmental challenges for the development of the coal block and have come to the view that the performance obligations of developing the coal block look challenging to fulfil. Accordingly, the Company, as a matter of prudence, has taken provision related to the aforesaid bank guarantee.

h. Property, plant & equipment (PPE) including intangibles

(₹ in lakh)

	Standalone			Consolidated		
	FY 20	FY 19	Change %	FY 20	FY 19	Change %
Property, Plant and Equipment	407,146	21,973	1753%	407,146	21,973	1753%
Capital work-in-progress	3,669	739	396%	3,669	739	396%
Goodwill	566	0	n/a	566	0	n/a
Right-of-use assets	23,952	0	n/a	23,952	0	n/a
Other Intangible assets	29,821	59	50444%	29,821	59	50444%
Total property, plant & equipment (PPE) including intangibles	**465,153**	**22,772**	**1943%**	**465,153**	**22,772**	**1943%**

The increase in the current year balance is mainly due to acquisition of steel business, which constituted increase of ₹469,637 lakh in PPE, Right-of-use assets and intangible assets. The increase is partly offset by depreciation of the current year.

i. Investments

(₹ in lakh)

	Standalone			Consolidated		
	FY 20	FY 19	Change %	FY 20	FY 19	Change %
Investment in Subsidiary, JVs and Associates	1,746	1,434	21%	1,640	1,328	23%
Investments - Non-current	0	10,828	(100)%	0	10,828	(100)%
Investments – Current	0	12,096	(100)%	127	12,217	(99)%
Total Investments	**1,746**	**24,358**	**(93)%**	**1,767**	**24,373**	**(93)%**

The increase in investment in Subsidiary, JVs and associates represents fair valuation gain. Non-current and current investments in mutual funds of FY19 have been liquidated to fund the acquisition of steel business/working capital requirements in FY20.

j. Inventories

(₹ in lakh)

	Standalone			Consolidated		
	FY 20	FY 19	Change %	FY 20	FY 19	Change %
Raw materials	47,046	9,803	380%	47,046	9,803	380%
Finished and semi-finished goods	25,906	678	3721%	25,906	678	3721%
Stores and spares	6,745	1,047	544%	6,745	1,047	544%
Total Inventories	**79,697**	**11,528**	**591%**	**79,697**	**11,528**	**591%**

The increase in the current year balance is mainly due to acquisition of steel business, which constituted increase of ₹68,683 lakh in inventory balance.

k. Trade receivables

(₹ in lakh)

	Standalone			Consolidated		
	FY 20	FY 19	Change %	FY 20	FY 19	Change %
Gross trade receivables	18,214	7,845	132%	18,214	7,845	132%
Less: allowance for credit losses	(2,626)	0	n/a	(2,626)	0	n/a
Net trade receivables	15,588	7,845	99%	15,588	7,845	99%

The increase in the current year balance is mainly due to acquisition of steel business, which constituted increase of ₹14,693 lakh (net of provisions). Further, higher collection at the year-end has contributed to overall reduction of trade receivables balances.

l. Gross debt and net debt

(₹ in lakh)

	Standalone			Consolidated		
	FY 20	FY 19	Change %	FY 20	FY 19	Change %
Gross debt	275,495	*	n/a	275,495	*	n/a
Less: Cash and Bank balances (incl. Non-current balances)	16,245	*	n/a	16,245	*	n/a
Less: Current investments	0	*	n/a	127	*	n/a
Net debt	259,250	0	n/a	259,123	0	n/a

* There was no debt in FY19

m. Cash Flows

(₹ in lakh)

	Standalone			Consolidated		
	FY 20	FY 19	Change %	FY 20	FY 19	Change %
Net cash (used)/generated from operating activities	(33,565)	10,026	(435)%	(33,566)	10,025	(435)%
Net cash (used) in investing activities	(357,441)	(1,243)	28649%	(357,441)	(1,243)	28649%
Net cash generated/(used) from financing activities	380,489	(3,713)	(10347)%	380,489	(3,713)	(10347)%
Net (decrease)/increase in cash and cash equivalents	(10,517)	5,070	(307)%	(10,518)	5,069	(307)%

a) Net cash used in operating activities – The cash inflow from operating profit before working capital changes and direct taxes during the current year was ₹15,459 lakh as against ₹14,626 lakh during previous year reflecting higher operating profits. Cash outflow from working capital changes was ₹48,327 lakh against cash inflow of ₹2,137 lakh during the previous year, mainly on account of increase in inventory balances. The payment of income taxes during the current year was ₹697 lakh as against ₹6,736 lakh during previous year.

b) Net cash used in investing activities – During the current year, the net cash outflow from investing activities was ₹357,441 lakh as against ₹1,243 lakh during the previous year. The outflow in FY20 broadly represents payment for acquisition of steel business amounting to ₹390,612 lakh, partly offset against inflow from redemption proceeds of mutual funds and bank deposits amounting to ₹31,258 lakh.

c) Net cash generated from financing activities – During the current year, the net cash inflow from financing activities was ₹380,489 lakh against cash outflow of ₹3,713 lakh during the previous year. Cash inflow during the current year represents proceeds from borrowings and rights issue (net of issue expenses) of ₹412,337 lakh partly offset against payment of finance cost of ₹27,375 lakh, payment of lease liabilities of ₹2,152 lakh, and payment of dividend (including taxes) of ₹2,321 lakh.

n. Changes in key financial ratios

	FY 20	FY 19	Change %
Debtors' turnover ratio[1]	29.79	14.46	106%
Inventory turnover ratio	7.65	9.95	(23)%
Interest coverage ratio	(0.79)	Nil	n/a
Current ratio[2]	0.93	3.30	(72)%
Net debt to equity ratio	1.67	Nil	n/a
Operating profit margin (%)[3]	4.39	14.59	(70)%
Net Profit margin (%)[4]	(14.46)	11.84	(222)%
Return on average net worth (%)[4]	(33.31)	12.01	(377)%

ANNEXURE A Contd.

1. Debtors' turnover ratio has improved primarily on account of higher bill discounting during the year.
2. Current ratio has primarily decreased due to increase in trade payable balances and amount held back for purchase consideration.
3. Operating profit margin has primarily reduced on account of lower sales margins during the year due to slowdown in automotive sectors.
4. Net profit margin and return on average net worth has reduced due to decrease in operating profit margin, higher depreciation and finance costs during the year.

Risks & Opportunities

As VUCA (Volatile, Uncertain, Complex and Ambiguous) trend is increasing multi-fold in today's environment, TSLP has decided to proactively embrace Enterprise Risk Management as a business process which aims to develop a risk intelligent culture in the organisation to support its decision- making process and thereby improving performance. It also ensures compliance with risk management related regulatory frameworks such as Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2020 and Companies Act 2013.

The company has a Board-level Risk Management committee which got reconstituted on 18th July'19 to onboard larger group of independent directors with diverse set of expertise. The committee assists the board to oversee the risk management policy, to provide guidelines for implementing the ERM framework and reviews the key risks and mitigation plans.

The company is rolling out a 5 step ERM process (establish context, risk identification, risk assessment & evaluation, mitigation and monitor, review & report) and a systematic two- pronged approach (Top down and Bottom up) for holistic risk identification at strategic and operational level in order to protect and enhance value. While the company has identified top down risks and mitigation plan in FY20, it is currently focusing upon creating awareness and capability building to involve larger set of employees for bottom up risks identification to deeply ingrain this process into DNA of the company.

The company has identified the risks under various categories such as macro-economic and market risks, financial risks, regulatory risks, operational risks, safety risks, community risks, supply chain & commodity risks, information security/cyber attack risks and environment risks. The Company has also assessed the severity of these risks along with the likely impact on the Company's performance and developed mitigation strategies to eliminate or minimise the impact of the identified risks.

The COVID-19 outbreak is an unprecedented event and has certainly posed challenges for the Company. The ERM framework has helped in developing and adopting a multi-pronged strategy to effectively respond to the evolving pandemic situation. Operations were aligned with the prevailing market conditions by reducing upstream operations and curtailing downstream operations. Cross functional teams worked to manage supply chain and logistics issues within the constraints imposed by the lockdown to ensure that plant could operate as planned. The Company also focused on cash and liquidity management to avoid any future disruption in business.

Alongside identification of risks, the Company has a continuous process of monitoring and leveraging opportunities presented by the external and internal environment. Despite the immediate challenges posed by the COVID-19 pandemic, the company has identified several opportunities for growth & improvement and developed strategies to leverage these opportunities. These opportunities include enhancing its presence in agriculture sector as tractor industry is operating at its best level in last 10 years on good monsoon and various government stimulus packages. Similarly, the company is also increasing its presence in auto component exports market as it is exhibiting a good growth on account of India being preferred as a favoured source due to halted supply chain in European and American markets for Tier 1 OEMs. The company is also planning to foray into defence & aerospace segments considering the government thrust and growth in these segments. The recent decision to curb the import of certain pneumatic tyres and the capacity expansion programme of tyre industries has also thrown opportunities to develop hi end products for the wire rod.

A detailed overview on the risk landscape and mitigation strategies is provided in the "Enterprise Risk Management" Section forming part of the integrated report.

Internal control system and their adequacy

The Board of Directors and the Audit Committee of the Company is responsible for ensuring that Internal Financial Controls have been laid down in the Company and that such controls are adequate and operating effectively. The foundation of Internal Financial Controls ('IFC') lies in the Tata Code of Conduct ('TCoC'), policies and procedures adopted by the Management, corporate strategies, annual business planning process, management reviews, management system certifications and the risk management framework. The Company has an adequate internal control system to effectively and efficiently manage the business operations. The internal audit department closely monitors the compliance of all operations with prescribed business standards. The audit team supervises all internal processes and recommends necessary changes to ensure any deviation is promptly corrected. Any variance from the budget is flagged off to the senior management which advises modification to ensure strict adherence

to compliances. Periodic monitoring and effective implementation of recommendations ensure high business compliance with adequate adherence to rules and regulations that govern the Company. The controls also ascertain the reliability of financial controls and strict adherence to compliance as per applicable laws and regulations. The internal control system ascertains optimal utilisation of all resources and proper documentation of financial transactions. The function also ensures strict adherence to compliance.

Human Resource

As on March 31, 2020, the Company had 2,497 employees. The Company strongly believes in the policy of recruiting the right candidates for the right position. To abide by this policy the HR team follows a systematic procedure of discussing the requirements of a department, advising on recruitment strategies, participating in the selection of the right candidate, making cross references and finally offering jobs. As a part of this process, the team also analyzes data such as the number of vacant positions, the number of positions filled and the time it took to fill the vacant positions. This analysis is done with the objective of ensuring best quality of service besides aiding in understanding the time required to fill a position.

During the financial year 2019-20, onboarding and induction was smooth and engaging for all the new recruits. The organization maintains a healthy cultural and working towards improving the gender diversity.

The Company is committed towards improving employee safety and had been able to achieve 3,000 man-days of safety training and restrict LTIFR at 14 nos.

The Company has maintained healthy and cordial industrial relations during the year, and the workers' union has been an equal partner in the maintenance of industrial harmony in the Company. Regular interactions are held between the management and the union for mutual growth and prosperity.

Statutory Compliances

The Managing Director makes a declaration at each Board Meeting regarding compliance with provisions of various statutes after obtaining confirmation from respective units of the Company. In order to review, monitor and report all legal compliances at TSLP, legal compliance systems have been implemented.

ANNEXURE B

Annual Report on Corporate Social Responsibility Activities

Pursuant to Section 135 of the Companies Act, 2013
[Read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy:

One of the deep-rooted philosophies that Tata Steel Long Products (TSLP) has professed right from its inception is to positively impact the lives of people in its close surrounding, to build an inclusive & harmonious neighbourhood. At TSLP, we firmly believe that an enterprise must coexist with other essentials of the society. We acknowledge that as our organisation has gained and grown from the resources and people in the vicinity, it is our responsibility to return to the society, as a responsible corporate citizen. Our holistic approach to social responsibility is exemplified by creating enabling environment to supplement development initiatives of the government. Over the last two decades, the Company has been successful in implementing several CSR programs, which have continued to impact lives of people, year after year.

TSLP's CSR thrust areas have been education, essential services (viz. healthcare, sanitation, drinking water etc.), enhancement of livelihood and rural development. Besides, the Company also undertakes programs to promote rural sports and regional culture, develop skill, build entrepreneurship, undertake disaster relief interventions, etc. Company's CSR agenda is also aligned to the framework on Affirmative Action (AA) prepared by the Confederation of Indian Industry and Tata Affirmative Action Program (TAAP) which is driven by Tata Business Excellence Group. This framework focuses on employment, employability, entrepreneurship, education and essential amenities.

(For Company's CSR policy and details of various programs, please visit Company's website i.e. https://www.tatasteellp.com/performance-corporate-governance/ in the investors> corporate governance section).

2. Composition of CSR Committee:

Mr. Srikumar Menon* Non-executive, Independent	Chairman
Dr. Ansuman Das# Non-executive, Independent	Member
Mr. Ashish Anupam** Managing Director	Member

* Mr. Srikumar Menon was appointed on the Board of Directors of the Company effective July 15, 2019 and was subsequently inducted as Chairman of the CSR Committee effective July 18, 2019.
# Dr. Ansuman Das was appointed on the Board of Directors of the Company effective July 15, 2019 and was subsequently inducted as Member of the CSR Committee effective July 18, 2019.
** Mr. Ashish Anupam was inducted as the member of the Committee effective July 18, 2019.

No. of Corporate Social Responsibility Committee meeting held during the year	1
Date on which meeting was held	30-09-2019

3. Financial Details:

Particulars	(₹ in lakh)
The average net profit for the past 3 financial years	16,015.58
Prescribed CSR expenditure (2% of the average net profits)	320.31
Details of CSR spent during the financial year	
a) Total amount to be spent for the financial year	320.31
b) Amount spent	320.88
c) Amount unspent, if any	Nil

Details of the CSR projects undertaken during the year along with its impact is discussed under Value Realisation > Sustainable Business section of this Integrated Report. The manner in which amount has been spent on CSR activities during the financial year, is detailed below:

(₹ in lakh)

Sl. No	CSR project or activity identified	Sector in which the project is covered	Location of project (State & District)	Amount outlay	Amount spent on the projects or programmes during current reporting period	Cumulative amount spent on the projects or programmes upto current reporting period	Amount spent: Direct or through Implementing agency*
1.	Promoting health care including preventive Healthcare and Sanitation	Health & Sanitation	Odisha - Keonjhar	650.50	85.70	290.80	Direct, Gram Vikas
	Total			**650.50**	**85.70**	**290.80**	

(₹ in lakh)

Sl. No	CSR project or activity identified	Sector in which the project is covered	Location of project (State & District)	Amount outlay	Amount spent on the projects or programmes during current reporting period	Cumulative amount spent on the projects or programmes upto current reporting period	Amount spent: Direct or through Implementing agency*
2.	Making Available safe Drinking Water	Drinking Water	Odisha - Keonjhar	46.27	13.38	186.28	Direct
	Total			46.27	13.38	186.28	
3.	Educational interventions at various levels	Education	Odisha - Keonjhar	455.60	91.87	514.84	Direct, Aspire
	Total			**455.60**	**91.87**	**514.84**	
4.	Livelihood enhancement projects through capability building, entrepreneurship development, etc	Livelihood	Odisha - Keonjhar	88.50	24.02	84.78	Direct, Aident (NGO), Central Board for Workers Education & Vidya Shakti Niyas (VSN)
	Total			**88.50**	**24.02**	**84.78**	
5.	Plantation and afforestation, agro forestry, animal welfare	Environmental Sustainability	Odisha - Keonjhar Jharkhand - East Singhbhum	75.00	18.27	83.73	Direct, TATA Steel, Jamshedpur
	Total			75.00	18.27	83.73	
6.	Promotion of local art, culture & tradition	Culture & ethnicity	Odisha - Keonjhar	40.00	22.54	40.97	Direct
	Total			**40.00**	**22.54**	**40.97**	
7.	Engagement of youth through promotion of sports	Sports	Odisha - Keonjhar	65.00	25.86	67.88	Direct
	Total			65.00	25.86	67.88	
8.	Rural development projects (help during calamity, infrastructure and other developments)	Rural Development	Within Odisha	52.00	39.24	52.18	Direct, Govt. of Odisha
	Total			**52.00**	**39.24**	**52.18**	
	Grand Total			**1472.87**	**320.88**	**1321.46**	

Note: Cumulative amount spent on the projects or programmes upto current reporting period has been calculated from Financial Year 2014-15 onwards.

* Details of implementing agency:

i. **Gram Vikas :** a national level non-government organization, with its administrative office at Bhubaneswar, works very closely with Government, Corporate and communities on the issues of water and sanitation. Gram Vikas has been engaged by TSLP for implementing project Swabhiman that comprise toilet, bathroom and water connectivity to the residents of Birikala Gram Panchayat, where a part of company's DRI operations is located.

ii. **AiDENT :** another national level NGO headquartered in Delhi, works primarily in the field of Health, Education, Sanitation, livelihood and Women Empowerment. Over their existence of 15 years, it has touched the lives of more than 3 million people. It has been engaged in driving the Agricultural project (Project Hariyali) to provide direct & indirect livelihood to the farmers in Ramchandrapur Village.

iii. **Vidya Shakti Niyas (VSN) :** A non-dependent, charitable Trust formed primarily by the spouses of TSLP employees stationed in Bilaipada, for the upliftment of unprivileged people in & around nearby villages, and in particular, for the inclusive growth of women & children. It has been involved in several interventions that benefit the village women & children, particularly in the sectors of education, livelihood and health.

ANNEXURE B Contd.

iv. **ASPIRE :** A society for promotion of inclusive and relevant education, with an objective to establish a sustainable and scalable model of school reforms and initiate systemic change in the education landscape of India. Aspire has partnered with Tata Steel in its mission to provide education to the less privileged children, by providing them age appropriate education in a residential environment and mainstreaming them.

4. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report:

Not applicable

5. The responsibility statement of the CSR Committee of the Board:

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the Corporate Social Responsibility Committee monitors the implementation of CSR Projects and activities in compliance with our CSR objectives and CSR Policy of the Company.

	Sd/-	Sd/-
	Srikumar Menon	**Ashish Anupam**
	Chairman	Member
Kolkata	CSR Committee	CSR Committee
June 09, 2020	DIN: 00470254	DIN: 08384201

ANNEXURE C

Report on Corporate Governance

1. Company's Philosophy on Code of Governance

Tata Steel Long Products believes that facilitation of effective, entrepreneurial and prudent management helps in delivering long term success of the Company. The fundamental objective of corporate governance in Tata Steel Long Products is to boost and maximise shareholders' value and protect the interest of other stakeholders.

The prime objective of practicing good corporate governance at Tata Steel Long Products is to promote an inclusive growth by protecting the interests and enhancing the trust of shareholders, customers, suppliers, financiers, employees, government agencies and the society. In order to achieve this objective, Tata Steel Long Products follows the principles of transparency, disclosure, fairness, independent supervision, healthy competition, provision of equal opportunity in employment, political non-alignment, promotion of health, safety and welfare, production of quality products and services, compliance with all relevant laws, rules and regulations, improvement in quality of life and meeting social responsibility. Adoption of Tata Business Excellence Model, Tata Code of Conduct, Code of Affirmative Action etc. have strengthened the Tata Steel Long Products' philosophy of good corporate governance.

2. 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.tatasteellp.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 of the Company www.tatasteellp.com. The Company has received confirmation from the NEDs and IDs regarding compliance of the Code, for the year under review.

3. Tata Code of Conduct for Prevention of Insider Trading and 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'). The Insider Trading Code was last amended by the Board of Directors on December 25, 2019, to be in compliance with the SEBI Insider Trading Regulations.

4. Board of Directors

The Board of Directors ('the Board') is at the core of our corporate governance practice who 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

The Company's policy is to maintain an optimum combination of EDs and Non – NEDs. The Board comprises of ten Directors, out of which six are ID, three are NED and one ED. Therefore, majority of Board comprises of IDs. The Chairman of the Board is a NED. Detailed profile of our Directors is available on our website at: https://www.tatasteellp.com/organisation-structure/

The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Act. As on date of this report, none of our Directors serve as Director or as IDs in more than seven listed companies and the ED does not serve as ID 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 the 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

ANNEXURE C Contd.

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 Act 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.tatasteellp.com/wp-content/uploads/2020/05/Terms-and-Conditions-for-appointment-of-Independent-Director.pdf.

During the Financial Year 2019-20, 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.

There are no inter-se relationships between our Board Members.

Memberships of other Boards/ Board Committees

The names and categories of the Directors on the Board, their attendance at Board Meetings during the year and at the last Annual General Meeting, the number of Directorships and Committee Memberships held by them in other companies are given below in Table - 1:

Table - 1

Sl No.	Name of the Director	Attendance at Board Meetings	Attendance at the last AGM held on July 15, 2019	No of Directorship in other public companies		No of committee positions held in other public limited companies~		Directorship in other listed entity (Category of Directorship)
				Chair-person	Member	Chair-person	Member	
Non-Executive, Non-Independent Directors								
1.	Mr. T.V. Narendran (Chairperson) DIN: 03083605	7	Yes	2	5	-	1	a) Tata Steel Limited (Chief Executive Officer and Managing Director) b) Tata Steel BSL Limited (formerly Bhushan Steel Limited) (Non-Executive, Non-Independent) c) TRF Limited (Non-Executive, Non-Independent)
2.	Mr. Koushik Chatterjee DIN: 00004989	5	No	2	3	1	4	a) Tata Steel Limited (Executive Director and Chief Financial Officer) b) Tata Metaliks Limited (Non-Executive, Non-Independent) c) The Tinplate Company of India Limited (Non-Executive, Non-Independent) d) Tata Steel BSL Limited (formerly Bhushan Steel Limited) (Non-Executive, Non-Independent) e) TRF Limited (Non-Executive, Non-Independent)
3.	Mrs. Meena Lall DIN: 05133322	7	Yes	1	2	-	1	-
Independent Directors								
1.	Mr. P. C. Parakh DIN: 01305775	7	Yes	-	-	-	-	-
2.	Dr. Sougata Ray DIN: 00134136	6	No	-	2	1	2	a) The Tinplate Company of India Limited (Non-Executive, Independent)

Sl No.	Name of the Director	Attendance at Board Meetings	Attendance at the last AGM held on July 15, 2019	No of Directorship in other public companies		No of committee positions held in other public limited companies~		Directorship in other listed entity (Category of Directorship)
				Chairperson	Member	Chairperson	Member	
3.	Dr. Ansuman Das@ DIN: 02845138	4	NA	-	1	-	1	-
4.	Mr. Srikumar Menon@ DIN: 00470254	3	NA	-	1	-	1	a) Tata Steel BSL Limited (Non-Executive, Independent)
5.	Mr. Shashi Kant Maudgal@ DIN: 00918431	4	NA	-	2	-	1	a) Tata Steel BSL Limited (Non-Executive, Independent) b) The Tinplate Company of India Limited (Non-Executive, Independent)
6.	Ms. Neeta Karmakar$ DIN: 08730604	-	NA	-	-	-	-	-
7.	Mr. Manoj T. Thomas^ DIN: 03614981	2	NA	NA	NA	NA	NA	-
8.	Dr. Omkar Nath Mohanty^ DIN: 03058576	3	Yes	NA	NA	NA	NA	-
	Mr. Dipak Kumar Banerjee^ DIN: 00028123	2	NA	NA	NA	NA	NA	-
Executive Directors								
9.	Mr.Sanjay Kumar Pattnaik# DIN: 00256832	5	Yes	NA	NA	NA	NA	-
10.	Mr. Ashish Anupam* DIN: 08384201	7	Yes	-	2	-	-	-

@ Dr. Ansuman Das, Mr. Srikumar Menon and Mr. Shashi Kant Maudgal were appointed as Additional (Non-Executive Independent) Director(s) effective July 15, 2019.

$ Ms. Neeta Karmakar was appointed as Additional (Non-Executive Independent) Director effective March 30, 2020.

^ Mr. Manoj T. Thomas, Mr. Dipak Kumar Banerjee ceased to be Independent Director(s) of the Company effective July 14, 2019 and Dr. Omkar Nath Mohanty ceased to be Independent Director of the Company effective July 15, 2019

* Mr. Ashish Anupam was appointed as Managing Director of the Company effective November 01, 2019.

Mr. Sanjay Kumar Pattnaik ceased to be Managing Director of the Company effective October 31, 2019, on completion of his tenure.

~ Represents Chairmanships/ Memberships of Audit Committee and Stakeholders' Relationship Committee in other Indian Public companies (listed and unlisted) excluding Tata Steel Long Products Limited.

No of Board Meetings held during the year	7
Dates on which held	18-04-2019, 12-07-2019, 15-07-2019, 29-07-2019, 23-10-2019, 27-01-2020, 17-03-2020.

Except Mr. Ashish Anupam, Managing Director, who holds 20 shares, none of the Directors held any shares in the Company as on March 31, 2020.

The information as required under Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is being made available periodically to the Board. The Board periodically reviews the compliance status of the Company.

Details of Directors seeking appointment/ re-appointment in the thirty-seventh (37th) Annual General Meeting are given with the Notice to the Annual General Meeting.

ANNEXURE C Contd.

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.tatasteellp.com/wp-content/uploads/2019/08/TSILL-NRC-policy.pdf

Familiarisation Programme for Directors

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, Board constitution and procedures, matters reserved for the Board, and the major risks and risk management strategy of the Company. Visits to plant are organised for the new Directors to enable them to understand the business better. During the year under review, four new Independent Directors were inducted on the Board of the Company, namely, Dr. Ansuman Das, Mr. Srikumar Menon, Mr. Shashi Kant Maudgal and Ms. Neeta Karmakar. All the newly inducted Independent Director has undergone the structured orientation programme except Ms. Neeta Karmakar who was inducted on the Board of the Company effective March 30, 2020. The Familiarization Programme of Ms. Karmakar shall be conducted during Financial Year 2020-21. Details of orientation given to the existing independent directors in the areas of Corporate Social Responsibility, Operations, Marketing, Sales & Supply Chain Management, Governance Risk & Compliance, Human Resource Management etc., are available on the website at https://www.tatasteellp.com/wp-content/uploads/2020/08/Familiarization-Independent-Directors-2019-20.pdf

Key Board Qualifications, Expertise and Attributes

The Members of the Board are committed to ensure 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 - 2 : **Director skills, expertise, competencies and attributes desirable in Company's business and sector in which it functions**

Name of the Director	Areas of Skills/Expertise/Competence						
	Leadership	Strategy	Operations	Technology	Finance	Governance	Government/ Regulatory Affairs
Mr. T.V. Narendran	*	*	*	*	*	*	*
Mr. P.C. Parakh	*		*	*		*	*
Dr. Sougata Ray	*	*		*	*	*	*
Mr. Srikumar Menon	*	*	*		*	*	*
Mr. Shashi Kant Maudgal	*	*	*	*	*	*	*
Dr. Ansuman Das	*	*	*	*		*	*
Ms. Neeta Karmakar	*	*	*	*	*	*	*
Mr. Koushik Chatterjee	*	*	*		*	*	*
Mrs. Meena Lall	*	*	*			*	*
Mr. Ashish Anupam	*	*	*	*	*	*	*

Cessation of Independent Director during the financial year 2019-2020

During the year, Mr. Manoj T. Thomas, Mr. Dipak Kumar Banerjee ceased to be the Independent Directors effective July 14, 2019 on completion of their tenure.

Dr. Omkar Nath Mohanty ceased to be the Independent Director effective July 15, 2019 on completion of his tenure.

3. Board Committees

The Company has in place the following committees as on March 31, 2020:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship Committee;
4. Corporate Social Responsibility Committee;
5. Risk Management Committee;
6. Safety, Health and Environment Committee ('SHE Committee');
7. Committee of Board.

Minutes of proceedings of Committee meetings are circulated to the Directors and placed before the Board Meeting for noting thereat.

3.1 Audit Committee

The Audit Committee provides an insight to the Board on the effectiveness of accounting, auditing and reporting practices of the Company. The purpose of the Committee is to oversee the accounting and financial reporting process of the Company

as well as the appointment, independence, performance and remuneration of statutory auditors, cost auditors, internal auditors and secretarial auditors. The Committee also provides a reassurance to the Board on the adequate and timely disclosures as well as compliance with all the provisions applicable to related party transactions, investments, loans and guarantees etc. The role of the Audit Committee is as follows:

(i) recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(ii) review and monitor the auditor's independence, performance and effectiveness of audit process;

(iii) examination of the financial statement and the auditors' report thereon;

(iv) approval or any subsequent modification of transactions of the Company with related parties;

(v) scrutiny of inter-corporate loans and investments, if any;

(vi) valuation of undertakings or assets of the Company, wherever necessary;

(vii) evaluation of internal financial controls and risk management systems and

(viii) monitoring the end use of funds raised through public offers and related matters

The scope of the Audit Committee has been in compliance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

The Chairman of the Audit Committee, Mr. P. C. Parakh, was present at the Thirty-sixth Annual General Meeting held on July 15, 2019.

The composition of the Audit Committee and the details of meetings attended by the Directors during the Financial Year2019-2020, are given below in Table – 3.

Table - 3

Sl. No	Name of the Director	Designation	Category of Director	No. of meetings attended
1	Mr. P. C. Parakh	Chairman	Non-executive & Independent	6
2	Mr. Srikumar Menon*	Member	Additional (Non-executive) Independent Director	3
3	Mr. Shashi Kant Maudgal*	Member	Additional (Non-executive) Independent Director	5
4	Mr. Koushik Chatterjee	Member	Non-executive & Non-independent	4
5	Mr. O. N. Mohanty#	Member	Non-executive & Independent	1
6	Mr. D. K. Banerjee#	Member	Non-executive & Independent	1

* Mr. Srikumar Menon and Mr. Shashi Kant Maudgal were appointed on the Board of the Company effective July 15, 2019 and were subsequently inducted as member(s) of the Audit committee effective July 18, 2019.

Mr. D. K. Banerjee and Mr. O. N. Mohanty ceased to be Director(s) of the Company effective July 14, 2019 and July 15, 2019 respectively, on completion of their tenure.

No. of Audit Committee meetings held during the year	6
Dates on which meetings were held	18-04-2019, 29-07-2019, 08-08-2019, 18-10-2019, 27-01-2020, 17-03-2020

Audit Committee meetings are attended by the Managing Director, Chief Financial Officer, Joint Chief Financial Officer and internal auditor. The Statutory Auditors are invited to each meeting. The Company Secretary acts as the Secretary of the Audit Committee.

The necessary quorum was present at the meetings.

3.2. Nomination and Remuneration Committee

The primary objective of the Nomination and Remuneration Committee of the Company is to periodically review the size and composition of the Board, formulate the criteria determining qualifications, positive attributes and independence of a Director, recommend candidates to the Board and establish and review Board and senior executive succession plans. The Committee's role also includes evaluation of Board Performance, reviewing and making recommendations to the Board on the remuneration of the Managing Director and Key Managerial Personnel (KMPs), the total level of remuneration of Non-Executive Directors as well as individual remuneration of the Non-Executive Directors and the Chairman. The Committee also undertakes the function as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The composition of the Nomination and Remuneration Committee and the details of meetings attended by the Directors are given below in Table – 4.

Table - 4

Sl. No	Name of the Director	Designation	Category of Director	No. of meetings attended
1.	Mr. P.C. Parakh*	Chairman	Non-executive Independent	3
2	Dr. Sougata Ray*	Member	Non-executive Independent	2
3	Mr. T.V. Narendran	Member	Non-executive & Non-independent	4
4	Mr. Koushik Chatterjee	Member	Non-executive & Non-independent	2
5	Mr. Manoj T. Thomas#	Chairman	Non-executive & Independent	1

ANNEXURE C Contd.

Sl. No	Name of the Director	Designation	Category of Director	No. of meetings attended
6	Mr. D.K. Banerjee#	Member	Non-executive & Independent	-
7	Dr. O.N. Mohanty>	Member	Non-executive & Independent	1

* Mr. P.C. Parakh and Dr. Sougata Ray were inducted as chairman / member of the Nomination and Remuneration committee effective July 18, 2019.

Mr. Manoj T. Thomas and Mr. D. K. Banerjee ceased to be Director(s) of the Company effective July 14, 2019, on completion of their tenure.

> Dr. O.N. Mohanty ceased to be the Director of the Company effective July 15, 2019.

No. of Nomination and Remuneration Committee meetings held during the year	4
Dates on which meetings were held	08-04-2019, 12-07-2019, 29-07-2019, 21-10-2019

The necessary quorum was present at the meetings.

Remuneration to Directors

The details of remuneration paid to all the directors and other disclosures required to be made under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is furnished below.

Table – 5 : **Details of Remuneration for the year ended March 31, 2020:**

Non-Executive Directors

(₹ in lakh)

Sl. No	Name of the Director	Sitting Fees (Gross)	Perquisities & Allowances	Commission (Gross)#	Total (Gross)
1	Mr. Srikumar Menon^	1.95	-	-	1.95
2	Mr. D. K. Banerjee^	1.10	-	-	1.10
3	Mr. P. C. Parakh	3.75	-	-	3.75
4	Mr. Manoj T. Thomas^	0.90	-	-	0.90
5	Dr. Omkar Nath Mohanty^	1.35	-	-	1.35
6	Dr. Sougata Ray	2.50	-	-	2.50
7	Mr. Shashi Kant Maudgal^	2.60	-	-	2.60
8	Dr. Ansuman Das^	1.60	-	-	1.60

* 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.

No Commission was paid / payable to the Non-Executive Directors / Independent Directors of the Company, for FY20.

^ for the part of the financial year 2019-2020.

Executive Director/ whole time Director/ Managing Director:

(₹ in lakh)

Sl. No	Name of the Director	Salary	Perquisities & Allowances	Performance Pay and Long Term Incentive Pay	Others (Retirals)	Total (Gross)
1	Mr. Sanjay Kumar Pattnaik-Managing Director *	71.99	29.81	69.03	10.19	181.02
2	Mr. Ashish Anupam^	41.37	-	42.74	6.04	90.15

* Mr. Sanjay Kumar Pattnaik ceased to be the Managing Director of the Company, on completion of his tenure, with effect from October 31, 2019

^ Mr. Ashish Anupam was appointed as the Managing Director of the Company with effect from November 01, 2019.

Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 05, 2017.

The Chairman of the Board had one-on-one meetings with each Independent Director and the Chairman of NRC had one-on-one meetings with each 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 independent directors, performance of non-independent directors, the board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and 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 Nomination and Remuneration Committee, the performance of the Board, its committees, and individual directors was discussed.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the resilience of the Board and the Management in navigating the Company during challenging times, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management, and the openness of the Management in sharing strategic information to enable Board Members to discharge their responsibilities and fiduciary duties.

Appointment and remuneration policy for Directors, Key Managerial Personnel and Senior Management Personnel

The Nomination and Remuneration Committee ("NRC") has adopted a policy which, inter alia, deals with the manner of selection of Board of Directors, Managing Director/ Executive Director, other Key Managerial Personnel and their remuneration.

1. Criteria of selection of Non-Executive Directors

a) The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management

b) In case of appointment of Independent Directors, the NRC shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its functions and duties effectively.

c) The NRC shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.

d) The NRC shall consider the following attributes/ criteria, whilst recommending to the Board the candidature for appointment as Director.

(i) qualification, expertise and experience of the Directors in their respective fields;

(ii) personal, professional or business standing;

(iii) diversity of the Board.

e) In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration to Non-Executive Directors

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees, reimbursement of expenses for participation in the Board/ Committee meetings and commission as detailed hereunder:

i) A Non-Executive Director shall be entitled to receive sitting fees for each meeting of the Board or Committee of the Board attended by him, of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016;

ii) A Non-Executive Director will also be entitled to receive commission on an annual basis, of such sum as may be approved by the Board on the recommendation of the NRC;

iii) The NRC may recommend a higher commission for the Chairman of the Board of Directors, taking into consideration the overall responsibility;

iv) In determining the quantum of commission payable to the Directors, the NRC shall make its recommendation after taking into consideration the overall performance of the Company and the onerous responsibilities required to be shouldered by the Director.

ANNEXURE C Contd.

v) The NRC may recommend to the Board, for the payment of additional commission to those Directors who are Chairman of the Audit Committee and the NRC of the Board subject to a ceiling on the total commission payable as may be decided;

vi) The total commission payable to the Directors shall not exceed 1% of the net profit of the Company;

vii) The commission shall be payable on pro-rata basis to those Directors who occupy office for part of the year.

viii) The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

2. Criteria for selection and appointment of the Managing Director (MD)/ Executive Director (ED)

For the purpose of selection of the MD/ ED, the NRC shall identify persons of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration recommendation, if any, received from any member of the Board. The Committee will also ensure that the incumbent fulfils such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Remuneration policy for the Managing Director (MD)/ Executive Director (ED)

i) At the time of appointment or re-appointment, the MD/ ED shall be paid such remuneration as may be mutually agreed between the Company (which includes the NRC and the Board of Directors) and the MD/ ED within the overall limits prescribed under the Companies Act, 2013.

ii) The remuneration shall be subject to the approval of the Members of the Company in the Annual General Meeting.

iii) The remuneration of the MD/ ED is broadly divided into fixed and variable components. The fixed component comprises salary, allowances, perquisites, amenities and retiral benefits. The variable component comprises commission.

iv) In determining the remuneration (including the annual increment and performance bonus) the NRC shall ensure/ consider the following:

(a) the relationship of remuneration and performance benchmarks is clear;

(b) balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

(c) responsibility required to be shouldered by the MD/ ED, the industry benchmarks and the current trends;

(d) the Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

Remuneration Policy for the Key Managerial Personnel / Senior Management Employees

I. In determining the remuneration of the Senior Management Employees (i.e. KMPs and Executive Committee Members) the NRC shall ensure / consider the following:

i. the relationship of remuneration and performance benchmark is clear;

ii. the balance between fixed and incentive pay reflecting short and long term performance objectives, appropriate to the working of the Company and its goals;

iii. the remuneration is divided into two components viz. fixed component comprising salaries, perquisites and retirement benefits and a variable component comprising performance bonus;

iv. the remuneration including annual increment and performance bonus is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individual's performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market.

II. The Managing Director will carry out the individual performance review based on the standard appraisal matrix and shall take into account the appraisal score card and other factors mentioned herein-above, whilst recommending the annual increment and performance incentive to the NRC for its review and approval.

3.3. Stakeholders' Relationship Committee

The Company has constituted Stakeholders' Relationship Committee in compliance with the provisions of Section 178 of the Companies Act, 2013, for review of various information/

data pertaining to the stakeholders' and redressal/ resolution of stakeholders' grievances.

The composition of the Stakeholders' Relationship Committee during the Financial Year 2019-2020 is given below in Table – 6.

Table – 6

Sl. No	Name of the Director	Designation	Category of Director
1	Dr. Sougata Ray	Chairman	Non-executive & Independent
2	Dr. Ansuman Das^	Member	Non-executive & Independent
3	Mr. Sanjay Kumar Pattnaik*	Member	Executive
4	Mr. Ashish Anupam#	Member	Executive

^ Dr. Ansuman Das and Mr. Ashish Anupam were inducted as member(s) of the Stakeholders' Relationship Committee effective July 18, 2019.

* Mr. Sanjay Kumar Pattnaik ceased to be the Director of the Company effective October 31, 2019, on completion of his tenure.

Due to the global outbreak of coronavirus (COVID-19), the Securities and Exchange Board of India ("SEBI") vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/48 dated March 26, 2020, has granted relaxation and extended the due date to conduct the meeting of Stakeholders Relationship Committee ("SRC") from March 31, 2020 to June 30, 2020. In view of the Circular, the Committee has deferred the meeting of SRC which was scheduled to be held in the last week of March, 2020.

A meeting of Stakeholders' Relationship Committee was held on May 26, 2019 at Kolkata through video conferencing. All the members were present at the meeting.

Name, designation and address of Compliance Officer	Mr. Sanjay Kasture Chief Risk & Compliance Officer and Company Secretary 11th floor, Tata Centre 43, Chowringhee Road Kolkata – 700 071. India. Phone: 91-33-22883714 Fax: 91-33-22883715 E-mail : investorcell@tatasteellp.com

Report on number of shareholder complaints received and resolved by the Company during the year ended March 31, 2020:

No. of complaints pending as on April 01, 2019	0
No. of complaints identified and reported during Financial Year 2019-2020	5
No. of Complaints disposed off during the year ended March 31, 2020	5
No. of pending complaints as on March 31, 2020	0

Nature of Shareholder Complaints:

Sl. No	Nature of Complaints	Number of Complaints
1	Non- receipt of Annual Report	1
2	Change of address	1
3	Dematerialisation of shares	1
4	Loss of shares	1
5	Claim of shares from IEPF	1
	Total	**5**

3.4 Corporate Social Responsibility ("CSR") Committee

The purpose of Corporate Social Responsibility (CSR) Committee of the Company is to formulate and recommend to the Board a CSR Policy indicating the activities to be undertaken by the Company, recommend the amount of expenditure to be incurred on the activities and monitor the CSR Policy of the Company from time to time. The Committee also encourages the employees to voluntarily participate in the CSR initiatives undertaken by the Company.

The CSR Policy of the Company is available at the website of the Company, viz., https://www.tatasteellp.com/performance-corporate-governance/

The composition of the Committee and meetings attended during the Financial Year 2019-2020, are given below in Table-7

Table – 7

Sl. No	Name of the Director	Designation	Category of Director	No. of meetings attended
1	Mr. Srikumar Menon*	Chairman	Non-executive & Independent	1
2	Dr. Ansuman Das*	Member	Non-executive & Independent	1
3	Mr. Ashish Anupam*	Member	Executive	-
3	Mr. Manoj T. Thomas#	Member	Non-executive & Independent	NA
4	Dr. Sougata Ray^	Chairman	Non-executive & Independent	NA
5	Mr. Sanjay Kumar Pattnaik#	Member	Executive	1

* Mr. Srikumar Menon, Dr. Ansuman Das and Mr. Ashish Anupam were inducted as member(s) of the Corporate Social Responsibility Committee effective July 18, 2019.

^ Dr. Sougata Ray ceased to be the member of the Corporate Social Responsibility (CSR) Committee effective July 18, 2019.

Mr. Manoj T. Thomas and Mr. Sanjay Kumar Pattnaik ceased to be the Director(s) of the Company effective July 14, 2019 and October 31, 2019 respectively, on completion of their tenure.

No. of Corporate Social Responsibility Committee meeting held during the year	1
Date on which meeting was held	30-09-2019

The necessary quorum was present at the meetings.

ANNEXURE C Contd.

3.5. Committee of Board

The Committee of Board was constituted by the Board of Directors of the Company for advising/ recommending to the Board on strategic and other important business issues.

The composition of the Committee of Board and the details of meetings attended by the Directors are given below in Table – 8.

Table – 8

Sl. No	Name of the Director	Designation	Category of Director	No. of meetings attended
1	Mr. T.V. Narendran	Chairman	Non-executive & Non-independent	1
2	Mr. Koushik Chatterjee	Member	Non-executive & Non-independent	1
3	Mr. Sanjay Kumar Pattnaik*	Member	Executive	1
4	Mr. Srikumar Menon#	Member	Non-executive & Independent	-
5	Dr. Sougata Ray#	Member	Non-executive & Independent	-
6	Mr. Ashish Anupam#	Member	Executive	-
7	Mr. D. K. Banerjee*	Member	Non-executive & Independent	1
8	Dr. O. N. Mohanty*	Member	Non-executive & Independent	1

* Mr. D. K. Banerjee and Dr. O. N. Mohanty ceased to be the Director(s) of the Company effective July 14, 2019 & July 15, 2019 respectively, on completion of tenure and Mr. Sanjay Kumar Pattnaik ceased to be the Director of the Company effective October 31, 2019, on completion of tenure.

Mr. Srikumar Menon, Dr. Sougata Ray and Mr. Ashish Anupam were inducted as member(s) of the Committee of Board effective July 18, 2019.

No. of Committee of Board meeting held during the year	1
Date on which meeting was held	13-06-2019

3.6. Risk Management Committee

The Company has constituted a Risk Management Committee for framing, identifying, assessing and mitigating the probable risks to the Company. The objective of the Committee is as follows:

(i) to inform the Board members about the risk assessment and minimisation procedures;

(ii) to monitor and review the risk mitigation plan; and

(iii) to perform other relevant functions in this connection.

The composition of the Committee and meetings attended during the Financial Year 2019-2020, are given below in Table–9

Table – 9

Sl. No	Name of the Director	Designation	Category of Director	No. of meetings attended
1	Mr. Shashi Kant Maudgal*	Chairman	Non-executive & Independent	1
2	Dr. Sougata Ray*	Member	Non-executive & Independent	1
3	Mr. Koushik Chatterjee*	Member	Non-executive & Non-independent	1
4	Mrs. Meena Lall	Member	Non - Executive & Non-independent	1
5	Mr. Ashish Anupam*	Member	Executive	1
6	Mr. Sanjay Kumar Pattnaik^	Member	Executive & Non-independent	-

^ Mr. Sanjay Kumar Pattnaik ceased to be the Director of the Company effective October 31, 2019, on completion of tenure.

* Mr. Shashi Kant Maudgal, Mr. Koushik Chatterjee, Dr. Sougata Ray and Mr. Ashish Anupam were inducted as Chairman / member(s) of the Risk Management Committee effective July 18, 2019.

No. of Risk Management Committee Meeting held during the year	1
Date on which meeting was held	17-03-2020

3.7. Safety, Health and Environment Committee

Safety, Health and Environment Committee ('SHE Committee') was constituted by the Board of Directors on October 23, 2019 to oversee the Safety, Health and Environment matters.

The objective of the Committee is as follows:

(i) To monitor and ensure ongoing adherence to the Company's safety, health and environmental policies and procedures.

(ii) Review and monitor the safety, health and environmental related policies and activities of the Company on behalf of the Board to ensure that the Company is in compliance with appropriate laws and legislation.

(iii) Review and monitor the management of programs and procedures to ensure that the principles set out in related policies are being adhered to and achieved.

(iv) Receive regular updates from management with respect to safety, health and environmental related compliance issues and incidents to determine, on behalf of the Board, that the Company is taking all necessary action in respect

of those matters and that the Company has been duly diligent in carrying out its responsibilities and activities in that regard.

The composition of the Committee and meetings attended during the Financial Year 2019-2020, are given below in Table–10

Table – 10

Sl. No	Name of the Director	Designation	Category of Director	No. of meetings attended
1	Dr. Ansuman Das	Chairman	Non - Executive & Independent	1
2	Mr. Shashi Kant Maudgal	Member	Non - Executive & Independent	1
3	Mr. Ashish Anupam	Member	Executive	1

No. of SHE Committee meeting held during the year	1
Date on which meeting was held	15-01-2020

4. Subsidiary Companies

The Company has a wholly owned subsidiary namely, "TSIL Energy Limited", which was incorporated on November 20, 2012, with an authorised share capital of ₹10,00,00,000. The subscribed/ paid up capital of this subsidiary was ₹1,06,00,600 as on March 31, 2020. Four Board meetings of this company were held during the year ended March 31, 2020.

TSIL Energy Limited is not a "Material Subsidiary" as defined under the Companies Act, 2013. However, the Company has laid down a policy for determining material subsidiaries. This policy is displayed on the website of the Company, viz. https://www.tatasteellp.com/performance-corporate-governance/.

5. General Body Meetings

a) The details of last three Annual General Meetings of the Company are furnished below:

Table – 11

Financial Year	Location	Date	Time
2018-2019	'Lake View' (Officers' Recreation Centre), TSLP Township, Joda	15-07-2019	11: 00 a.m.
2017-2018	'Lake View' (Officers' Recreation Centre), TSLP Township, Joda	18-07-2018	10: 30 a.m.
2016-2017	'Lake View' (Officers' Recreation Centre), TSLP Township, Joda	04-08-2017	10: 00 a.m.

b) No Extra Ordinary General Meetings were held during the year

c) None of the resolutions proposed for the ensuing Annual General meeting need to be passed by Postal Ballot.

d) Procedure for postal ballot: Wherever necessary postal ballot is conducted according to the provisions of the Companies Act, 2013 and the Rules made thereunder.

e) Special Resolutions passed in previous three Annual General Meetings:

- At the Annual General Meeting held on July 15, 2019, following special resolutions were passed:
  - i. Commission to Non-Executive Directors of the Company;
  - ii. To change the name of the Company and consequents amendment in Memorandum and Articles of Association of the Company;
  - iii. Shifting of Registered Office of the Company from the state of Odisha to the state of West Bengal
- At the Annual General Meeting held on July18, 2018, no special resolution was passed.
- At the Annual General Meeting held on August 04, 2017, no special resolution was passed.

f) In view of continuing restrictions on movement of people because of COVID-19 lockdown, Ministry of Corporate Affairs ('MCA') vide its circular dated May 05, 2020 (General Circular No. 20/2020) has allowed to conduct the Annual General Meeting of Companies through video conferencing or any other audio-visual means during the year 2020. Due to difficulties in sending physical copies of financial statements, the MCA has allowed companies to send their financial statements, including Board's report, Auditor's report or other documents required to be attached therewith, through email.

In view of the above, the Company shall send AGM Notice and financial statements, including Board's report, Auditor's report or other documents required to be attached therewith only by email to the shareholders of the Company.

g) Facilities for Ballot and E-voting was extended to the shareholders to exercise their voting rights on all resolutions proposed at the last Annual General Meeting held on July 15, 2019. Mr. Navin Kothari, Practicing Company Secretary (FCS No. 5935, CP No. 3725) of Kolkata was appointed as Scrutiniser.

h) The Company proposes to extend the facility for Remote E-voting to the shareholders to exercise their voting rights on all resolutions that would come for consideration of the shareholders in the Annual General Meeting to be held in the current year 2020.

ANNEXURE C Contd.

6. Means of Communication

(i) Quarterly Results:

The quarterly and annual financial results are normally published in Business Standard (All editions) and the 'Sambad' (Oriya daily) and also posted on the website of the Company (www.tatasteellp.com). The website also displays official news releases.

(ii) Presentation to Institutional Investors or to Analysts:

All price sensitive information and matters that are material to Shareholders are disclosed to the respective Stock Exchanges where the securities of the Company are listed. All submissions to the Exchanges are made through their respective electronic online filing systems. The same are also available on the Company's website www.tatasteellp.com

(iii) Company's Corporate Website:

The Company's website (www.tatasteellp.com) is a comprehensive reference on the Company's management, vision, mission, policies, corporate governance, corporate social responsibility, investor relations, operations, financials, news, etc. The website also displays other official releases of the Company.

7. General Shareholder Information

7.1	37th Annual General Meeting ("AGM")	The AGM of the Company will be held on Monday, September 14, 2020. The meeting shall be conducted though VC/OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
7.2	Financial year	2019-20 (April to March)
7.3	Financial calendar	Approval of quarterly results: April, July, October and January. Annual General Meeting in July / August / September.
7.4	Date of book closure	From September 5, 2020 to September 14, 2020, both days inclusive.
7.5	Record date of payment of dividend	Not Applicable
7.6	Dividend payment date	Not Applicable
7.7	Listing on Stock Exchanges	1] BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001 2] National Stock Exchange of India Limited Exchange Plaza (5th Floor) Plot No. C/1, G. Block Bandra - Kurla Complex, Bandra (E) Mumbai – 400 051
7.8	CIN	L27102OR1982PLC001091
7.9	Stock Code- Equity Share ISIN CODE BSE CODE NSE SCRIP CODE	INE 674A01014 (Electronic form) 13010 (Physical form) 513010 (Demat form) TATASTLLP
7.10	Correspondence Address	P.O. Joda - 758 034 Dist – Keonjhar, Odisha Phone: 06767 284236 Fax: 06767 278159/ 278129 E-mail : investorcell@tatasteellp.com
7.11	Exclusive e-mail address for redressal of investor complaints	investorcell@tatasteellp.com

This is to confirm that the Company has made the payment of Listing Fees till the year 2020-2021 to both the Stock Exchanges namely, BSE Limited and National Stock Exchange of India Limited.

7.12 Market price data: Monthly High/ Low prices per share during 2019-2020:

Table – 12

Months	BSE Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
	Monthly			
April, 2019	794.45	735.00	772.06	750.82
May, 2019	745.00	663.25	716.13	701.36
June, 2019	753.70	535.00	666.89	653.76
July, 2019	556.50	433.95	512.40	502.81
August, 2019	473.65	410.00	449.00	439.24
September, 2019	453.85	397.00	431.73	421.12
October, 2019	422.00	364.10	405.30	396.94
November, 2019	426.45	377.60	401.74	393.29
December, 2019	414.40	347.35	388.98	380.36
January, 2020	486.80	391.05	446.12	434.37
February, 2020	409.60	327.15	384.73	375.70
March, 2020	349.10	160.70	254.39	241.04

Table – 13: **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, 2019	742.40	39,031.55	759.34	11,748.15
May, 2019	715.45	39,714.20	701.36	11,922.80
June, 2019	550.05	39,394.64	653.76	11,788.85
July, 2019	456.15	37,481.12	502.81	11,118.00
August, 2019	435.60	37,332.79	439.24	11,023.25
September, 2019	399.20	38,667.33	421.12	11,474.45
October, 2019	408.35	40,129.05	396.94	11,877.45
November, 2019	386.70	40,793.81	393.29	12,056.05
December, 2019	399.05	41,253.74	380.36	12,168.45
January, 2020	393.80	40,723.49	434.37	11,962.10
February, 2020	338.90	38,297.29	375.70	11,201.75
March, 2020	189.80	29,468.49	241.04	8,597.75

7.13 Registrars & Share Transfer Agents:

Registered Office:

M/s. TSR Darashaw Consultants Private Limited	Phone	: 022 - 66568484
(formerly TSR Darashaw Limited)	Fax	: 022 – 66568494 / 66568496
6-10, Haji Moosa Patrawala Industrial House,	Website	: www.tsrdarashaw.com
20, Dr. E. Moses Road, Near Famous Studio,	e-mail	: csg-unit@tsrdarashaw.com
Mahalaxmi, Mumbai - 400 011.		

Branch Offices:

For the convenience of shareholders based in the following cities, transfer documents and letters will also be accepted at the following branches/agencies of TSR Darashaw Consultants Private Limited:

1) **Mumbai**	Phone	: 022 - 66568484
M/s. TSR Darashaw Consultants Private Limited	Fax	: 022 – 66568494 / 66568496
(formerly TSR Darashaw Limited)	e-mail	: www.tsrdarashaw.com
6-10, Haji Moosa Patrawala Industrial House,		
20, Dr. E. Moses Road, Near Famous Studio,		
Mahalaxmi, Mumbai - 400 011.		

ANNEXURE C Contd.

2)	**Jamshedpur** M/s. TSR Darashaw Consultants Private Limited (formerly TSR Darashaw Limited) Bungalow No.1, 'E' Road Northern Town, Bistupur Jamshedpur – 831 001.	Phone Fax e-mail	: 0657 - 2426616 : 0657 - 2426937 : tsrljsr@tsrdarashaw.com
3)	**Kolkata** M/s. TSR Darashaw Consultants PrivateLimited (formerly TSR Darashaw Limited) Tata Centre, 1st Floor43, Jawaharlal Nehru Road Kolkata – 700 071.	Phone Fax e-mail	: 033 - 22883087 : 033 - 22883062 : tsrlcal@tsrdarashaw.com
4)	**New Delhi** M/s. TSR Darashaw Consultants Private Limited (formerly TSR Darashaw Limited) Plot No. 2/42, Sant Vihar Ansari Road, Daryaganj New Delhi – 110 002.	Phone Fax e-mail	: 011 - 23271805 : 011 - 23271802 : tsrldel@tsrdarashaw.com
5)	**Ahmedabad** M/s. Shah Consultancy Services Limited Agents: M/s. TSR Darashaw Consultants Private Limited (formerly TSR Darashaw Limited) Sumatinath Complex Pritamnagar, Akhada Road, Ellisbridge Ahmedabad –380 006.	Phone Fax e-mail	: 079 – 26576038 : 079 – 26576038 079 - 26576038 : shahconsultancy8154@gmail.com

Note: Name of the Registrars & Share Transfer Agents has been changed from Tata Share Registry Limited to TSR Darashaw Limited effective 12-01-2006, from TSR Darashaw Limited to TSR Darashaw Private Limited effective 6-11-2012 and subsequently from TSR Darashaw Private Limited to TSR Darashaw Limited effective 10-11-2014 and subsequently from TSR Darashaw Limited to TSR Darashaw Consultants Private Limited effective 28-06-2019, pursuant to the de-merger of the Registry business from TSR Darashaw Limited to TSR Darashaw Consultants Private Limited.

7.14 Investor grievance and share transfer system:

We have 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.

During the Financial Year 2018-19, the SEBI and MCA have mandated the existing members of the Company who hold securities in physical form and intend to transfer their securities after April 1, 2019, can do so only in dematerialised form. Therefore, Members holding shares in physical form were requested to consider converting their shareholding 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. There is no need for a separate communication to the Company to register these share transfers.

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 to their securities.

7.15 Legal proceedings

There are certain disputed cases relating to, title to the shares, wherein the investor has made the Company a formal party to the legal proceedings.

7.16 Distribution of shareholding as on March 31, 2020:

Table – 14

Shareholding of nominal value of			Shareholders		Share Amount	
₹		₹	Number	% to total	in ₹	% to total
(1)			(2)	(3)	(4)	(5)
1	–	500	24,836	55.18	59,74,490	1.32
501	–	1,000	8,537	18.97	76,24,540	1.69
1,001	–	2,000	5,604	12.45	91,53,350	2.03
2,001	–	5,000	3,873	8.60	1,33,51,920	2.96
5,001	–	10,000	1,205	2.68	90,48,080	2.01
10,001	–	20,000	551	1.22	82,59,350	1.83
20,001	–	30,000	156	0.35	38,41,480	0.85
30,001	–	40,000	70	0.16	24,41,350	0.54
40,001	–	50,000	47	0.10	21,79,840	0.48
50,001	–	1,00,000	69	0.15	47,93,030	1.06
1,00,001	–	and above	62	0.14	38,43,32,570	85.23
Total			**45,010**	**100.00**	**45,10,00,000**	**100.00**

7.17 Categories of shareholders as on March 31, 2020:

Table – 15

Sl. No	Category	No. of shares held	Percentage of shareholding
1	Promoters (i) Tata Steel Limited	3,42,37,521	75.91
	Total	3,42,37,521	75.91
2	Mutual Funds and UTI	23,15,254	5.13
3	Banks, Financial Institutions, Insurance Companies (Central/State Govt. Institutions/ Non-government Institutions)	1,32,334	0.29
4	Private Corporate Bodies	7,15,801	1.59
5	Indian Public	68,09,140	15.10
6	NRIs/OCBs/FIIs	6,92,123	1.53
7	Directors & Relatives	0	0.00
8	Trusts	3,700	0.01
9	IEPF Suspense Account	1,94,127	0.43
	Total	**4,51,00,000**	**100.00**

7.18 Top Ten Shareholders across all categories as on March 31, 2020:

Table – 16

Sl. No	Category	No. of shares held	Percentage of shareholding
1	Tata Steel Limited	3,42,37,521	75.91
2	Reliance Capital Trustee Company Limited - A/C Reliance Tax Saver (ELSS) Fund	22,79,216	5.05
3	Investor Education and Protection Fund Authority – Ministry of Corporate Affairs	1,94,127	0.43
4	Emerging Markets Core Equity Portfolio (The Portfolio) of DFA Investment Dimensions Group Inc. (DFAIDG)	1,88,856	0.42
5	The Emerging Markets Small Cap Series of the DFA Investment Trust Company	1,05,220	0.23
6	General Insurance Corporation Of India	1,00,000	0.22
7	Sanjeev Vinodchandra Parekh	99,564	0.22
8	Singhi Dinesh Kumar HUF	83,210	0.18
9	Ajai Hari Dalmia	78,233	0.17
10	Smc Global Securities Limited	68,378	0.15

7.19 Dematerialisation of Shares

As per SEBI's direction, the Company had signed tripartite agreements with both the Depositories (NSDL & CDSL) and Registrars and Transfer Agents in March, 2000. Accordingly, dematerialisation facility for the shares of the Company is available and it is in the interest of all the shareholders to convert their physical holdings into electronic holdings by dematerialisation.

ANNEXURE C Contd.

As on March 31, 2020, 4,45,89,017 number of shares were held in dematerialised form which constitute approximate 98.87% of total number of subscribed shares.

7.20 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 Act, may submit to RTA the prescribed Forms SH-13/SH-14. The Nomination Form can be downloaded from the Company's website www.tatasteellp.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-mail 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).

7.21 Liquidity

Since Company's shares are listed on BSE Limited and National Stock Exchange of India Limited and are compulsorily traded in dematerialised form, these shares enjoy enough liquidity in the market.

7.22 Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity:

Not applicable

7.23 Plant locations

Steel Plant:
Industrial Area, Gamharia, Jamshedpur, Jharkhand 832108
E-mail : investorcell@tatasteellp.com, Website: www.tatasteellp.com
CIN: L27102OR1982PLC001091

Sponge Iron Plant:
P.O. Joda, Dist - Keonjhar, Odisha - 758 034.
Phone - 06767-284236, Fax - 06767-278159/278129
E-mail : investorcell@tatasteellp.com, Website: www.tatasteellp.com
CIN: L27102OR1982PLC001091

Registered Office
P.O. Joda, Dist – Keonjhar, Odisha - 758 034.
Phone – 06767-284236, Fax - 06767-278159/278129
E-mail : investorcell@tatasteellp.com, Website: www.tatasteellp.com
CIN: L27102OR1982PLC001091

7.24 Credit Rating

The Company has obtained the following list of credit ratings from the Credit Rating Agency:

Sl. No	Date of report	Credit Rating Agency	Summary of rating action	
			Instrument	Rating
1	July 25, 2019	India Ratings and Research Private Limited	Proposed Long Term Loan	Provisional IND AA/Stable
			Proposed Working Capital	Provisional IND AA/Stable/ Provisional IND A1+
			Commercial Paper	IND A1+

The detailed report(s) of Credit Rating obtained by the Company on instruments can be accessed at www.tatasteellp.com.

8. Green Initiative:

The Company supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Integrated Report, Quarterly and Half-yearly results, to shareholders at their e-mail address previously registered with the DPs and RTAs.

Shareholders who hold shares in physical form are requested to register their e-mail addresses with RTA, by sending a letter, duly signed by the first/sole holder quoting details of Folio Number. Those holding shares in demat form can register their e-mail address with their concerned DPs.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund ("IEPF"):

Pursuant to the provisions of the Companies Act, 2013, read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended (the 'Rules'), the shares pertaining to which dividend remains unclaimed/unpaid for a period of seven years from the date of transfer to the unpaid dividend account is mandatorily required to be transferred to the Investor Education and Protection Fund ('IEPF') established by the Central Government.

The Company has sent individual communication to the concerned shareholders at their registered address, whose dividend remains unclaimed and whose shares are liable to be transferred to the IEPF by August 26, 2020. The communication was also published in national English and local Oriya newspapers.

The details of unclaimed dividends and shares transferred to IEPF within statutory timelines during Financial Year 2019-20 are as follows:

Financial Year	Amount of Unclaimed Dividend Transferred (₹)	Number of Shares transferred
2011-12	2,340,352	21,204

Table17: **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, Corporate Bhawan Plot No. 9, Sector 1, CDA, Cuttack: 753014	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 e-form IEPF 5 to the Registered Office of the Company addressed to the Company Secretary (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 2012-13 to 2018-19	Amount lying in respective Unpaid Dividend Accounts	Yes	TSR Darashaw Limited, Registrars and Transfer Agents	Letter on plain paper

The Company has hosted on its website the details of the unclaimed dividend/interest/principal amounts for the Financial Year 2018-2019 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).

Year	Dividend per share (₹)	Date of Declaration	Due Date for transfer to IEPF
2013	8	July 24, 2013	August 26, 2020
2014	10	July 15, 2014	August 18, 2021
2015	10	August 21, 2015	September 24, 2022
2016	10	July 26, 2016	September 02, 2023
2017	11	August 04, 2017	September 04, 2024
2018	20	July 18, 2018	August 21, 2025
2019	12.50	July 15, 2019	August 18, 2026

Shareholders are requested to get in touch with the RTA for encashing the unclaimed dividend/ interest/ principal amount, if any, standing to the credit of their account.

ANNEXURE C Contd.

9. Key Developments

a. Acquisition of Steel business undertaking of Usha Martin Limited

The Company, as a part of its strategy to grow in long products, executed definitive agreements for acquisition of steel business of Usha Martin Limited ('UML'), a special steel and wire rope manufacturer, through a slump sale on a going concern basis. The Company had been evaluating various strategic options to enhance its product portfolio and had identified an entry into steel manufacturing in long products as a route to ensure sustainable value creation for its shareholders.

On April 09, 2019, the Company completed the acquisition of steel business undertaking including captive power plants pursuant to a cash consideration (after adjustment for negative working capital and debt like items) payable to Usha Martin Limited of ₹4,094 crore (Rupees Four Thousand Ninety Four crore only). Subsequently the negative net working capital amount after transfer of the iron ore mines increased and the net cash consideration of the takeover was reduced to ₹4,049 crore (Rupees Four Thousand Forty Nine crore only).

b. Issue of Equity Shares on rights basis

The Board at its meeting held on October 24, 2018, approved the issuance of fully paid up ordinary shares of the Company, by way of a rights issue to the existing shareholders of the Company upto an amount not exceeding ₹1,800 crore (Rupees Eighteen Hundred crore only).

Subsequently, the Committee of Board at its meeting held on June 13, 2019, approved the issuance of 3,30,00,000 equity shares of face value of ₹10 each, on a rights basis, not exceeding an amount of ₹1,650 crore (Rupees One Thousand Six Hundred Fifty crore only) by the Company to the eligible equity shareholders. The Rights Entitlement ratio was fixed in the ratio of 15:7. The issue price was fixed to ₹500 per Rights Equity Share (including a premium of ₹490 per Rights Equity Share). The said issue opened for subscription by shareholders on July 02, 2019 and closed on July 16, 2019.

On July 24, 2019, the Company allotted 2,97,00,000 Rights Equity Shares at a price of ₹500 per Rights Equity Share (including a premium of ₹490 per Rights Equity Share) having face value ₹10 each for an amount aggregating to ₹1,485 crore (Rupees One Thousand Four Hundred Eighty Five crore only), to the eligible equity shareholders of the Company.

Accordingly, pursuant to the aforesaid allotment, the paid-up equity share capital of the Company has increased from ₹15,40,00,000/- to ₹45,10,00,000/- consisting of 4,51,00,000 equity shares of face value of ₹10 each. The Company affirms that there has been no deviation or variation in utilisation of proceeds of the listed equity shares of the Company.

c. Issue of Non-Convertible Redeemable Preference Shares

The Board at its meeting held on October 24, 2018, approved the issuance of Non-Convertible Redeemable Preference Shares ("NCRPS") of upto ₹1,000 crore (Rupees One Thousand crore only) to Tata Steel Limited on Private Placement basis, subject to the approval of Shareholders of the Company.

Subsequently, the Shareholders of the Company at its Extra-Ordinary General meeting held on December 14, 2018, approved the offer and issuance of 11.30% NCRPS for an amount not exceeding ₹1,000 crore (Rupees One Thousand crore only) to Tata Steel Limited on Private Placement basis.

However, the Company is yet to issue Non-Convertible Redeemable Preference Shares to Tata Steel Limited.

d. Change in name of the Company

In order to align the name of the Company with the newly acquired steel business undertaking of Usha Martin Limited, which is one of the main business activities of the Company, the Board at its meeting held on April 18, 2019 approved the proposal to change the name of the Company from "Tata Sponge Iron Limited" to "Tata Steel Long Products Limited", subject to the approval of the Shareholders of the Company and Central Government.

Subsequently, the shareholders at the Annual General Meeting of the Company held on July 15, 2019 approved the proposal of change in name of the Company and consequently, with the approval of the Central Government, the name of the Company was changed from "Tata Sponge Iron Limited" to "Tata Steel Long Products Limited" effective August 20, 2019.

e. Shifting of Registered Office of the Company from the State of Odisha to the State of West Bengal

The Board of Directors of the Company at its meeting held on April 18, 2019, accorded its approval for shifting of registered office of the Company, from the State of Odisha to the State of West Bengal. Subsequently, the Shareholders of the Company, accorded their approval to the said proposal, at the 36th Annual General Meeting of the Company held on July 15, 2019.

However, basis the feedback received from the key stakeholders, the Board at its meeting held on June 09, 2020, decided not to pursue the said proposal of shifting the registered office of the Company, for the time being. Hence, the registered office of the Company will continue to be at Joda, Odisha.

f. Issue of Commercial Paper

During the year under review, considering the working capital requirements, the Company has issued, allotted and listed Commercial Paper(s) in the Stock Exchanges, viz. BSE Limited and National Stock Exchange of India Limited.

The details of issue are as under:

Name of the Investor & Scheme	No. of Units of CPs	Face Value per unit (₹)	Face Value (₹ in crore)	Interest Rate	Redemption Date	Details of Credit Rating
Investor: State Bank of India Mutual Fund Scheme: SBI Mutual Fund - SBI Magnum Ultra Short Duration Fund	4,000	500,000	200	5.65%	March 12, 2020	India Ratings & Research Pvt Ltd = IND AI + ICRA = ICRA A1+

g. Creation of Charges

During the year under review, considering the working capital requirements, the Company has created three (3) Charges:

Sl. No	Charge Holder Name	Date of Creation	Amount (₹)
1.	Axis Bank Limited	February 12, 2020	200 crore
2.	IDBI Trusteeship Services Limited	December 17, 2019	2900 crore
3.	ICICI Bank Limited	September 03, 2019	450 crore

10. Other Disclosures

(i) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the Audit Committee:

The Company has adequate vigil mechanism in place.

The Company has a Whistle Blower Policy that provides a formal mechanism for all employees of the Company to approach the Ethics Counsellor/ Chairman of the Audit Committee of the Company and make protective disclosures about the unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Whistle Blower Policy is an extension of the Tata Code of Conduct, which requires every employee of the Company to promptly report to the Management any actual or possible violation of the Code or an event he becomes aware of that could affect the business or reputation of the Company. The disclosures reported are addressed in the manner and within the time frames prescribed in the policy. Under the policy, each employee has an assured access to the Ethics Counsellor/ Chairman of the Audit Committee. The Whistle Blower Policy is displayed on the website of the Company, www.tatasteellp.com.

(ii) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all applicable mandatory requirements as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Though the constitution of Risk Management Committee is not mandatory for the Company, it has voluntarily constituted the same.

The Board: As on the date of the Report, the positions of the Chairman and the Managing Director are separate. Mr. T.V. Narendran is the Non-Executive Chairman of the Board and Mr. Ashish Anupam is the Managing Director of the Company.

Maintenance of Chairman's office: The Non-Executive Chairman has a separate office which is not maintained by the Company.

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 reports to the Audit Committee.

(iii) Web link where policy for determining 'material' subsidiaries is disclosed:

The web link is provided under 'Corporate Governance' in 'Investors' Section of the Company's website www.tatasteellp.com.

(iv) Web link where policy on dealing with Related Party transactions is disclosed:

The said Policy is provided under 'Corporate Governance' in 'Investors' Section of the Company's website www.tatasteellp.com.

ANNEXURE C Contd.

(v) Disclosure on commodity price risks and commodity hedging activities: Not applicable.

(vi) Details of utilisation of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): The Company has not raised funds through preferential allotment or qualified institutions placement during the year ended March 31, 2020.

(vii) Certificate from the Practicing Company Secretary: During the year ended March 31, 2020, the Company has received a certificate from Messrs. S.M. Gupta & Co., Practicing Company Secretaries, confirming that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

(viii) Recommendations of Committee of Board of Directors: During the year ended, March 31, 2020, all recommendations made by the Committees of the Board of Directors (viz. Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee, Risk Management Committee, Committee of Board) were accepted by the Board of the Company.

(ix) Total fees for all services paid by the Company and its subsidiary, TSIL Energy Limited, on a consolidated basis, to the statutory auditors:

Messrs. Price Waterhouse & Co. Chartered Accountants LLP (Firm Registration Number: 304026E / E300009) ('PWC'), have been appointed as statutory auditors of the Company. The particulars of payment of Statutory Auditors' fees, on consolidated basis is given below:

Particulars	Amount (₹ in lakh)
Services as statutory auditors (including quarterly audits)	92.61
Tax Audit	5.6
Other matters	32
Re-imbursement of out of pocket expenses	1.80
Total	**132.01**

(x) Statement of Complaints in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

No. of complaints filed during the financial year 2019-2020	2
No. of Complaints disposed of during the financial year 2019-2020	1
No. of pending complaints as on March 31, 2020	1

(xi) 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.

(xii) The Corporate Governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:

Following discretionary requirements as specified in Part E of Schedule II has been adopted by the Company:

- The Company has moved towards a regime of financial statements with unmodified audit opinion.
- The Company has separate posts of chairperson and Managing Director
- The internal auditor is free to report directly to the audit committee.

(xiii) The disclosures of the compliance with corporate governance requirements specified in Regulations 17 to 27 and clause (b) to clause (i) of sub-regulation (2) of Regulation 46 shall be made in the section of corporate governance of the annual report: Complied wherever applicable.

(xiv) Materially significant related party transactions that may have potential conflict with the interests of the Company at large:

None.

(xv) Disclosure by key managerial personnel about related party transactions:

The Board has received disclosures from key managerial personnel relating to financial and commercial transactions where they and/or their relatives have personal interest. There were no materially significant related party transactions, which have potential conflict with the interest of the Company at large. The related party transactions have been disclosed in the notes to Balance Sheet and Statement of Profit and Loss for the year ended March 31, 2020.

The Company has laid down a policy for dealing with Related Party Transactions. This policy is displayed on the website of the Company, viz., www.tatasteellp.com.

(xvi) Disclosure of Accounting Treatment:

The applicable Accounting Standards as issued by the Institute of Chartered Accountants of India and notified by the Central Government under Companies (Accounting Standards) Amendment Rules, 2016 as amended from time to time, have been followed in preparation of the financial statements of the Company.

(xvii) Board Disclosures – Risk Management:

The procedures for risk assessment and minimisation have been disclosed elsewhere in the annexure to the Directors' Report.

(xviii) Proceeds from public issues, rights issues, preferential issues etc:

On July 24, 2019, the Company allotted 2,97,00,000 Rights Equity Shares at a price of ₹500 per Rights Equity Share (including a premium of ₹490 per Rights Equity Share) having face value of ₹10 each for an amount aggregating to ₹1,485 crore, to the eligible equity shareholders of the Company.

Accordingly, pursuant to the aforesaid Allotment, the paid-up equity share capital of the Company has increased from ₹15,40,00,000/- to ₹45,10,00,000/- consisting of 4,51,00,000 equity shares of face value of ₹10 each. The Company affirms that there has been no deviation or variation in utilisation of proceeds of the listed equity shares of the Company.

(xix) Matters related to Capital Markets:

The Company has complied with the requirements of the Stock Exchanges, Securities and Exchange Board of India ("SEBI") and other statutory authorities on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by any Stock Exchange or SEBI or any statutory authority, on any matter relating to capital markets, during the last three years.

(xx) Management Discussion & Analysis Report:

The Management Discussion & Analysis Report forms part of this Integrated Report.

(xxi) CEO/CFO Certification:

The Managing Director and the Chief Financial Officer of the Company have given a certificate to the Board of Directors as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, for the year ended March 31, 2020.

(xxii) Reconciliation of Share Capital Audit:

A qualified practicing Company Secretary, Messrs. Parikh & Associates, carried out Share Capital Reconciliation audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held in electronic mode with NSDL and CDSL. The Audit Report is disseminated to the Stock Exchanges on quarterly basis and is also available on our website, https://www.tatasteellp.com/stock-exchange-filings/reconciliation-of-share-capital-audit-report/.

(xxiii) The Company was conferred with the "Best Governed Company" Award under "Emerging Category- Listed Segment" at the 19th ICSI National Awards for excellence in corporate governance held at New Delhi on January 10, 2020 by the Institute of Company Secretaries of India.

(xxiv) As required by SEBI circular dated October 18, 2019, the Company and the statutory auditors have executed an addendum to the engagement letter on February 10, 2020 mentioning therein inter-alia the details of responsibilities of the Company and the auditors respectively.

For and on behalf of the Board of Directors

Sd/-
(Ashish Anupam)
Managing Director
DIN: 08384201

Jamshedpur
June 09, 2020

ANNEXURE C Contd.

Declaration Regarding Compliance by Board Members and Senior Management Personnel with the Code of Conduct

I, Ashish Anupam, Managing Director, hereby declare that all the members of Board of Directors and Senior Management Personnel have affirmed compliance with Code of Conduct, as applicable to them, in respect of the financial year 2019-20.

Sd/-
Ashish Anupam
Managing Director
08384201

Jamshedpur
June 09, 2020

Practicing Company Secretaries' Certificate on Corporate Governance

To
The Members of
Tata Steel Long Products Limited
(Formerly known as "Tata Sponge Iron Limited")
CIN: L27102OR1982PLC001091

(1) We have examined the compliance of conditions of corporate governance by Tata Steel Long Products Limited for the year ended March 31, 2020 as stipulated in Regulation 17 to 27 and 34(3) read with Schedule - V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

(2) The compliance of conditions of corporate governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

(3) In our opinion and to the best of our information and according to the explanations given to us, including by way of remote audit, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations to the extent applicable to it.

(4) We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

(5) This Audit Report is being issued under the conditions of Lockdown due to COVID-19 with limited resources available to us and the audit has been done both in physical and electronic mode.

(S. M. Gupta)
Partner

Sd/-
S. M. GUPTA & CO.
Company Secretaries
Firm Registration No.: P1993WB046600
Membership No: FCS – 896
CP No: 2053
Peer Review No: 718/2020
UDIN: F000896B000324769

Kolkata
June 09, 2020

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) as amended.

To,
The Members
Tata Steel Long Products Limited
(Formerly known as "Tata Sponge Iron Limited")
Regd Office- P.O-Joda, Keonjhar,
Odisha-758034.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Tata Steel Long Products Limited having CIN: L27102OR1982PLC001091 and having registered office at P.O-Joda, Keonjhar, Odisha-758034 (hereinafter referred to as 'the Company'), produced before 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 Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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 and its officers (including remote audit), We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 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 or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	MR. T. V. NARENDRAN, CHAIRMAN*	03083605	12/01/2019
2	MR. PRAKASH CHANDRA PARAKH	01305775	07/03/2007
3	DR. SOUGATA RAY*	00134136	12/01/2019
4	DR. ANSUMAN DAS	02845138	15/07/2019
5	MR. SRIKUMAR MENON	00470254	15/07/2019
6	MR. SHASHI KANT MAUDGAL	00918431	15/07/2019
7	MS. NEETA KARMAKAR	08730604	30/03/2020
8	MR. KOUSHIK CHATTERJEE*	00004989	12/01/2019
9	MRS. MEENA LALL	05133322	16/08/2014
10	MR. ASHISH ANUPAM, MANAGING DIRECTOR	08384201	01/11/2019

* They were subsequently appointed by the Shareholders of the Company at the 36th Annual General Meeting held on July 15, 2019.

Ensuring the eligibility for 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.

This Certificate is being issued under the conditions of lockdown due to COVID-19 with limited resources available to us.

(S. M. Gupta)
Partner

Sd/-
S. M. GUPTA & CO.
Company Secretaries
Firm Registration No.: P1993WB046600
Membership No: FCS – 896
CP No: 2053
Peer Review No: 718/2020
UDIN: F000896B000324769

Kolkata
June 09, 2020

ANNEXURE D(I)

PARTICULARS OF REMUNERATION

PART A: INFORMATION PURSUANT TO SECTION 197(2) OF THE COMPANIES ACT, 2013 (READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES 2014

Statement pursuant to Rule 5(1) of the Companies (Appointment and remuneration of Managerial personnel) Rules 2014

1. **Median remuneration of all employees of the Company for the financial year 2019-20:** ₹5,82,944
2. **The percentage increase in the median remuneration of employees in the financial year 2019-20:** 3.5%
3. **The number of permanent employees on roll of the Company as on March 31, 2020:** 2497
4. **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:**

Sl. No.	Name of the Director	Designation	Ratio of remuneration of each director to the median remuneration of employees
1.	Mr. T.V. Narendran	Chairman	-
2.	Mr. P.C. Parakh	Non-executive & Independent Director	0.64
3.	Dr. Sougata Ray	Non-executive & Independent Director	0.43
4.	Dr. Ansuman Das	Non-executive & Independent Director	0.27
5.	Mr. Srikumar Menon	Non-executive & Independent Director	0.34
6.	Mr. Shashi Kant Maudgal	Non-executive & Independent Director	0.45
7.	Ms. Neeta Karmakar	Non-executive & Independent Director	-
8.	Mrs. Meena Lall	Non-executive & Non Independent Director	-
9.	Mr. Koushik Chatterjee	Non-executive & Non Independent Director	-
10.	Mr. Ashish Anupam	Managing Director (Executive & Non Independent)	15.46
11.	Mr. D.K. Banerjee** #	Non-executive & Independent Director	0.19
12.	Dr. Omkar Nath Mohanty** #	Non-executive & Independent Director	0.23
13.	Mr. Manoj T. Thomas** #	Non-executive & Independent Director	0.15
14.	Mr. Sanjay Kumar Pattnaik***	Managing Director (Executive & Non Independent)	31.05

5. **The percentage increase in remuneration@ of each Director:**

A. Commission: No Commission was paid / payable to the Non-Executive Directors / Independent Directors of the Company, for FY20.

B. Sitting Fees (₹ in lakh)

SL No	Name of the Director	Designation / Category	Current Year 2019-20	Previous Year 2018-19	Difference	% of increase/ (Decrease)
1.	Mr. T.V. Narendran*	Chairman	-	-	NA	NA
2.	Mr. P.C. Parakh	Non-executive & Independent Director	3.75	4.10	(0.35)	-8.5%
3.	Dr. Sougata Ray~	Non-executive & Independent Director	2.50	0.85	NA	NA
4.	Dr. Ansuman Das$	Non-executive & Independent Director	1.60	-	NA	NA
5.	Mr. Srikumar Menon$	Non-executive & Independent Director	1.95	-	NA	NA
6.	Mr. Shashi Kant Maudgal$	Non-executive & Independent Director	2.60	-	NA	NA
7.	Ms. Neeta Karmakar^^	Non-executive & Independent Director	-	-	NA	NA
8.	Mrs. Meena Lall*	Non-executive & Non Independent Director	-	-	NA	NA
9.	Mr. Koushik Chatterjee*	Non-executive & Non Independent Director	-	-	NA	NA
10.	Mr. Ashish Anupam^	Managing Director (Executive & Non Independent)	-	-	NA	NA
11.	Mr. D.K. Banerjee** #	Non-executive & Independent Director	1.10	3.95	NA	NA
12.	Dr. Omkar Nath Mohanty** #	Non-executive & Independent Director	1.35	4.10	NA	NA
13.	Mr. Manoj T. Thomas** #	Non-executive & Independent Director	0.90	3.90	NA	NA
14.	Mr. Sanjay Kumar Pattnaik***	Managing Director (Executive & Non Independent)	-	-	NA	NA

Notes:

* 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. No payment is also made to other directors

** Mr. D.K. Banerjee and Mr. Manoj T. Thomas ceased as members of the Board effective July 14, 2019. Dr. O.N. Mohanty ceased to be Member of the Board effective July 15, 2019.

*** Mr. Sanjay Kumar Pattnaik ceased to be the Managing Director of the Company effective October 31, 2019.

$ Mr. Srikumar Menon, Mr. Shashi Kant Maudgal and Dr. Ansuman Das were appointed as Additional Directors (Non-Executive, Independent) effective July 15, 2019

^ Mr. Ashish Anupam was appointed as Managing Director of the Company effective November 01, 2019

^^ Ms. Neeta Karmakar was appointed as Additional Director (Non-Executive, Independent) effective March 30, 2020

~ Dr. Sougata Ray was appointed on the Board of the Company, effective January 12, 2019. Hence, the current year's remuneration is not comparable with previous year.

Mr. D.K. Banerjee and Mr. Manoj T. Thomas ceased as members of the Board, effective July 14, 2019. Dr. Omkar Nath Mohanty ceased as member of the Board, effective July 15, 2019. Hence, the current year's remuneration is not comparable with previous year.

@ The remuneration paid is as per the remuneration policy of the Company.

The previous year's figures have been reclassified wherever necessary to make it comparable in line with current year's figure.

6. The percentage increase in remuneration of Managing Director, Chief Financial Officer and Company Secretary:

(₹ in lakh)

Sl. No	Name of the Director	Designation	Current Year-2019-20	Previous Year-2018-19	Difference	% of Increase/ (decrease)
1.	Mr. Ashish Anupam	Managing Director[1&4]	90.15	-	-	-
2.	Mr. Sanjay Kumar Pattnaik	Managing Director[2]	181.02	352.78	Refer note 2	-
3.	Mr. S K Mishra	Chief Financial Officer	60.77	68.38	(7.61)	-11%
4.	Mr. Sanjay Kumar Shrivastav	Joint Chief Financial Officer[3&4]	78.71	-	Refer note 3	-
5.	Mr. Sanjay Kasture	Chief Risk & Compliance Officer and Company Secretary	29.85	28.93	0.92	3%

Notes:

1. Mr. Ashish Anupam was appointed as Managing Director of the Company effective November 01, 2019
2. Mr. Sanjay Kumar Pattnaik retired as Managing Director of the Company on October 31, 2019.
3. Mr. Sanjay Kumar Shrivastav was appointed as Joint Chief Financial Officer effective July 29, 2019. The remuneration figure is for the period he served as Joint Chief Financial Officer during FY 20.
4. The remuneration figures are pro-rated for the period of employment during FY 20.

ANNEXURE D(II)

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 Personel) Rules, 2014]

A. Remuneration drawn by top 10 employees of the Company, during the Financial year 2019-20

Sl. No	Name of Employee	Designation	Remuneration (₹ in lakh)	Qualification and experience	Date of commencement of employment	Previous employment and designation
1.	Mr. Sanjay Kumar Pattnaik	Managing Director	181.02	BE (Mining Engineering)	1-Jan-16	Executive Director-Tata Sponge Iron Limited
2.	Mr. Debasish Mazumdar	Sr. General Manager - Ops & Maint (Steel)	120.96	B.Sc.Engg. (Metallurgy)	9-Apr-19	Electrotherm (India) Ltd, Gujarat
3.	Mr. Sanjay Kumar Shrivastav	Jt. Chief Financial Officer	111.35	ICWA, CS	18-Apr-19	CFO, The Tinplate Company of India Limited (on deputation from Tata Steel)
4.	Mr. Shailesh Verma	Sr. General Manager - Ops & Maint (Steel & Mines)	110.20	BE (Mechanical)	8-Apr-19	Chief Resident Executive - Ranchi, Tata Steel Limited
5.	Mr. Ashish Anupam	Managing Director	90.15	BE (Mechanical Engineering)	1-Nov-19	President & CEO, NatSteel Holdings
6.	Mr. Kishore Tar	Sr. General Manager - Engineering & Projects	83.68	BE (Electrical)	8-Apr-19	Chief Engineering & Projects – SDI, Tata Steel Limited
7.	Mr. N.P. Venkatesan	Sr. General Manager - Marketing and Sales	83.21	B Sc (Engg), XLRI Prog (Management)	8-Apr-19	Chief Sales Manager - West, Tata Steel Limited
8.	Mr. Vilas N. Gaikwad	Sr. General Manager - SHE & Sustainability	80.83	BE (Fire Prevention)	15-May-19	Chief Safety (India & South East Asia), Tata Steel Limited
9.	Mr. Abhijit Avinash Nanoti	Sr. General Manager - SCM, Procurement, IBMD and EPA	78.58	BE (Electronics), XLRI Prog (Management)	8-Apr-19	Chief Supply Chain and EPA Management, Tata Steel Limited
10.	Mr. Karun Kant Dave	President-Mine division	76.58	Mining Engineer, Certified class 1 mine manager	3-Jul-19	Chief Operating Officer, ESA Sterlite Limited

1. Mr. Sanjay Kumar Pattnaik retired as Managing Director of the Company on October 31, 2019.
2. Mr. Sanjay Kumar Shrivastav joined the Company w.e.f April 18, 2019 and was later appointed as Joint CFO w.e.f July 29, 2019. The remuneration amount is for the total period he served during FY 20.
3. Mr. Ashish Anupam was appointed as the Managing Director of the Company, effective November 1, 2019.
4. Mr. Karun Kant Dave left the Company on February 1, 2020.
5. The remuneration figures are pro-rated for the period of employment during FY 20.
6. The nature of employment in all cases is contractual.

B. Names of employees who are in receipt of aggregate remuneration not less than rupees one crore and two lakhs during the financial year 2019-20

Sl. No	Name of Employee	Designation	Remuneration (₹ in lakh)	Qualification and experience	Date of commencement of employment	Previous employment and designation
1.	Mr. Sanjay Kumar Pattnaik*	Managing Director	181.02	BE (Mining Engineering)	1-Jan-16	Executive Director-Tata Sponge Iron Limited
2.	Mr. Debasish Mazumdar	Sr. General Manager - Ops & Maint (Steel)	120.96	B.Sc.Engg. (Metallurgy)	9-Apr-19	Electrotherm (India) Ltd, Gujarat
3.	Mr. Sanjay Kumar Shrivastav	Jt. Chief Financial Officer	111.35	ICWA, CS	18-Apr-19	CFO, The Tinplate Company of India Limited (on deputation from Tata Steel)
4.	Mr. Shailesh Verma	Sr. General Manager - Ops & Maint (Steel & Mines)	110.20	BE (Mechanical)	8-Apr-19	Chief Resident Executive - Ranchi, Tata Steel Limited

None of the employees mentioned above is a relative of any Director of the Company

* Mr. Sanjay Kumar Pattnaik retired as Managing Director of the Company on October 31, 2019.

The remuneration figures are pro-rated for the period of employment during FY 20. Remuneration includes "salary, allowances, monetary value of perquisites, Company's contribution to Provident and Superannuation Funds".

ANNEXURE E

Form No. AOC -2

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in Section 188 (1) of the Companies Act, 2013 including certain arm`s length transactions under fourth proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis.

Tata Steel Long Products Limited (Formerly Tata Sponge Iron Limited), has not entered into any contract/ arrangement or transaction with its related parties which is not at arm's length basis during the financial year 2019-20.

2. Details of material contracts or arrangements or transactions at arm's length basis:

Sl. No.	Description	Particulars			
1.	Name of the related party and nature of the relationship	Tata Steel Limited ("TSL") (Holding Company)	Tata International Singapore PTE Ltd (Group Company)	Tata International Limited (Group Company)	T S Global Procurement Company Pte. Ltd. (Fellow Subsidiary)
2.	Nature of contract / arrangement / transactions	1. Purchase of Iron ore 2. Purchase of Coal 3. Sale of different grades of steel and alloy steel 4. Conversion of iron ore fines to pellet and Sale of power	Purchase of Coal	Sale of Sponge Iron	Purchase of Coal
3.	Duration of contract / arrangement / transactions	1. Long-term arrangements 2. Spot arrangements 3. Spot arrangements	Spot arrangements	Spot arrangements	Annual arrangements
4.	Salient terms of the Contract / arrangement / transactions including the value, if any:	1. The Company purchases iron ore from TSL at the price equivalent to auction price of Odisha Mining Corporation (OMC) for Barbil sector. In the absence of auction price of Barbil sector, Gandhmardan sector auction price is considered for price determination. 2. The Company purchases coal from TSL & also from third parties. The current market price that is available to TSLP for purchase of coal/coke is used to benchmark the price of the coal/coke purchased from TSL. 3. The Company sells different grades of steel and alloy steel based on comparable prices.	The Company procures coal based on API4 index plus a certain amount of commission. Freight & insurance are at prevailing market conditions.	The Company sells sponge iron to Tata International Limited at similar pricing terms at which it sells to outside customers.	TSLP procures coal from TSGP who acts as central procurement agency. TSGP collates demand centrally from TSL and other TSL group Companies. TSGP charges back to back, to TSLP for the commodity imported based on the third party combined charges of commodity and freight. TSGP usually adds a markup for the various functions it performs as a procurement agency. This markup is on the cost of operation.
5.	Date(s) of approval by Board, if any	Not applicable, since all contracts were entered into the ordinary course of business and at arm's length basis. The material related party transactions were reviewed and approved by the Audit Committee and Board of Directors at their respective Meetings held on April 18, 2019 and subsequently the Members at the Annual General Meeting held on July 15, 2019.			
6.	Amount paid as advances, if any	NIL	NIL	NIL	NIL

On behalf of the Board of Directors
Sd/-
T.V. Narendran
Chairman
DIN: 03083605

Jamshedpur
June 09, 2020

ANNEXURE F

Business Responsibility Report

[Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Introduction:

Tata Steel Long Products (Formerly 'Tata Sponge Iron Limited') ('TSLP' or 'the Company'), was incorporated in 1974. Over years, it has become one of the leading producers of DRI in India. It is now, one of the largest specialty steel plants in India in Special Bar Quality (SBQ) segment having an annual capacity of one million tonnes of crude steel.

TSLP offers a wide range of high-end steel products for industries including forgings, bearings, fasteners and free-cutting and meets the requirements of diverse sectors including construction, railways, power, auto, general engineering, defence and other infrastructure projects. The Company is renowned in India for using hot metal in electric arc furnace and this technique has now become an industry norm.

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company: L27102OR1982PLC001091
2. Name of the Company: Tata Steel Long Products Limited (Formerly Tata Sponge Iron Limited)
3. Registered address: P.O Joda, Dist. Keonjhar, Orissa 758 034
4. Website: www.tatasteellp.com
5. E-mail id: info@tatasteellp.com
6. Financial Year reported: From April 01, 2019 to March 31, 2020
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

NIC Code	Description
214	Manufacture of basic Iron and Steel

8. List three key products/services that the Company manufactures/provides (as in balance sheet):
   a. Steel based long products
   b. Direct reduction of iron (sponge iron)
   c. Power from waste heat and thermal coal

   Please refer to our website www.tatasteellp.com for complete list of our products.
9. Total number of locations where business activity is undertaken by the Company:
   i. Number of International Locations (Provide details of major 5): Not Applicable
   ii. Number of National Locations: The Company manufacturing locations in India are situated at Gamharia (Jharkhand), Joda (Odisha). The Corporate Office is situated at Kolkata (West Bengal).
10. Markets served by the Company - Local/State/National/International:
    a. State;
    b. National;
    c. International.

Section B: Financial Details of the Company

1. Paid up Capital: ₹45.10 crore
2. Total Turnover: ₹3,489.99 crore
3. Total profit after taxes: Loss of ₹(516.27) crore
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): Kindly refer Annexure B to the Board's Report for details (Refer Page 68).
5. List of activities in which expenditure in 4 above has been incurred: Kindly refer Annexure B to the Board's Report for details (Refer Page 68).

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?

   Yes, the Company has one (1) wholly owned subsidiary, TSIL Energy Limited, as on March 31, 2020.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)?

   No, TSIL Energy Limited, the wholly owned subsidiary, is yet to commence its business operations.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

   The Company does not mandate its suppliers and partners to participate in the Company's BR initiatives. However, they are encouraged to do so. [Less than 30%]

ANNEXURE F Contd.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for implementation of the BR policy/policies:

Sr. No	Particulars	Details
1.	DIN Number	08384201
2.	Name	Ashish Anupam
3.	Designation	Managing Director
4.	Telephone	91-33-22883714
5.	E-mail id	mdoffice@tatasteellp.com

b) Details of the BR head:

Sr. No	Particulars	Details
1.	DIN Number	08384201
2.	Name	Ashish Anupam
3.	Designation	Managing Director
4.	Telephone	91-33-22883714
5.	E-mail id	mdoffice@tatasteellp.com

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect, and make efforts to restore the environment.
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Does the policy conform to any national / international standards? If yes, specify standards? If	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5.	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6.	Indicate the link for the policy to be viewed online?	https://www.tatasteellp.com/performance-corporate-governance/ https://www.tatasteellp.com/ethics/								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8.	Does the Company have in-house structure to implement the policy/Policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes, the whistle blower mechanism provides employees to report any concerns or grievances pertaining to any potential or actual violation of Tata Code of Conduct which covers all aspects of BRR. An Investor grievance mechanism is in place to respond to investor grievances. The Customer Complaints mechanism records the grievances of customers on product and service quality and other issues of interest to them. The supplier, vendor, dealer and channel partner forums and ongoing communication captures their concerns and grievances								
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes, the implementation of Tata Code of Conduct and other policies are reviewed through internal audit function/ethics counsellor. External assessment of Tata Business Excellence Model (TBEM) covers the review of implementation of all the Company policies. The Quality, Safety & Health and Environmental policies are subject to internal and external audits as part of certification process.								

b) **If answer to Sr. No. 1 against any principle, is 'No', please explain why (Tick up to 2 options):**

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles.									
3.	The Company does not have financial or manpower resources available for the task.									
4.	It is planned to be done within next 6 months.									
5.	It is planned to be done within the next 1 year.									
6.	Any other reason (please specify).									

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year

The Board reviews and assesses the various aspects of Business Responsibility performance of the Company. The frequency of Executive Committee meetings for BR review is on a quarterly basis.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The subject, "Sustainability" forms part of Annual Report which is published annually. The same is available in the website of the Company at https://www.tatasteellp.com/annual-report-tsil/

Section E: Principle-wise performance [Questionnaires]

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No.

   No. The Tata Code of Conduct ("TCoC") available on https://www.tatasteellp.com/wp-content/uploads/2018/10/Tata-Code-of-Conduct-2018.pdf covers not only the Company, but also employees, and external parties.

2. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?

   Yes. All Suppliers, Contractors, NGOs and others are expected to adopt TCoC or a joint code of conduct incorporating all elements of the TCoC. The Company is a part of Tata Steel Group and does not have any Joint Ventures as on March 31, 2020.

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

   A total of 19 ethics-related concerns were received from stakeholders. Of these, all were satisfactorily resolved by March 31, 2020.

Principle 2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   a) Special Bar Quality (SBQ) steel: It is a class of long steel products engineered or tough applications, such as bearings, crankshafts, gears and drill-string components. It finds very hi-end application in various segments like Automotive, Agri equipment, General engineering, Railways, Defence, Oil & gas etc.

ANNEXURE F Contd.

b) High Carbon Wire Rod: It is mainly used for High strength Wire ropes, Wires & strands for prestressed concrete, Mechanical springs, tyre cord & Welding electrodes.

c) Directly Reduced iron (DRI): This product is mostly sold to MSMEs (Induction furnace), where it is being converted to rebars for use in construction & infrastructure segment.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

In terms of process change & cross flow of material between units, the difference during the steel making process in resource input is minimal. Therefore, the Company focusses on overall parameters rather than individual grades of steel.

a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

Some key indicators related to usage of resources in manufacturing is represented below:

DRI:

Parameters	UOM	FY20	FY19
Specific energy consumption	GCal/t-DRI	4.97	5.16
Specific water consumption	KL/t - DRI	2.11	2.95
Carbon dioxide (CO2) Emission	T/T-DRI	1.78	1.85

Steel:

The Company had acquired the steel business undertaking of Usha Martin Limited on April 09, 2019, hence data for previous year is not available.

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company had acquired the steel business undertaking of Usha Martin Limited on April 09, 2019, hence data for previous year is not available.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

Tata Steel Long Products has a clearly defined process for vendor section & major material are being sourced through certified vendors (ISO 9001, 14001, OHSAS 18001 etc) only. Compliance to all clauses of the contracts and statutory laws are continuously monitored by the Company's procurement and other functional teams. Iron ore is one of the major raw material for Steel & DRI making & more than 75% of iron ore was sourced from sustainable source last year. The captive mines are located near to manufacturing locations which supports in less emission during transportation.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the Company promotes procurement of goods and services from local vendors and small producers. It also hires contract workers from local communities for construction and operation of its plants. The Company continuously builds and improves the skills and capacity of local contractors by sharing technical cum operation knowledge.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

At Tata Steel Long Products Limited, waste is generated in the form of Electronic Arc Furnace ("EAF"), Blast Furnace ("BF") slag, fly ash from power plant, tar and char. For recycling waste, such as fines and iron dust, the Company uses its sinter plant. BF Slag produced is being sold for cement manufacturing, Fly ash generated from plants is utilised in manufacturing of bricks and other available waste management avenues.

At present more than 50% by-product is being utilised internally or used for other applications. The Company is working continuously to increase its utilisation percentage.

Principle 3 Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.

2,497 employees (on rolls) as on March 31, 2020.

2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.

3,742 employees hired on temporary / contractual / casual basis, as on March 31, 2020.

3. Please indicate the Number of permanent women employees.

55 permanent women employees as on March 31, 2020.

4. Please indicate the Number of permanent employees with disabilities

2 permanent employees with disabilities as on March 31, 2020.

5. Do you have an employee association that is recognised by management?

   Yes, the Company has an employee association that is recognized by Management as below:

   Tata Sponge Shramik Sangha at Joda (Odisha)

   Tata Kamagar Union at Jamshedpur (Jharkhand)

6. What percentage of your permanent employees is members of this recognised employee association?

   88% permanent employees are members of these recognised employee association, as on March 31, 2020.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year?

   The Company has received two cases relating to sexual harassment. Out of these, one case is resolved and another one is pending as at March 31, 2020.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

   91% of employees were given safety & skill up-gradation training during last year.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders?

   Yes. The Company has mapped its internal and external stakeholders. It uses both formal and informal mechanisms to engage with various stakeholders to understand their concerns and expectations.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

   Yes. The Company through Tata Affirmative Action (AA) Policy addresses the socially disadvantaged sections of the society i.e. Scheduled Castes and Tribes. Within the broader stakeholder group of communities, the Company works towards women empowerment and education of children.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so?

   The Company's CSR programmes and projects are aimed at serving the needy, deserving, socio-economically backward and disadvantaged communities aimed at improving the quality of their lives. For more details, kndly refer Annexure B to the Board's Report.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?

   The clauses of the TCoC extend to all suppliers/contractors while their provisions also being applicable to other business partners

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

   No stakeholder complaints were received regarding human rights violation during the Financial Year 2019-20.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/others.

   Yes. The Company has made Supplier Sustainability Guidelines to ensure sustainability approach by the suppliers. The Company also works with Non-Governmental Organisation on different projects for environmental protection.

   The Company's Policies - Safety, Health & Environment (SHE) extend support to all stakeholders influencing the entire value chain. This also helps in sustaining environmental impacts beyond the prescribed limits and address social responsibility.

2. Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

   Yes. The Company has strategy, which includes identifying opportunities for carbon abatement, investing in low carbon growth and tapping into opportunities presented by the emerging low carbon technologies. It has identified abatement levers, low carbon growth opportunities and carbon offset opportunities towards that end. The carbon abatement measures are chosen on the basis of the techno-commercial feasibility of implementation, maturity and availability of technologies and the magnitude of emissions reduction. The Company has become part of the global disclosure programme (CDP) for the first time this year. The climate change policy can be accessed at https://www.tatasteellp.com/performance-corporate-governance/.

3. Does the Company identify and assess potential environmental risks? Y/N

   Yes. The Company has a formal process for Enterprise Risk Management ('ERM'). Through ERM process analysis potential environmental risks are identified at business level. The identified risks are assessed. Relevant action plans are prepared

ANNEXURE F Contd.

for the mitigation of risks and it is periodically reviewed. The Company has also adopted ISO 140001 and its provisions are systematically implemented and audited time to time to check the efficacy. Aspect-Impact analysis with rating system is in place for assessing operational environmental impacts at site. Impact register is periodically reviewed for keeping it updated and for improving environmental performance. Environmental Management Plan ('EMP') is in place for mitigating the environmental impacts thus reducing operational environmental risks.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

   Yes. Clean Development Mechanism ('CDM') is an integral part of the Company's strategy for carbon conscious growth of the organisation. Few projects having potential to qualify for CDM are -

   1) Waste heat recovery based power plant of DRI plant
   2) Waste heat recovery based power plant of Coke Oven plant
   3) Recovery and utilisation of Blast furnace gas

   As a voluntary disclosure the CO_2 foot print of the Company is being shared under CDP (Carbon disclosure Project) this year. The Environmental Compliance report is submitted regularly on half-yearly basis to statutory bodies.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

   Yes. The Company has taken various initiatives to address clean technology, energy efficiency etc. Some of the initiatives taken by the Company are as follows:

   Energy Efficiency:

   During FY20 reduction in fossil fuel usage was done through process improvement and by use of by product fuels viz. Blast Furnance ("BF") gas & Char. Reduction of Auxiliary power consumption; Reduction of coke rate and increased Pulverised Coal Injection (PCI) at blast furnace; Increased Char utilisation in Captive Power Plant (CPP) are some important levers in reduction of non-renewable energy in process. Several energy conservation measures viz. replacement of defective motors with Energy efficient motors class IE-3; replacement of conventional light fittings by energy efficient LED light fittings were initiated. Through consistent efforts, energy consumption has been reduced from 6.271 GigaCal /T to 5.404 GigaCal/T during FY20.

   Waste Management

   An integrated mechanism to maximise the waste utilisation within the operations exists by which all ferrous waste are identified and used back in sintering process within the plant. As part of circular economy the potential of all waste generated is thoroughly examined and their re-use potential is explored before they are rejected as waste. Long term tie-ups have been worked out for mass utilisation of blast furnace slag and fly ash (weblink: https://www.tatasteellp.com under section 'environment').

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

   Yes. The Company emissions/waste generated reports are regularly submitted to CPCB/SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

   No show cause/ legal notices were received from CPCB/SPCB during the Financial Year 2019-20.

Principle 7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   Yes, Tata Steel Long Products Limited (Formerly Tata Sponge Iron Limited) is a part of:

   a. Confederation of Indian Industry (CII)
   b. Mining Engineers' Association of India
   c. Indian Steel Association

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   Yes. (Governance and Administration, Economic Reforms, Inclusive Development Policies, Environment Policy, Affirmative Action, etc)

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, company's Corporate Social Responsibility ("CSR") policy advocates working towards ensuring inclusive growth of its surrounding community. While a concerted, structured CSR approach for its new location is yet to be deployed, the Company has been able to implement its programs very effectively for the communities around its Joda plant. Going by the fact that almost 77% of the community belongs to the ST/SC category, the Company has adopted an Affirmative Action Policy and initiatives thereto, towards implementing projects/programs/ activities to ensure inclusive growth – these initiatives have been divided into the following 5 major heads:

a. Education – overall, from nursery to gradation & beyond

b. Employability – involving skill & capability building programs

c. Entrepreneurship – to ensure gainful engagement

d. Employment – direct and indirect employees serving the Company

e. Essential services – ensuring basic comforts in sanitation & hygiene, drinking water, health related services, etc.

To effectuate, the Company adopted the Tata Affirmative Action Program (TAAP) model in 2010 and since then, has calibrated its endeavors to bring about perceptible improvements in the areas mentioned above. With a view to assess its performance, identify opportunities for improvement and implement new practices, the Company has been undergoing external assessment cycles.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?

For all its core programs, the Company has hired the services of experts, which includes NGOs, subject matter experts and agencies of repute. Besides, over the years, the Company has also developed its own expertise in managing some of the regular implementation programs which it conducts internally.

Apart from the above, the Company has developed an NGO, Vidya Shakti Niyas, which is a non-dependent, charitable Trust formed primarily by the spouses of company employees stationed in Joda, for the upliftment of unprivileged people in & around nearby villages, and in particular, for the inclusive growth of women & children. It has been involved in several interventions that benefit the village women & children, particularly in the sectors of education, livelihood and health.

3. Have you done any impact assessment of your initiative?

While a formal impact assessment has not been carried, the Company conducts an annual perception survey of its rural services activities in which it circulates questionnaires concerning all the major activities of the Company, among senior persons from the local villages, the Gram Panchayat members and ex-members, local teachers and decision makers, apart from a group of beneficiaries. The ratings thus received serve as an indicator of the approval of the beneficiary group, of all the CSR activities that the Company was involved during the previous year, while also revealing the areas of improvement.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The Company has spent a sum of ₹320.88 lakh during the last financial year (FY20).

Details of Projects:

S. No	Sub No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken
1.	**Project: "Swabhiman":**			
	1.1	In partnership with Govt. of Odisha, construction of about 1100 rural individual household toilets and bathrooms including water facilities in 5 villages of Birikla Panchyat. Implementation period: 7 years - FY16 to FY22	Preventive healthcare & sanitation	Local area: Five villages in Birikala Gram Panchayat, Block-Joda, Dist-Keonjhar, Odisha
	1.2	Boulder Packing Implementation period: 1 years - (FY' 20)	Preventive healthcare & sanitation	Local area: Lahanda villages in Birikala Gram Panchayat, Block-Joda, Dist-Keonjhar, Odisha

ANNEXURE F Contd.

2.	**Project: "Jal Dhara"**			
	2.1	Boring of Tube-wells, their Maintenance and Supply of Drinking Water Implementation period: 6 years - FY'15 to FY' 20	Safe Drinking water	Local Area: Birikala, Anseikala, Deojhar, Chamkpur & Kandara Gram Panchayat of Joda Block, Dist-Keonjhar, Odisha
	2.2	Provision of drinking water supply to entire village of Bileipada (~230 houses) Implementation period: FY20	Safe Drinking Water	Local Area : Bileipada village in Birikala Gram Panchayat, Block-Joda, Dist-Keonjhar, Odisha
3.	**Project: "Prarambh"**			
	3.1	Build education capability of all 67 Anganwadi centers, covering 5 Gram Panchayats over a period of five years and Construction of 12 Model Anganwadi Centers & Boundary wall Implementation period: 6 years - FY'15 to FY' 20	Promoting Education	Local Area: Birikala, Anseikala, Deojhar, Chamakpur and Kandara Gram Panchayat of Joda Block, Dist-Keonjhar, Odisha
	3.2	Primary School Learning Centre (PLC) at various primary schools in 5 GPs Implementation period: 3 years - FY19 to FY' 21	Promoting Education	Local Area: Birikala, Anseikala, Deojhar, Chamakpur and Kandara Gram Panchayat of Joda Block, Dist-Keonjhar, Odisha
4.	**Project Vidyarthi**			
	4.1	Pre-matric coaching class (Standards IX & X) for students Implementation Period : FY19 to FY21	Promoting Education	Local Area: Birikala, Anseikala, Deojhar, Chamakpur and Kandara Gram Panchayat of Joda Block, Dist. Keonjhar, Odisha
	4.2	Annual Science Exhibition Implementation Period : FY16 to FY20	Promoting Education	Local Area: Birikala, Anseikala, Deojhar, Chamakpur and Kandara Gram Panchayat of Joda Block, Dist. Keonjhar, Odisha
	4.3	Protsahan – Scholarship Program for meritorious students Implementation Period : FY16 to FY20	Promoting Education	Local Area: Birikala, Anseikala, Deojhar, Chamakpur and Kandara Gram Panchayat of Joda Block, Dist. Keonjhar, Odisha
5.	**Project Sakshyam**			
	5.1	Development of modern farming facility Implementation period : FY18 to FY20	Promoting Livelihood	Local Area: Ramchandrapur Village in Chamakpur Gram Panchayat Dist. Keonjahr, Odisha
	5.2	Facilitation of Barbed wire fencing in Agricultural project Implementation Period : FY20	Promoting Livelihood	Local Area: Lahanda & Kaliabeda, Village of Birikala Gram Panchayat, of Joda Block, Dist. Keonjhar, Odisha
6.	**Project Krida**			
	6.1	Organisation of football, Volley ball & Cricket tournament Implementation Period : FY17 to FY21	Promoting Sports	Local Area: Lahanda & Kaliabeda, Village of Birikala Gram Panchayat, of Joda Block, Dist. Keonjhar, Odisha
	6.2	Provision for Mini Stadium Implementation Period : FY19 to FY2	Promoting Sports	Local Area : Bilaipada Village of Birikala Gram Panchayat of Joda Block, Dist. Keonjhar, Odisha

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   To ensure that the community takes keen interest in adopting company's CSR initiatives, most of the programs have been modelled on the basis of active participation by the beneficiary group. This collaborative approach has helped the programs to become sustainable.

   As a process, the selection of all CSR projects & programs involves active involvement of the beneficiary group in identification of such projects. A detailed baseline and need assessment survey was conducted by the Company to assess the short term & long term needs of the community in the surrounding. These were then prioritised based on a systematic process and all required resources were identified and approved by the management. Before implementation, involvement of the beneficiary group is clearly discussed and only after receiving their contribution, the implementation is carried forward. Specially for all the long term projects involving high expenditures, company has ensured the elements of sustainability, participatory approach and transparency and volunteering, to evince the interests of the beneficiary group not only in implementing, but also keeping it alive & prospering, for their own benefit.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

   No, Customer complaints/consumer cases are pending as on March 31, 2020.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)

   Yes, Pellets are tagged with the name of the Company in paper stickers. Finished Wire Rods have aluminium tags with the name of the Company.

   Sponge iron is sold either in bagged or in loose condition. The bags have Tata Logo on them which is not legally mandated. Apart from that along with invoices Test Certificates are raised as per IS: 15774:2007.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so

   No cases were filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year 2019-20.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

   The Company carries out Customer Satisfaction Survey at regular intervals.

ANNEXURE G

Form AOC-1

Statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014]

Part "A": Summary of Financial Information of Subsidiary

(₹ in lakh)

Sl. No.	Particulars	Details
1.	Date of becoming Subsidiary	November 20, 2012
2.	Start date of accounting period of subsidiary	April 01, 2019
3.	End date of accounting period of subsidiary	March 31, 2020
4.	Country	India
5.	Name of the subsidiary	TSIL Energy Limited
6.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A
7.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR (Indian Rupees)
8.	Share capital	106.01
9.	Reserves & surplus	20.02
10.	Total assets	126.92
11.	Total Liabilities	0.89
12.	Investments	126.55
13.	Turnover	-
14.	Profit before taxation	4.51
15.	Provision for taxation	-
16.	Profit after taxation	4.51
17.	Proposed Dividend	NA
18.	% of shareholding	100%

1. Names of subsidiaries which are yet to commence operations: TSIL Energy Limited

2. Names of subsidiaries which have been liquidated or sold during the year: N.A

Part "B": Associate and Joint Ventures

Statement Pursuant to Section 129(3) of the Companies Act,2013 related to Associate Companies and Joint Venture

The Company does not have any Associate and Joint Venture Companies as at March 31, 2020.

For and on behalf of the board of directors

	Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
	T.V. Narendran	**Ashish Anupam**	**S. K. Mishra**	**Sanjay Kumar Shrivastav**	**Sanjay Kasture**
Jamshedpur	Chairman	Managing Director	Chief Financial Officer	Joint Chief Financial Officer	Chief Risk & Compliance Officer and Company Secretary
June 09, 2020	DIN: 03083605	DIN: 08384201	PAN: ABXPM8635K	PAN: ADSPS6094H	ACS: 24429

ANNEXURE H

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2020

[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 LONG PRODUCTS LIMITED
(Formerly "Tata Sponge Iron Limited")
CIN: L27102OR1982PLC001091
P.O. Joda, Dist. Keonjhar
Odisha-758034

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TATA STEEL LONG PRODUCTS LIMITED (Formerly "Tata Sponge Iron Limited")** (hereinafter called the Company). Secretarial Audit was conducted in accordance with the Guidance Note issued by the Institute of Company Secretaries of India (A statutory body constituted under the Company Secretaries Act, 1980) and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

The Company's Management is responsible for preparation and maintenance of secretarial records and for devising proper systems to ensure compliance with the provisions of applicable laws and regulations.

Our responsibility is to express an opinion on the secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and read with the Statutory Auditors' Report on Financial Statements and Certificate on Compliance of the conditions of Corporate Governance and also the information provided by the Company, its officers; agents and authorised representatives during the conduct of secretarial audit, including by way of remote audit, we hereby report that in our opinion and to the best of our information, knowledge and belief and according to the explanations given to us, the Company has, during the audit period covering the financial year ended on March 31, 2020 generally complied with the applicable 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 maintained by the Company for the financial year ended on March 31, 2020 according to the applicable provisions of:

1. The Companies Act, 2013 (the Act) and the Rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act; 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB) to the extent applicable to the Company:- **As reported to us, there were no FDI and ODI transactions in the Company during the year under review.**
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act) to the extent applicable to the Company:-
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; As replaced by the SEBI (Share Based Employee Benefits) Regulations, 2014; **Not applicable during the year**.
   e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not applicable during the year**.

ANNEXURE H Contd.

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 - **The Company has duly appointed a SEBI authorised Category I Registrar and Share Transfer Agent as required under Law**.

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **No Delisting was done during the year**.

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **No Buyback was done during the year**.

6. Based on the compliance mechanism established by the Company and on the basis of the Certificates placed before the Board and taken on record by the Directors at their meetings, we are of the opinion that the Company has adequate systems and processes commensurate with its size and operations to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

7. The following other Laws specifically applicable to the Company, as reported to us and to the extent applicable to it have also been complied:–

a) The Factories Act, 1948.

b) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

c) The Water (Prevention and Control of Pollution) Act, 1974.

d) The Air (Prevention and Control of Pollution) Act, 1981.

e) The Mines and Minerals (Development and Regulation) Act, 1957.

f) The Industrial Disputes Act, 1947.

We have also examined compliance with the applicable clauses of the following:

i. Secretarial Standards issued by the Institute of Company Secretaries of India;

ii. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that as far as we have been able to ascertain -

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors and the changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.

3. Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

4. The total amount required to be spent by the Company on CSR was ₹320.31 lakh and the amount actually spent during the year under report was ₹320.88 lakh.

We further report that, as informed to us, during the audit period the Company has had the following specific events/updates:-

5.A. In the month of November 2012, Ministry of Coal ("MoC") issued notices to the Company for invocation of bank guarantee of ₹3,250 lakh submitted towards performance of conditions for allocation of Radhikapur (East) coal block against which the Company had filed a writ petition in the Hon'ble High Court of Delhi, which directed the Company to keep the bank guarantee valid till November 30, 2015 by which date the MoC was directed to take decision. The bank guarantee expired after November 30, 2015 and had not been renewed, since no communication had been received from MoC. Subsequently, MoC issued a notice dated December 28, 2015, stating that the bank guarantee be invoked and the aforesaid amount be deposited. Consequent to MoC's notice, the Company has moved to the Hon'ble High Court of Delhi. In the judgment dated May 27, 2020,the Hon'ble High Court of Delhi remanded the matter to MoC to consider afresh on the aspect whether the delay in achieving the milestones is attributable to the Company and has directed the Company to ensure that the bank guarantee furnished by it is kept alive till the said decision is rendered by the MoC. Pending finalisation of the matter, the amount continues to be disclosed as a contingent liability.

B. (i) During pendency of the aforesaid matters in Hon'ble High Court of Delhi, the Hon'ble Supreme Court of India vide its order dated September 24, 2014 had cancelled allocation of 214 coal blocks including the Radhikapur (East) Coal Block which was allotted to the Company on February 7, 2006. The amount incurred on the Radhikapur (East) Coal Block upto March 31, 2020 aggregates to ₹18,040.96 lakh, (December 31, 2019: ₹18,040.96 lakh, March 31, 2019: ₹18, 040.96 lakh), and the carrying amount in the books

net of depreciation and write off as at March 31, 2020 is ₹17,893 lakh (December 31, 2019 is ₹17,896 lakh, March 31, 2019: ₹17,905 lakh).

(ii) Pursuant to the judgment of Hon'ble Supreme Court of India, the Government of India had promulgated Coal Mines (Special Provision) Rules, 2014 ("Rules") for allocation of the coal mines through auction and matters related thereto. In terms of the said Rules, the successful bidder will be called upon to pay to the prior allocattee the expenses incurred by the prior allocattee towards land and mine infrastructure. Pursuant to the judgement dated March 9, 2017 of the Hon'ble High Court of Delhi in W.P (c) 973/2015, the directives of MoC vide its letter dated February 1, 2018 and as per details prescribed by Nominated Authority ,the Company has furnished the required statement of expenses and other details in the prescribed format on February 22, 2018. Relying on the legal position and legal opinion obtained by the Company in respect of the recoverability of the amount, no provision is considered necessary.

We further report that:-

a. Acquisition of Steel Business undertaking of Usha Martin Limited

The Company, as a part of its strategy to grow in long products, executed definitive agreements for acquisition of steel business of Usha Martin Limited ('UML'), a special steel and wire rope manufacturer, through a slump sale on a going concern basis. The Company had been evaluating various strategic options to enhance its product portfolio and had identified an entry into steel manufacturing in long products as a route to ensure sustainable value creation for its shareholders.

On April 09, 2019, the Company completed the acquisition of steel business undertaking including captive power plants pursuant to a cash consideration (after adjustment for negative working capital and debt like items) payable to Usha Martin Limited of ₹4,094 crore (Rupees Four Thousand Ninety Four crore only). Subsequently the negative net working capital amount after transfer of the iron ore mines increased and the net cash consideration of the takeover was reduced to ₹4,049 crore (Rupees Four Thousand Forty Nine crore only).

The above transactions included a green field coal block with corresponding performance obligation by way of bank guarantee to the Nominated Authority, Ministry of Coal towards development of the said coal block. Post acquisition, the Company has assessed the social and environmental challenges for the development of the coal block and have come to the view that the performance obligations of developing the coal blocks look challenging to fulfill. Accordingly, the Company, as a matter of prudence, has taken provision related to the aforesaid bank guarantee.

b. Issue of Equity Shares on Rights Basis

The Board at its meeting held on October 24, 2018, approved the issuance of fully paid up ordinary shares of the Company, by way of a rights issue to the existing shareholders of the Company upto an amount not exceeding ₹1,800 crore (Rupees Eighteen Hundred crore only).

Subsequently, the Committee of Board at its meeting held on June 13, 2019, approved the issuance of 3,30,00,000 equity shares of face value of ₹10 each, on a rights basis, not exceeding an amount of ₹1,650 crore (Rupees One Thousand Six Hundred Fifty crore only) by the Company to the eligible equity shareholders. The Rights Entitlement ratio was fixed in the ratio of 15:7. The issue price was fixed to ₹500 per Rights Equity Share (including a premium of ₹490 per Rights Equity Share). The said issue opened for subscription by shareholders on July 02, 2019 and closed on July 16, 2019.

On July 24, 2019, the Company allotted 2,97,00,000 Rights Equity Shares at a price of ₹500 per Rights Equity Share (including a premium of ₹490 per Rights Equity Share) having face value ₹10 each for an amount aggregating to ₹1,485 crore (Rupees One Thousand Four Hundred Eighty Five crore only), to the eligible equity shareholders of the Company.

Accordingly, pursuant to the aforesaid Allotment, the paid-up equity share capital of the Company has increased from ₹15,40,00,000/- to ₹45,10,00,000/- consisting of 4,51,00,000 equity shares of face value of ₹10 each.

c. Issue of Non-Convertible Redeemable Preference Shares

The Board at its meeting held on October 24, 2018, approved the issuance of Non-Convertible Redeemable Preference Shares ("NCRPS") of upto ₹1,000 crore (Rupees One Thousand crore only) to Tata Steel Limited on Private Placement basis, subject to the approval of Shareholders of the Company.

Subsequently, the Shareholders of the Company at its Extra-Ordinary General meeting held on December 14, 2018, approved the offer and issuance of 11.30% NCRPS for an amount not exceeding ₹1,000 crore (Rupees One Thousand crore only) to Tata Steel Limited on Private Placement basis.

However, the Company is yet to issue Non-Convertible Redeemable Preference Shares to Tata Steel Limited.

ANNEXURE H Contd.

d. Change of Name of the Company

In order to align the name of the Company with the newly acquired steel business undertaking of Usha Martin Limited, which is one of the main business activities of the Company, the Board at its meeting held on April 18, 2019 approved the proposal to change the name of the Company from "Tata Sponge Iron Limited" to "Tata Steel Long Products Limited", subject to the approval of the Shareholders of the Company and Central Government.

Subsequently, the shareholders at the Annual General Meeting of the Company held on July 15, 2019 approved the proposal of change in name of the Company and consequently, with the approval of the Central Government, the name of the Company was changed from "Tata Sponge Iron Limited" to "Tata Steel Long Products Limited" effective August 20, 2019.

e. Shifting of Registered Office of the Company from The State of Odisha to the state of West Bengal

The Board of Directors of the Company at its meeting held on April 18, 2019, accorded its approval for shifting of registered office of the Company, from the State of Odisha to the State of West Bengal. Subsequently, the Shareholders of the Company, accorded their approval to the said proposal, at the 36th Annual General Meeting of the Company held on July 15, 2019.

However, basis the feedback received from the key stakeholders, the Board, at its meeting held on June 09, 2020, decided not to pursue the said proposal of shifting the registered office of the Company, for the time being. Hence, the registered office of the Company will continue to be at Joda, Odisha.

f. Issue of Commercial Paper

During the year under review, considering the working capital requirements, the Company has issued, allotted and listed Commercial Paper(s) in the Stock Exchanges, viz. BSE Limited and National Stock Exchange of India Limited.

The details of issue are as under:

Name of the Investor & Scheme	No. of Units of CPs	Face Value per unit (₹)	Face Value (₹ in crore)	Interest Rate	Redemption Date	Details of Credit Rating
Investor: State Bank of India Mutual Fund Scheme: SBI Mutual Fund - SBI Magnum Ultra Short Duration Fund	4,000	500,000	200	5.65%	March 12, 2020	India Ratings & Research Pvt Ltd = IND AI + ICRA = ICRA A1+

g. Creation of Charges

During the year under review, considering the working capital requirements, the Company has created three (3) nos. of charges, the details of which are given below:

(₹ crore)

Sr. No	Charge Holder Name	Date of Creation	Amount (₹)
1.	Axis Bank Limited	February 02, 2020	200
2.	IDBI Trusteeship Services Limited	December 17, 2019	2900
3.	ICICI Bank Limited	September 03, 2019	450

h. The Company was conferred with the "Best Governed Company" Award under "Emerging Category- Listed Segment" at the 19th ICSI National Awards for excellence in corporate governance held at New Delhi on January 10, 2020 by the Institute of Company Secretaries of India.

i. Pursuant to SEBI circular dated October 10, 2019, the Company and the statutory auditors have executed an addendum to the engagement letter on February 10, 2020 mentioning therein inter alia the details of responsibilities of the Company and the auditors respectively.

It is stated that the compliance of all the applicable provisions of the Companies Act, 2013 and other laws is the responsibility of the management. We have relied on the representation made by the Company and its Officers for systems and mechanism set-up by the Company for compliances under applicable laws. Our examination, on a test-check basis, was limited to procedures followed by the Company for ensuring the compliance with the said provisions. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted its affairs. We further state that this is neither an audit nor an expression of opinion on the financial activities / statements of the Company. Moreover, we have not covered any matter related to any other law which may be applicable to the Company except the aforementioned corporate laws of the Union of India.

(S. M. Gupta)
Partner

Sd/-
S. M. GUPTA & CO.
Company Secretaries
Firm Registration No.: P1993WB046600
Membership No: FCS – 896
CP No: 2053
Peer Review No: 718/2020
UDIN: F000896B000324769

Kolkata
June 09, 2020

Enclo: Annexure 'A' forming an integral part of this Report

ANNEXURE A

The Members,
TATA STEEL LONG PRODUCTS LIMITED
(Formerly Tata Sponge Iron Limited)
P.O Joda, Dist. Keonjhar, Odisha-758034

Our Report of even date is to be read alongwith this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on such secretarial records based on our audit.
2. We have followed the audit practices and processes as we considered appropriate to obtain reasonable assurance on the correctness and completeness of the secretarial records. Our verification was conducted on a test basis to ensure that all entries have been made as per statutory requirements. We believe that the processes and practices we followed for this purpose provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Wherever required, we have obtained Management representation with respect to compliance of laws, rules and regulations and of significant events during the year.
5. The compliance of the provisions of corporate and other applicable laws, rules and regulations is the responsibility of the management. Our examination was limited to the verification of secretarial records on test basis to the extent applicable to the Company.
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.
7. This Audit Report is being issued under the conditions of Lockdown due to COVID-19 with limited available resources and the audit has been done both in physical and electronic mode.

(S. M. Gupta)
Partner

Sd/-
S. M. GUPTA & CO.
Company Secretaries
Firm Registration No.: P1993WB046600
Membership No: FCS – 896
CP No: 2053
Peer Review No: 718/2020
UDIN: F000896B000324769
Peer Review No: 718/2020

Kolkata
June 09, 2020

ANNEXURE I

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

As on March 31, 2020

Pursuant to Section 92(3) of the Companies Act, 2013, and
[Read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and Other Details

i	CIN	L27102OR1982PLC001091
ii	Registration Date	July 31, 1982
iii	Name of the Company	Tata Steel Long Products Limited (Formerly Tata Sponge Iron Limited)
iv	Category / Sub-Category of the Company	Public listed Company having share capital
v	Address of the Registered office and contact details	P.O. Joda, Dist – Keonjhar, Odisha – 758 034 Tel No. 06767 – 278178 Fax No. 06767 – 278159 E-mail: investorcell@tatasteellp.com Website: www.tatasteellp.com
vi	Whether listed company (Yes / No)	Yes
vii	Name, Address and Contact details of Registrar and Transfer Agent	TSR Darashaw Consultants Private Limited (Formerly TSR Darashaw Limited) 6-10 Haji Moosa Patrawala Industrial House 20, Dr. E. Moses Road Near Famous Studio Mahalaxmi Mumbai – 400 011 Tel No.: 022 66568484 Fax No.: 022 66568494 E-mail: csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com

II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated.

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Manufacture of basic iron & steel	241	98%

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name of the Company	Address	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	Tata Steel Limited	Bombay House, 24 – Homi Modi Street, Fort, Mumbai - 400001	L27100MH1907PLC000260	Holding	75.91%	2(46)
2.	TSIL Energy Limited	Tata Sponge (now Tata Steel Long Products) Administrative Building Bileipada, P.O. - Baneikala, Joda, Odisha - 758038	U40109OR2012PLC016232	Subsidiary	100%	2(87)(ii)

ANNEXURE I Contd.

IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 01, 2019)				No. of Shares held at the end of the year (as on March 31, 2020)				% change
	Electronic	Physical	Total	%	Electronic	Physical	Total	%	
A. Promoter									
1. Indian									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c) State Government	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	83,93,554	0	83,93,554	54.50	3,42,37,521	0	3,42,37,521	75.91	21.41
e) Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(1)	**83,93,554**	**0**	**83,93,554**	**54.50**	**3,42,37,521**	**0**	**3,42,37,521**	**75.91**	**21.41**
2. Foreign									
a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
b) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
c) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
d) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(2)	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	**83,93,554**	**0**	**83,93,554**	**54.50**	**3,42,37,521**	**0**	**3,42,37,521**	**75.91**	**21.41**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds/UTI	2,63,383	1,550	2,64,933	1.72	23,13,704	1,550	23,15,254	5.13	3.41
b) Banks / Financial Institutions	46,410	5,200	51,610	0.34	27,134	5,200	32,334	0.07	(0.26)
c) Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d) State Government	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	1,00,000	0	1,00,000	0.66	1,00,000	0	1,00,000	0.22	(0.43)
g) Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
i) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
j) Others									
Foreign Portfolio Investors (Corp.)	5,33,026	0	5,33,026	3.46	4,18,972	0	4,18,972	0.93	(2.53)
Sub-Total (B)(1)	**9,42,819**	**6,750**	**9,49,569**	**6.17**	**28,59,810**	**6,750**	**28,66,560**	**6.36**	**0.19**

Category of Shareholders	No. of Shares held at the beginning of the year (as on April 01, 2019)				No. of Shares held at the end of the year (as on March 31, 2020)				% change
	Electronic	Physical	Total	%	Electronic	Physical	Total	%	
2. Non-Institutions									
a) Bodies Corporate	6,27,975	7,600	6,35,575	4.13	7,09,201	6,600	7,15,801	1.59	(2.54)
b) Individuals									
i) Individual Shareholders holding nominal share capital up to ₹1 lakh	39,46,757	5,76,742	45,23,499	29.37	56,37,842	4,97,633	61,35,475	13.60	(15.77)
ii) Individual Shareholders holding nominal share capital in excess of ₹1 lakh	7,18,588	0	7,18,588	4.67	9,46,816	0	9,46,816	2.10	(2.57)
c) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
d) Others									
Trust	3,850	0	3,850	0.03	3,700	0	3,700	0.01	(0.02)
NBFCs registered with RBI	2,442	0	2,442	0.02	0	0	0	0.00	(0.02)
IEPF	1,72,923	0	1,72,923	1.12	1,94,127	0	1,94,127	0.43	(0.69)
Sub-Total (B)(2)	**54,72,535**	**5,84,342**	**60,56,877**	**39.33**	**74,91,686**	**5,04,233**	**79,95,919**	**17.73**	**(21.60)**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**64,15,354**	**5,91,092**	**70,06,446**	**45.50**	**1,03,51,496**	**5,10,983**	**1,08,62,479**	**24.09**	**(21.41)**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**1,48,08,908**	**5,91,092**	**1,54,00,000**	**100.00**	**4,45,89,017**	**5,10,983**	**4,51,00,000**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sl. No	Shareholders' Name	Shareholding at the beginning of the year (April 01, 2019)			Shareholding at the end of the year (March 31, 2020)			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	
1.	Tata Steel Limited	83,93,554	54.50	0	3,42,37,521	75.91	0	21.41
	Total	**83,93,554**	**54.50**	**0**	**3,42,37,521**	**75.91**	**0**	**21.41**

(iii) Change in Promoter's Shareholding

Particulars	Shareholding		Cumulative Shareholding	
	No. of Shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
Tata Steel Limited				
At the beginning of the year (April 01, 2019)	83,93,554	18.61	83,93,554	18.61
Increase during the year (Allotment pursuant to Rights Issue)	2,58,43,967	57.30	3,42,37,521	75.91
At the end of the year (March 31, 2020)	3,42,37,521	75.91	3,42,37,521	75.91

ANNEXURE I Contd.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No	Name of the ShareHolder	No of Shares at the beginning of the year	% of total shares of the Company at the beginning of the year	Cummlative Shares during the year	% of total shares of the Company during the year
1.	**Reliance Capital Trustee Company Limited - A/C Reliance Tax Saver (Elss) Fund**				
	At the beginning of the year	2,53,383	0.56	2,53,383	0.56
	Bought during the year	20,25,833	4.49	22,79,216	5.05
	Sold during the year	0	0.00	22,79,216	5.05
	At the end of the year	22,79,216		22,79,216	5.05
2.	**Investor Education And Protection Fund Authority, Ministry of Corporate Affairs**				
	At the beginning of the year	1,72,923	0.38	1,72,923	0.38
	Bought during the year	21,204	0.05	1,94,127	0.43
	Sold during the year	0	0.00	1,94,127	0.43
	At the end of the year	1,94,127		1,94,127	0.43
3.	**Emerging Markets Core Equity Portfolio (The Portfolio) Of Dfa Investment Dimensions Group Inc. (DFAIDG)**				
	At the beginning of the year	63,846	0.14	63,846	0.14
	Bought during the year	1,36,812	0.30	2,00,658	0.44
	Sold during the year	(11,802)	(0.03)	1,88,856	0.42
	At the end of the year	1,88,856		1,88,856	0.42
4.	**The Emerging Markets Small Cap Series of the DFA Investment Trust Company**				
	At the beginning of the year	42,664	0.09	42,664	0.09
	Bought during the year	79,915	0.18	1,22,579	0.27
	Sold during the year	(17,359)	(0.04)	1,05,220	0.23
	At the end of the year	1,05,220		1,05,220	0.23
5.	**General Insurance Corporation of India**				
	At the beginning of the year	1,00,000	0.22	1,00,000	0.22
	Bought during the year	0	0.00	1,00,000	0.22
	Sold during the year	0	0.00	1,00,000	0.22
	At the end of the year	1,00,000		1,00,000	0.22
6.	**Sanjeev Vinodchandra Parekh**				
	At the beginning of the year	99,564	0.22	99,564	0.22
	Bought during the year	0	0.00	99,564	0.22
	Sold during the year	0	0.00	99,564	0.22
	At the end of the year	99,564		99,564	0.22
7.	**Singhi Dinesh Kumar HUF**				
	At the beginning of the year	30,004	0.07	30,004	0.07
	Bought during the year	75,000	0.17	1,05,004	0.23
	Sold during the year	(21,794)	(0.05)	83,210	0.18
	At the end of the year	83,210		83,210	0.18

Sl. No	Name of the ShareHolder	No of Shares at the beginning of the year	% of total shares of the Company at the beginning of the year	Cummlative Shares during the year	% of total shares of the Company during the year
8.	**Ajai Hari Dalmia**				
	At the beginning of the year	78,233	0.17	78,233	0.17
	Bought during the year	0	0.00	78,233	0.17
	Sold during the year	0	0.00	78,233	0.17
	At the end of the year	78,233		78,233	0.17
9.	**Smc Global Securities Limited**				
	At the beginning of the year	5,108	0.01	5,108	0.01
	Bought during the year	2,19,593	0.49	2,24,701	0.50
	Sold during the year	(1,56,323)	(0.35)	68,378	0.15
	At the end of the year	68,378		68,378	0.15
10.	**Sanjeev Arora**				
	At the beginning of the year	5,468	0.01	5,468	0.01
	Bought during the year	95,468	0.21	1,00,936	0.22
	Sold during the year	(50,468)	(0.11)	50,468	0.11
	At the end of the year	50,468		50,468	0.11
11.	**LSV Emerging Markets Small Cap Equity Fund, LP**				
	At the beginning of the year	1,17,300	0.26	1,17,300	0.26
	Bought during the year	0	0.00	1,17,300	0.26
	Sold during the year	(97,876)	(0.22)	19,424	0.04
	At the end of the year	19,424		19,424	0.04
12.	**Vikram Singh Mauli Singh Negi**				
	At the beginning of the year	53,966	0.12	53,966	0.12
	Bought during the year		0.00	53,966	0.12
	Sold during the year	(39,918)	(0.09)	14,048	0.03
	At the end of the year	14,048		14,048	0.03
13.	**Brij Bhushan Agarwal**				
	At the beginning of the year	50,500	0.11	50,500	0.11
	Bought during the year	0	0.00	50,500	0.11
	Sold during the year	(38,373)	(0.09)	12,127	0.03
	At the end of the year	12,127		12,127	0.03
14.	**Government of The Province Of Alberta Managed By Comgest S.A**				
	At the beginning of the year	1,44,700	0.32	1,44,700	0.32
	Bought during the year	0	0.00	1,44,700	0.32
	Sold during the year	(1,36,440)	(0.30)	8,260	0.02
	At the end of the year	8,260		8,260	0.02

Notes:

1. The above information is based on the weekly beneficiary position received from Depositories.
2. The date wise increase or decrease in shareholding of the top ten shareholders is available on the website of the Company at www.tatasteellp.com
3. The % of total shares of the Company in respect of shares bought and sold during the year is calculated on the total share capital of the Company as on March 31, 2020.

ANNEXURE I Contd.

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No	Name of Directors/ Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Directors[1] Mr. Ashish Anupam, Managing Director	20	Refer Note 2 below	20	Refer Note 2 below
2.	Key Managerial Personnel[3] Mr. S. K. Mishra, Chief Financial Officer	250		250	

Notes:

[1] No other Directors of the Company, except Mr. Ashish Anupam, Managing Director, held shares of the Company during the year.

[2] This is less than 0.01% of the total shares of the Company.

[3] Mr. Sanjay Shrivastav, Joint Chief Financial Officer and Mr. Sanjay Kasture, Chief Risk & Compliance Officer and Company Secretary, held no shares of the Company during the year.

V. Indebtedness

(₹ in lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	-	-	-	-
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
• Addition*	2,65,000.00	7,00,000.00	-	9,65,000.00
• Reduction	-	7,00,000.00	-	7,00,000.00
Net Change	2,65,000.00	-	-	2,65,000.00
Indebtedness at the end of the financial year				
(i) Principal Amount	2,65,000.00	-	-	2,65,000
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	829.83	-	-	829.83
Total (i+ii+iii)	**2,65,829.83**	**-**	**-**	**2,65,829.83**

* Represents Gross Loan amount. Amount reported in Note 15 of the Financial statements of ₹2,64,407 lakh is after adjustment of upfront fees / loan issue expense deducted by Bank.

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in lakh)

Sl. No	Particulars of Remuneration	Mr. Ashish Anupam Managing Director*	Mr. Sanjay Kumar Pattnaik#
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	41.37	71.99
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	29.81
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	• As % of profit	-	-
	• Others (Performance Pay and Long-Term Incentive Pay)	42.74	69.03
5	Others, please specify	-	-
	(i) Retirals / Deputation Chargess	6.04	10.19
	Total (A)	**90.15**	**181.02**
	Overall Ceiling as per the Companies Act, 2013	NA	

* Mr. Ashish Anupam was appointed as the Managing Director of the Company, effective November 01, 2019.

Mr. Sanjay Kumar Pattnaik, ceased to be the Managing Director of the Company, effective October 31, 2019, on completion of his tenure.

B. Remuneration to other Directors:

(₹ in lakh)

Sl. No	Name	Commission**	Sitting Fees	Total Compensation
I	**Non-Executive Directors**			
	1. Mr. T.V. Narendran - Chairman~	-	-	-
	2. Mr. Koushik Chatterjee~	-	-	-
	3. Mrs. Meena Lall~	-	-	-
II	**Independent Directors**			
	1. Mr. P.C. Parakh	-	3.75	3.75
	2. Dr. Sougata Ray	-	2.50	2.50
	3. Dr. Ansuman Das $	-	1.60	1.60
	4. Mr. Srikumar Menon $	-	1.95	1.95
	5. Mr. Shashi Kant Maudgal $	-	2.60	2.60
	6. Ms. Neeta Karmakar^	-	-	-
	7. Mr. D.K. Banerjee*	-	1.10	1.10
	8. Dr. Omkar Nath Mohanty*	-	1.35	1.35
	9. Mr. Manoj T. Thomas*	-	0.90	0.90
	Total	**-**	**15.75**	**15.75**
	Grand Total	**-**	**15.75**	**15.75**
	Overall Ceiling as per the Companies Act, 2013		NA	

~ 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. No payment is also made to other directors.

* Mr. D.K. Banerjee and Mr. Manoj T. Thomas ceased as members of the Board effective July 14, 2019. Dr. O.N. Mohanty ceased to be Member of the Board effective July 15, 2019.

** No Commission was paid / payable to the Non-Executive Directors / Independent Directors of the Company, for FY20.

$ Mr. Srikumar Menon, Mr. Shashi Kant Maudgal and Dr. Ansuman Das were appointed as Additional Directors (Non-Executive, Independent) effective July 15, 2019.

^ Ms. Neeta Karmakar was appointed as Additional Director (Non-Executive, Independent) effective March 30, 2020

ANNEXURE I Contd.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in lakh)

Sl. No	Particulars of Remuneration	Key Managerial Personnel			Total amount
		Mr. S. K. Mishra (Chief Financial Officer)	Mr. Sanjay Kumar Shrivastav (Joint Chief Financial Officer)	Mr. Sanjay Kasture (Chief Risk & Compliance Officer and Company Secretary)	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1951	27.45	42.81	18.69	88.95
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1951	6.91	8.87	1.79	17.57
	(c) Profit in lieu of salary under Section 17(3) of the Income Tax Act, 1951	-	-	-	-
2.	Stock Options	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- As % of profit	-	-	-	-
	- Others (Performance pay)	19.28	13.43	7.83	40.54
5.	Others (Retirement benefit)	7.13	13.60	1.54	22.27
	Total (C)	**60.77**	**78.71**	**29.85**	**169.33**

Note: Mr. Sanjay Kumar Shrivastav was appointed as Joint Chief Financial Officer of the Company with effect from July 29, 2019. The remuneration figure is for the period he served as Joint Chief Financial Officer during FY20.

VII. Penalties / Punishment/ Compounding of Offences:

There were no penalties/ punishments/ compounding of offences for the financial year ended March 31, 2020.

Sd/-
Ashish Anupam
Managing Director
DIN: 08384201

Sd/-
Sanjay Kasture
Chief Risk & Compliance Officer
and Company Secretary
ACS: 24429

Jamshedpur
June 09, 2020

ANNEXURE J

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

[Pursuant to Section 134(3) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014]

(A) Conservation of Energy

i. Steps taken or impact on conservation of energy

1. Initiative for Reduction of Auxiliary Power consumption in Blast Furnace ("BF"), Direct Reduced Iron ("DRI"), Central Power Plant ("CPP"), Mills area:

- Power saving of 13000 Kilo Volt Ampere Hours ("KVAH") per day/day at BF-2 by restoration and re-commissioning of 6.6Kilo Volt ("KV"), 1900 Kilovolt-Ampere Reactive ("KVAR") rated Capacitor bank.
- 5280 kilowatt hour (Kwh) per day/day power saving achieved by shutting down of 220 KW pump moto in pump house area at BF-2.
- During DRI-5 shutdown, one 110 Kilowatt ("KW") Induced Draught ("ID") fan of DE-3 was stopped through modification of suction pipeline. This resulted in power saving of 2640 Kwh/day.
- 528 Kwh/day power saving at DRI Raw Material Handling system ("RMHS") 2&3 area by shutting down two 11KW screen motor in coal circuit of RMHS 2&3 through modifying chutes.
- The Continuous Mill ventilation system made to run in auto mode from manual mode at Blooming mill which resulted in power saving of 700 Kwh/day.
- 168 Kwh/day power saving achieved at Bloom mill through modification to single motor operation for hydraulic system in charging grate.
- At 30 Megawatt ("MW") CPP, the blades of Cooling Tower ("CT") fan 1&2 are changed from Glass Reinforced Plastic ("GRP") to Fibre Reinforced Plastic ("FRP") type which saves the power consumption of 912 Kwh/day.
- Reduction of 1056 Kwh/day in power consumption achieved in 25 MW CPP through Electrostatic Precipitator ("ESP") up-gradation.
- 900 Kwh/day power saving achieved through shutting down idle running of Belt conveyors through Distributed Control System ("DCS") at 40 TPH coal handling plant of CPP.

2. ~ 5.24% reduction in fuel rate at Blast Furnace from FY 2018-19 achieved through following major activities:

- Improvement of Coke CSR by 2.30% from FY 2018-19.
- Blending improvement by Purchased lower Al_2O_3 iron ore fines with own/captive mines for sinter making.
- ~50°C increase in hot blast temperature from FY 2018-19 by oxygen enrichment in combustion air of hot blast stove.

3. ~ 1.30% reduction in fuel rate at Sinter Plant from FY 2018-19 achieved through following major activities:

- Improvement of fuel crushing index has been done by 10%.
- 2.5 % to 5% of oxygen enrichment in combustion air before supply the air inside ignition furnace for better combustion of BF gas.
- Improvement of ~50°C ignition furnace temperature by installation of regulating valve/control valve in combustion air line to control the air flow.

4. ~ 7.96% reduction in coal consumption at DRI plant from FY 2018-19 achieved through following major activities:

- Carbon optimization has been done.
- Reduction of unborn carbon through Control burning of coal and arresting of air leakages.

ii. Steps taken by the Company for Utilising alternate sources of energy:

- Waste Heat of Coke Oven & DRI has been used for power generation through waste heat recovery Boiler. ~ 47.30% of total power has been generated in FY-19-20 through Waste Heat Recovery Boiler.
- Char, which is solid byproduct of DRI, has been utilized in CPP boiler for reduction of coal consumption. ~5.55% of total generated char has been used in CPP Boiler in FY-19-20.
- The Blast furnace gas has been used in Rolling mill furnaces, Sinter plant furnace, Blast furnace stoves area as fuel for heating purpose.

iii. Capital investment on energy conservation equipment:

During FY-19-20, TSLP does not have any capital Investment. Only small improvements and modification have been done during the year.

ANNEXURE J Contd.

B) Technology absorption:

i) Efforts made towards technology absorption:

- Replacement of defective motors with Energy efficient motors class IE-3.
- Replacement of conventional light fittings by energy efficient LED light fittings.

ii) Benefit derived like product improvement, cost reduction, product development, import substitution etc. from key projects:

The benefit derived through taking the steps for Energy Conservation are following:

- Energy consumption cost has been reduced by 16.66% from FY 18-19 at DRI, which resulted in reduction of DRI manufacturing cost.
- Energy consumption cost has been reduced by 16.94% from FY 18-19 at Blast Furnace, which resulted in reduction of hot metal manufacturing cost.
- Energy consumption cost has been reduced by 3.13% from FY 18-19 at Sinter, which resulted in reduction of Sinter manufacturing cost.
- Coal blend cost for power generation at 25 & 30 MW CPP has been achieved through reduction of 7.58% from FY 18-19.

iii) Information regarding imported technology (last three years):

a)	Technology imported	:	Nil
b)	Year of import	:	Nil
c)	Has technology been fully absorbed	:	Nil
d)	If not fully absorbed, areas where this has not taken place, reasons therefor and the plan of action	:	NA

iv) Expenditure incurred on Research and Development:

₹14.64 lakh were spent towards Research & Development during the financial year.

C) Foreign Exchange Earnings and Outgo:

The details of foreign exchange earnings and outgo are as follows:

Foreign exchange earnings: ₹7,129.98 lakh

Outgo: ₹46,854.19 lakh

On behalf of the Board of Directors

Sd/-
T.V. Narendran
Chairman
DIN: 03083605

Jamshedpur
June 09, 2020

ANNEXURE K

Particulars of Loans, Guarantees or Investments

[Pursuant to Section 186 of the Companies Act, 2013]

Amount outstanding as on March 31, 2020

(₹ lakh)

Particulars	Amount
Loans given	0
Guarantees given	0
Investments made	1,746.01

Loans, Guarantees given or Investments made during the Financial Year 2019-20

Particulars	Relation	Amount	Particulars of Loan, Guarantees given or Investments made	Purpose for which the loans guarantees and investment are proposed to be utilised
		None		

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of Tata Steel Long Products Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its total comprehensive income (comprising loss and other comprehensive income), its changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Emphasis of Matter

4. We draw your attention to Note 45 to the Standalone Financial Statements which explains the uncertainties and management's assessment of the financial impact due to the lockdown / restrictions related to the COVID-19 pandemic imposed by the Governments, for which a definitive assessment of the impact is dependent upon future economic conditions. 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 year. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Assessment of Purchase Price Allocation on acquisition of business in accordance with Ind AS 103, Business Combination and the appropriateness of the carrying value of the acquired Property, plant and equipment, Right-of-use assets, Other intangible assets and Goodwill as at the year end [Refer to Notes 02.07, 02.08 and 38 to the Standalone Financial Statements – "Business Combinations"] On April 9, 2019, the Company acquired the steel division of Usha Martin Limited, pursuant to the Business Transfer Agreement ("BTA") as described in the aforesaid Note. The Company determined the acquisition to be a business combination in accordance with Ind AS 103 'Business Combinations'. Ind AS 103 requires the identified assets and liabilities be recognised at fair value at the date of acquisition with the excess of the acquisition cost over the identified fair value of recognised assets and liabilities as goodwill. The Company appointed independent professional valuers to perform valuation of assets for the purpose of allocation of the consolidated purchase price to the respective assets and liabilities	Our procedures included the following: • We understood from the management, assessed the design and tested the operating effectiveness of the Company's key controls over the accounting of business combination and the impairment assessment. • We have evaluated the competence, capabilities and objectivity of the management's expert engaged for the PPA, obtained an understanding of the work of the expert, and evaluated the appropriateness of the expert's work as audit evidence. • We have traced the value of the consideration transferred with reference to the BTA. • We have carried out our evaluation, by involving our experts ("auditor's expert") to : i) review the PPA and assess the reasonableness of the underlying key assumptions used in determining the fair value of assets and liabilities as at the acquisition date.

Key Audit Matter	How our audit addressed the key audit matter
acquired (hereinafter referred to as 'the purchase price allocation' or 'the PPA'). The Management determined that the fair values of the net identifiable assets acquired was ₹404,297.54 lakh as part of the PPA and accordingly, the consideration paid in excess of the net assets acquired resulted in recognition of Goodwill of ₹565.55 lakh. Significant assumptions and estimates are used as of the date of acquisition in the determination of the fair values of the identified assets acquired and liabilities assumed in the transaction. Further, as at the year end, significant judgements were made by the management in respect of the future projections and the discount rate used in applying the value in use method in assessing the carrying value of the acquired Property, plant and equipment (including Capital work-in-progress), Right-of-use assets, Other intangible assets and the Goodwill. Accordingly, these are considered to be a key audit matter. The Management concluded that the recoverable amount is higher than their carrying values and that no impairment provision is warranted.	ii) review the management's assessment / method including the key assumptions related to the projections, the discount rate used in the assessment of the carrying values as at the year end. • We have verified the management's computation of goodwill. • We have also assessed the adequacy and appropriateness of the disclosures made in the Standalone Financial Statements. Based on our procedures performed above, we noted that the PPA of the consideration is in accordance with Ind-AS 103 Business Combination and that the carrying value of the acquired Property, plant and equipment (including Capital work-in-progress), Right-of-use assets, Other intangible assets and Goodwill as at the year end was appropriate.
Recovery of expenses and related disclosures of contingent liabilities for Radhikapur Coal Block [Refer to Note 33(d) and 33(e) to the Standalone Financial Statements] The Company has financial exposure aggregating ₹17,892.69 lakh (reflected in the Standalone Financial Statements as capital advances – ₹16,791.69 lakh, property, plant and equipment – ₹566.00 lakh, and capital work in progress – ₹535.00 lakh) incurred in earlier years, on the Radhikapur (East) Coal Block, which was deallocated pursuant to the Order of the Hon'ble Supreme Court of India in 2014. The Coal Mines (Special Provisions) Rules, 2014, promulgated pursuant to the aforesaid Order, prescribes that the successful bidder will be called upon to pay to the prior allotee, the expenses incurred by the prior allotee towards land and mine infrastructure. The Company has submitted the statement of expenses and other details to the Nominated Authority of the Ministry of Coal ('MoC'). The above matter is pending as on the balance sheet date. The MoC had also issued notice for invocation of the bank guarantee of ₹3,250 lakh in November 2012 towards performance conditions for original allocation of the coal block for which the Company filed a writ petition in Hon'ble High Court of Delhi. The bank guarantee had lapsed and not renewed after November 2015 as the Hon'ble High Court of Delhi had directed the Company to keep the bank guarantee live as well as to the MoC to take decision by that date, against which however, there was no communication from MoC by the said date. MoC again issued notice for invocation of bank guarantee / depositing amount in December 2015 for which the Company again filed a writ petition before Hon'ble High Court of Delhi. The Hon'ble High Court of Delhi in its judgement of May 27, 2020 remanded the matter to the MoC to consider afresh on the aspect whether the delay in achieving the milestones is attributable to the Company and has directed the Company to ensure that the bank guarantee furnished by it is kept alive till the said decision is rendered by the MoC. Pending finalisation of the matter, the amount has been disclosed as contingent liability. This is considered to be a key audit matter as significant judgements are involved regarding recoverability of the aforesaid amount incurred and possible obligation related to bank guarantee that is subject to decision/approvals of the regulatory authorities.	Our audit procedures included the following: • Evaluation of the design and testing of operating effectiveness of the controls implemented by the management to assess the recoverability of expenses incurred towards Radhikapur (East) Coal Block and related disclosures in the Standalone Financial Statements. • Obtained an updated understanding of the basis of the management's judgement including discussion with the Company's inhouse legal counsel. • Tested a sample of expenses incurred on the coal block. • Considered the legal opinion obtained by the management to understand the status and the management's assessment of the likely outcome of the on-going litigation. • Obtained evidence supporting the on-going discussions of the Company with the MoC/ Nominated Authority of MoC. Based on the above work performed, we found the management's judgement on assessment of recoverability of the related expenses incurred and the disclosure of the contingent liability in respect of performance guarantee for coal block allocation, to be reasonable.

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information in the Corporate Profile and the Director's Report along with the Annexures to the Director's Report included in the Company's annual report (titled as Tata Steel Long Products Limited Integrated Report & Annual Accounts 2019-20), 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 is 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 scepticism throughout the audit. We also:

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

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

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

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial

Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

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

    (e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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, if any, of pending litigations as at March 31, 2020 on its financial position in its Standalone Financial Statements – Refer Note 33 to the Standalone Financial Statements;

        ii. The Company has long-term contracts including derivative contracts as at March 31, 2020 for which there were no material foreseeable losses. Refer Note 46 to the Standalone Financial Statements;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020, except for amounts aggregating to ₹5.31 lakh, which according to information and explanations provided by the management is held in abeyance due to pending legal cases - Refer Note 47 to the Standalone Financial Statements.

        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

16. As stated in the note 36(C) to the Standalone Financial Statements, the Company has paid/ provided remuneration amounting to ₹192.71 lakh to managing directors which is subject to approval of shareholders by way of special resolution in the ensuing annual general meeting as required by section 197 read with Schedule V to the Act.

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

Pinaki Chowdhury
Partner
Membership Number 057572
UDIN: 20057572AAAAAL9421

Kolkata
June 9, 2020

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited) on the Standalone Financial Statements for the year ended March 31, 2020

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

1. We have audited the internal financial controls with reference to the Standalone Financial Statements of Tata Steel Long Products Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to the financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls,

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to the Standalone Financial Statements and such internal financial controls with reference to the Standalone Financial Statements were operating effectively as at March 31, 2020, 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. (Also refer paragraph 4 of the main audit report).

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

Pinaki Chowdhury
Partner
Membership Number 057572
UDIN: 20057572AAAAAL9421

Kolkata
June 9, 2020

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited) on the Standalone Financial Statements as of and for the year ended March 31, 2020

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

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

(c) The title deeds of immovable properties, as disclosed in Note 3 on Property, Plant and Equipment and Note 4 on Right-of-use assets to the standalone financial statements, are held in the name of the Company, except for the following immovable properties acquired pursuant to the business acquisition as stated in Notes 3.01 and 4 (f) respectively to the standalone financial statements, whose title deeds are not held in the Company's name:

Particulars	Gross Block (₹ in lakh)	Net Block (₹ in lakh)
Freehold Land	7,735.05	7,735.05
Building	71.10	62.89
Leasehold Land	86.54	83.66
Leasehold Building	330.00	322.63

Further, a reconciliation of the title deeds (which are in the physical possession of a bank for loans taken by the Company) in respect of freehold land (as reflected in underlying books and records of the Company) aggregating ₹30.80 lakh and gross block of leasehold buildings aggregating ₹3.02 lakh (net block ₹1.82 lakh), with the confirmation from the bank, is under process.

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

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

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

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of professional tax and income taxes, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including, provident fund (refer remarks below), employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 37.03 to the financial statements regarding management's assessment on certain matters relating to provident fund.

Further, for the period March 1, 2020 to March 31, 2020, the Company has paid Goods and Service Tax and filed Form GSTR 3B after the due date but within the timelines allowed by the Central Board of Indirect Taxes and Customs under the Notification Number 31/2020 dated April 3, 2020 on fulfilment of conditions specified therein, other than for one registration for which the Company is yet to pay Goods and Service Tax and file Form GSTR 3B for the period March 1, 2020 to March 31, 2020, for which the timeline is June 24, 2020 as per the aforesaid Notification.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service tax and goods and service tax as at March 31, 2020 which have not been deposited on account of any dispute. The particulars of dues of Income -tax, sales tax, duty of customs, duty of excise and value added tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lakh)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	640.43	2014-15 2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	221.09	2013-14	Income Tax Appellate Tribunal
Central Sales Tax Act, 1957	Central Sales Tax	66.71	2005-06	High Court of Orissa
Central Sales Tax Act, 1957	Central Sales Tax	6.02	1987-88 1992-93 1993-94 1998-99	Deputy Commissioner of Commercial Taxes
Orissa Sales Tax Act, 1947	Sales Tax	2.45	1992-93 2000-01	Assistant Commissioner of Sales Tax
Orissa Sales Tax Act, 1947	Sales Tax	6.10	1987-88 1989-90 1990-91 1988-89	Deputy Commissioner of Commercial Taxes
Customs Act, 1962	Customs Duty	3311.05	2012-13	Customs, Excise and Service Tax Appellate Tribunal
The Central Excise Act, 1944	Excise Duty	205.45	2011-12	Customs, Excise and Service Tax Appellate Tribunal
Orissa Value Added Tax Act, 2004	Value Added Tax	7.14	2005-06	Commissioner of Commercial Taxes

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 applicable, as at the balance sheet date.

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of further public offer (rights issue) and term loans have been applied, on an overall basis, for the purposes for which they were obtained.

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 such case by the Management.

xi. As stated in the note 36(C) to the financial statements, the Company has paid/ provided remuneration amounting to ₹192.71 lakh to managing directors which is subject to approval of shareholder by way of special resolution in the ensuing annual general meeting as required by section 197 read with Schedule V to the Act . Also Refer paragraph 16 of the Independent Auditors' Report of even date.

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 audit. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

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

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

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

Pinaki Chowdhury
Partner
Membership Number 057572
UDIN: 20057572AAAAAL9421

Kolkata
June 9, 2020

STANDALONE ACCOUNTS

STANDALONE BALANCE SHEET

as at March 31, 2020

₹ in lakh

	Notes	As at March 31, 2020	As at March 31, 2019
I Assets			
Non-current assets			
(a) Property, plant and equipment	03	4,07,145.60	21,973.09
(b) Right-of-use assets	04	23,952.20	-
(c) Capital work-in-progress	03	3,668.92	739.39
(d) Goodwill	39	565.55	-
(e) Other intangible assets	05	29,821.09	59.11
(f) Financial assets			
(i) Investments	06	1,746.01	12,261.57
(ii) Loans	07	98.96	11.28
(iii) Other financial assets	08	93.96	86.45
(g) Non current tax assets (net)	21 (ii)	3,670.35	2,973.73
(h) Other non-current assets	09	19,538.55	24,822.36
Total non-current assets		**4,90,301.19**	**62,926.98**
Current assets			
(a) Inventories	10	79,697.27	11,527.69
(b) Financial assets			
(i) Investments	06	-	12,096.23
(ii) Trade receivables	11	15,588.34	7,845.45
(iii) Cash and cash equivalents	12 (i)	5,802.73	16,319.33
(iv) Bank balances other than (iii) above	12 (ii)	10,358.36	18,420.38
(v) Loans	07	560.91	227.03
(vi) Derivative assets		819.88	-
(vii) Other financial assets	08	1,492.66	1,294.06
(c) Other current assets	09	12,182.16	1,771.13
Total current assets		**1,26,502.31**	**69,501.30**
Assets classified as held for sale	40	**838.66**	**-**
Total assets		**6,17,642.16**	**1,32,428.28**
II Equity and liabilities			
Equity			
(a) Equity share capital	13	4,510.00	1,540.00
(b) Other equity	14	1,97,151.40	1,06,807.23
Total equity		**2,01,661.40**	**1,08,347.23**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	2,64,407.37	-
(ii) Lease liabilities	04	8,903.59	-
(b) Provisions	16	7,019.98	1,190.03
(c) Deferred tax liabilities (net)	17	-	1,820.48
Total non-current liabilities		**2,80,330.94**	**3,010.51**
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	04	2,183.75	-
(ii) Trade payables	18		
- total outstanding dues of micro and small enterprises		1,084.76	106.62
- total outstanding dues of creditors other than micro and small enterprises		80,071.25	7,403.47
(iii) Other financial liabilities	20	15,072.35	425.23
(b) Provisions	16	21,703.22	5,497.13
(c) Other current liabilities	19	10,144.16	2,247.76
(d) Current tax liabilities (net)	21 (i)	5,390.33	5,390.33
Total current liabilities		**1,35,649.82**	**21,070.54**
Total liabilities		**4,15,980.76**	**24,081.05**
Total equity and liabilities		**6,17,642.16**	**1,32,428.28**
Notes forming an integral part of the standalone financial statements	1 to 49		

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

Sd/-
Pinaki Chowdhury
Partner
Membership No. 057572

Place: Kolkata
Date: June 9, 2020

For and on behalf of the Board of Directors

Sd/-
T V Narendran
Chairman
DIN: 03083605

Sd/-
Ashish Anupam
Managing Director
DIN: 08384201

Sd/-
S K Mishra
Chief Financial Officer

Sd/-
S K Shrivastav
Joint Chief Financial Officer

Sd/-
Sanjay Kasture
Company Secretary

Place: Jamshedpur
Date: June 9, 2020

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

₹ in lakh

		Notes	Year ended March 31, 2020	Year ended March 31, 2019
I	Revenue from operations	22	3,48,999.39	99,205.30
II	Other income	23	8,126.40	5,766.39
III	**Total income (I + II)**		**3,57,125.79**	**1,04,971.69**
IV	**Expenses:**			
	Cost of materials consumed	24	2,39,228.74	70,868.77
	Changes in inventories of finished and semi finished goods	25	(20,964.57)	13.83
	Employee benefits expense	26	19,211.17	4,486.75
	Finance costs	27	29,284.47	302.18
	Depreciation and amortisation expense	28	31,079.38	1,157.90
	Other expenses	29	96,197.31	9,365.67
	Total expenses (IV)		**3,94,036.50**	**86,195.10**
V	**(Loss) / Profit before exceptional items (III - IV)**		(36,910.71)	18,776.59
VI	**Exceptional items**			
	Acquisition related expenditure	35 (i)	2,741.85	-
	Provision for coal block performance obligation	35 (ii)	13,371.52	-
	Total exceptional items (VI)		**16,113.37**	**-**
VII	**(Loss) / Profit before taxes (V-VI)**		(53,024.08)	18,776.59
VIII	**Tax expense:**			
	(1) Current tax	17 (ii)	-	6,575.00
	(2) Deferred tax	17 (i)	(1,396.37)	(231.57)
	Total tax expense (VIII)		**(1,396.37)**	**6,343.43**
IX	**(Loss) / Profit for the year (VII- VIII)**		**(51,627.71)**	**12,433.16**
X	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurement gain / (loss) of the defined benefit plans		(1,442.77)	(9.59)
	(b) Income tax relating to above		495.11	3.35
	(c) Changes in fair value of FVOCI equity instruments		312.00	1,248.00
	(d) Income tax relating to above		(71.00)	(257.19)
XI	**Total other comprehensive income**		**(706.66)**	**984.57**
XII	**Total comprehensive income for the year (IX + XI)** (Comprising (loss) / profit and other comprehensive income for the year)		**(52,334.37)**	**13,417.73**
XIII	**Earnings / (loss) per equity share (face value of ₹10 each):**	32		
	(1) Basic (in ₹)		(142.82)	76.00
	(2) Diluted (in ₹)		(142.82)	76.00
Notes forming an integral part of the standalone financial statements		**1 to 49**		

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

Sd/-
Pinaki Chowdhury
Partner
Membership No. 057572

Place: Kolkata
Date: June 9, 2020

For and on behalf of the Board of Directors

Sd/-
T V Narendran
Chairman
DIN: 03083605

Sd/-
Ashish Anupam
Managing Director
DIN: 08384201

Sd/-
S K Mishra
Chief Financial Officer

Sd/-
S K Shrivastav
Joint Chief Financial Officer

Sd/-
Sanjay Kasture
Company Secretary

Place: Jamshedpur
Date: June 9, 2020

STANDALONE ACCOUNTS

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

(A) Equity share capital

	Notes	₹ in lakh
As at April 1, 2018	13	1,540.00
Changes in equity share capital during the year		-
As at March 31, 2019		**1,540.00**
Changes in equity share capital during the year*		2,970.00
As at March 31, 2020		**4,510.00**

(*) The Company issued 2,97,00,000 fully paid equity shares of face value of ₹10 each on rights basis to eligible equity shareholders of the Company for cash at a price of ₹500 per fully paid shares (including a premium of ₹490 per fully paid share) in the ratio of 15 fully paid shares for every 7 equity shares held by eligible equity shareholders on June 25, 2019 (record date).

(B) Other equity

₹ in lakh

Particulars	Notes	Reserves and surplus			Other reserves		Total
		General reserves	Securities premium	Retained earnings	Remeasurement gain / (loss) on defined benefit plans	Equity instruments through other comprehensive income	
As at April 1, 2018	14	77,000.00	-	20,233.59	(130.99)	-	97,102.60
Profit for the year		-	-	12,433.16	-	-	12,433.16
Changes in fair value of FVOCI equity instruments		-	-	-	-	1,248.00	1,248.00
Remeasurement gain / (loss) on defined benefit plans		-	-	-	(9.59)	-	(9.59)
Tax impact on items of other comprehensive income (OCI)		-	-	-	3.35	(257.19)	(253.84)
Transactions with the owners in their capacity as owners							
Dividend paid during the year	30(b)	-	-	(3,080.00)	-	-	(3,080.00)
Tax on dividend	30(b)	-	-	(633.10)	-	-	(633.10)
Transfer to/from general reserve		13,000.00	-	(13,000.00)	-	-	-
Balance as at March 31, 2019	14	**90,000.00**	**-**	**15,953.65**	**(137.23)**	**990.81**	**1,06,807.23**
Loss for the year		-	-	(51,627.71)	-	-	(51,627.71)
Changes in fair value of FVOCI equity instruments		-	-	-	-	312.00	312.00
Received on issue of ordinary shares through right issue during the year		-	1,44,999.23	-	-	-	1,44,999.23
Remeasurement gain / (loss) on defined benefit plans		-	-	-	(1,442.77)	-	(1,442.77)
Tax impact on items of other comprehensive income (OCI)		-	-	-	495.11	(71.00)	424.11
Transactions with the owners in their capacity as owners							
Dividend paid during the year	30(b)	-	-	(1,925.00)	-	-	(1,925.00)
Tax on dividend	30(b)	-	-	(395.69)	-	-	(395.69)
Transfer to/from general reserve		-	-	-	-	-	-
Balance as at March 31, 2020	14	**90,000.00**	**1,44,999.23**	**(37,994.75)**	**(1,084.89)**	**1,231.81**	**1,97,151.40**
Notes forming an integral part of the standalone financial statements	**1 to 49**						

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

Sd/-
Pinaki Chowdhury
Partner
Membership No. 057572

Place: Kolkata
Date: June 9, 2020

For and on behalf of the Board of Directors

Sd/-
T V Narendran
Chairman
DIN: 03083605

Sd/-
Ashish Anupam
Managing Director
DIN: 08384201

Sd/-
S K Mishra
Chief Financial Officer

Sd/-
S K Shrivastav
Joint Chief Financial Officer

Sd/-
Sanjay Kasture
Company Secretary

Place: Jamshedpur
Date: June 9, 2020

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2020

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flows from operating activities		
(Loss)/Profit before tax	(53,024.08)	18,776.59
Adjustments for:		
Depreciation and amortisation expense	31,079.38	1,157.90
Amortisation of lease hold land	-	0.47
Changes in fair value of financial assets at fair value through profit and loss	(819.88)	2.19
Changes in fair value of non - current financial assets at fair value through profit and loss	-	(735.89)
Dividend received from equity investments	(84.00)	(88.00)
Dividend from current investments	(445.61)	(675.16)
Gain on sale of current investments	(77.14)	(0.79)
Gain on sale of non-current investments	(200.81)	-
Loss /(gain) on disposal of property, plant and equipment	206.86	(6.59)
Interest income	(4,553.06)	(3,915.98)
Finance costs	29,284.47	302.18
Allowance for expected credit losses	346.92	-
Unrealised foreign exchange loss	1,061.15	-
Provision for coal block performance obligation	13,371.52	-
Liabilities no longer required written back	(687.00)	(191.22)
Operating profit before working capital changes	**15,458.72**	**14,625.70**
Changes in operating assets and liabilities*		
(Increase) in Inventories	(43,594.89)	(3,118.82)
(Increase) / Decrease in Non-current/current financial and non-financial assets	(2,676.00)	4,098.23
(Decrease) / Increase in Non-current/current financial and non-financial liabilities/provisions	(2,056.02)	1,157.37
Cash (used in) / generated from operations	**(32,868.19)**	**16,762.48**
Income taxes (paid)	(696.62)	(6,736.10)
Net cash (used in) / generated from operating activities	**(33,564.81)**	**10,026.38**
B. Cash flows from investing activities		
Payments for purchases of property, plant and equipment (including capital advances)	(3,813.03)	(15,843.31)
Proceeds from disposal of property, plant and equipment	21.85	13.95
Payments for business combination	(3,90,611.53)	-
Payments to acquire current investments	(1,04,517.12)	(51,365.16)
Payments to acquire Non- current investments	-	(2,999.99)
Proceeds from disposal of current investments	1,16,690.49	51,952.98
Proceeds from disposal of Non- current investments	11,028.37	-
Fixed deposits matured (net)	8,060.62	12,530.78
Interest received	5,169.62	3,704.26
Dividend received from equity investments	84.00	88.00
Dividend received from current investments	445.61	675.16
Net cash (used in) investing activities	**(3,57,441.12)**	**(1,243.33)**

STANDALONE ACCOUNTS

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2020

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
C. Cash flows from financing activities		
Proceeds from borrowings (net)	2,64,367.50	-
Proceeds from issue of equity share (net of issue expenses)	1,47,969.23	-
Finance costs paid (excluding interest towards lease liabilities)	(27,375.21)	-
Payment of lease liabilities	(1,111.94)	-
Interest paid on lease liabilities	(1,039.56)	-
Dividend paid	(1,925.00)	(3,080.00)
Tax on dividend paid	(395.69)	(633.10)
Net cash generated from / (used in) financing activities	**3,80,489.33**	**(3,713.10)**
Net (decrease) / increase in cash or cash equivalents	(10,516.60)	5,069.95
Cash and cash equivalents at the beginning of the year (Refer Note 12)	16,319.33	11,249.38
Cash and cash equivalents at the end of the year (Refer Note 12)	**5,802.73**	**16,319.33**
Notes forming an integral part of the standalone financial statements 1 to 49		

*Changes in operating assets and liabilities include non-cash adjustments related to the assets and liabilities of the business acquired. (Refer Note 38)

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

Sd/-
Pinaki Chowdhury
Partner
Membership No. 057572

Place: Kolkata
Date: June 9, 2020

For and on behalf of the Board of Directors

Sd/-
T V Narendran
Chairman
DIN: 03083605

Sd/-
Ashish Anupam
Managing Director
DIN: 08384201

Sd/-
S K Mishra
Chief Financial Officer

Sd/-
S K Shrivastav
Joint Chief Financial Officer

Sd/-
Sanjay Kasture
Company Secretary

Place: Jamshedpur
Date: June 9, 2020

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

01 Corporate information

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

The Company earlier had presence across the manufacture of sponge iron and generation of power from waste heat. During the year, with acquisition of steel business from Usha Martin Limited, the Company has now entered into the entire value chain of steel manufacturing from mining and processing iron ore and coal to producing and distributing steel based long products.

The standalone financial statements were approved and authorised for issue with the resolution of the Company's Board of Directors on June 9, 2020.

02 Significant accounting policies

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

02.01 Basis of accounting and preparation of financial statements

(i) Compliance with Ind AS

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

(ii) Historical Cost Convention

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

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- assets held for sale — measured at fair value less cost to sell;
- defined benefit plans — plan assets measured at fair value.

(iii) Current versus Non-current Classification

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

An asset is classified as current when it is:

i. expected to be realised or intended to be sold or consumed in the normal operating cycle,

ii. held primarily for the purpose of trading,

iii. expected to be realised within twelve months after the reporting period, or

iv. cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

i. it is expected to be settled in the normal operating cycle,

ii. it is incurred primarily for the purpose of trading,

iii. it is due to be settled within twelve months after the reporting period, or

iv. there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

02.02 Use of estimates and critical accounting judgments

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

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

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each impacted line item in the standalone financial statements.

The areas involving critical estimates or judgements are:

(i) Employee Benefits (Estimation of Defined Benefit Obligation) - Refer Notes 02.16 and 37

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

(ii) Estimation of expected useful lives and residual values of property, plants and equipment - Refer Notes 02.03 and 03

Management reviews its estimate of useful life of property, plant & equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolesce that may change the utility of property, plant and equipment.

(iii) Provision and Contingent liabilities - Refer Notes 02.19, 02.20, 16, and 33

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities, as disclosed in Note 33 and Note 34, are not recognised in the financial statements. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcomes. In the normal course of business, the Company consults with legal counsel and certain other experts on matters related to litigations. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

(iv) Deferred Taxes - Refer Notes 02.17 and 17

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

(v) Fair value measurements of financial instruments - Refer Notes 02.11 and 31

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

(vi) Impairment - Refer Notes 02.07, 03.05 and 39

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

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

(vii) Leases (Determination of lease term) - Refer Notes 02.04 and 04

When the Company has the option to extend a lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. Management considers all facts and circumstances including

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

(viii) Allocation of purchase consideration over the fair value of assets and liabilities acquired in a business combination - Refer Notes 02.08 and 38

Assets and liabilities acquired pursuant to business combination are stated at the fair values determined as of the date of acquisition. The carrying values of assets acquired are determined based on estimate of a valuation carried out by an independent expert appointed by the Company. The values have been assessed based on the technical estimates of useful lives of tangible assets and benefits expected from the use of intangible assets. Other assets and liabilities were recorded at values these were expected to be realised or settled respectively.

02.03 Property, plant and equipment

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

Depreciation Method, Estimated Useful Lives and Residual Values

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

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

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

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

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

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

02.04 Leases

Till March 31, 2019

The Company as a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are recognised as expense in the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

From April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the same to all lease contracts existing on April 1, 2019 using the modified retrospective approach with right-of-use asset recognised at an amount equal to the adjusted lease liability. As a result, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. (Refer Note 04)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

The Company as a lessee

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

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

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

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

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

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

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

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

02.05 Intangible assets

(i) Railway sidings (constructed)

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

Railway sidings are amortised on a straight-line basis over their estimated useful lives i.e. 5 years.

(ii) Computer software (acquired)

Software for internal use, which is primarily acquired from third-party vendors is capitalised. It has a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes license fees and cost of implementation/system integration services, where applicable.

Computer software are amortised over a period of 5 years. Amortisation method and useful lives are reviewed periodically including at each financial year end.

(iii) Mining rights (acquired)

Savings in the form of the differential in cost of acquisition of iron ore mined from the acquired mine and the cost incurred to acquire iron ore from the open market, adjusted for costs incurred to develop and maintain the acquired mine is accounted as intangible assets.

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

02.06 Research and Development

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

02.07 Impairment of non-financial assets

Upon acquisition of a new business, goodwill has been accounted for in terms of Ind AS 103. The goodwill so recognised is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

02.08 Business combinations

The acquisition method of accounting is used to account for all business combinations related to acquisitions, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition is measured at

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- fair value of any asset or liability resulting from a contingent consideration arrangement.

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

Acquisition-related costs are expensed as incurred.

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

02.09 Investment in subsidiaries

Investments in subsidiaries are stated at cost less provision for impairment loss, if any. Investments are tested for impairment wherever event or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

02.10 Financial instruments

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

02.11 Investments (Other than Investments in Subsidiaries) and Other Financial Assets

(i) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

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

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

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

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(ii) Measurement

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

Debt Instruments

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

Equity Instruments

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

(iii) Impairment of financial assets

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

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

(iv) Derecognition of financial assets

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

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

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

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

(v) Interest income

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

(vi) Dividend Income

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

(vii) Fair Value of Financial Instruments

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

(viii) Offsetting Financial Instruments

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

event of default, insolvency or bankruptcy of the Company or the counterparty.

02.12 Financial liabilities and equity instruments

(i) Classification as debt or equity

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

(ii) Measurement

Equity instruments

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

Financial liabilities

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

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

(iii) De-recognition of financial liabilities

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

02.13 Derivatives and hedging activities

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

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

02.14 Trade Receivables

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

02.15 Trade Payables

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

02.16 Employee Benefits

(i) Short-term Employee Benefits

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

(ii) Post-employment Benefits

(a) Defined Benefit Plans

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

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

(b) Defined Contribution Plans

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

(iii) Other Long–term Employee Benefits

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

02.17 Income Tax

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

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

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

02.18 Inventories

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

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

02.19 Provisions and Contingent liabilities

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

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

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

02.20 Provision for restoration and environmental costs

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

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

02.21 Revenue recognition

(i) Sale of goods and product scrap

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

(ii) Sale of Power

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

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(iii) Income from services

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

02.22 Government grants

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

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

02.23 Foreign currency transactions and translation

(i) Functional and Presentation Currency

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

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

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

02.24 Non-current assets held for sale

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

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

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

02.25 Borrowings costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

02.26 Earnings per share

(i) Basic Earnings per Share

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(ii) Diluted Earnings per Share

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

02.27 Cash and cash equivalents

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

02.28 Segment Reporting

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

02.29 Rounding of amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lakh (₹ 00,000) as per the requirement of schedule III, unless otherwise stated.

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

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

₹ in lakh

Carrying amounts of:	As at March 31, 2020	As at March 31, 2019
Freehold land	20,403.38	8,589.18
Freehold buildings	20,633.81	2,375.30
Plant and equipment	3,17,593.28	10,618.76
Furniture and fixtures	137.23	12.32
Electrical Installations	43,847.09	-
Office equipment	454.31	256.69
Vehicles	134.78	120.84
Mining lease and development	1,808.60	-
Railway Sidings	2,133.12	-
Total	**4,07,145.60**	**21,973.09**
Capital work-in-progress	3,668.92	739.39
Total	**3,668.92**	**739.39**

₹ in lakh

	Freehold land	Freehold buildings	Plant and equipment	Furniture and fixtures	Electrical Installations	Office equipment	Vehicles	Mining lease and development	Railway Sidings	Total
Cost/deemed cost										
Balance as at April 1, 2018	564.08	3,174.84	12,948.21	30.81	-	225.24	137.14	-	-	17,080.32
Additions during the year	8,025.10	27.43	-	5.88	-	179.00	60.52	-	-	8,297.93
Assets disposed / written off during the year	-	-	30.69	-	-	2.23	52.81	-	-	85.73
Balance as at March 31, 2019	**8,589.18**	**3,202.27**	**12,917.52**	**36.69**	**-**	**402.01**	**144.85**	**-**	**-**	**25,292.52**
Additions during the year	-	293.56	1,843.79	83.33	96.32	146.18	0.09	-	-	2,463.27
Assets acquired under business combination (Refer Note 38)	11,814.20	19,176.86	3,27,077.56	94.87	47,720.30	220.55	102.72	2,047.90	2,362.90	4,10,617.86
Assets disposed / written off during the year	-	-	315.03	-	-	18.38	36.60	-	-	370.01
Balance as at March 31, 2020	**20,403.38**	**22,672.69**	**3,41,523.84**	**214.89**	**47,816.62**	**750.36**	**211.06**	**2,047.90**	**2,362.90**	**4,38,003.64**
Accumulated depreciation										
Accumulated depreciation as at April 1, 2018	-	664.70	1,605.16	17.96	-	82.61	43.39	-	-	2,413.82
Charge for the year	-	162.27	722.69	6.41	-	63.99	28.62	-	-	983.98
Depreciation on assets disposed / written off during the year	-	-	29.09	-	-	1.28	48.00	-	-	78.37
Accumulated depreciation as at March 31, 2019	**-**	**826.97**	**2,298.76**	**24.37**	**-**	**145.32**	**24.01**	**-**	**-**	**3,319.43**
Charge for the year	-	1,211.91	21,749.19	53.29	3,969.53	168.50	58.41	239.30	229.78	27,679.91
Depreciation on assets disposed / written off during the year	-	-	117.39	-	-	17.77	6.14	-	-	141.30
Accumulated depreciation as at March 31, 2020	**-**	**2,038.88**	**23,930.56**	**77.66**	**3,969.53**	**296.05**	**76.28**	**239.30**	**229.78**	**30,858.04**
Carrying amount										
Balance as at March 31, 2019	8,589.18	2,375.30	10,618.76	12.32	-	256.69	120.84	-	-	21,973.09
Balance as at March 31, 2020	**20,403.38**	**20,633.81**	**3,17,593.28**	**137.23**	**43,847.09**	**454.31**	**134.78**	**1,808.60**	**2,133.12**	**4,07,145.60**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Note:

03.01 Title deeds of certain freehold lands with gross and net carrying amount of ₹7,735.05 lakh (March 31, 2019: ₹Nil) and title deeds of certain freehold buildings with gross carrying amount and net carrying amount of ₹71.10 lakh (March 31, 2019: ₹Nil) and ₹62.89 lakh (March 31, 2019: ₹Nil) respectively, which were acquired under business combination (Refer Note 38), are not yet transferred in the name of the Company.

The Company is in the process of reconciling title deeds which are in the physical possession of a bank for availing loan, in respect of freehold land with an aggregate carrying cost of ₹30.80 lakh (March 31, 2019: ₹Nil) in the underlying books and records of the Company with the confirmation received from the said bank.

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

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

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

03.05 The Company acquired the Steel Division of Usha Martin Limited as stated in Note 38 to these Financial Statements. The acquisition has been considered as a CGU and the carrying value of Property, plant and equipment (including Capital work-in-progress), Right-of-use assets, Intangible assets and goodwill aggregated ₹4,51,020 lakh as at the year end. The CGU was tested for impairment as at the year end. The recoverable amount of the CGUs was determined based on value-in-use calculations which require the use of assumptions. These calculations were based on cash flow forecasts approved by the Company covering a five year projection period and considering the financial performance of the period post-acquisition and perpetuity growth thereafter. The assumptions and the approach used to determine the value in use are - Sales volume annual growth rate of 8% and 18% (over FY 20) in FY 21 and FY 22 respectively and stable volume assumed over the projection period and thereafter 1% growth in perpetuity. These values have been determined based on management's expectations of market and prices. The Company expects Earnings before interest, depreciation (including amortisation) (EBITDA) (% of sales) to improve from 2% during the period FY 20 to 19.9% during March 31, 2025 and stable thereafter. A pre-tax discount rate of 11.63% and sensitivity thereof was used reflecting risks relating to the business in which the CGU operates. The recoverable amount so determined exceeded the carrying values of the assets. For sensitivity, even if the discount rate been higher by 2% or the EBITDA percent applied to the cash flow projections of this CGU been lower than management's estimates by 2%, provision for impairment would not be required. The Directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount.

04 Leases

(a) The Company as a lessee

The Company has lease contracts for various items of plant and equipment, various offices and leased land. Leases of plant and equipment generally have lease terms between 9 to 26 years, offices generally have lease terms between 12 months to 4 years and leases of land generally have lease terms between 30 years to 100 years. Generally, the Company is restricted from assigning or subleasing the leased assets. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may be used as security for borrowing purposes. Until March 31, 2019, leases were classified as either finance leases or operating leases. From April 1, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.

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

(b) Transition related disclosures

(i) The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9.73%.

(ii) The following is the summary of practical expedients elected on initial application -

- accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases,
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(iii) Measurement of lease liabilities

	₹ in lakh
Operating lease commitments disclosed as at March 31, 2019	-
Extension and termination options reasonably certain to be exercised	28.06
Lease liabilities recognised as at April 1, 2019	**28.06**
Of which are:	
Current lease liabilities	22.27
Non-current lease liabilities	5.79

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

₹ in lakh

	As at March 31, 2020	As at April 1, 2019	As at March 31, 2019
Right-of-use land	12,852.36	26.33	-
Right-of-use plant and equipment	10,770.17	-	-
Right-of-use buildings	329.67	28.06	-
Total Right-of-use assets	**23,952.20**	**54.39**	**-**

₹ in lakh

	Right-of-use land	Right-of-use plant and equipment	Right-of-use buildings	Total Right-of-use assets
Cost/deemed cost				
Balance as at April 1, 2019	-	-	-	-
Ind AS 116 transition	-	-	28.06	28.06
Reclassified on account of adoption of Ind AS 116	26.33	-	-	26.33
Revised Opening Balance as at April 1, 2019	**26.33**	**-**	**28.06**	**54.39**
Additions during the year	-	-	-	-
Assets acquired under business combination (Refer Note 38)	13,268.80	11,912.35	330.00	25,511.15
Assets disposed / written off during the year	-	-	-	-
Balance as at March 31, 2020	**13,295.13**	**11,912.35**	**358.06**	**25,565.54**
Accumulated depreciation				
Charge for the year	442.77	1,142.18	28.39	1,613.34
Accumulated depreciation as at March 31, 2020	**442.77**	**1,142.18**	**28.39**	**1,613.34**
Carrying amount				
Balance as at March 31, 2020	**12,852.36**	**10,770.17**	**329.67**	**23,952.20**

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

	₹ in lakh
Balance as at April 1, 2019	28.06
Additions during the year	-
Lease liabilities acquired under business combination (Refer Note 38)	12,171.22
Finance costs during the year	1,039.56
Lease payments during the year	(2,151.50)
Balance as at March 31, 2020	**11,087.34**
Current lease liabilities	2,183.75
Non-current lease liabilities	8,903.59

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis -

	₹ in lakh
Less than one year	2,183.75
One to five years	6,055.33
More than five years	9,449.31
Total	**17,688.39**

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

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation expense on right-of-use assets (Refer Note 28)	1,613.34	-
Interest expense on lease liabilities (Refer Note 27)	1,039.56	-
Expense relating to short-term leases (included in other expenses)	329.23	-
Expense relating to variable lease payments not included in the measurement of the lease liability (included in other expenses) (Refer note (ii) below)	100.97	-
Total amount recognised in Standalone Statement of profit and loss	**3,083.10**	**-**

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

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

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
Fixed payments	-	-
Variable payments	100.97	-
Total payments	**100.97**	**-**

Overall the variable payments constitute up to 5 per cent of the Company's entire lease payments. The Company expects this ratio to remain constant in future years.

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

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

(v) The Company had a total cash outflows of ₹2,151.50 lakh for leases for the year ended March 31, 2020.

(f) Title deeds of certain leasehold lands as set out in Note 4(c) above with gross carrying amount and net carrying amount ₹86.54 lakh (March 31, 2019: ₹Nil) and ₹83.66 lakh (March 31, 2019: ₹Nil) respectively, and certain leasehold buildings as set out in Note 4(c) above with gross carrying amount and net carrying amount of ₹330.00 lakh (March 31, 2019: ₹Nil) and ₹322.63 lakh (March 31, 2019: ₹Nil) respectively, which were acquired under business combination (Refer Note 38), are not yet transferred in the name of the Company.

(g) The Company is in the process of reconciling title deeds which are in the physical possession of a bank for availing loan, in respect of leasehold land with gross carrying amount and net carrying amount of ₹3.02 lakh (March 31, 2019 : ₹Nil) and ₹1.82 lakh (March 31, 2019: ₹Nil) respectively in the underlying books and records of the Company with the confirmation received from the said bank.

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

05 Other intangible assets

₹ in lakh

Carrying amounts of:	As at March 31, 2020	As at March 31, 2019
Computer Software (acquired)	30.15	6.33
Railway sidings (Constructed)	-	52.78
Mining rights	29,790.94	-
Total intangible assets	**29,821.09**	**59.11**

₹ in lakh

	Computer software (acquired)	Railway sidings (constructed)	Mining rights	Total intangible assets
Cost/deemed cost				
Balance as at April 1, 2018	10.30	725.91	-	736.21
Additions during the year	-	-	-	-
Assets disposed / written off during the year	-	-	-	-
Balance as at March 31, 2019	**10.30**	**725.91**	**-**	**736.21**
Additions during the year	28.11	-	-	28.11
Assets acquired under business combination (Refer Note 38)	-	-	31,520.00	31,520.00
Assets disposed / written off during the year	3.41	-	-	3.41
Balance as at March 31, 2020	**35.00**	**725.91**	**31,520.00**	**32,280.91**
Accumulated amortisation				
Accumulated amortisation as at April 1, 2018	0.74	502.44	-	503.18
Charge for the year	3.23	170.69	-	173.92
Amortisation of assets disposed / written off during the year	-	-	-	-
Accumulated amortisation as at March 31, 2019	**3.97**	**673.13**	**-**	**677.10**
Charge for the year	4.29	52.78	1,729.06	1,786.13
Amortisation of assets disposed / written off during the year	3.41	-	-	3.41
Accumulated amortisation as at March 31, 2020	**4.85**	**725.91**	**1,729.06**	**2,459.82**
Carrying amount				
Balance as at March 31, 2019	6.33	52.78	-	59.11
Balance as at March 31, 2020	**30.15**	**-**	**29,790.94**	**29,821.09**

Notes

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

06 Investments

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Non- current Investments (Unquoted)		
(A) Investment in Equity Instruments		
Investment in Subsidiary Company		
TSIL Energy Limited	106.01	106.01
1,060,060 (March 31, 2019: 10,60,060) equity shares of ₹10 each fully paid up		
Investment in Other body corporates @		
Jamipol Limited	1,640.00	1,328.00
800,000 (March 31, 2019: 8,00,000) equity shares of ₹10 each fully paid up		
(B) Investments in Mutual fund #		
(i) IDFC Corporate Bond Direct plan - Growth	-	4,331.83
(ii) Reliance Floating Rate Fund - Short Term Plan (Direct Growth Plan)	-	3,247.35
(iii) Reliance Short Term Fund - (Direct Growth Plan)	-	3,248.38
	-	**10,827.56**
Total Non - current Investments	**1,746.01**	**12,261.57**
Current Investments (Unquoted)		
Investment in liquid mutual funds #		
(i) HDFC Liquid Fund- Regular Plan - Daily Dividend Reinvestment	-	1,789.63
(ii) IDFC Cash Fund - Regular Plan - Daily Dividend Reinvestment	-	1,560.85
(iii) Reliance Liquid Fund - Treasury Plan - Daily Dividend Reinvestment	-	3,541.40
(iv) Axis Liquid - Regular Plan - Daily Dividend Reinvestment	-	1,455.96
(v) DSP Blackrock Liquidity Fund - Inst - Daily Dividend Reinvestment	-	3,748.39
Total current investments	**-**	**12,096.23**
Aggregate amount of Unquoted Investments	**1,746.01**	**24,357.80**
# Investments carried at Fair value through Profit and Loss (FVTPL)	**-**	**22,923.79**
@ Investments carried at Fair value through Other Comprehensive Income [Refer Note 31(b)(i)]	1,640.00	1,328.00

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

07 Loans

(Unsecured, considered good unless stated otherwise)

₹ in lakh

	As at March 31, 2020		As at March 31, 2019	
	Non-current	Current	Non-current	Current
Loan to Employees	3.19	19.27	6.77	6.30
Security Deposits				
Considered good	95.77	541.64	4.51	220.73
Credit Impaired	-	22.57	-	22.57
Less: Allowance for credit losses	-	(22.57)	-	(22.57)
	98.96	**560.91**	**11.28**	**227.03**

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

08 Other financial assets

(Unsecured, considered good unless stated otherwise)

₹ in lakh

	As at March 31, 2020		As at March 31, 2019	
	Non-current	Current	Non-current	Current
(a) Interest accrued on deposits, loans and advances	10.35	671.20	4.05	1,294.06
(b) Deposit with banks and others with maturity period more than 12 months				
[Above deposits includes ₹83.61 lakh as at March 31, 2020 (₹82.40 lakh as at March 31, 2019) pledged with government authorities]	83.61	-	82.40	-
(c) Contract assets	-	754.22	-	-
(d) Others	-	67.24	-	-
	93.96	**1,492.66**	**86.45**	**1,294.06**

09 Other assets

(Unsecured, considered good unless stated otherwise)

₹ in lakh

	As at March 31, 2020		As at March 31, 2019	
	Non-current	Current	Non-current	Current
(a) Capital advances	17,256.80	-	24,171.95	-
(b) Indemnification assets	-	838.44	-	-
(c) Advances to related parties (Refer Note 36)	-	309.94	-	80.30
(d) Other loans and advances				
(i) Advances with public bodies	748.42	6,172.68	608.71	759.98
(ii) Other advances and prepayments				
Considered Good	1,533.33	4,861.10	15.84	930.38
Considered Doubtful	-	1,316.01	-	-
Less: Provision for doubtful advances	-	(1,316.01)	-	-
(iii) Prepaid lease payments				
- Prepaid lease payments cost	-	-	42.42	0.47
Less: Prepaid lease payments amortisation	-	-	(16.56)	-
	19,538.55	**12,182.16**	**24,822.36**	**1,771.13**

10 Inventories

(lower of cost and net realisable value)

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(a) Raw materials	47,046.32	9,803.15
(b) Finished and semi-finished goods	25,905.73	677.75
(c) Stores and spares	6,745.22	1,046.79
	79,697.27	**11,527.69**
Included above, goods-in-transit		
(a) Raw materials	19,761.61	-
(b) Finished and semi-finished goods	1,200.80	-
(c) Stores and spares	775.16	-
	21,737.57	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Note:

(i) Value of inventories above is stated after provisions ₹1,084.79 lakh (as at March 31, 2019: ₹38.53 lakh) for write-downs to net realisable value and provision for slow-moving and obsolete items.

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

11 Trade receivables

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	15,588.34	7,845.45
Unsecured, credit impaired	2,625.53	-
Less: Allowance for expected credit loss	(2,625.53)	-
Total trade receivables	**15,588.34**	**7,845.45**
Trade receivables from related parties (Refer Note 36)	7,563.55	1,197.49
Trade receivables other than related parties	10,650.32	6,647.96
Less: Allowance for expected credit losses	(2,625.53)	-
	15,588.34	**7,845.45**

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

₹ in lakh

	As at March 31, 2020			
	Gross credit risk	Covered by Letter of credit	Allowance for credit losses	Net credit risk
Amount not yet due	8,078.35	5,381.40	-	2,696.95
One month overdue	6,222.74	-	-	6,222.74
Two months overdue	1,183.27	-	-	1,183.27
Three months overdue	4.91	-	-	4.91
Between three to six months overdue	97.52	-	-	97.52
Greater than six months overdue	2,627.08	-	2,625.53	1.55
	18,213.87	**5,381.40**	**2,625.53**	**10,206.94**

₹ in lakh

	As at March 31, 2019			
	Gross credit risk	Covered by Letter of credit	Allowance for credit losses	Net credit risk
Amount not yet due	7,833.07	7,833.07	-	-
One month overdue	1.89	1.89	-	-
Two months overdue	1.20	1.20	-	-
Three months overdue	8.16	8.16	-	-
Between three to six months overdue	-	-	-	-
Greater than six months overdue	1.13	-	-	1.13
	7,845.45	**7,844.32**	**-**	**1.13**

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

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

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	-	-
Acquired under business combination (Refer Note 38)	2,278.61	-
Charge during the year	346.92	-
Balance at the end of the year	**2,625.53**	**-**

(iii) The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2020 to be ₹10,206.94 lakh (March 31, 2019: ₹1.13 lakh).

(iv) There were two customers (March 31, 2019: two customers) who represent more than 10% of total balance of Trade Receivables.

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

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

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

12 (i) Cash and cash equivalents

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(a) Balances with scheduled banks		
(1) In current accounts	3,302.65	418.57
(2) In fixed deposit accounts having original maturity of three months or less	2,499.39	15,900.00
(b) Cash on hand	0.69	0.76
Total Cash and cash equivalents as per Statement of Cash Flows	**5,802.73**	**16,319.33**

(ii) Bank balances other than (i) above

(a) In Unclaimed Dividend Accounts @	266.97	267.16
(b) In fixed deposit accounts (with original maturity of more than three months and maturing within twelve months from the balance sheet date) #	10,091.39	18,153.22
	10,358.36	**18,420.38**
@ Includes earmarked balances in unclaimed dividend accounts	266.97	267.16
# Pledged towards bank guarantee	10,091.39	-

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

13 Equity share capital

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(a) Authorised Share Capital:		
75,000,000 fully paid equity shares of ₹10 each	7,500.00	7,500.00
(As at March 31, 2019: 75,000,000 fully paid equity shares of ₹10 each)		
	7,500.00	**7,500.00**
(b) Issued, subscribed and fully paid up:		
45,100,000 equity shares of ₹10 each	4,510.00	1,540.00
(As at March 31, 2019: 15,400,000 fully paid equity shares of ₹10 each)		
	4,510.00	**1,540.00**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(c) Fully paid equity shares

	No. of equity shares	Amount ₹ in lakh
Equity shares of ₹10 each		
As at April 1, 2018	1,54,00,000	1,540.00
Changes in equity share capital during the year	-	-
As at March 31, 2019	**1,54,00,000**	**1,540.00**
Changes in equity share capital during the year	2,97,00,000	2,970
As at March 31, 2020	**4,51,00,000**	**4,510.00**

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

(d) Shares held by holding company

	As at March 31, 2020		As at March 31, 2019	
	No. of equity shares	%	No. of equity shares	%
Fully paid equity shares				
Tata Steel Limited (Holding Company)	3,42,37,521	75.91%	83,93,554	54.50%
	3,42,37,521	**75.91%**	**83,93,554**	**54.50%**

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

	As at March 31, 2020		As at March 31, 2019	
	No. of equity shares	%	No. of equity shares	%
Fully paid equity shares				
Tata Steel Limited (Holding Company)	3,42,37,521	75.91%	83,93,554	54.50%
Nippon India Small Cap Fund (formerly known as Reliance Small Cap Fund)	22,79,216	5.05%	2,53,383	1.65%

(f) Rights, preferences and restrictions attached to shares

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

13A Preference share capital

₹ in lakh

		As at March 31, 2020	As at March 31, 2019
(a)	**Authorised Share Capital:**		
	20,00,00,000 Non-Convertible Redeemable Preference Shares of ₹100 each	2,00,000.00	2,00,000.00
	(As at March 31, 2019: 20,00,00,000 Non-Convertible Redeemable Preference Shares of ₹100 each)		
		2,00,000.00	**2,00,000.00**

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

Such shares shall rank for capital and dividend (including all dividend undeclared upto the commencement of winding up) and for repayment of capital in a winding up, pari passu inter se and in priority to the Equity Shares of the Company, but shall not confer any further or other rights in participating in surplus funds. Such shares shall confer on the holders thereof, the right to a fixed preferential

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

dividend from the date of allotment at 11.30% p.a. and shall be redeemable at par upon maturity or optional early redemption at the option of the Company annually at 12 monthly intervals from the date of allotment. These shares shall carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013.

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

14 Other equity

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
General reserves	90,000.00	90,000.00
Securities premium	1,44,999.23	-
Retained earnings	(37,994.75)	15,953.65
Remeasurement gain / (loss) on defined benefit plans	(1,084.89)	(137.23)
Equity instruments through other comprehensive income	1,231.81	990.81
Total	**1,97,151.40**	**1,06,807.23**

₹ in lakh

Particulars	Reserves and surplus				Other reserves	Total
	General reserves [Refer (a) below]	Securities premium [Refer (b) below]	Retained earnings [Refer (c) below]	Remeasurement gain / (loss) on defined benefit plans [Refer (d) below]	Equity instruments through other comprehensive income [Refer (e) below]	
Balance as at April 1, 2018	77,000.00	-	20,233.59	(130.99)	-	97,102.60
Profit for the year	-	-	12,433.16	-	-	12,433.16
Changes in fair value of FVOCI equity instruments	-	-	-	-	1,248.00	1,248.00
Remeasurement gain / (loss) on defined benefit plans	-	-	-	(9.59)	-	(9.59)
Tax impact on items of other comprehensive income (OCI)	-	-	-	3.35	(257.19)	(253.84)
Transactions with the owners in their capacity as owners						
Dividend paid during the year	-	-	(3,080.00)	-	-	(3,080.00)
Tax on dividend	-	-	(633.10)	-	-	(633.10)
Transfer to/from general reserve	13,000.00	-	(13,000.00)	-	-	-
Balance as at March 31, 2019	**90,000.00**	**-**	**15,953.65**	**(137.23)**	**990.81**	**1,06,807.23**
Loss for the year	-	-	(51,627.71)	-	-	(51,627.71)
Changes in fair value of FVOCI equity instruments	-	-	-	-	312.00	312.00
Received on issue of ordinary shares through right issue during the year	-	1,44,999.23	-	-	-	1,44,999.23
Remeasurement gain / (loss) on defined benefit plans	-	-	-	(1,442.77)	-	(1,442.77)
Tax impact on items of other comprehensive income (OCI)	-	-	-	495.11	(71.00)	424.11
Transactions with the owners in their capacity as owners						
Dividend paid during the year [refer note 30(b)]	-	-	(1,925.00)	-	-	(1,925.00)
Tax on dividend [refer note 30(b)]	-	-	(395.69)	-	-	(395.69)
Transfer to/from general reserve	-	-	-	-	-	-
Balance as at March 31, 2020	**90,000.00**	**1,44,999.23**	**(37,994.75)**	**(1,084.89)**	**1,231.81**	**1,97,151.40**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(a) General reserves

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

(b) Securities premium

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

The details of movement in securities premium is as below:

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	-	-
Received/transfer on issue of Shares during the year	1,45,530.00	-
Equity issue expenses adjusted during the year	(530.77)	-
Balance at the end of the year	**1,44,999.23**	**-**

(c) Retained Earnings

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

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

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

(e) Equity instruments through other comprehensive income

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

15 Borrowings

₹ in lakh

	As at March 31, 2020		As at March 31, 2019	
	Non current	Current	Non current	Current
A Secured Borrowings				
(a) Term Loan				
(i) From Banks	2,64,407.37	-	-	-
Total borrowings	**2,64,407.37**	**-**	**-**	**-**

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Notes

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

₹ in lakh

Sr. No.	Currency	Terms of repayment	Maturity Date	Interest rate (floating rate)	As at March 31, 2020	As at March 31, 2019
(i)	Indian Rupee	Term loan is repayable in 20 semi - annual instalments commencing from September 30, 2021	March 31, 2031	1 year MCLR + 45 basis points	2,64,407.37	-

(b) The above term loans are secured by first pari-passu charge over all present and future moveable and immovable tangible assets of the Company excluding coal mines and iron ore mines of the Company.

(c) Maturity profile of borrowings is as below:

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Not later than one year or on demand	-	-
Later than one year but not two years	10,600.00	-
Later than two years but not three years	13,250.00	-
Later than three years but not four years	13,250.00	-
Later than four years but not five years	31,800.00	-
More than five years	1,96,100.00	-
	2,65,000.00	**-**
Unamortised upfront fees on borrowings	(592.63)	-
	2,64,407.37	**-**

(d) The term loan facility arrangements include financial covenants, which require compliance to certain debt-equity and debt coverage ratios. Additionally, certain negative covenants may limit the Company's ability to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach. The Company has complied with these debt covenants.

(e) Debt reconciliation

₹ in lakh

	Non-current borrowings	Total
Debt as at April 1, 2019	-	-
Cash flows (Net)	2,64,367.50	2,64,367.50
Amortisation of upfront fees	39.87	39.87
Debt as at March 31, 2020	**2,64,407.37**	**2,64,407.37**
Debt as at April 1, 2018	-	-
Cash flows (Net)	-	-
Amortisation of upfront fees	-	-
Debt as at March 31, 2019	**-**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

16 Provisions

₹ in lakh

	As at March 31, 2020		As at March 31, 2019	
	Non current	Current	Non current	Current
(a) Provision for employee benefits				
(i) Post-employment defined benefits	4,962.68	541.12	1,190.03	81.47
(ii) Compensated absences	-	1,509.38	-	-
(b) Other provisions (Refer note 42)				
(i) Provision for VAT, entry tax and sales tax	-	2,525.21	-	2,747.04
(ii) Provision for cross subsidy surcharge payable	-	601.00	-	601.00
(iii) Provision for interest on income tax	-	2,067.62	-	2,067.62
(iv) Provision for mine restoration costs	1,418.75	-	-	-
(v) Contingent liability recognised on business combination	638.55	-	-	-
(vi) Provision for coal block performance obligation (Refer note 35(ii))	-	13,371.52	-	-
(vi) Others	-	1,087.37	-	-
Total provisions	**7,019.98**	**21,703.22**	**1,190.03**	**5,497.13**

17 Deferred tax liabilities (net)

(i) The following is the analysis of deferred taxes presented in the Standalone balance sheet:

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities	16,594.78	3,216.51
Deferred tax assets	(16,594.78)	(1,396.03)
Deferred tax liabilities (net)	**-**	**1,820.48**

The balances comprises temporary differences attributable to:

₹ in lakh

Balances as at March 31, 2020	Deferred tax liabilities/ (assets) as at March 31, 2019	Recognised in profit or loss	Recognised in other comprehensive income	Deferred tax liabilities/ (assets) as at March 31, 2020
Deferred tax liabilities				
(i) Property, plant and equipment and intangible assets	2,959.32	13,307.27	-	16,266.59
(ii) Fair valuation of equity instruments designated as FVOCI	257.19	-	71.00	328.19
	3,216.51	**13,307.27**	**71.00**	**16,594.78**
Deferred tax assets				
(i) Amount allowable on payment basis as per section 43B of Income-tax Act, 1961	(1,331.75)	(243.36)	(495.11)	(2,070.22)
(ii) Amount allowable under Income-tax on deferred basis	(64.28)	(120.58)	-	(184.86)
(iii) On unabsorbed depreciation and carry forward of business losses	-	(14,339.70)	-	(14,339.70)
	(1,396.03)	**(14,703.64)**	**(495.11)**	**(16,594.78)**
Deferred tax liabilities (net)	**1,820.48**	**(1,396.37)**	**(424.11)**	**-**

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

Balances as at March 31, 2019	Deferred tax liability/ (asset) as at March 31, 2018	Recognised in profit or loss	Recognised in other comprehensive income	Deferred tax liability/ (asset) as at March 31, 2019
Deferred tax liabilities				
(i) Property, plant and equipment and intangible assets	3,087.66	(128.34)	-	2,959.32
(ii) Fair valuation of equity instruments designated as FVOCI	-	-	257.19	257.19
	3,087.66	**(128.34)**	**257.19**	**3,216.51**
Deferred tax assets				
(i) Amount allowable on payment basis as per section 43B of Income-tax Act, 1961	(1,289.45)	(38.95)	(3.35)	(1,331.75)
(ii) Amount allowable under Income-tax on deferred basis	-	(64.28)	-	(64.28)
(iii) On unabsorbed depreciation and carry forward of business losses	-	-	-	-
	(1,289.45)	**(103.23)**	**(3.35)**	**(1,396.03)**
Deferred tax liabilities (net)	**1,798.21**	**(231.57)**	**253.84**	**1,820.48**

Note:

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

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

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
Current tax		
On profit for current year	-	6,575.00
	-	**6,575.00**
Deferred tax		
In respect of the current year	(1,396.37)	(231.57)
	(1,396.37)	**(231.57)**
Total tax expense (Refer reconciliation below)	**(1,396.37)**	**6,343.43**

The income tax expense for the year can be reconciled to the accounting profit as follows:

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax	(53,024.08)	18,776.59
Income tax expense calculated at enacted Income tax rate of **34.944%** (March 31, 2019: 34.944%)	(18,528.73)	6,561.29
Effect of income that is exempt from taxation	(194.80)	(266.68)
Effect of expenses that are not deductible in determining taxable profit	5,919.76	64.71
Deferred tax assets not recognised on unabsorbed depreciation	11,407.97	-
Others	(0.57)	(15.89)
Income tax expense recognised in Standalone Statement of Profit and Loss	**(1,396.37)**	**6,343.43**

(iii) The Company has not recognised deferred tax assets on unabsorbed depreciation aggregating to ₹32,646.43 lakh as at March 31, 2020 (March 31, 2019: Nil)

(iv) The amounts and expiry dates, if any, of unutilised tax losses and deductible temporary differences for which no deferred tax asset is recognised in the balance sheet are given below:

	Period of expiry	Amount ₹ in lakh
Unabsorbed depreciation	No Expiry	32,646.43
		32,646.43

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(v) Taxation Laws (Amendment) Act, 2019 enacted on December 11, 2019 [promulgated as the Taxation Laws (Amendment) Ordinance, 2019 on September 20, 2019] amends the Income Tax Act, 1961, and the Finance (No. 2) Act, 2019. The Ordinance / Act provides domestic companies an option for lower tax rates, provided they do not claim certain deductions. The Company has not opted for the lower tax rate and applied the rate existing prior to the Ordinance / Act in making provision of its tax liability for the financial year.

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

18 Trade payables

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Current		
(i) Total outstanding dues of micro and small enterprises (Refer Note below)	1,084.76	106.62
(ii) Total outstanding dues of creditors other than micro and small enterprises		
(a) Trade payables for supplies and services	75,497.14	5,973.41
(b) Trade payables for accrued wages and salaries	4,574.11	1,430.06
Total Trade Payables	**81,156.01**	**7,510.09**
Trade payable to related parties (Refer Note 36)*	38,996.28	3,030.71
Trade payable other than related parties	42,159.73	4,479.38
Total Trade Payables	**81,156.01**	**7,510.09**

*includes payable to Tata Sponge Iron Limited Superannuation Fund

Note:

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

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

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(a) (i) The principal amount remaining unpaid to supplier as at end of the accounting year	1,084.76	106.62
(ii) Interest due thereon remaining unpaid to supplier as at end of the accounting year	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	15.19	-
(d) The amount of interest accrued and remaining unpaid at the end of the accounting year	731.19	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

19 Other current liabilities

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(a) Advances from customers*	4,058.55	688.73
(b) Other payables		
(i) Employee recoveries and employer contributions	179.54	62.13
(ii) Statutory liabilities (GST, Excise duty, service tax, sales tax, TDS, etc.)	2,593.38	1,496.90
(iii) EPCG Indemnified liabilities	1,979.54	-
(iv) Others	1,333.15	-
Total other current liabilities	**10,144.16**	**2,247.76**

*Advances from customers appearing at the beginning of the year have been entirely adjusted against revenue recognised during the period.

20 Other financial liabilities

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(a) Interest payable		
(i) Interest accrued but not due on borrowings	829.83	-
(ii) Interest accrued on trade payables and others	1,343.63	-
(b) Creditors for capital supplies and services	84.50	32.13
(c) Unpaid dividends	266.95	267.12
(d) Other credit balances *	12,547.44	125.98
Total Other financial liabilities	**15,072.35**	**425.23**

*Includes net amount payable to Usha Martin Limited (UML) ₹12,442.10 lakh towards purchase consideration pursuant to Business Transfer Agreement (Comprises of amount held back to be released subsequent to satisfaction of relevant conditions precedents ₹14,251.56 lakh (Refer Note 38) net of other receivables from UML amounting to ₹1,809.46 lakh).

21 (i) Current tax liabilities (net)

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Provision for tax [net of advance tax of ₹24,164.03 lakh (As at March 31, 2019: ₹24,164.03 lakh)]	5,390.33	5,390.33
Total current tax liabilities (net)	**5,390.33**	**5,390.33**

21 (ii) Non current tax assets (net)

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Advance tax and Tax Deducted at Sources [net of provision of ₹26,309.67 lakh (As at March 31, 2019: ₹26,309.67 lakh)]	3,670.35	2,973.73
Total non current tax assets (net)	**3,670.35**	**2,973.73**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

22 Revenue from operations

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Revenue from contracts with customers		
(i) Sale of products	3,32,069.30	92,975.34
(ii) Sale of power	5,955.02	5,332.10
(iii) Income from services	4,742.75	-
(b) Other operating revenue		
(i) Sale of product scrap	6,119.72	897.86
(ii) Export incentives	112.60	-
Revenue from operations	**3,48,999.39**	**99,205.30**

Note:

(a) Reconciliation of revenue recognised with contract price

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
Contract price	3,51,923.64	99,205.30
Adjustment for:		
Refund liabilities	(2,924.25)	-
Revenue from operations	**3,48,999.39**	**99,205.30**

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

₹ in lakh

	India	Outside India	Total
(i) Sale of products	**2,99,683.22**	**32,386.08**	**3,32,069.30**
	(73,087.20)	(19,888.14)	(92,975.34)
(ii) Sale of power	**5,955.02**	**-**	**5,955.02**
	(5,332.10)	(-)	(5,332.10)
(iii) Income from services	**4,742.75**	**-**	**4,742.75**
	(-)	(-)	(-)
	3,10,380.99	**32,386.08**	**3,42,767.07**
	(78,419.30)	(19,888.14)	(98,307.44)

Figures in brackets represents amount for the previous year.

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

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
(i) Customer 1	43,205.39	-
(ii) Customer 2	-	4,314.52
(iii) Customer 3	-	14,271.04
(iv) Customer 4	-	13,064.93
(v) Customer 5	-	9,872.36
	43,205.39	**41,522.85**

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(d) Contract balances

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Trade receivables (Gross) (Refer Note 11)	18,213.87	7,845.45
Contract assets		
Unbilled revenue (Refer Note 8)	754.22	-
	18,968.09	**7,845.45**
Contract liabilities		
Advance from customers (Refer Note 19)	4,058.55	688.73

The outstanding balances of contract liabilities and contract assets has increased due to the increase in customer base, on account of acquired steel business (Refer Note 38).

23 Other income

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Interest income		
(i) Interest income earned on financial assets that are not designated at FVTPL		
- Bank deposits carried at amortised cost	1,713.02	3,313.27
- Other financial assets carried at amortised cost	1,368.56	602.71
(ii) Interest income on tax refund	1,471.48	-
(b) Dividend income		
(i) From equity investments *	84.00	88.00
(ii) From Investment in Mutual fund (Current)	445.61	675.16
(c) Net gains / (losses) on fair value changes		
(i) Net gain / (loss) on fair value changes of financial assets carried at FVTPL (Current)	819.88	(2.19)
(ii) Net gain on fair value changes of financial assets carried at FVTPL (Non - current)	-	735.89
(iii) Net gain on sale of current investments	77.14	0.79
(iv) Net gain on sale of non-current investments	200.81	-
(d) Net gain on disposal of Property, plant and equipment	-	6.59
(e) Liabilities no longer required written back	687.00	191.22
(f) Other non-operating income	1,258.90	154.95
Total other income	**8,126.40**	**5,766.39**

Note:

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

24 Cost of materials consumed

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
Opening stock	9,803.15	6,858.03
Add: Purchases of materials	2,59,257.55	73,813.89
Add: Acquired under business combination	17,214.36	-
	2,86,275.06	**80,671.92**
Less: Closing stock	47,046.32	9,803.15
Total cost of materials consumed	**2,39,228.74**	**70,868.77**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

25 Changes in inventories of finished and semi-finished goods

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
Finished and semi-finished goods		
Opening stock	677.75	691.58
Add: Acquired under business combination	4,263.41	-
Less: Closing stock	25,905.73	677.75
Net (increase) / decrease in finished and semi-finished goods	**(20,964.57)**	**13.83**

26 Employee benefits expense

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Salaries and wages	16,868.52	3,767.66
(b) Contribution to provident and other funds	1,632.49	404.96
(c) Staff welfare expenses	710.16	314.13
Total employee benefits expense	**19,211.17**	**4,486.75**

27 Finance costs

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Interest expenses		
(i) Bank borrowings	28,002.28	-
(ii) Leases	1,039.56	-
(iii) Interest on statutory dues	31.25	302.18
(b) Other borrowing costs	211.38	-
Total finance costs	**29,284.47**	**302.18**

28 Depreciation and amortisation expense

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Depreciation of property, plant and equipment (Refer Note 03)	27,679.91	983.98
(b) Depreciation of right-of-use assets (Refer Note 04)	1,613.34	-
(c) Amortisation of intangible assets (Refer Note 05)	1,786.13	173.92
Total depreciation and amortisation expense	**31,079.38**	**1,157.90**

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

29 Other expenses

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Consumption of stores and spare parts	27,566.62	1,026.42
(b) Fuel oil consumed	8,525.25	107.87
(c) Purchase of power	5,099.76	20.87
(d) Rent	392.07	81.23
(e) Repairs to buildings	898.48	656.62
(f) Repairs to machinery	10,347.33	1,544.60
(g) Insurance	719.57	81.35
(h) Rates and taxes	1,416.44	898.27
(i) Freight and handling charges	23,648.68	1,109.66
(j) Commission, discounts and rebates	78.70	42.64
(k) Packing and forwarding	749.81	508.02
(l) Royalty	7,528.43	-
(m) Other expenses		
(1) Legal and professional fees (Refer Note 29.01)	1,682.08	653.62
(2) Advertisement, promotion and selling expenses	30.75	42.99
(3) Travelling expenses	843.93	186.46
(4) Net Loss on foreign currency transactions	1,565.31	252.31
(5) Corporate social responsibility expenses	320.88	236.25
(6) Allowance for expected credit losses	346.92	-
(7) Loss on disposal of property plant and equipment	206.86	-
(8) Other general expenses (Refer Note 29.02)	4,229.44	1,916.49
Total other expenses	**96,197.31**	**9,365.67**

29.01 Payments to auditors

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
(1) Auditors remuneration and out-of-pocket expenses		
(i) As auditors - statutory audit	61.72	9.72
(ii) As auditors - quarterly audits	30.00	6.00
(iii) As auditors - tax audit	5.60	1.60
(iv) For other services (*)	32.00	-
(v) Auditors out-of-pocket expenses	1.80	2.34
	131.12	**19.66**

(*) Other services includes ₹30.00 lakh (March 31, 2019: Nil) in respect of rights issue which has been charged to securities premium.

29.02 Includes R&D expenses amounting to ₹14.64 lakh (March 31, 2019 ₹11.70 lakh) paid to Indian Institute of Technology, Bhubaneswar.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

30 Capital management

(a) Risk management

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

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

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

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

₹ in lakh

	As at March 31, 2020	As at March 31, 2019	
Equity share capital	4,510.00	1,540.00	
Other equity	1,97,151.40	1,06,807.23	
Total equity (A)	**2,01,661.40**	**1,08,347.23**	
Non-current borrowings	2,64,407.37	-	
Lease liabilities	11,087.34	-	
Gross debt (B)	**2,75,494.71**	**-**	
Total capital (A+B)	**4,77,156.11**	**1,08,347.23**	
Gross debt as above	2,75,494.71	-	Refer note below
Less: Current investments	-	-	
Less: Cash and cash equivalents	5,802.73	-	
Less: Other balance with banks (including non-current earmarked balances)	10,441.97	-	
Net debt (C) [1]	**2,59,250.01**	**-**	
Net debt to equity ratio [2]	**1.67**	**-**	

Notes:

[1] There were no borrowings as at March 31, 2019, hence Net debt as at March 31, 2019 is Nil.

[2] Net debt to equity ratio as at March 31, 2020 has been computed based on average of opening and closing equity.

(b) Dividend on equity shares

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
Dividend Declared and Paid during the year		
Final dividend for the year ended March 31, 2019 of ₹12.50 (March 31, 2018 – ₹20.00) per fully paid share	1,925.00	3,080.00
Dividend Distribution Tax on above	395.69	633.10
Proposed Dividend Not Recognised at the End of the Reporting Period		
The directors have not recommended any final dividend for the year ended March 31, 2020 (for the year ended March 31, 2019: ₹12.50 per fully paid up share).	-	1,925.00
Dividend Distribution Tax on above	-	395.69

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

31 Disclosures on financial instruments

(a) Financial risk management

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

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

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

(i) Credit risk management

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

Trade receivables and contract assets

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

Other Financial Assets

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

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

In respect of financial guarantees provided by the Company to banks/financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

(ii) Liquidity risk management

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

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

a. Financing arrangement

The Company has unutilised fund based arrangement with banks for ₹27,000 lakh (March 31, 2019: ₹7,000.00 lakh). The Company has also Non-Fund based facilities with banks for ₹19,300 lakh (March 31, 2019: ₹14,815.00 lakh) which may be utilised at any time.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

b. Maturities of financial liabilities

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company's derivative and non-derivative financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period. Cash flows in foreign currencies are translated using the period end spot rates.

₹ in lakh

As at March 31, 2020	Carrying value	Contractual cash flows	less than one year	between one to five years	More than five years
Financial liabilities					
Borrowings including interest obligations	2,64,407.37	4,35,720.67	24,247.50	1,57,303.40	2,54,169.77
Lease liabilities	11,087.34	17,688.39	2,183.75	6,055.33	9,449.31
Trade payables	81,156.01	81,156.01	81,156.01	-	-
Other financial liabilities	15,072.35	15,072.35	15,072.35	-	-
	3,71,723.07	**5,49,637.42**	**1,22,659.61**	**1,63,358.73**	**2,63,619.08**

₹ in lakh

As at March 31, 2019	Carrying value	Contractual cash flows	less than one year	between one to five years	More than five years
Financial liabilities					
Borrowings including interest obligations	-	-	-	-	-
Lease liabilities	-	-	-	-	-
Trade payables	7,510.09	7,510.09	7,510.09	-	-
Other financial liabilities	425.23	425.23	425.23	-	-
	7,935.32	**7,935.32**	**7,935.32**	**-**	**-**

(iii) Market risk

a. Foreign currency risk

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

USD in lakh

	As at March 31, 2020	As at March 31, 2019
Financial assets		
Trade receivables	0.77	-
Net exposure to foreign currency risk (Assets)	**0.77**	**-**
Financial liabilities		
Trade payables	482.06	3.36
Derivatives		
Foreign Exchange Forward Contracts	463.65	-
Net exposure to foreign currency risk (Liabilities)	**18.41**	**3.36**
Net exposure to foreign currency risk (Assets - Liabilities)	**(17.64)**	**(3.36)**

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Foreign currency sensitivity

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

₹ in lakh

	Impact on profit / (loss) before taxes		Impact on profit / (loss) after taxes	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Increase in rate of 1 USD against ₹ by 10%	(131.88)	(23.27)	(131.88)	(15.14)
Decrease in rate of 1 USD against ₹ by 10%	131.88	23.27	131.88	15.14

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

b. Interest rate risk

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

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

₹ in lakh

	Impact on profit / (loss) before taxes		Impact on profit / (loss) after taxes	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Increase in interest rate by 100 basis points	(2,031.51)	-	(2,031.51)	-
Decrease in interest rate by 100 basis points	2,031.51	-	2,031.51	-

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

There were no outstanding borrowings as at March 31, 2019.

(iv) Securities Price risk

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

₹ in lakh

	Impact on profit / (loss) before taxes		Impact on profit / (loss) after taxes	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
NAV - Increase by 1%*	-	229.24	-	149.13
NAV - Decrease by 1%*	-	(229.24)	-	(149.13)

*Holding all other variables constant

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(v) Commodity Price risk

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

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

(b) Financial Instruments by Category

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

(i) Financial assets and liabilities

The following tables present the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2020 and March 31, 2019.

₹ in lakh

As at March 31, 2020	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value	Total fair value
Financial assets					
Investments in Mutual fund	-	-	-	-	-
Investment in body corporates	-	1,640.00	-	1,640.00	1,640.00
Trade receivables	-	-	15,588.34	15,588.34	15,588.34
Loans	-	-	659.87	659.87	659.87
Cash and cash equivalents	-	-	5,802.73	5,802.73	5,802.73
Other bank balances	-	-	10,358.36	10,358.36	10,358.36
Derivatives*	819.88	-	-	819.88	819.88
Other financial assets	-	-	1,586.62	1,586.62	1,586.62
Total	**819.88**	**1,640.00**	**33,995.92**	**36,455.80**	**36,455.80**
Financial liabilities					
Borrowings	-	-	2,64,407.37	2,64,407.37	2,64,407.37
Lease liabilities	-	-	11,087.34	11,087.34	11,087.34
Trade payables	-	-	81,156.01	81,156.01	81,156.01
Other financial liabilities	-	-	15,072.35	15,072.35	15,072.35
Total	**-**	**-**	**3,71,723.07**	**3,71,723.07**	**3,71,723.07**

₹ in lakh

As at March 31, 2019	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value	Total fair value
Financial assets					
Investments in Mutual fund	22,923.79	-	-	22,923.79	22,923.79
Investment in body corporates	-	1,328.00	-	1,328.00	1,328.00
Trade receivables	-	-	7,845.45	7,845.45	7,845.45
Loans	-	-	238.31	238.31	238.31

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

As at March 31, 2019	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value	Total fair value
Cash and cash equivalents	-	-	16,319.33	16,319.33	16,319.33
Other bank balances	-	-	18,420.38	18,420.38	18,420.38
Derivatives*	-	-	-	-	-
Other financial assets	-	-	1,380.51	1,380.51	1,380.51
Total	**22,923.79**	**1,328.00**	**44,203.98**	**68,455.77**	**68,455.77**
Financial liabilities					
Borrowings	-	-	-	-	-
Lease liabilities	-	-	-	-	-
Trade payables	-	-	7,510.09	7,510.09	7,510.09
Other financial liabilities	-	-	425.23	425.23	425.23
Total	**-**	**-**	**7,935.32**	**7,935.32**	**7,935.32**

*Derivative instruments designated as not in hedging relationship.

(ii) Fair value measurement

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2019.

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

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

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

Fair value hierarchy

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

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

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

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

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in mutual funds	-	-	-	-
Derivative assets	-	819.88	-	819.88
Investment in equity instruments at FVTOCI (Unquoted)	-	-	1,640.00	1,640.00
Total	**-**	**819.88**	**1,640.00**	**2,459.88**

₹ in lakh

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in mutual funds	22,923.79	-	-	22,923.79
Derivative assets	-	-	-	-
Investment in equity instruments at FVTOCI (Unquoted)	-	-	1,328.00	1,328.00
Total	**22,923.79**	**-**	**1,328.00**	**24,251.79**

₹ in lakh

Reconciliation of Level 3 fair value measurement is as below:	As at March 31, 2020	As at March 31, 2019
Opening as on April 1, 2019	1,328.00	80.00
Changes in fair value recognised in Other Comprehensive Income	312.00	1,248.00
Closing as on March 31, 2020	**1,640.00**	**1,328.00**

Valuation technique used for Level 3 investments

Fair valuation of the equity investments have been determined using the discounted cash flow model. Significant unobservable inputs used in the valuation were earnings growth rate and risk adjusted discount rates.

The increase / decrease of 1% in earnings growth rate (keeping other variables constant) would result into an increase / decrease in fair value by ₹16.00 lakh and ₹24.00 lakh respectively.

The increase / decrease in 1% risk adjusted discount rate (keeping other variables constant) would result into decrease / increase in fair value by ₹65.00 lakh and ₹77.00 lakh respectively.

(iii) Derivative financial instruments

Derivative instruments used by the Company are forward exchange contracts. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" wherever possible. The Company does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

As at March 31, 2020, all derivative instruments are designated as not in hedging relationships.

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

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Foreign currency forwards	819.88	-
Classified as:		
Non-current assets		
Current assets	-	-
	819.88	**-**

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

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

USD in lakh

	As at March 31, 2020	As at March 31, 2019
Foreign currency forwards	463.65	-

32 Earnings / (loss) per equity share

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
Net (loss) / profit for the year (₹ In lakh)	(51,627.71)	12,433.16
Weighted average number of equity shares outstanding during the year (Nos.) (Refer Note (i))	3,61,48,129	1,63,59,783
Nominal value per equity share (₹)	10	10
Basic and diluted earnings / (loss) per equity share (₹)	(142.82)	76.00

Note:

(i) Basic and diluted earnings per share for the year ended March 31, 2019, have been adjusted retrospectively for the bonus element in respect of rights issue made during the year ended March 31, 2020.

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

33 Contingent liabilities

(a) Claims against the Company not acknowledged as debts;

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(a) Income tax	159.28	159.28
(b) Odisha entry tax	2,579.93	2,579.93
(c) Customs duty (Refer Note below)	3,818.44	3,818.44
(d) Demand from Ministry of Coal against Radhikapur coal block (Refer Note 33(d))	3,250.00	3,250.00
(e) Demand from suppliers	152.13	152.13
	9,959.78	**9,959.78**

Note:

The above includes demand received from Commissioner of Customs (Preventive) aggregating to ₹4,398.99 lakh pertaining to the financial year 2012-13 on account of levy of additional customs duty on classification of the imported coal as bituminous coal as against Company's classification as steam coal. The Company has filed an appeal against the aforesaid order in the Customs, Excise and Service Tax Appellate Tribunal, Kolkata. The Company had paid an amount of ₹1,087.94 lakh and recognised the non-cenvatable portion of the duty and applicable interest as expense whereas cenvatable portion had been recognised as an advance in the year 2012-13.

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

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(i) Renewable energy purchase obligation	632.89	632.89
(ii) Excise Duty	3,041.01	2,946.30
	3,673.90	**3,579.19**

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(c) Cross subsidy surcharge payable to power distribution companies

In 2012-13, the Company injected power to State Grid due to denial of permission for open access by Orissa Power Transmission Corporation Limited ("OPTCL") to supply power to the parent Company Tata Steel Limited beyond the period of invocation of section 11 of Electricity Act, 2003 by the Government of Odisha i.e., June, 2012. As a result of which the Company could not meet the minimum stipulated criteria of 51% self-consumption of generated power as a captive power plant and the provisions of Cross Subsidy Surcharge under Electricity Act, 2003 became applicable. The Company filed a case before the Odisha Electricity Regulatory Commission ("OERC") for relief which was denied and consequently the Company had filed a case before Appellate Tribunal of Electricity ("ATE"). Appeal filed by the Company before "ATE" was allowed and the matter stands remitted back to the OERC for reconsideration afresh. As a matter of prudence, pending finalisation of the matter, an amount of ₹601.00 lakh provided in the year ended March 31, 2015, is being continued.

(d) In the month of November 2012, Ministry of Coal ("MoC") issued notices to the Company for invocation of bank guarantee of ₹3,250 lakh submitted towards performance of conditions for allocation of Radhikapur (East) coal block against which the Company had filed a writ petition in the Hon'ble High Court of Delhi, which directed the Company to keep the bank guarantee valid till November 30, 2015 by which date the MoC was directed to take decision. The bank guarantee expired after November 30, 2015 and had not been renewed, since no communication had been received from MoC. Subsequently, MoC issued a notice dated December 28, 2015, stating that the bank guarantee be invoked and the aforesaid amount be deposited. Consequent to MoC's notice, the Company has moved to the Hon'ble High Court of Delhi. In the judgment dated May 27, 2020 the Hon'ble High Court of Delhi remanded the matter to MoC to consider afresh on the aspect whether the delay in achieving the milestones is attributable to the Company and has directed the Company to ensure that the bank guarantee furnished by it is kept alive till the said decision is rendered by the MoC. Pending finalisation of the matter, the amount continues to be disclosed as a contingent liability.

(e) (i) During pendency of the aforesaid matters in Hon'ble High Court of Delhi, the Hon'ble Supreme Court of India vide its order dated September 24, 2014 had cancelled allocation of 214 coal blocks including the Radhikapur (East) Coal Block which was allotted to the Company on February 7, 2006. The amount incurred on the Radhikapur (East) Coal Block upto March 31, 2020 aggregates to ₹18,040.96 lakh (March 31, 2019: ₹18,040.96 lakh), and the carrying amount in the books net of depreciation and write off as at March 31, 2020 is ₹17,892.69 lakh (March 31, 2019: ₹17,905.00 lakh).

(ii) Pursuant to the judgment of Hon'ble Supreme Court of India, the Government of India had promulgated Coal Mines (Special Provision) Rules, 2014 ("Rules") for allocation of the coal mines through auction and matters related thereto. In terms of the said Rules, the successful bidder will be called upon to pay to the prior allocattee the expenses incurred by the prior allocattee towards land and mine infrastructure. Pursuant to the judgement dated March 9, 2017 of the Hon'ble High Court of Delhi in W.P (c) 973/2015, the directives of MoC vide its letter dated February 1, 2018 and as per details prescribed by Nominated Authority, the Company has furnished the required statement of expenses and other details in the prescribed format on February 22, 2018. Relying on the legal position and legal opinion obtained by the Company in respect of the recoverability of the amount, no provision is considered necessary.

34 Estimated amounts of contracts remaining to be executed on capital account (Property, plant and equipment) and not provided for is ₹4,099.08 lakh (As at March 31, 2019: ₹244.88 lakh) net of advances of ₹320.25 lakh (As at March 31, 2019 ₹0.31 lakh.)

35 Exceptional items

(i) Acquisition related expenditure

Represents expenses incurred on stamp duty and registration fees for a portion of land parcels and mines acquired as part of business combination aggregating to ₹2,741.85 lakh during the year ended March 31, 2020 (for the year ended March 31, 2019: Nil). (Refer Note 38)

(ii) Provision for coal block performance obligation

The Company acquired the Steel business of Usha Martin Limited (UML) at Gamharia, Jamshedpur under a going concern and slump sale basis. The transaction included a greenfield coal block with corresponding performance obligation by way of bank guarantee to the Nominated Authority, Ministry of Coal towards development of the said coal block. Post acquisition, the Company has assessed the social and environmental challenges for the development of the coal block and have come to the view that the performance obligations of developing the coal block look challenging to fulfil. Accordingly, the Company, as a matter of prudence, has taken provision related to the aforesaid bank guarantee.

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

36 Related party transaction

A List of related parties

Name of the related Party	Relationship
Tata Sons Private Limited [Formerly Tata Sons Limited]	Company having significant Influence
Where control exists	
Tata Steel Limited	Holding Company
TSIL Energy Limited	Wholly owned subsidiary Company
Others with whom transactions have taken place during the current or previous year	
The Tinplate Company of India Limited	Fellow Subsidiary
Tata Pigments Limited	
The Indian Steel and Wire Products Limited	
Tata Metaliks Limited	
Jamshedpur Utilities & Services Company Limited	
The Siam Industrial Wire Company Ltd.	
Tata Steel Global Procurement Company Pte. Ltd.	
TM International Logistics Limited	Joint venture with Tata Steel Limited
mjunction services limited	
Jamipol Limited	
Tata Bluescope Steel Limited	
TKM Global Logistic Limited	
Tata International Limited	Subsidiary of Tata Sons Private Limited
Tata International Singapore PTE Limited	
Tata Consultancy Services Limited	
Tata AIG General Insurance Company Limited	
TRL Krosaki Refractories Limited	Associate of Tata Steel Limited (till December 28, 2018)
Mr. Sanjay Kumar Pattnaik (Up to October 31, 2019)	Key Management personnel - Managing Director (MD)
Mr. Ashish Anupam (w.e.f. November 1, 2019)	
Mr. T V Narendran	Key Management personnel - Non- Executive Director (NED)
Mr. Koushik Chatterjee	
Dr. Sougata Ray	
Mr. A M Misra (up to January 12, 2019)	
Mr. D K Banerjee	
Mr. P C Parakh	
Mr. Manoj T Thomas	
Mr. Krishnava S Dutt (up to October 11, 2018)	
Mrs. Meena Lall	
Dr. Omkar N Mohanty	
Dr. Ansuman Das (from July 15, 2019)	
Mr. Srikumar Menon (from July 15, 2019)	
Mr. Shashi Kant Maudgal (from July 15, 2019)	
Mr. Ashish Anupam (from March 14, 2019 to October 31, 2019)	
Tata Sponge Iron Limited Employee Provident Fund Trust	Post Employment Benefit Plans (PEBP) as per Ind AS 24
Tata Sponge Iron Limited Superannuation Fund	
Tata Sponge Iron Limited Gratuity Fund	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

B Particulars of transactions during the year

₹ in lakh

Name of the related party	Nature of relationship	Year ended March 31, 2020	Year ended March 31, 2019
Tata Steel Limited	Holding Company	24,393.34	806.71
Tata International Limited	Subsidiary of Tata Sons Private Limited	9,925.56	9,882.23
The Siam Industrial Wire Company Ltd.	Fellow subsidiary	56.69	-
The Indian Steel and Wire Products Limited	Fellow subsidiary	33.56	-
Tata Metaliks Limited	Fellow subsidiary	-	43.81
Total - Sale of goods		**34,409.15**	**10,732.75**
Tata Steel Limited	Holding Company	5,187.75	4,314.52
Total - Sale of power		**5,187.75**	**4,314.52**
Tata Steel Limited	Holding Company	5,540.59	6.96
Total - Services rendered		**5,540.59**	**6.96**
Tata Steel Limited	Holding Company	46,960.22	26,960.92
Tata Steel Global Procurement Company Pte. Ltd.	Fellow subsidiary	49,585.58	-
The Indian Steel and Wire Products Limited	Fellow subsidiary	124.24	3.14
Tata International Singapore PTE Limited	Subsidiary of Tata Sons Private Limited	13,608.06	28,056.59
Tata International Limited	Subsidiary of Tata Sons Private Limited	463.19	-
Tata Bluescope Steel Limited	Joint venture with Tata Steel Limited	443.20	88.84
Jamipol Limited	Joint venture with Tata Steel Limited	149.72	-
TRL Krosaki Refractories Limited	Associate of Tata Steel Limited	-	74.78
Total - Purchase of goods		**1,11,334.21**	**55,184.27**
Tata Steel Global Procurement Company Pte. Ltd.	Fellow subsidiary	147.34	-
Tata International Limited	Subsidiary of Tata Sons Private Limited	365.82	243.95
Tata International Singapore PTE Limited	Subsidiary of Tata Sons Private Limited	763.58	147.94
TM International Logistics Limited	Joint venture with Tata Steel Limited	1,531.39	640.45
Total - Reimbursement of expenses		**2,808.13**	**1,032.34**
Tata Steel Limited	Holding Company	1,465.81	94.22
Jamshedpur Utilities & Services Company Limited	Fellow subsidiary	31.98	0.02
Tata Pigments Limited	Fellow subsidiary	10.22	-
The Tinplate Company of India Limited	Fellow subsidiary	0.49	0.03
Tata Sons Private Limited	Company having significant influence	2.83	276.01
Tata Consultancy Services Limited	Subsidiary of Tata Sons Private Limited	88.01	-
Tata AIG General Insurance Company Limited	Subsidiary of Tata Sons Private Limited	3.79	-
TM International Logistics Limited	Joint venture with Tata Steel Limited	1,848.47	749.80
TKM Global Logistic Limited	Joint venture with Tata Steel Limited	89.61	-
mjunction services limited	Joint venture with Tata Steel Limited	57.19	-
Total - Services received		**3,598.40**	**1,120.08**
Jamipol Limited	Joint venture with Tata Steel Limited	84.00	88.00
Total - Dividend income		**84.00**	**88.00**
Tata Steel Limited	Holding Company	1,049.19	1,678.71
Total - Dividend paid		**1,049.19**	**1,678.71**

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

Name of the related party	Nature of relationship	Year ended March 31, 2020	Year ended March 31, 2019
Mr. Sanjay Kumar Pattnaik	MD	170.83	321.49
Mr. Ashish Anupam	MD	84.11	-
Total - Short term employee benefits		**254.94**	**321.49**
Mr. Sanjay Kumar Pattnaik	MD	10.19	31.29
Mr. Ashish Anupam	MD	6.05	-
Total - Post employment benefits		**16.24**	**31.29**
Mr. A M Misra	NED	-	3.25
Mr. D K Banerjee	NED	1.10	3.95
Mr. Manoj T Thomas	NED	0.90	3.90
Mr. P C Parakh	NED	3.75	4.10
Dr. Omkar N Mohanty	NED	1.35	4.10
Mr. Krishnava S Dutt	NED	-	0.70
Dr. Sougata Ray	NED	2.50	0.85
Dr. Ansuman Das	NED	1.60	-
Mr. Srikumar Menon	NED	1.95	-
Mr. Shashi Kant Maudgal	NED	2.60	-
Total - Sitting fees		**15.75**	**20.85**
Mr. A M Misra	NED	-	8.50
Mr. D K Banerjee	NED	-	6.12
Mr. Manoj T Thomas	NED	-	7.14
Mr. P C Parakh	NED	-	7.82
Dr. Omkar N Mohanty	NED	-	6.12
Mr. Krishnava S Dutt	NED	-	1.36
Dr. Sougata Ray	NED	-	2.04
Total - Commission		**-**	**39.10**
Tata Sponge Iron Limited Employee Provident Fund Trust	PEBP	434.27	200.24
Tata Sponge Iron Limited Superannuation Fund	PEBP	109.06	106.58
Tata Sponge Iron Limited Gratuity Fund	PEBP	94.14	98.15
Total - Contribution made		**637.47**	**404.97**

C The Board at its meeting held on October 23, 2019, has approved the appointment, including the terms and conditions of appointment and remuneration, of the Managing Director with effect from November 01, 2019. However, in view of the loss incurred by the Company, the remuneration of ₹90.16 lakh paid/provided for in respect of the managing director during the financial year ended March 31, 2020, exceeds the limit in terms of the provisions of the Companies Act, 2013 by ₹32.97 lakh.

Further, the shareholders in their meetings held on August 4, 2017, had approved the annual remuneration along with the subsequent revisions thereto on July 18, 2018 and July 15, 2019, to be paid to the former Managing Director of the Company. During the year, the Company has paid/provided an amount of ₹181.02 lakh based on the recommendation of the Nomination and Remuneration Committee. The said amount exceeds the limit in terms of the provisions of the Companies Act, 2013 by ₹102.55 lakh.

The said appointment and the remuneration paid/to be paid aggregating ₹192.71 lakh (including ₹135.52 lakh of excess remuneration) is subject to the approval of the members at the ensuing Annual General Meeting.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

D Balances outstanding

₹ in lakh

Name of the related party	Nature of relationship	As at March 31, 2020	As at March 31, 2019
Tata Steel Limited	Holding company	7,548.74	708.68
The Indian Steel and Wire Products Limited	Fellow subsidiary	14.81	-
Tata International Limited	Subsidiary of Tata Sons Private Limited	-	488.81
Total - Trade receivables		**7,563.55**	**1,197.49**
Tata Steel Limited	Holding company	3,455.41	2,555.22
Tata Steel Global Procurement Company Pte. Ltd.	Fellow subsidiary	35,041.84	-
Jamshedpur Utilities & Services Company Limited	Fellow subsidiary	4.74	-
The Indian Steel and Wire Products Limited	Fellow subsidiary	3.10	0.51
Tata Pigments Limited	Fellow subsidiary	10.22	-
Tata Sons Private Limited	Company having significant influence	-	240.96
Tata International Singapore PTE Limited	Subsidiary of Tata Sons Private Limited	163.71	234.02
Tata Bluescope Steel Limited	Joint venture with Tata Steel Limited	21.89	-
mjunction services limited	Joint venture with Tata Steel Limited	58.69	-
Jamipol Limited	Joint venture with Tata Steel Limited	30.48	-
TKM Global Logistic Limited	Joint venture with Tata Steel Limited	27.68	-
Total - Trade payables for supplies and services		**38,817.76**	**3,030.71**
Tata Sponge Iron Limited Employee Provident Fund Trust	PEBP	121.71	-
Tata Sponge Iron Limited Superannuation Fund	PEBP	8.98	-
Tata Sponge Iron Limited Gratuity Fund	PEBP	195.13	-
Total - Payable to PEBP		**325.82**	**-**
Tata Steel Limited	Holding company	4.42	-
Tata International Limited	Subsidiary of Tata Sons Private Limited	9.81	-
TM International Logistics Limited	Joint venture with Tata Steel Limited	295.71	80.30
Total - Advances		**309.94**	**80.30**
Jamipol Limited (At cost)	Joint venture with Tata Steel Limited	80.00	80.00
Total - Investments		**80.00**	**80.00**
Mr. Sanjay Kumar Pattnaik	MD	122.31	6.23
Mr. Ashish Anupam	MD	47.23	-
Total-Trade payables for accrued wages and salaries		**169.54**	**6.23**
Mr. A M Misra	NED	-	8.50
Mr. D K Banerjee	NED	-	6.12
Mr. Manoj T Thomas	NED	-	7.14
Mr. P C Parakh	NED	0.77	7.82
Dr. Omkar N Mohanty	NED	-	6.12
Mr. Krishnava S Dutt	NED	-	1.36
Dr. Sougata Ray	NED	0.20	2.04
Dr. Ansuman Das	NED	0.20	-
Mr. Srikumar Menon	NED	0.20	-
Mr. Shashi Kant Maudgal	NED	0.20	-
Total - Payable to KMP		**1.57**	**39.10**

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

37 Employee benefits

37.01 - Post employment defined contribution plans

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
Amount recognised in Standalone Statement of Profit and Loss		
(i) Provident fund contribution*	11.73	-
(ii) Superannuation fund@	419.62	106.58
	431.35	**106.58**

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

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

37.02 - Post employment defined benefit plans

(a) Description of plan characteristics

(i) Gratuity

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

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

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

(ii) Long term service award

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

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

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

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

(b) Risk analysis

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(i) Interest risk

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

(ii) Salary risk

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

(iii) Investment risk

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

(iv) Longevity risk

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

(c) Details of defined benefit obligations and plan assets

A. Gratuity

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(i) Reconciliation of opening and closing balances of obligation		
a. Opening defined benefit obligation	1,852.68	1,778.80
b. Acquired through business combination (Refer Note 38)	2,351.15	-
c. Current service cost	283.65	96.78
d. Interest cost	289.64	127.52
e. Remeasurement (gains)/losses	1,221.59	6.69
f. Benefits paid	(405.03)	(157.11)
g. Acquisitions (credit)/cost	55.45	-
Closing defined benefit obligation	**5,649.13**	**1,852.68**
(ii) Movements in the fair value of the plan assets are as follows		
a. Opening fair value of plan assets	1,852.68	1,753.11
b. Interest income	132.60	126.15
c. Remeasurement gains/(losses)	56.01	8.41
d. Contributions from the employer	2.81	122.12
e. Benefits paid	(227.66)	(157.11)
f. Acquisitions (credit)/cost	55.45	
Closing fair value of plan assets	**1,871.89**	**1,852.68**
(iii) Reconciliation of fair value of assets and obligations		
a. Fair value of plan assets	1,871.89	1,852.68
b. Present value of obligation	5,649.13	1,852.68
	3,777.24	**-**
c. Amount recognised in the balance sheet		
- Retirement benefit obligations - Non-current	3,451.72	-
- Retirement benefit obligations - Current	325.52	-
	3,777.24	**-**

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

	Year ended March 31, 2020	Year ended March 31, 2019
(iv) Amounts recognised in the Statement of Profit and Loss		
Employee benefit expense		
a. Current service cost	283.65	96.78
b. Net interest expense	157.04	1.37
	440.69	**98.15**
Other Comprehensive income		
a. Return on plan assets excluding amount included in employee benefits expense	(56.01)	(8.41)
b. Actuarial (gain)/loss arising from changes in demographic assumptions	-	-
c. Actuarial (gain)/loss arising from changes in financial assumptions	1,356.38	-
d. Actuarial (gain)/loss arising from changes in experience adjustments	(134.79)	6.69
	1,165.58	**(1.72)**
Total defined benefit costs	**1,606.27**	**96.43**

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

	As at March 31, 2020	As at March 31, 2019
Category of Plan Assets:	In %	In %
Funded with LIC	100%	100%
(vi) Principal assumptions used for the purposes of the actuarial valuations		
a. Discount rate (per annum)	6.20% / 6.70%	7.50%
b. Expected rate of salary increase (per annum)	8.00%	8.00%
c. Mortality rate	Indian Assured Lives Mortality (2006-08) ult.	Indian Assured Lives Mortality (2006-08) ult.
d. Withdrawal rate		
- Ages from 20-25	1.00% For all age group	1.00% For all age group
- Ages from 25-30		
- Ages from 30-35		
- Ages from 35-50		
- Ages from 50-55		
- Ages from 55-65		
(vii) Maturity profile of defined benefit obligation		
Within 1 year	380.06	262.71
1-2 year	579.51	214.52
2-5 years	1,324.98	869.84
Over 5 years	2,804.44	1,025.40

The weighted average duration of the defined benefit plan obligation representing average duration for active members is 6 to 13 years (As at March 31, 2019: 6 years).

(viii) The Company expects (best estimate) to contribute ₹110.00 lakh to the plan during the financial year 2020-21.

(ix) Sensitivity analysis

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Assumption	As at March 31, 2020	As at March 31, 2019
a. Discount rate increase by 1%	Decrease by 512.72	Decrease by 93.93
b. Discount rate decrease by 1%	Increase by 609.47	Increase by 106.83
c. Expected salary growth increase by 1%	Increase by 587.30	Increase by 105.29
d. Expected salary growth decrease by 1%	Decrease by 504.53	Decrease by 94.37

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

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

B. Long term service award (Unfunded)

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(i) Reconciliation of opening and closing balances of obligation		
a. Opening defined benefit obligation	-	-
b. Acquired through business combination (Refer Note 38)	43.50	-
c. Current service cost	2.48	-
d. Interest cost	2.91	-
e. Remeasurement (gains)/losses	25.91	-
f. Benefits paid	(6.38)	-
Closing defined benefit obligation	**68.42**	**-**
(ii) Reconciliation of fair value of assets and obligations		
a. Fair value of plan assets	-	-
b. Present value of obligation	68.42	-
	68.42	**-**
c. Amount recognised in the balance sheet		
- Retirement benefit obligations - Non-current	63.38	-
- Retirement benefit obligations - Current	5.04	-
	68.42	**-**

	Year ended March 31, 2020	Year ended March 31, 2019
(iii) Amounts recognised in the Statement of Profit and Loss		
Employee benefit expense		
a. Current service cost	2.48	-
b. Net interest expense	2.91	-
	5.39	**-**
Other Comprehensive income		
a. Actuarial (gain)/loss arising from changes in financial assumptions	4.65	-
b. Actuarial (gain)/loss arising from changes in experience adjustments	21.26	-
	25.91	**-**
Total defined benefit costs	**31.30**	**-**

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(iv) Principal assumptions used for the purposes of the actuarial valuations		
a. Discount rate (per annum)	6.70%	-
b. Expected rate of salary increase (per annum)	Not applicable	-
c. Mortality rate	Indian Assured Lives Mortality (2006 - 2008) Ult.	-
d. Withdrawal rate		
- Ages from 20-25	1.00% For all age group	-
- Ages from 25-30		
- Ages from 30-35		
- Ages from 35-50		
- Ages from 50-55		
- Ages from 55-65		
(v) Maturity profile of defined benefit obligation		
Within 1 year	5.14	-
1-2 year	8.01	-
2-5 years	18.59	-
Over 5 years	25.82	-

The weighted average duration of the defined benefit plan obligation representing average duration for active members is 9 years. (As at March 31, 2019: Nil year).

(vi) Sensitivity analysis

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

Assumption	As at March 31, 2020	As at March 31, 2019
a. Discount rate increase by 1%	Decrease by 5.72	NA
b. Discount rate decrease by 1%	Increase by 6.75	NA

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

C. Ex-MD Pension (Unfunded)

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(i) Reconciliation of opening and closing balances of obligation		
a. Opening defined benefit obligation	1,196.53	1,169.93
b. Interest cost	86.67	84.95
c. Remeasurement (gains)/losses	245.81	16.07
d. Benefits paid	(81.72)	(74.42)
Closing defined benefit obligation	**1,447.29**	**1,196.53**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(ii) Reconciliation of fair value of assets and obligations		
a. Fair value of plan assets	-	-
b. Present value of obligation	1,447.29	1,196.53
	1,447.29	**1,196.53**
c. Amount recognised in the balance sheet		
- Retirement benefit obligations - Non-current	1,373.32	1,122.29
- Retirement benefit obligations - Current	73.97	74.24
	1,447.29	**1,196.53**

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
(iii) Amounts recognised in the Statement of Profit and Loss		
Employee benefit expense		
a. Net interest expense	86.67	84.95
	86.67	**84.95**
Other Comprehensive income		
a. Actuarial (gain)/loss arising from changes in financial assumptions	188.44	-
b. Actuarial (gain)/loss arising from changes in experience adjustments	57.37	16.07
	245.81	**16.07**
Total defined benefit costs	**332.48**	**101.02**

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(iv) Principal assumptions used for the purposes of the actuarial valuations		
a. Discount rate (per annum)	6.20%	7.50%
b. Pension inflation rate (per annum)	6.00%	6.00%
c. Mortality rate	LIC (1996-98) Annuitants ultimate	LIC (1996-98) Annuitants ultimate
d. Withdrawal rate - The effects of mortality and withdrawal have been factored by constructing a Multiple Decrement Table taking into account the above mortality table.		
(v) Maturity profile of defined benefit obligation		
Within 1 year	76.23	76.98
1-2 year	78.93	79.41
2-5 years	251.34	250.62
Over 5 years	1,637.22	852.56

The weighted average duration of the defined benefit plan obligation representing average duration for active members is 12 years. (As at March 31, 2019: 11 years).

(vi) Sensitivity analysis

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

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Assumption		
a. Discount rate increase by 1%	Decrease by 148.78	Decrease by 115.06
b. Discount rate decrease by 1%	Increase by 179.34	Increase by 137.54
c. Pension inflation rate increase by 1%	Increase by 177.88	Increase by 138.25
d. Pension inflation rate decrease by 1%	Decrease by 150.33	Decrease by 117.56

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

D. PRMB (Unfunded)

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(i) Reconciliation of opening and closing balances of obligation		
a. Opening defined benefit obligation	75.10	76.56
b. Interest cost	5.45	5.65
c. Remeasurement (gains)/losses	5.47	(4.76)
d. Benefits paid	(4.39)	(2.35)
Closing defined benefit obligation	**81.63**	**75.10**
(ii) Reconciliation of fair value of assets and obligations		
a. Fair value of plan assets	-	-
b. Present value of obligation	81.63	75.10
	81.63	**75.10**
c. Amount recognised in the balance sheet		
- Retirement benefit obligations - Non-current	74.26	67.75
- Retirement benefit obligations - Current	7.37	7.35
	81.63	**75.10**

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
(iii) Amounts recognised in the Statement of Profit and Loss		
Employee benefit expense		
a. Net interest expense	5.45	5.65
	5.45	**5.65**
Other Comprehensive income		
a. Actuarial (gain)/loss arising from changes in financial assumptions	7.94	-
b. Actuarial (gain)/loss arising from changes in experience adjustments	(2.47)	(4.76)
	5.47	**(4.76)**
Total defined benefit costs	**10.92**	**0.89**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(iv) Principal assumptions used for the purposes of the actuarial valuations		
a. Discount rate (per annum)	6.20%	7.50%
b. Medical cost - % of annual entitlement utilised (per annum)	20.00%	20.00%
c. Mortality rate	LIC Annuitants (1996-98) Ultimate	LIC Annuitants (1996-98) Ultimate
d. Withdrawal rate - The effects of mortality and withdrawal have been factored by constructing a Multiple Decrement Table taking into account the above mortality table.		
(v) Maturity profile of defined benefit obligation		
Within 1 year	7.60	7.62
1-2 year	7.16	7.22
2-5 years	18.70	18.99
Over 5 years	36.80	37.54

The weighted average duration of the defined benefit plan obligation representing average duration for active members is 8 years. (As at March 31, 2019: 8 years).

(vi) Sensitivity analysis

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

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Assumption		
a. Discount rate increase by 1%	Decrease by 6.22	Decrease by 5.36
b. Discount rate decrease by 1%	Increase by 7.25	Increase by 6.20

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

E. Provident fund

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

The Actuary has carried out year-end actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the balance sheet date using Projected Unit Credit Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, the Company has recognised interest rate guarantee shortfall in the Statement of Profit and Loss amounting to ₹129.22 lakh (March 31, 2019: ₹Nil). Further during the year, the Company's contribution of ₹434.27 lakh (March 31, 2019: ₹200.24 lakh) to the Provident Fund Trust has been expensed under the 'Contribution to Provident and Other Funds' in Note 26. Disclosures given hereunder are restricted to the information available as per the Actuary's Report.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

	As at March 31, 2020	As at March 31, 2019
a. Discount rates	6.20%	7.50%
b. Expected yield on plan assets	8.40%	8.75%
c. Guaranteed Interest Rate	8.50%	8.65%

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

38 Business combinations

(a) Acquisition of steel business of Usha Martin Limited

Pursuant to the Business Transfer Agreement ('BTA') entered into between Tata Steel Limited (holding company of the Company) and Usha Martin Limited ('UML') on September 22, 2018, its subsequent novation in favour of the Company and approval by the Company's shareholders, the acquisition of steel business of UML was completed on April 9, 2019 (other than transfer of some of the assets including iron ore mines, coal mines and certain land parcels) on compliance with relevant conditions precedents specified in the BTA by respective parties. Further, consequent to satisfaction of relevant conditions precedents, transfer of iron ore mines and coal mines were completed on July 3, 2019.

In terms of the BTA, a purchase consideration of ₹4,52,500 lakh was determined for transfer of the acquired business from UML. The consideration is based on the transfer of business undertaking on a debt-free, cash-free and nil net working capital.

The acquisition would help the Company to diversify beyond sponge iron business and enter into steel business with a focus on specialty long products portfolio.

(i) Details of purchase consideration

Particulars	₹ in lakh
Cash paid	3,90,611.53
Working capital adjustments	47,636.91
Amount held back (to be released subsequent to satisfaction of relevant conditions precedents)	14,251.56
Total Purchase consideration	**4,52,500.00**

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

Particulars	₹ in lakh
Non-current assets	
(a) Property, plant and equipment	4,10,617.86
(b) Capital work-in-progress	1,987.54
(c) Right-of-use assets	25,511.15
(d) Other intangible assets	31,520.00
(e) Other financial assets	798.87
(f) Other non-financial assets	1,525.74
	4,71,961.16

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Particulars	₹ in lakh
Current assets	
(a) Inventories	24,574.69
(b) Trade receivables	10,118.40
(c) Other financial assets	18.04
(d) Other non-financial assets	2,701.96
	37,413.09
Assets held for sale	838.66
Total assets	**5,10,212.91**
Non-current liabilities	
(a) Lease liabilities	10,042.00
(b) Provisions	3,359.99
	13,401.99
Current liabilities	
(a) Lease liabilities	2,129.22
(b) Trade payables	61,985.47
(c) Other financial liabilities	1,655.43
(d) Provisions	2,551.18
(e) Other non-financial liabilities	24,192.08
	92,513.38
Total liabilities	**1,05,915.37**
Net identifiable assets acquired	**4,04,297.54**

(iii) Calculation of goodwill on business combination

Particulars	₹ in lakh
Consideration transferred	4,52,500.00
Less: Working capital adjustments	47,636.91
Less: Net identifiable assets acquired	4,04,297.54
Goodwill	**565.55**

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

Goodwill arising on this acquisition is expected to be deductible for tax purposes.

(iv) Acquired receivables

Particulars	₹ in lakh
Fair value of acquired trade receivables (net of bills discounted)	10,118.40
Gross contractual amount for trade receivables (net of bills discounted)	10,118.40
Contractual cash flows not expected to be collected	-

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

(v) Significant estimates

(a) Contingent liabilities

Contingent Liabilities of ₹638.55 lakh for pending litigations related to demand for electricity charges and labour related cases were recognised on acquisition date. Based on legal opinion, it is probable that these demand charges are required to be paid by the Company. As at March 31, 2020, there has been no change in the probability of the outcome.

(b) Indemnification assets

As per the terms of BTA, UML has provided specific indemnity against case related to electricity charges amounting to ₹609.43 lakh included above. Accordingly, the Company has recognised this as indemnification asset at the date of acquisition. There has been no change to the value of indemnification asset subsequent to the date of acquisition.

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

(a) The acquired business contributed ₹2,66,860.44 lakh of revenue from operations and ₹53,324.10 lakh loss before exceptional items to the Company for the year ended March 31, 2020.

(b) If the business combinations had been effected at April 1, 2019, the revenue from operations of the Company would have been ₹3,54,962.75 lakh and the loss before exceptional items for the year would have been ₹38,102.30 lakh. The directors consider these 'pro-forma' numbers to represent an approximate measure of the performance of the Company on an annualised basis and to provide a reference point for comparison in future periods.

In determining the 'pro-forma' revenue and profit of the Company had business acquisition been affected at the beginning of the current year, the directors have:

- calculated depreciation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements;
- calculated borrowing costs on the funding levels, credit ratings and debt/ equity position of the Company after the business combination; and
- excluded exceptional items.

(vii) Acquisition related costs

Acquisition costs of ₹2,741.85 lakh were charged to Statement of Profit and Loss for the year ended March 31, 2020 in relation to stamp duty and registration fees for a portion of land parcels and mines acquired as part of business combination under the head exceptional items.

(viii) Purchase consideration - cash outflow

Particulars	₹ in lakh
Consideration paid in cash	3,90,611.53
Less: Cash and cash equivalent balances acquired	-
Net outflow of cash - investing activities	**3,90,611.53**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

39 Goodwill

A. Movement in goodwill during the year

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Opening balance	-	-
Add: Additions during the year due to acquisitions (Refer Note 38)	565.55	-
Closing balances	**565.55**	**-**

B. Impairment tests for goodwill

The Goodwill of ₹565.55 lakh (March 31, 2019: Nil) represents the goodwill accounted on the date of acquisition of Steel Business (CGU) as stated in Note 38 to these Financial Statements. Though goodwill is not material to the Company, the Company has assessed the goodwill for impairment and based on such assessment, no impairment was considered necessary (Refer Note 03.05). The entire goodwill as mentioned above is attributable to the aforesaid acquired business CGU i.e. Integrated steel manufacturing plant at Gamharia.

40 Assets classified as held for sale

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

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

41 Segment reporting

Prior to acquisition of steel business of UML, the Company had manufacturing facility for sponge iron and generation of power through waste heat. By acquiring the steel business of UML, the Company has forayed into manufacturing of alloy based specialty long products and the information presented to the Chief Operating Decision Maker ('CODM') for the purposes of resource allocation and assessment of segment performance, focuses on the manufacture of steel and allied products (including the manufacture of sponge iron and generation of power), accordingly, steel and allied products is the only reportable segment in accordance with Ind AS 108 - Segment Reporting. In view of the aforesaid change, generation of power is no longer a reportable segment.

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

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(i) India	4,88,362.26	50,567.68
(ii) Outside India	-	-
Total	**4,88,362.26**	**50,567.68**

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

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

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

₹ in lakh

	VAT, entry tax and sales tax	Cross subsidy surcharge	Interest on income tax	Mines restoration	Coal block performance obligation	Contingent liability recognised on business combination	Others
Carrying amount as at beginning of the year	**2,605.75**	**601.00**	**2,067.62**	**-**	**-**	**-**	**-**
	(2,538.75)	(601.00)	(1,887.91)	(-)	(-)	(-)	(-)
Add: Acquired under business combination (Refer Note 38)	**-**	**-**	**-**	**1,418.75**	**-**	**638.55**	**684.54**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Add: Provision made during the year	**30.53**	**-**	**-**	**-**	**13,371.52**	**-**	**402.83**
	(122.46)	(-)	(179.71)	(-)	(-)	(-)	(-)
Less: Amount paid during the year	**12.13**	**-**	**-**	**-**	**-**	**-**	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Less: Amount reversed during the year	**98.94**	**-**	**-**	**-**	**-**	**-**	**-**
	(55.46)	(-)	(-)	(-)	(-)	(-)	(-)
Carrying amount as at the end of the year	**2,525.21**	**601.00**	**2,067.62**	**1,418.75**	**13,371.52**	**638.55**	**1,087.37**
	(2,605.75)	(601.00)	(2,067.62)	(-)	(-)	(-)	(-)
Nature of obligation	VAT, entry tax and sales tax including interest thereon	Cross subsidy surcharge payable to power distribution companies	Interest on income tax	Activities to be performed at the time of final mine closure	Activities to be performed for developing the coal block (Refer Note 35(ii))	Demand for electricity charges and labour related matters on acquired steel business (Refer Note 38)	Demand charges of DMFT and NMET on royalty payment and other matters
Expected timing of resultant outflow	On decision by competent authority			Upon closure of mines	On decision by competent authority	On decision by competent authority	
Indication of uncertainty about those outflows	The above matters are under dispute with authorities			None	(Refer Note 35(ii))	The above matters are under dispute with authorities	
Major assumptions concerning future events	The matter is with higher authorities for adjudication. Provision has been made on the grounds of prudence.			None	(Refer Note 35(ii))	The matter is with higher authorities for adjudication. Provision has been made on the grounds of prudence.	
Amount of any expected reimbursement, i.e., amount of any asset that has been recognised for that expected reimbursement	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(figures in brackets represents amount for the previous year)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

43 Expenditure on corporate social responsibility

a. Gross amount required to be spent by the Company during the year March 31, 2020: ₹320.31 lakh (year ended March 31, 2019 ₹223.44 lakh).

b. Amount spent during the year ended March 31, 2020 (figures in brackets represents amount for the previous year).

₹ in lakh

Sr. No.	Particulars	Paid (A)	Yet to be Paid (B)	Total (A)+(B)
(i)	Construction / acquisition of any asset	-	-	-
		(-)	(-)	(-)
(ii)	On purposes other than (i) above	**203.22**	**117.66**	**320.88**
		(163.50)	(72.75)	(236.25)
	Total	**203.22**	**117.66**	**320.88**
		(163.50)	(72.75)	(236.25)

44 Assets hypothecated as security

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

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Non-current assets		
First charge (against term loan from banks)		
(i) Property, plant and equipment	4,03,489.35	-
(ii) Leased assets (under process of creation of charge)	12,826.51	-
Collateral security (against working capital requirement from banks)		
(i) Property, plant and equipment	-	21,973.09
	4,16,315.86	**21,973.09**
Current assets		
First charge (against working capital requirement from Banks)		
(i) Inventories	79,697.27	11,527.69
(ii) Trade receivables	15,588.34	7,845.45
(iii) Cash and cash equivalents	5,802.73	-
(iv) Other balances with banks	10,358.36	-
(v) Other financial assets	2,053.57	-
(vi) Other current assets	12,182.16	-
	1,25,682.43	**19,373.14**

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

The Company is in the business of manufacturing steel / steel products, which support activities that are fundamental to the Indian economy. The impact of the Government imposed nation-wide lock down / restrictions since March 25, 2020, due to the Covid-19 pandemic, impacted the Company's production, sales and other operations and the Company expects normalcy to return gradually. The Management estimates the demand for the Company's products to be lower in the short term but is not likely to have a continuing impact on the business of the Company. In light of the above, inter alia, considering the current internal and external factors, the Company has made detailed assessment of its liquidity position / cash flows for the next one year and carrying amounts / values of Property, Plant and Equipment, Intangible assets (including goodwill), Right of use of assets, trade receivables, inventories, investments and other assets as at the balance sheet date, and has concluded that there are no material adjustments required in the standalone financial statements. The impact of the pandemic on economic outlook remain uncertain and may be different from that estimated as at the date of approval of these financial statements.

STANDALONE ACCOUNTS

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

46 The Company has long-term contracts including derivative contracts as at March 31, 2020 for which there were no material foreseeable losses.

47 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company, except a sum of ₹5.31 lakh, which is held in abeyance due to pending legal cases.

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

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
			As at March 31, 2020	As at March 31, 2019
TSIL Energy Limited (Subsidiary)	Generation and sale of power *	India	100%	100%

*The Company was incorporated to primarily engage in generation and sale of power and is yet to carry out such activities.

49 Figures for the current year include operations of acquired steel business, set out in note 38 starting April 9, 2019, and accordingly are not comparable with figures of previous year.

Signatures to Notes 1 to 49 above

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

Sd/-
Pinaki Chowdhury
Partner
Membership No. 057572

Place: Kolkata
Date: June 9, 2020

For and on behalf of the Board of Directors

Sd/-
T V Narendran
Chairman
DIN: 03083605

Sd/-
Ashish Anupam
Managing Director
DIN: 08384201

Sd/-
S K Mishra
Chief Financial Officer

Sd/-
S K Shrivastav
Joint Chief Financial Officer

Sd/-
Sanjay Kasture
Company Secretary

Place: Jamshedpur
Date: June 9, 2020

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying Consolidated Financial Statements of Tata Steel Long Products Limited (hereinafter referred to as the 'Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and Notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information 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 as at March 31, 2020, of consolidated total comprehensive income (comprising loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in India in terms of the Code of Ethics issued by 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 is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw your attention to Note 45 to the Consolidated Financial Statements which explains the uncertainties and management's assessment of the financial impact due to the lockdown / restrictions related to the COVID-19 pandemic imposed by the Governments, for which a definitive assessment of the impact is dependent upon future economic conditions. 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 Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
Assessment of Purchase Price Allocation on acquisition of business in accordance with Ind AS 103, Business Combination and the appropriateness of the carrying value of the acquired Property, plant and equipment, Right-of-use assets, Other intangible assets and Goodwill as at the year end [Refer to Notes 02.08, 02.09 and 38 to the Consolidated Financial Statements – "Business Combinations"] On April 9, 2019, the Holding Company acquired the steel division of Usha Martin Limited, pursuant to the Business Transfer Agreement ("BTA") as described in the aforesaid Note. The Holding Company determined the acquisition to be a business combination in accordance with Ind AS 103 'Business Combinations'. Ind AS 103 requires the identified assets and liabilities be recognised at fair value at the date of acquisition with the excess of the acquisition cost over the identified fair value of recognised assets and liabilities as goodwill. The Holding Company appointed independent professional valuers to perform valuation of assets for the purpose of allocation of the consolidated purchase price to the respective assets and liabilities acquired (hereinafter referred to as 'the purchase price allocation' or 'the PPA'). The Management determined that the fair values of the net identifiable assets acquired was ₹404,297.54 Lakhs as part of the PPA and accordingly, the consideration paid in excess of the net assets acquired resulted in recognition of Goodwill of ₹565.55 Lakhs. Significant assumptions and estimates are used as of the date of acquisition in the determination of the fair values of the identified assets acquired and liabilities assumed in the transaction. Further, as at the year end, significant judgements are made by the management in respect of the future projections and the discount rate used in applying the value in use method in assessing the carrying value of the acquired Property, plant and equipment (including Capital work-in-progress), Right-of-use assets, Other intangible assets and the Goodwill. Accordingly, these are considered to be a key audit matter. The Management concluded that the recoverable amount is higher than their carrying values and that no impairment provision is warranted.	Our procedures included the following: • We understood from the management, assessed the design and tested the operating effectiveness of the Group's key controls over the accounting of business combination and the impairment assessment. • We have evaluated the competence, capabilities and objectivity of the management's expert engaged for the PPA, obtained an understanding of the work of the expert, and evaluated the appropriateness of the expert's work as audit evidence. • We have traced the value of the consideration transferred with reference to the BTA. • We have carried out our evaluation, by involving our experts ("auditor's expert") to : i) review the PPA and assess the reasonableness of the underlying key assumptions used in determining the fair value of assets and liabilities as at the acquisition date. ii) review the management's assessment / method including the key assumptions related to the projections, the discount rate used in the assessment of the carrying values as at the year end. • We have verified the management's computation of goodwill. • We have also assessed the adequacy and appropriateness of the disclosures made in the Consolidated Financial Statements. Based on our procedures performed above, we noted that the PPA of the consideration is in accordance with Ind-AS 103 Business Combination and that the carrying value of the acquired Property, plant and equipment (including Capital work-in-progress), Right-of-use assets, Other intangible assets and Goodwill as at the year end was appropriate.

Key Audit Matter	How our audit addressed the key audit matter
Recovery of expenses and related disclosures of contingent liabilities for Radhikapur Coal Block [Refer to Note 33(d) and 33(e) to the Consolidated Financial Statements] The Holding Company has financial exposure aggregating ₹17,892.69 Lakhs (reflected in the Consolidated Financial Statements as capital advances – ₹16,791.69 Lakhs, property, plant and equipment – ₹566.00 Lakhs, and capital work in progress – ₹535.00 Lakhs) incurred in earlier years, on the Radhikapur (East) Coal Block, which was deallocated pursuant to the Order of the Hon'ble Supreme Court of India in 2014. The Coal Mines (Special Provisions) Rules, 2014, promulgated pursuant to the aforesaid Order, prescribes that the successful bidder will be called upon to pay to the prior allotee, the expenses incurred by the prior allotee towards land and mine infrastructure. The Holding Company has submitted the statement of expenses and other details to the Nominated Authority of the Ministry of Coal ('MoC'). The above matter is pending as on the balance sheet date. The MoC had also issued notice for invocation of the bank guarantee of ₹3,250 Lakhs in November 2012 towards performance conditions for original allocation of the coal block for which the Holding Company filed a writ petition in Hon'ble High Court of Delhi. The bank guarantee had lapsed and not renewed after November 2015 as the Hon'ble High Court of Delhi had directed the Holding Company to keep the bank guarantee live as well as to the MoC to take decision by that date, against which however, there was no communication from MoC by the said date. MoC again issued notice for invocation of bank guarantee / depositing amount in December 2015 for which the Holding Company again filed a writ petition before Hon'ble High Court of Delhi. The Hon'ble High Court of Delhi in its judgement of May 27, 2020 remanded the matter to the MoC to consider afresh on the aspect whether the delay in achieving the milestones is attributable to the Holding Company and has directed the Holding Company to ensure that the bank guarantee furnished by it is kept alive till the said decision is rendered by the MoC. Pending finalisation of the matter, the amount has been disclosed as contingent liability. This is considered to be a key audit matter as significant judgements are involved regarding recoverability of the aforesaid amount incurred and possible obligation related to bank guarantee that is subject to decision / approvals of the regulatory authorities.	Our audit procedures included the following: • Evaluation of the design and testing of operating effectiveness of the controls implemented by the management to assess the recoverability of expenses incurred towards Radhikapur (East) Coal Block and related disclosures in the Consolidated Financial Statements. • Obtained an updated understanding of the basis of the management's judgement including discussion with the Holding Company's inhouse legal counsel. • Tested a sample of expenses incurred on the coal block. • Considered the legal opinion obtained by the management to understand the status and the management's assessment of the likely outcome of the on-going litigation. • Obtained evidence supporting the on-going discussions of the Holding Company with the MoC/ Nominated Authority of MoC. Based on the above work performed, we found the management's judgement on assessment of recoverability of the related expenses incurred and the disclosure of the contingent liability in respect of performance guarantee for coal block allocation, to be reasonable.

Other Information

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information in the Corporate Profile and the Director's Report along with the Annexures to the Director's Report included in the Holding Company's annual report (titled as Tata Steel Long Products Limited Integrated Report & Annual Accounts 2019-20), but does not include the financial statements and our auditor's report thereon.

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

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

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

9. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

10. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

11. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

12. 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.

13. 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 Consolidated Financial Statements in place and the operating effectiveness of such controls.

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

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entity included in the Consolidated Financial Statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

14. We communicate with those charged with governance of the Holding Company and such other entity 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.

15. 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.

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

Report on Other Legal and Regulatory Requirements

17. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

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

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements.

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

    (e) On the basis of the written representations received from the directors of the Holding Company taken on record by the Board of Directors of the Holding Company and its subsidiary respectively, none of the directors of the Group is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

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

        i. The Consolidated Financial Statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group– Refer Note 33 to the Consolidated Financial Statements.

        ii. The Group has long-term contracts including derivative contracts as at March 31, 2020, for which there were no material foreseeable losses. Refer note 46 to the Consolidated Financial Statements.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company, as applicable, incorporated in India, during the year ended March 31, 2020, except for amounts aggregating to ₹5.31 Lakhs relating to the Holding Company, which according to information and explanations provided by the management is held in abeyance due to pending legal cases - Refer Note 47 to the Consolidated Financial Statements.

        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2020.

18. As stated in the note 36(C) to the Consolidated Financial Statement, the Holding Company has paid/ provided remuneration amounting to ₹192.71 lakhs to managing directors which is subject to approval of shareholders by way of special resolution in the ensuing annual general meeting as required by section 197 read with Schedule V to the Act. Further, in respect of the subsidiary company incorporated in India, no managerial remuneration has been paid/provided during the year under section 197 of the Act.

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

Pinaki Chowdhury
Partner
Membership Number 057572
UDIN: 20057572AAAAAM3988

Kolkata
June 9, 2020

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 17(f) of the Independent Auditors' Report of even date to the members of Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited) on the Consolidated Financial Statements for the year ended March 31, 2020

Report on the Internal Financial Controls with reference to the 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, 2020, we have audited the internal financial controls with reference to financial statements of Tata Steel Long Products Limited (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to 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 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 and its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to Consolidated Financial Statements were operating effectively as at March 31, 2020, 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. (Also refer paragraph 4 of the main Audit Report).

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

Pinaki Chowdhury
Partner
Membership Number 057572
UDIN: 20057572AAAAAM3988

Kolkata
June 9, 2020

CONSOLIDATED ACCOUNTS

CONSOLIDATED BALANCE SHEET

as at March 31, 2020

₹ in lakh

	Note	As at March 31, 2020	As at March 31, 2019
I Assets			
Non-current assets			
(a) Property, plant and equipment	03	4,07,145.60	21,973.09
(b) Right-of-use assets	04	23,952.20	-
(c) Capital work-in-progress	03	3,668.92	739.39
(d) Goodwill	39	565.55	-
(e) Other intangible assets	05	29,821.09	59.11
(f) Financial assets			
(i) Investments	06	1,640.00	12,155.56
(ii) Loans	07	98.96	11.28
(iii) Other financial assets	08	93.96	86.45
(g) Non-current tax assets (net)	21 (ii)	3,670.35	2,973.73
(h) Other non-current assets	09	19,538.55	24,822.36
Total non-current assets		**4,90,195.18**	**62,820.97**
Current assets			
(a) Inventories	10	79,697.27	11,527.69
(b) Financial assets			
(i) Investments	06	126.55	12,217.37
(ii) Trade receivables	11	15,588.34	7,845.45
(iii) Cash and cash equivalents	12 (i)	5,803.10	16,320.64
(iv) Bank balances other than (iii) above	12 (ii)	10,358.36	18,420.38
(v) Loans	07	560.91	227.03
(vi) Derivative assets		819.88	-
(vii) Other financial assets	08	1,492.66	1,294.06
(c) Other current assets	09	12,182.16	1,771.13
Total current assets		**1,26,629.23**	**69,623.75**
Assets classified as held for sale	40	**838.66**	**-**
Total assets		**6,17,663.07**	**1,32,444.72**
II Equity and liabilities			
Equity			
(a) Equity share capital	13	4,510.00	1,540.00
(b) Other equity	14	1,97,171.42	1,06,822.74
Total equity		**2,01,681.42**	**1,08,362.74**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	2,64,407.37	-
(ii) Lease liabilities	04	8,903.59	-
(b) Provisions	16	7,019.98	1,190.03
(c) Deferred tax liabilities (net)	17	-	1,820.48
Total non-current liabilities		**2,80,330.94**	**3,010.51**
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	04	2,183.75	-
(ii) Trade payables	18		
- total outstanding dues of micro and small enterprises		1,084.76	106.62
- total outstanding dues of creditors other than micro and small enterprises		80,072.14	7,404.40
(iii) Other financial liabilities	20	15,072.35	425.23
(b) Provisions	16	21,703.22	5,497.13
(c) Other current liabilities	19	10,144.16	2,247.76
(d) Current tax liabilities (net)	21 (i)	5,390.33	5,390.33
Total current liabilities		**1,35,650.71**	**21,071.47**
Total liabilities		**4,15,981.65**	**24,081.98**
Total equity and liabilities		**6,17,663.07**	**1,32,444.72**
Notes forming an integral part of the consolidated financial statements	**1-50**		

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

Sd/-
Pinaki Chowdhury
Partner
Membership No. 057572

Place: Kolkata
Date: June 9, 2020

For and on behalf of the Board of Directors

Sd/-
T V Narendran
Chairman
DIN: 03083605

Sd/-
Ashish Anupam
Managing Director
DIN: 08384201

Sd/-
S K Mishra
Chief Financial Officer

Sd/-
S K Shrivastav
Joint Chief Financial Officer

Sd/-
Sanjay Kasture
Company Secretary

Place: Jamshedpur
Date: June 9, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

₹ in lakh

		Note	Year ended March 31, 2020	Year ended March 31, 2019
I	Revenue from operations	22	3,48,999.39	99,205.30
II	Other income	23	8,131.81	5,773.10
III	**Total income (I + II)**		**3,57,131.20**	**1,04,978.40**
IV	**Expenses:**			
	Cost of materials consumed	24	2,39,228.74	70,868.77
	Changes in inventories of finished and semi finished goods	25	(20,964.57)	13.83
	Employee benefits expense	26	19,211.17	4,486.75
	Finance costs	27	29,284.47	302.18
	Depreciation and amortisation expense	28	31,079.38	1,157.90
	Other expenses	29	96,198.21	9,366.87
	Total expenses (IV)		**3,94,037.40**	**86,196.30**
V	**(Loss) / Profit before exceptional items (III - IV)**		**(36,906.20)**	**18,782.10**
VI	**Exceptional items**			
	Acquisition related expenditure	35 (i)	2,741.85	-
	Provision for coal block performance obligation	35 (ii)	13,371.52	-
	Total exceptional items (VI)		**16,113.37**	**-**
VII	**(Loss) / Profit before taxes (V-VI)**		**(53,019.57)**	**18,782.10**
VIII	**Tax expense:**			
	(1) Current tax	17 (ii)	-	6,575.00
	(2) Deferred tax	17 (i)	(1,396.37)	(231.57)
	Total tax expense (VIII)		**(1,396.37)**	**6,343.43**
IX	**(Loss) / Profit for the year (VII- VIII)**		**(51,623.20)**	**12,438.67**
X	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurement gain / (loss) of the defined benefit plans		(1,442.77)	(9.59)
	(b) Income tax relating to above		495.11	3.35
	(c) Changes in fair value of FVOCI equity instruments		312.00	1,248.00
	(d) Income tax relating to above		(71.00)	(257.19)
XI	**Total other comprehensive income**		**(706.66)**	**984.57**
XII	**Total comprehensive income for the year (IX + XI)**		**(52,329.86)**	**13,423.24**
	(Comprising (loss) / profit and other comprehensive income for the year)			
XIII	**Earnings / (loss) per equity share (face value of ₹10 each) :**	32		
	(1) Basic (in ₹)		(142.81)	76.03
	(2) Diluted (in ₹)		(142.81)	76.03
Notes forming an integral part of the standalone financial statements		**1 to 50**		

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

Sd/-
Pinaki Chowdhury
Partner
Membership No. 057572

Place: Kolkata
Date: June 9, 2020

For and on behalf of the Board of Directors

Sd/-
T V Narendran
Chairman
DIN: 03083605

Sd/-
Ashish Anupam
Managing Director
DIN: 08384201

Sd/-
S K Mishra
Chief Financial Officer

Sd/-
S K Shrivastav
Joint Chief Financial Officer

Sd/-
Sanjay Kasture
Company Secretary

Place: Jamshedpur
Date: June 9, 2020

CONSOLIDATED ACCOUNTS

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

(A) Equity share capital

₹ in lakh

	Notes	As at March 31, 2019
As at April 1, 2018	13	1,540.00
Changes in equity share capital during the year		-
As at March 31, 2019		**1,540.00**
Changes in equity share capital during the year*		2,970.00
As at March 31, 2020		**4,510.00**

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

(B) Other equity

₹ in lakh

Particulars	Notes	Reserves and surplus			Other reserves		Total
		General reserves	Securities premium	Retained earnings	Remeasurement gain / (loss) on defined benefit plans	Equity instruments through other comprehensive income	
As at April 1, 2018	14	77,000.00	-	20,243.59	(130.99)	-	97,112.60
Profit for the year		-	-	12,438.67	-	-	12,438.67
Changes in fair value of FVOCI equity instruments		-	-	-	-	1,248.00	1,248.00
Remeasurement gain / (loss) on defined benefit plans		-	-	-	(9.59)	-	(9.59)
Tax impact on items of other comprehensive income (OCI)		-	-	-	3.35	(257.19)	(253.84)
Transactions with the owners in their capacity as owners							
Dividend paid during the year	30(b)	-	-	(3,080.00)	-	-	(3,080.00)
Tax on dividend	30(b)	-	-	(633.10)	-	-	(633.10)
Transfer to/from general reserve		13,000.00	-	(13,000.00)	-	-	-
Balance as at March 31, 2019	14	**90,000.00**	**-**	**15,969.16**	**(137.23)**	**990.81**	**1,06,822.74**
Loss for the year		-	-	(51,623.20)	-	-	(51,623.20)
Changes in fair value of FVOCI equity instruments		-	-	-	-	312.00	312.00
Received on issue of ordinary shares through right issue during the year		-	1,44,999.23	-	-	-	1,44,999.23
Remeasurement gain / (loss) on defined benefit plans		-	-	-	(1,442.77)	-	(1,442.77)
Tax impact on items of other comprehensive income (OCI)		-	-	-	495.11	(71.00)	424.11
Transactions with the owners in their capacity as owners							
Dividend paid during the year	30(b)	-	-	(1,925.00)	-	-	(1,925.00)
Tax on dividend	30(b)	-	-	(395.69)	-	-	(395.69)
Transfer to/from general reserve		-	-	-	-	-	-
Balance as at March 31, 2020	14	**90,000.00**	**1,44,999.23**	**(37,974.73)**	**(1,084.89)**	**1,231.81**	**1,97,171.42**
Notes forming an integral part of the consolidated financial statements 1 to 50	**1 to 50**						

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

Sd/-
Pinaki Chowdhury
Partner
Membership No. 057572

Place: Kolkata
Date: June 9, 2020

For and on behalf of the Board of Directors

Sd/-
T V Narendran
Chairman
DIN: 03083605

Sd/-
Ashish Anupam
Managing Director
DIN: 08384201

Sd/-
S K Mishra
Chief Financial Officer

Sd/-
S K Shrivastav
Joint Chief Financial Officer

Sd/-
Sanjay Kasture
Company Secretary

Place: Jamshedpur
Date: June 9, 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2020

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flows from operating activities		
(Loss)/Profit before tax	(53,019.57)	18,782.10
Adjustments for:		
Depreciation and amortisation expense	31,079.38	1,157.90
Amortisation of lease hold land	-	0.47
Changes in fair value of financial assets at fair value through profit and loss	(820.91)	2.21
Changes in fair value of non - current financial assets at fair value through profit and loss	-	(735.89)
Dividend received from equity investments	(84.00)	(88.00)
Dividend from current investments	(449.99)	(680.94)
Gain on sale of current investments	(77.14)	(0.79)
Gain on sale of non-current investments	(200.81)	-
Loss /(gain) on disposal of property, plant and equipment	206.86	(6.59)
Interest income	(4,553.06)	(3,915.98)
Finance costs	29,284.47	302.18
Allowance for expected credit losses	346.92	-
Unrealised foreign exchange loss	1,061.15	-
Provision for coal block performance obligation	13,371.52	-
Liabilities no longer required written back	(687.00)	(192.17)
Operating profit before working capital changes	**15,457.82**	**14,624.50**
Changes in operating assets and liabilities*		
(Increase) in Inventories	(43,594.89)	(3,118.82)
(Increase) / Decrease in Non-current/current financial and non-financial assets	(2,676.00)	4,098.23
(Decrease) / Increase in Non-current/current financial and non-financial liabilities/ provisions	(2,056.06)	1,157.38
Cash (used in) / generated from operations	**(32,869.13)**	**16,761.29**
Income taxes (paid)	(696.62)	(6,736.10)
Net cash (used in) / generated from operating activities	**(33,565.75)**	**10,025.19**
B. Cash flows from investing activities		
Payments for purchases of property, plant and equipment (including capital advances)	(3,813.03)	(15,843.31)
Proceeds from disposal of property, plant and equipment	21.85	13.95
Payments for business combination	(3,90,611.53)	-
Payments to acquire current investments	(1,04,521.50)	(51,370.94)
Payments to acquire Non- current investments	-	(2,999.99)
Proceeds from disposal of current investments	1,16,690.49	51,952.98
Proceeds from disposal of Non- current investments	11,028.37	-
Fixed deposits matured (net)	8,060.62	12,530.78
Interest received	5,169.62	3,704.26
Dividend received from equity investments	84.00	88.00
Dividend received from current investments	449.99	680.94
Net cash (used in) investing activities	**(3,57,441.12)**	**(1,243.33)**

CONSOLIDATED ACCOUNTS

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2020

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
C. Cash flows from financing activities		
Proceeds from borrowings (net)	2,64,367.50	-
Proceeds from issue of equity share (net of issue expenses)	1,47,969.23	-
Finance costs paid (excluding interest towards lease liabilities)	(27,375.21)	-
Payment of lease liabilities	(1,111.94)	-
Interest paid on lease liabilities	(1,039.56)	-
Dividend paid	(1,925.00)	(3,080.00)
Tax on dividend paid	(395.69)	(633.10)
Net cash generated from / (used in) financing activities	**3,80,489.33**	**(3,713.10)**
Net (decrease) / increase in cash or cash equivalents		
Cash and cash equivalents at the beginning of the year (Refer Note 12)	(10,517.54)	5,068.76
Cash and cash equivalents at the end of the year (Refer Note 12)	**16,320.64**	**11,251.88**
Notes forming an integral part of the consolidated financial statements 1 to 50	**5,803.10**	**16,320.64**

*Changes in operating assets and liabilities include non-cash adjustments related to the assets and liabilities of the business acquired. (Refer Note 38)

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

Sd/-
Pinaki Chowdhury
Partner
Membership No. 057572

Place: Kolkata
Date: June 9, 2020

For and on behalf of the Board of Directors

Sd/-
T V Narendran
Chairman
DIN: 03083605

Sd/-
Ashish Anupam
Managing Director
DIN: 08384201

Sd/-
S K Mishra
Chief Financial Officer

Sd/-
S K Shrivastav
Joint Chief Financial Officer

Sd/-
Sanjay Kasture
Company Secretary

Place: Jamshedpur
Date: June 9, 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

01 Group Background

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

TSLPL and its subsidiary company, TSIL Energy Limited (The Group) earlier had presence across the manufacture of sponge iron and generation of power from waste heat. During the year, with acquisition of steel business from Usha Martin Limited, the Company has now entered into the entire value chain of steel manufacturing from mining and processing iron ore and coal to producing and distributing steel based long products.

The consolidated financial statements were approved and authorised for issue with the resolution of the Company's Board of Directors on June 9, 2020.

02 Significant accounting policies

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

02.01 Basis of accounting and preparation of financial statements

(i) Compliance with Ind AS

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

(ii) Historical Cost Convention

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

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- assets held for sale - measured at fair value less cost to sell;
- defined benefit plans - plan assets measured at fair value.

(iii) Current versus Non-current Classification

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

An asset is classified as current when it is:

i. expected to be realised or intended to be sold or consumed in the normal operating cycle,

ii. held primarily for the purpose of trading,

iii. expected to be realised within twelve months after the reporting period, or

iv. cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

i. it is expected to be settled in the normal operating cycle,

ii. it is incurred primarily for the purpose of trading,

iii. it is due to be settled within twelve months after the reporting period, or

iv. there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

02.02 Basis of consolidation

The Consolidated Ind AS Financials Statements incorporate the financial statements of the Group and entities controlled by the Group. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group from other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholder's meetings.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date the group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control, over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition of an investment in an associate or a joint venture.

02.03 Use of estimates and critical accounting judgments

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

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

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

The areas involving critical estimates or judgements are:

(i) Employee Benefits (Estimation of Defined Benefit Obligation) - Refer Notes 02.16 and 37

Post-employment benefits represents obligation that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit cost over the employees' approximate service period, based on the terms of plans and the investment and funding decisions made. The accounting requires the Group to make assumptions regarding

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

variables such as discount rate and rate of compensation increase. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

(ii) Estimation of expected useful lives and residual values of property, plants and equipment - Refer Notes 02.04 and 03

Management reviews its estimate of useful life of property, plant & equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolesce that may change the utility of property, plant and equipment.

(iii) Provision and Contingent liabilities - Refer Notes 02.19, 02.20, 16, and 33

A provision is recognised when the Group has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities, as disclosed in Note 33 and Note 34, are not recognised in the financial statements. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcomes. In the normal course of business, the Group consults with legal counsel and certain other experts on matters related to litigations. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

(iv) Deferred Taxes - Refer Notes 02.17 and 17

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

v) Fair value measurements of financial instruments - Refer Notes 02.11 and 31

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

(vi) Impairment - Refer Notes 02.07, 03.05 and 39

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

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

(vii) Leases (Determination of lease term) - Refer Notes 02.05 and 04

When the Group has the option to extend a lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. Management considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

(viii) Allocation of purchase consideration over the fair value of assets and liabilities acquired in a business combination - Refer Notes 02.09 and 38

Assets and liabilities acquired pursuant to business combination are stated at the fair values determined as of the date of acquisition. The carrying values of assets acquired are determined based on estimate of a valuation carried out by an independent expert appointed by the Holding company. The values have been assessed based on the technical estimates of useful lives of tangible assets and benefits expected from the use of intangible assets. Other assets and liabilities were

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

recorded at values these were expected to be realised or settled respectively.

02.04 Property, plant and equipment

Items of property, plant and equipment are stated at historical cost (also refer Note 02.09 on Business Combination related to identifiable Property, plant and equipment acquired under business combination) less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are recognised as an expense in the Consolidated Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation Method, Estimated Useful Lives and Residual Values

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

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

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

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

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

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

02.05 Leases

Till March 31, 2019

The Group as a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are recognised as expense in the Consolidated Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

From April 1, 2019, the Group adopted Ind AS 116 "Leases" and applied the same to all lease contracts existing on April 1, 2019 using the modified retrospective approach with right-of-use asset recognised at an amount equal to the adjusted lease liability. As a result, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. (Refer Note 04).

The Group as a lessee

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

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

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

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

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

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

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

02.06 Intangible assets

(i) Railway sidings (constructed)

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

Railway sidings are amortised on a straight-line basis over their estimated useful lives i.e. 5 years

(ii) Computer software (acquired)

Software for internal use, which is primarily acquired from third-party vendors is capitalised. It has a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes license fees and cost of implementation/system integration services, where applicable.

Computer software are amortised over a period of 5 years. Amortisation method and useful lives are reviewed periodically including at each financial year end.

(iii) Mining rights (acquired)

Savings in the form of the differential in cost of acquisition of iron ore mined from the acquired mine and the cost incurred to acquire iron ore from the open market, adjusted for costs incurred to develop and maintain the acquired mine is accounted as intangible assets.

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

02.07 Research and Development

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

02.08 Impairment of non-financial assets

Upon acquisition of a new business, goodwill has been accounted for in terms of Ind AS 103. The goodwill so recognised is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

independent of the cash inflows from other assets or groups of assets (cash-generating units).

02.09 Business combinations

The acquisition method of accounting is used to account for all business combinations related to acquisitions, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition is measured at

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- fair value of any asset or liability resulting from a contingent consideration arrangement

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

Acquisition-related costs are expensed as incurred.

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

02.10 Financial instruments

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

02.11 Investments and Other Financial Assets

(i) Classification

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

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

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

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

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

(ii) Measurement

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

Debt Instruments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

Equity Instruments

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

(iii) Impairment of financial assets

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

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

(iv) Derecognition of financial assets

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

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

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

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

(v) Interest income

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

(vi) Dividend Income

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

(vii) Fair Value of Financial Instruments

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

(viii) Offsetting Financial Instruments

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

02.12 Financial liabilities and equity instruments

(i) Classification as debt or equity

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

(ii) Measurement

Equity instruments

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

Financial liabilities

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

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

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

(iii) De-recognition of financial liabilities

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

02.13 Derivatives and hedging activities

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

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

02.14 Trade Receivables

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

02.15 Trade Payables

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

02.16 Employee Benefits

(i) Short-term Employee Benefits

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

(ii) Post-employment Benefits

(a) Defined Benefit Plans

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

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

(b) Defined Contribution Plans

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

(iii) Other Long–term Employee Benefits

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

02.17 Income Tax

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

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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

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

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

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

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

02.18 Inventories

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

02.19 Provisions and Contingent liabilities

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

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

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

02.20 Provision for restoration and environmental costs

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

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

02.21 Revenue recognition

(i) Sale of goods and product scrap

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

(ii) Sale of Power

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

(iii) Income from services

The Group acts as a conversion agent for conversion of iron ore fines into pellets. Revenue from services is recognised when the control has been transferred to the customer, being when the service is rendered to the buyer as per the terms of contract with the customer. A receivable is recognised when the converted pellets are despatched as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

02.22 Government grants

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

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

02.23 Foreign currency transactions and translation

(i) Functional and Presentation Currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

('the functional currency'). The consolidated financial statements are presented in Indian Rupee (₹), which is the Group's functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

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

02.24 Non-current assets held for sale

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

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

Non-current assets are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset, is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. The 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.

02.25 Borrowings costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

02.26 Earnings per share

(i) Basic Earnings per Share

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

(ii) Diluted Earnings per Share

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

02.27 Cash and cash equivalents

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

02.28 Segment Reporting

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

02.29 Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakh (₹00,000) as per the requirement of schedule III, unless otherwise stated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

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

₹ in lakh

Carrying amounts of:	As at March 31, 2020	As at March 31, 2019
Freehold land	20,403.38	8,589.18
Freehold buildings	20,633.81	2,375.30
Plant and equipment	3,17,593.28	10,618.76
Furniture and fixtures	137.23	12.32
Electrical Installations	43,847.09	-
Office equipment	454.31	256.69
Vehicle	134.78	120.84
Mining lease and development	1,808.60	-
Railway Sidings	2,133.12	-
Total	**4,07,145.60**	**21,973.09**
Capital work-in-progress	3,668.92	739.39
Total	**3,668.92**	**739.39**

₹ in lakh

	Freehold land	Freehold buildings	Plant and equipment	Furniture and fixtures	Electrical Installations	Office equipment	Vehicles	Mining lease and development	Railway Sidings	Total
Cost/deemed cost										
Balance as at April 1, 2018	564.08	3,174.84	12,948.21	30.81	-	225.24	137.14	-	-	17,080.32
Additions during the year	8,025.10	27.43	-	5.88	-	179.00	60.52	-	-	8,297.93
Assets disposed / written off during the year	-	-	30.69	-	-	2.23	52.81	-	-	85.73
Balance as at March 31, 2019	**8,589.18**	**3,202.27**	**12,917.52**	**36.69**	**-**	**402.01**	**144.85**	**-**	**-**	**25,292.52**
Additions during the year	-	293.56	1,843.79	83.33	96.32	146.18	0.09	-	-	2,463.27
Assets acquired under business combination (Refer Note 38)	11,814.20	19,176.86	3,27,077.56	94.87	47,720.30	220.55	102.72	2,047.90	2,362.90	4,10,617.86
Assets disposed / written off during the year	-	-	315.03	-	-	18.38	36.60	-	-	370.01
Balance as at March 31, 2020	**20,403.38**	**22,672.69**	**3,41,523.84**	**214.89**	**47,816.62**	**750.36**	**211.06**	**2,047.90**	**2,362.90**	**4,38,003.64**
Accumulated depreciation										
Accumulated depreciation as at April 1, 2018	-	664.70	1,605.16	17.96	-	82.61	43.39	-	-	2,413.82
Charge for the year	-	162.27	722.69	6.41	-	63.99	28.62	-	-	983.98
Depreciation on assets disposed / written off during the year	-	-	29.09	-	-	1.28	48.00	-	-	78.37
Accumulated depreciation as at March 31, 2019	**-**	**826.97**	**2,298.76**	**24.37**	**-**	**145.32**	**24.01**	**-**	**-**	**3,319.43**
Charge for the year	-	1,211.91	21,749.19	53.29	3,969.53	168.50	58.41	239.30	229.78	27,679.91
Depreciation on assets disposed / written off during the year	-	-	117.39	-	-	17.77	6.14	-	-	141.30
Accumulated depreciation as at March 31, 2020	**-**	**2,038.88**	**23,930.56**	**77.66**	**3,969.53**	**296.05**	**76.28**	**239.30**	**229.78**	**30,858.04**
Carrying amount										
Balance as at March 31, 2019	8,589.18	2,375.30	10,618.76	12.32	-	256.69	120.84	-	-	21,973.09
Balance as at March 31, 2020	**20,403.38**	**20,633.81**	**3,17,593.28**	**137.23**	**43,847.09**	**454.31**	**134.78**	**1,808.60**	**2,133.12**	**4,07,145.60**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

Note :

03.01 Title deeds of certain freehold lands with gross and net carrying amount of ₹7,735.05 lakh (March 31, 2019 : ₹ Nil) and title deeds of certain freehold buildings with gross carrying amount and net carrying amount of ₹71.10 lakh (March 31, 2019 : ₹ Nil) and ₹62.89 lakh (March 31, 2019 : ₹ Nil) respectively, which were acquired under business combination (Refer Note 38), are not yet transferred in the name of the Holding Company.

The Group is in the process of reconciling title deeds which are in the physical possession of a bank for availing loan, in respect of freehold land with an aggregate carrying cost of ₹30.80 lakh (March 31, 2019 : ₹ Nil) in the underlying books and records of the Holding Company with the confirmation received from the said bank.

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

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

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

03.05 The Group acquired the Steel Division of Usha Martin Limited as stated in Note 38 to these Consolidated Financial Statements. The acquisition has been considered as a CGU and the carrying value of Property, plant and equipment (including Capital work-in-progress), Right-of-use assets, Intangible assets and goodwill aggregated ₹451,020 lakh as at the year end. The CGU was tested for impairment as at the year end. The recoverable amount of the CGUs was determined based on value-in-use calculations which require the use of assumptions. These calculations were based on cash flow forecasts approved by the Group covering a five year projection period and considering the financial performance of the period post-acquisition and perpetuity growth thereafter. The assumptions and the approach used to determine the value in use are - Sales volume annual growth rate of 8% and 18% (over FY 20) in FY 21 and FY 22 respectively and stable volume assumed over the projection period and thereafter 1% growth in perpetuity. These values have been determined based on management's expectations of market and prices. The Group expects Earnings before interest, depreciation (including amortisation) (EBITDA) (% of sales) to improve from 2% during the period FY 20 to 19.9% during March 31, 2025 and stable thereafter. A pre-tax discount rate of 11.63% and sensitivity thereof was used reflecting risks relating to the business in which the CGU operates. The recoverable amount so determined exceeded the carrying values of the assets. For sensitivity, even if the discount rate been higher by 2% or the EBITDA percent applied to the cash flow projections of this CGU been lower than management's estimates by 2%, provision for impairment would not be required. The Directors and management have considered and assessed reasonably possible changes for other key assumptions and have not identified any instances that could cause the carrying amount of the CGU to exceed its recoverable amount.

04. Leases

(a) The Group as a lessee

The Group has lease contracts for various items of plant and equipment, various offices and leased land. Leases of plant and equipment generally have lease terms between 9 to 26 years, offices generally have lease terms between 12 months to 4 years and leases of land generally have lease terms between 30 years to 100 years. Generally, the Group is restricted from assigning or subleasing the leased assets. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may be used as security for borrowing purposes. Until March 31, 2019 , leases were classified as either finance leases or operating leases. From April 1, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

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

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

(b) Transition related disclosures

(i) The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 9.73%.

(ii) The following is the summary of practical expedients elected on initial application -

- accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases,
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

(iii) Measurement of lease liabilities

	₹ in lakh
Operating lease commitments disclosed as at March 31, 2019	-
Extension and termination options reasonably certain to be exercised	28.06
Lease liabilities recognised as at April 1, 2019	**28.06**
Of which are :	
Current lease liabilities	22.27
Non-current lease liabilities	5.79

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

₹ in lakh

	As at March 31, 2020	As at April 1, 2019	As at March 31, 2019
Right-of-use land	12,852.36	26.33	-
Right-of-use plant and equipment	10,770.17	-	-
Right-of-use buildings	329.67	28.06	-
Total Right-of-use assets	**23,952.20**	**54.39**	**-**

₹ in lakh

	Right-of-use land	Right-of-use plant and equipment	Right-of-use buildings	Total Right-of-use assets
Cost/deemed cost				
Balance as at April 1, 2019	-	-	-	-
Ind AS 116 transition	-	-	28.06	28.06
Reclassified on account of adoption of Ind AS 116	26.33	-	-	26.33
Revised Opening Balance as at April 1, 2019	**26.33**	**-**	**28.06**	**54.39**
Additions during the year	-	-	-	-
Assets acquired under business combination (Refer Note 38)	13,268.80	11,912.35	330.00	25,511.15
Assets disposed / written off during the year	-	-	-	-
Balance as at March 31, 2020	**13,295.13**	**11,912.35**	**358.06**	**25,565.54**
Accumulated depreciation				
Charge for the year	442.77	1,142.18	28.39	1,613.34
Accumulated depreciation as at March 31, 2020	**442.77**	**1,142.18**	**28.39**	**1,613.34**
Carrying amount				
Balance as at March 31, 2020	**12,852.36**	**10,770.17**	**329.67**	**23,952.20**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

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

	₹ in lakh
Balance as at April 1, 2019	28.06
Additions during the year	-
Lease liabilities acquired under business combination (Refer Note 38)	12,171.22
Finance costs during the year	1,039.56
Lease payments during the year	(2,151.50)
Balance as at March 31, 2020	**11,087.34**
Current lease liabilities	2,183.75
Non-current lease liabilities	8,903.59

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis -

	₹ in lakh
Less than one year	2,183.75
One to five years	6,055.33
More than five years	9,449.31
Total	**17,688.39**

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

		₹ in lakh
	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation expense on right-of-use assets (Refer Note 28)	1,613.34	-
Interest expense on lease liabilities (Refer Note 27)	1,039.56	-
Expense relating to short-term leases (included in other expenses)	329.23	-
Expense relating to variable lease payments not included in the measurement of the lease liability (included in other expenses) (Refer note (ii) below)	100.97	-
Total amount recognised in Consolidated Statement of profit and loss	**3,083.10**	**-**

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

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

		₹ in lakh
	Year ended March 31, 2020	Year ended March 31, 2019
Fixed payments	-	-
Variable payments	100.97	-
Total payments	**100.97**	**-**

Overall the variable payments constitute up to 5 per cent of the Group's entire lease payments. The Group expects this ratio to remain constant in future years.

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

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

(v) The Group had a total cash outflows of ₹2,151.50 lakh for leases for the year ended March 31, 2020.

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

(f) Title deeds of certain leasehold lands as set out in Note 4(c) above with gross carrying amount and net carrying amount ₹86.54 lakh (March 31, 2019 : Nil) and ₹83. 66 lakh (March 31, 2019 : ₹ Nil) respectively, and certain leasehold buildings as set out in Note 4(c) above with gross carrying amount and net carrying amount of ₹330.00 lakh (March 31, 2019 : ₹ Nil) and ₹322.63 lakh (March 31, 2019 : ₹ Nil) respectively, which were acquired under business combination (Refer Note 38), are not yet transferred in the name of the Group.

(g) The Group is in the process of reconciling title deeds which are in the physical possession of a bank for availing loan, in respect of leasehold land with gross carrying amount and net carrying amount of ₹3.02 lakh (March 31, 2019 : ₹ Nil) and ₹1.82 lakh (March 31, 2019 : ₹ Nil) respectively in the underlying books and records of the Holding Company with the confirmation received from the said bank.

05 Other intangible assets

₹ in lakh

Carrying amounts of:	As at March 31, 2020	As at March 31, 2019
Computer Software (acquired)	30.15	6.33
Railway sidings (Constructed)	-	52.78
Mining rights	29,790.94	-
Total intangible assets	**29,821.09**	**59.11**

₹ in lakh

	Computer software (acquired)	Railway sidings (constructed)	Mining rights	Total intangible assets
Cost/deemed cost				
Balance as at April 1, 2018	10.30	725.91	-	736.21
Additions during the year	-	-	-	-
Assets disposed / written off during the year	-	-	-	-
Balance as at March 31, 2019	**10.30**	**725.91**	**-**	**736.21**
Additions during the year	28.11	-	-	28.11
Assets acquired under business combination (Refer Note 38)	-	-	31,520.00	31,520.00
Assets disposed / written off during the year	3.41	-	-	3.41
Balance as at March 31, 2020	**35.00**	**725.91**	**31,520.00**	**32,280.91**
Accumulated amortisation				
Accumulated amortisation as at April 1, 2018	0.74	502.44	-	503.18
Charge for the year	3.23	170.69	-	173.92
Amortisation of assets disposed / written off during the year	-	-	-	-
Accumulated amortisation as at March 31, 2019	**3.97**	**673.13**	**-**	**677.10**
Charge for the year	4.29	52.78	1,729.06	1,786.13
Amortisation of assets disposed / written off during the year	3.41	-	-	3.41
Accumulated amortisation as at March 31, 2020	**4.85**	**725.91**	**1,729.06**	**2,459.82**
Carrying amount				
Balance as at March 31, 2019	6.33	52.78	-	59.11
Balance as at March 31, 2020	**30.15**	**-**	**29,790.94**	**29,821.09**

Notes

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

06 Investments

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Non- current Investments (Unquoted)		
(A) Investment in Equity Instruments		
Investment in Other body corporates @		
Jamipol Limited	1,640.00	1,328.00
800,000 (March 31, 2019: 800,000) equity shares of ₹10 each fully paid up		
(B) Investments in Mutual fund #		
(i) IDFC Corporate Bond Direct plan - Growth	-	4,331.83
(ii) Reliance Floating Rate Fund - Short Term Plan (Direct Growth Plan)	-	3,247.35
(ii) Reliance Short Term Fund - (Direct Growth Plan)	-	3,248.38
	-	**10,827.56**
Total Non - current Investments	**1,640.00**	**12,155.56**
Current Investments (Unquoted)		
Investment in liquid mutual funds #		
(i) HDFC Liquid Fund- Regular Plan - Daily Dividend Reinvestment	-	1,789.63
(ii) IDFC Cash Fund - Regular Plan - Daily Dividend Reinvestment	-	1,560.85
(iii) Reliance Liquid Fund - Treasury Plan - Daily Dividend Reinvestment	126.55	3,662.55
(iv) Axis Liquid - Regular Plan - Daily Dividend Reinvestment	-	1,455.96
(v) DSP Blackrock Liquidity Fund - Inst - Daily Dividend Reinvestment	-	3,748.38
Total current investments	**126.55**	**12,217.37**
Aggregate amount of Unquoted Investments	**1,766.55**	**24,372.93**
# Investments carried at Fair value through Profit and Loss (FVTPL)	126.55	23,044.93
@ Investments carried at Fair value through Other Comprehensive Income [Refer Note 31(b)(i)]	1,640.00	1,328.00

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

07 Loans

(Unsecured, considered good unless stated otherwise)

₹ in lakh

	As at March 31, 2020		As at March 31, 2019	
	Non-current	Current	Non-current	Current
Loan to Employees	3.19	19.27	6.77	6.30
Security Deposits				
Considered good	95.77	541.64	4.51	220.73
Credit Impaired	-	22.57	-	22.57
Less: Allowance for credit loss	-	(22.57)	-	(22.57)
	98.96	**560.91**	**11.28**	**227.03**

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

08 Other financial assets

(Unsecured, considered good unless stated otherwise)

₹ in lakh

	As at March 31, 2020		As at March 31, 2019	
	Non-current	Current	Non-current	Current
(a) Interest accrued on deposits, loans and advances	10.35	671.20	4.05	1,294.06
(b) Deposit with banks and others with maturity period more than 12 months				
[Above deposits includes ₹83.61 lakh as at March 31, 2020 (₹82.40 lakh as at March 31, 2019) pledged with government authorities]	83.61	-	82.40	-
(c) Contract assets	-	754.22	-	-
(d) Others	-	67.24	-	-
	93.96	**1,492.66**	**86.45**	**1,294.06**

09 Other assets

(Unsecured, considered good unless stated otherwise)

₹ in lakh

	As at March 31, 2020		As at March 31, 2019	
	Non-current	Current	Non-current	Current
(a) Capital advances	17,256.80	-	24,171.95	-
(b) Indemnification assets	-	838.44	-	-
(c) Advances to related parties (Refer Note 36)	-	309.94	-	80.30
(d) Other loans and advances				
(i) Advances with public bodies	748.42	6,172.68	608.71	759.98
(ii) Other advances and prepayments				
Considered Good	1,533.33	4,861.10	15.84	930.38
Considered Doubtful	-	1,316.01	-	-
Less : Provision for doubtful advances	-	(1,316.01)	-	-
(iii) Prepaid lease payments				
- Prepaid lease payments cost	-	-	42.42	0.47
Less: Prepaid lease payments amortisation	-	-	(16.56)	-
	19,538.55	**12,182.16**	**24,822.36**	**1,771.13**

10 Inventories

(lower of cost and net realisable value)

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(a) Raw materials	47,046.32	9,803.15
(b) Finished and semi-finished goods	25,905.73	677.75
(c) Stores and spares	6,745.22	1,046.79
	79,697.27	**11,527.69**
Included above, goods-in-transit		
(a) Raw materials	19,761.61	-
(b) Finished and semi-finished goods	1,200.80	-
(c) Stores and spares	775.16	-
	21,737.57	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

Note:

(i) Value of inventories above is stated after provisions ₹1,084.79 lakh (as at March 31, 2019 : ₹38.53 lakh) for write-downs to net realisable value and provision for slow-moving and obsolete items.

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

11 Trade receivables

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good	15,588.34	7,845.45
Unsecured, credit impaired	2,625.53	-
Less : Allowance for expected credit loss	(2,625.53)	-
Total trade receivables	**15,588.34**	**7,845.45**
Trade receivables from related parties (Refer Note 36)	7,563.55	1,197.49
Trade receivables other than related parties	10,650.32	6,647.96
Less: Allowance for expected credit losses	(2,625.53)	-
	15,588.34	**7,845.45**

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

₹ in lakh

	As at March 31, 2020			
	Gross credit risk	Covered by Letter of credit	Allowance for credit losses	Net credit risk
Amount not yet due	8,078.35	5,381.40	-	2,696.95
One month overdue	6,222.74	-	-	6,222.74
Two months overdue	1,183.27	-	-	1,183.27
Three months overdue	4.91	-	-	4.91
Between three to six months overdue	97.52	-	-	97.52
Greater than six months overdue	2,627.08	-	2,625.53	1.55
	18,213.87	**5,381.40**	**2,625.53**	**10,206.94**

₹ in lakh

	As at March 31, 2019			
	Gross credit risk	Covered by Letter of credit	Allowance for credit losses	Net credit risk
Amount not yet due	7,833.07	7,833.07	-	-
One month overdue	1.89	1.89	-	-
Two months overdue	1.20	1.20	-	-
Three months overdue	8.16	8.16	-	-
Between three to six months overdue	-	-	-	-
Greater than six months overdue	1.13	-	-	1.13
	7,845.45	**7,844.32**	**-**	**1.13**

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

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

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the year	-	-
Acquired under business combination (Refer Note 38)	2,278.61	-
Charge during the year	346.92	-
Balance at the end of the year	**2,625.53**	**-**

(iii) The Group considers its maximum exposure to credit risk with respect to customers as at March 31, 2020 to be ₹10,206.94 lakh (March 31, 2019: ₹1.13 lakh).

(iv) There were two customers (March 31, 2019 : two customers) who represent more than 10% of total balance of Trade Receivables.

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

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

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

12 (i) Cash and cash equivalents

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(a) Balances with scheduled banks		
(1) In current accounts	3,303.02	419.88
(2) In fixed deposit accounts having original maturity of three months or less	2,499.39	15,900.00
(b) Cash on hand	0.69	0.76
Total Cash and cash equivalents as per Statement of Cash Flows	**5,803.10**	**16,320.64**

(ii) Bank balances other than (i) above

(a) In Unclaimed Dividend Accounts @	266.97	267.16
(b) In fixed deposit accounts (with original maturity of more than three months and maturing within twelve months from the balance sheet date) #	10,091.39	18,153.22
	10,358.36	**18,420.38**
@ Includes earmarked balances in unclaimed dividend accounts	266.97	267.16
# Pledged towards bank guarantee	10,091.39	-

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

13 Equity share capital

₹ in lakh

		As at March 31, 2020	As at March 31, 2019
(a)	**Authorised Share Capital:**		
	75,000,000 fully paid equity shares of ₹10 each	7,500.00	7,500.00
	(As at March 31, 2019: 75,000,000 fully paid equity shares of ₹10 each)		
		7,500.00	**7,500.00**
(b)	**Issued, subscribed and fully paid up :**		
	45,100,000 equity shares of ₹10 each	4,510.00	1,540.00
	(As at March 31, 2019: 15,400,000 fully paid equity shares of ₹10 each)		
		4,510.00	**1,540.00**

(c) Fully paid equity shares

	No. of equity shares	Amount ₹ in lakh
Equity shares of ₹10 each		
As at April 1, 2018	1,54,00,000	1,540.00
Changes in equity share capital during the year	-	-
As at March 31, 2019	**1,54,00,000**	**1,540.00**
Changes in equity share capital during the year	2,97,00,000	2,970
As at March 31, 2020	**4,51,00,000**	**4,510.00**

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

(d) Shares held by holding company

₹ in lakh

	As at March 31, 2020		As at March 31, 2019	
	No. of equity shares	%	No. of equity shares	%
Fully paid equity shares				
Tata Steel Limited (Holding Company)	3,42,37,521	75.91%	83,93,554	54.50%
	3,42,37,521	**75.91%**	**83,93,554**	**54.50%**

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

₹ in lakh

	As at March 31, 2020		As at March 31, 2019	
	No. of equity shares	%	No. of equity shares	%
Fully paid equity shares				
Tata Steel Limited (Holding Company)	3,42,37,521	75.91%	83,93,554	54.50%
Nippon India Small Cap Fund (formerly known as Reliance Small Cap Fund)	22,79,216	5.05%	2,53,383	1.65%

(f) Rights, preferences and restrictions attached to shares

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

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

13A Preference share capital

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(a) Authorised Share Capital:		
200,000,000 Non-Convertible Redeemable Preference Shares of ₹100 each	2,00,000.00	2,00,000.00
(As at March 31, 2019: 200,000,000 Non-Convertible Redeemable Preference Shares of ₹100 each)		
	2,00,000.00	**2,00,000.00**

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

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

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

14 Other equity

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
General reserves	90,000.00	90,000.00
Securities premium	1,44,999.23	-
Retained earnings	(37,974.73)	15,969.16
Remeasurement gain / (loss) on defined benefit plans	(1,084.89)	(137.23)
Equity instruments through other comprehensive income	1,231.81	990.81
Total	**1,97,171.42**	**1,06,822.74**

₹ in lakh

Particulars	Reserves and surplus				Other Reserves	Total
	General reserves [Refer (a) below]	Securities premium reserve [Refer (b) below]	Retained earnings [Refer (c) below]	Remeasurement gain / (loss) on defined benefit plans [Refer (d) below]	Equity instruments through other comprehensive income [Refer (e) below]	
Balance as at April 1, 2018	77,000	-	20,243.59	(130.99)	-	97,112.60
Profit for the year	-	-	12,438.67	-	-	12,438.67
Changes in fair value of FVOCI equity instruments	-	-	-	-	1,248.00	1,248.00
Remeasurement gain / (loss) on defined benefit plans	-	-	-	(9.59)	-	(9.59)
Tax impact on items of other comprehensive income (OCI)	-	-	-	3.35	(257.19)	(253.84)
Transactions with the owners in their capacity as owners						
Dividend paid during the year	-	-	(3,080.00)	-	-	(3,080.00)
Tax on dividend	-	-	(633.10)	-	-	(633.10)
Transfer to/from general reserve	13,000	-	(13,000.00)	-	-	-
Balance as at March 31, 2019	**90,000.00**	**-**	**15,969.16**	**(137.23)**	**990.81**	**1,06,822.74**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

Particulars	Reserves and surplus				Other Reserves	Total
	General reserves [Refer (a) below]	Securities premium reserve [Refer (b) below]	Retained earnings [Refer (c) below]	Remeasurement gain / (loss) on defined benefit plans [Refer (d) below]	Equity instruments through other comprehensive income [Refer (e) below]	
Loss for the year	-	-	(51,623.20)	-	-	(51,623.20)
Changes in fair value of FVOCI equity instruments	-	-	-	-	312.00	312.00
Received on issue of ordinary shares through right issue during the year	-	1,44,999.23	-	-	-	1,44,999.23
Remeasurement gain / (loss) on defined benefit plans	-	-	-	(1,442.77)	-	(1,442.77)
Tax impact on items of other comprehensive income (OCI)	-	-	-	495.11	(71.00)	424.11
Transactions with the owners in their capacity as owners						
Dividend paid during the year [refer note 30(b)]	-	-	(1,925.00)	-	-	(1,925.00)
Tax on dividend [refer note 30(b)]	-	-	(395.69)	-	-	(395.69)
Transfer to/from general reserve	-	-	-	-	-	-
Balance as at March 31, 2020	**90,000.00**	**1,44,999.23**	**(37,974.73)**	**(1,084.89)**	**1,231.81**	**1,97,171.42**

(a) General reserves

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

(b) Securities premium

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

The details of movement in securities premium is as below:

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	-	-
Received/transfer on issue of Shares during the year	1,45,530.00	-
Equity issue expenses adjusted during the year	(530.77)	-
Balance at the end of the year	**1,44,999.23**	**-**

(c) Retained Earnings

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

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

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

(e) Equity instruments through other comprehensive income

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

15 Borrowings

₹ in lakh

	As at March 31, 2020		As at March 31, 2019	
	Non current	Current	Non current	Current
A Secured Borrowings				
(a) Term Loan				
(i) From Banks	2,64,407.37	-	-	-
Total borrowings	**2,64,407.37**	**-**	**-**	**-**

Notes

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

₹ in lakh

Sr. No.	Currency	Terms of repayment	Maturity Date	Interest rate (floating rate)	As at March 31, 2020	As at March 31, 2019
(i)	Indian Rupee	Term loan is repayable in 20 semi - annual instalments commencing from September 30, 2021	March 31, 2031	1 year MCLR + 45 basis points	2,64,407.37	-

(b) The above term loans are secured by first pari-passu charge over all present and future moveable and immovable tangible assets of the Holding Company excluding coal mines and iron ore mines of the Holding Company.

(c) Maturity profile of borrowings is as below:

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Not later than one year or on demand	-	-
Later than one year but not two years	10,600.00	-
Later than two years but not three years	13,250.00	-
Later than three years but not four years	13,250.00	-
Later than four years but not five years	31,800.00	-
More than five years	1,96,100.00	-
	2,65,000.00	**-**
Unamortised upfront fees on borrowings	(592.63)	-
	2,64,407.37	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

(d) The term loan facility arrangements include financial covenants, which require compliance to certain debt-equity and debt coverage ratios. Additionally, certain negative covenants may limit the Group's ability to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach. The Group has complied with these debt covenants.

(e) Debt reconciliation

₹ in lakh

	Non-current borrowings	Total
Debt as at April 1, 2019	-	-
Cash flows (Net)	2,64,367.50	2,64,367.50
Amortisation of upfront fees	39.87	39.87
Debt as at March 31, 2020	**2,64,407.37**	**2,64,407.37**
Debt as at April 1, 2018	-	-
Cash flows (Net)	-	-
Amortisation of upfront fees	-	-
Debt as at March 31, 2019	**-**	**-**

16 Provisions

₹ in lakh

	As at March 31, 2020		As at March 31, 2019	
	Non current	Current	Non current	Current
(a) Provision for employee benefits				
(i) Post-employment defined benefits	4,962.68	541.12	1,190.03	81.47
(ii) Compensated absences	-	1,509.38	-	-
(b) Other provisions (Refer note 42)				
(i) Provision for VAT, entry tax and sales tax	-	2,525.21	-	2,747.04
(ii) Provision for cross subsidy surcharge payable	-	601.00	-	601.00
(iii) Provision for interest on income tax	-	2,067.62	-	2,067.62
(iv) Provision for mine restoration costs	1,418.75	-	-	-
(v) Contingent liability recognised on business combination	638.55	-	-	-
(vi) Provision for coal block performace obligation (Refer note 35(ii))	-	13,371.52	-	-
(vii) Others	-	1,087.37	-	-
Total provisions	**7,019.98**	**21,703.22**	**1,190.03**	**5,497.13**

17 Deferred tax liabilities (net)

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

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities	16,594.78	3,216.51
Deferred tax assets	(16,594.78)	(1,396.03)
Deferred tax liabilities (net)	**-**	**1,820.48**

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

The balances comprises temporary differences attributable to:

₹ in lakh

Balances as at March 31, 2020	Deferred tax liability/ (asset) as at March 31, 2019	Recognised in profit or loss	Recognised in other comprehensive income	Deferred tax liability/ (asset) as at March 31, 2020
Deferred tax liabilities				
(i) Property, plant and equipment and intangible assets	2,959.32	13,307.27	-	16,266.59
(ii) Fair valuation of equity instruments designated as FVOCI	257.19	-	71.00	328.19
	3,216.51	**13,307.27**	**71.00**	**16,594.78**
Deferred tax assets				
(i) Amount allowable on payment basis as per section 43B of Income-tax Act, 1961	(1,331.75)	(243.36)	(495.11)	(2,070.22)
(ii) Amount allowable under Income-tax on deferred basis	(64.28)	(120.58)	-	(184.86)
(iii) On unabsorbed depreciation and carry forward of business losses	-	(14,339.70)	-	(14,339.70)
	(1,396.03)	**(14,703.64)**	**(495.11)**	**(16,594.78)**
Deferred tax liabilities (net)	**1,820.48**	**(1,396.37)**	**(424.11)**	**-**

₹ in lakh

Balances as at March 31, 2019	Deferred tax liability/ (asset) as at March 31, 2018	Recognised in profit or loss	Recognised in other comprehensive income	Deferred tax liability/ (asset) as at March 31, 2019
Deferred tax liabilities				
(i) Property, plant and equipment and intangible assets	3,087.66	(128.34)	-	2,959.32
(ii) Fair valuation of equity instruments designated as FVOCI	-	-	257.19	257.19
	3,087.66	**(128.34)**	**257.19**	**3,216.51**
Deferred tax assets				
(i) Amount allowable on payment basis as per section 43B of Income-tax Act, 1961	(1,289.45)	(38.95)	(3.35)	(1,331.75)
(ii) Amount allowable under Income-tax on deferred basis	-	(64.28)	-	(64.28)
(iii) On unabsorbed depreciation and carry forward of business losses	-	-	-	-
	(1,289.45)	**(103.23)**	**(3.35)**	**(1,396.03)**
Deferred tax liabilities (net)	**1,798.21**	**(231.57)**	**253.84**	**1,820.48**

Note :

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

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

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
Current tax		
On profit for current year	-	6,575.00
	-	**6,575.00**
Deferred tax		
In respect of the current year	(1,396.37)	(231.57)
	(1,396.37)	**(231.57)**
Total tax expense (Refer reconciliation below)	**(1,396.37)**	**6,343.43**

The income tax expense for the year can be reconciled to the accounting profit as follows:

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax	(53,019.57)	18,782.10
Income tax expense calculated at enacted Income tax rate of 34.944% (March 31, 2019 : 34.944%)	(18,527.16)	6,563.22
Effect of income that is exempt from taxation	(194.80)	(266.68)
Effect of expenses that are not deductible in determining taxable profit	5,919.76	64.71
Deferred tax assets not recognised on unabsorbed depreciation	11,407.97	-
Others	(2.14)	(17.82)
Income tax expense recognised in Consolidated Statement of Profit and Loss	**(1,396.37)**	**6,343.43**

(iii) The Group has not recognised deferred tax assets on unabsorbed depreciation aggregating to ₹32,646.43 lakh as at March 31, 2020 (March 31, 2019 : Nil).

(iv) The amounts and expiry dates, if any, of unutilised tax losses and deductible temporary differences for which no deferred tax asset is recognised in the balance sheet are given below:

	Period of expiry	Amount ₹ in lakh
Unabsorbed depreciation	No Expiry	32,646.43
		32,646.43

(v) Taxation Laws (Amendment) Act, 2019 enacted on December 11, 2019 [promulgated as the Taxation Laws (Amendment) Ordinance, 2019 on September 20, 2019] amends the Income Tax Act, 1961, and the Finance (No. 2) Act, 2019. The Ordinance / Act provides domestic companies an option for lower tax rates, provided they do not claim certain deductions. The Group has not opted for the lower tax rate and applied the rate existing prior to the Ordinance / Act in making provision of its tax liability for the financial year.

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

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

18 Trade payables

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Current		
(i) Total outstanding dues of micro and small enterprises (Refer Note below)	1,084.76	106.62
(ii) Total outstanding dues of creditors other than micro and small enterprises		
(a) Trade payables for supplies and services	75,498.03	5,974.34
(b) Trade payables for accrued wages and salaries	4,574.11	1,430.06
Total Trade Payables	**81,156.90**	**7,511.02**
Trade payable to related parties (Refer Note 36)*	38,996.28	3,030.71
Trade payable other than related parties	42,160.62	4,480.31
Total Trade Payables	**81,156.90**	**7,511.02**

* includes payable to Tata Sponge Iron Limited Superannuation Fund

Note:

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

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

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(a) (i) The principal amount remaining unpaid to supplier as at end of the accounting year	1,084.76	106.62
(ii) Interest due thereon remaining unpaid to supplier as at end of the accounting year	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	15.19	-
(d) The amount of interest accrued and remaining unpaid at the end of the accounting year	731.19	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

19 Other current liabilities

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(a) Advances from customers*	4,058.55	688.73
(b) Other payables		
(i) Employee recoveries and employer contributions	179.54	62.13
(ii) Statutory liabilities (GST, Excise duty, service tax, sales tax, TDS, etc.)	2,593.38	1,496.90
(iii) EPCG Indemnified liabilities	1,979.54	-
(iv) Others	1,333.15	-
Total other current liabilities	**10,144.16**	**2,247.76**

* Advances from customers appearing at the beginning of the year have been entirely adjusted against revenue recognised during the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

20 Other financial liabilities

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(a) Interest payable		
(i) Interest accrued but not due on borrowings	829.83	-
(ii) Interest accrued on trade payables and others	1,343.63	-
(b) Creditors for capital supplies and services	84.50	32.13
(c) Unpaid dividends	266.95	267.12
(d) Other credit balances *	12,547.44	125.98
Total Other financial liabilities	**15,072.35**	**425.23**

* Includes net amount payable to Usha Martin Limited (UML) ₹12,442.10 lakh towards purchase consideration pursuant to Business Transfer Agreement (Comprises of amount held back to be released subsequent to satisfaction of relevant conditions precedents ₹14,251.56 lakh (Refer Note 38) net of other receivables from UML amounting to ₹1,809.46 lakh).

21 (i) Current tax liabilities (net)

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Provision for tax [net of advance tax of ₹24,164.03 lakh (As at March 31, 2019: ₹24,164.03 lakh)]	5,390.33	5,390.33
Total current tax liabilities (net)	**5,390.33**	**5,390.33**

(ii) Non current tax assets (net)

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Advance tax and Tax Deducted at Sources [net of provision of ₹26,309.67 lakh (As at March 31, 2019: ₹26,309.67 lakh)]	3,670.35	2,973.73
Total non current tax assets (net)	**3,670.35**	**2,973.73**

22 Revenue from operations

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Revenue from contracts with customers		
(i) Sale of products	3,32,069.30	92,975.34
(ii) Sale of power	5,955.02	5,332.10
(iii) Income from services	4,742.75	-
(b) Other operating revenue		
(i) Sale of product scrap	6,119.72	897.86
(ii) Export incentives	112.60	-
Revenue from operations	**3,48,999.39**	**99,205.30**

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

Note:

(a) Reconciliation of revenue recognised with contract price

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
Contract price	3,51,923.64	99,205.30
Adjustment for:		
Refund liabilities	(2,924.25)	-
Revenue from operations	**3,48,999.39**	**99,205.30**

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

₹ in lakh

	India	Outside India	Total
(i) Sale of products	**2,99,683.22**	**32,386.08**	**3,32,069.30**
	(73,087.20)	(19,888.14)	(92,975.34)
(ii) Sale of power	**5,955.02**	**-**	**5,955.02**
	(5,332.10)	(-)	(5,332.10)
(iii) Income from services	**4,742.75**	**-**	**4,742.75**
	(-)	(-)	(-)
	3,10,380.99	**32,386.08**	**3,42,767.07**
	(78,419.30)	(19,888.14)	(98,307.44)

Figures in brackets represents amount for the previous year

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

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
(i) Customer 1	43,205.39	-
(ii) Customer 2	-	4,314.52
(iii) Customer 3	-	14,271.04
(iv) Customer 4	-	13,064.93
(v) Customer 5	-	9,872.36
	43,205.39	**41,522.85**

(d) Contract balances

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Trade receivables (Gross) (Refer Note 11)	18,213.87	7,845.45
Contract assets		
Unbilled revenue (Refer Note 8)	754.22	-
	18,968.09	**7,845.45**
Contract liabilities		
Advance from customers (Refer Note 19)	4,058.55	688.73

The outstanding balances of contract liabilities and contract assets has increased due to the increase in customer base, on account of acquired steel business (Refer Note 38).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

23 Other income

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Interest income		
(i) Interest income earned on financial assets that are not designated at FVTPL		
- Bank deposits carried at amortised cost	1,713.02	3,313.27
- Other financial assets carried at amortised cost	1,368.56	602.71
(ii) Interest income on tax refund	1,471.48	-
(b) Dividend income		
(i) From equity investments *	84.00	88.00
(ii) From Investment in Mutual fund (Current)	449.99	680.94
(c) Net gains / (losses) on fair value changes		
(i) Net gain / (loss) on fair value changes of financial assets carried at FVTPL (Current)	820.91	(2.21)
(ii) Net gain on fair value changes of financial assets carried at FVTPL (Non - current)	-	735.89
(iii) Net gain on sale of current investments	77.14	0.79
(iv) Net gain on sale of non-current investments	200.81	-
(d) Net gain on disposal of Property plant and equipment	-	6.59
(e) Liabilities no longer required written back	687.00	192.17
(f) Other non-operating income	1,258.90	154.95
Total other income	**8,131.81**	**5,773.10**

Note :

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

24 Cost of materials consumed

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
Opening stock	9,803.15	6,858.03
Add: Purchases of materials	2,59,257.55	73,813.89
Add: Acquired under business combination	17,214.36	-
	2,86,275.06	**80,671.92**
Less: Closing stock	47,046.32	9,803.15
Total cost of materials consumed	**2,39,228.74**	**70,868.77**

25 Changes in inventories of finished and semi-finished goods

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
Finished and semi-finished goods		
Opening stock	677.75	691.58
Add: Acquired under business combination	4,263.41	-
Less: Closing stock	25,905.73	677.75
Net (increase) / decrease in finished and semi-finished goods	**(20,964.57)**	**13.83**

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

26 Employee benefits expense

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Salaries and wages	16,868.52	3,767.66
(b) Contribution to provident and other funds	1,632.49	404.96
(c) Staff welfare expenses	710.16	314.13
Total employee benefits expense	**19,211.17**	**4,486.75**

27 Finance costs

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Interest expenses		
(i) Bank borrowings	28,002.28	-
(ii) Leases	1,039.56	-
(iii) Interest on statutory dues	31.25	302.18
(b) Other borrowing costs	211.38	-
Total finance costs	**29,284.47**	**302.18**

28 Depreciation and amortisation expense

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Depreciation of property, plant and equipment (Refer Note 03)	27,679.91	983.98
(b) Depreciation of right-of-use assets (Refer Note 04)	1,613.34	-
(c) Amortisation of intangible assets (Refer Note 05)	1,786.13	173.92
Total depreciation and amortisation expense	**31,079.38**	**1,157.90**

29 Other expenses

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Consumption of stores and spare parts	27,566.62	1,026.42
(b) Fuel oil consumed	8,525.25	107.87
(c) Purchase of power	5,099.76	20.87
(d) Rent	392.07	81.23
(e) Repairs to buildings	898.48	656.62
(f) Repairs to machinery	10,347.33	1,544.60
(g) Insurance	719.57	81.35
(h) Rates and taxes	1,416.44	898.27
(i) Freight and handling charges	23,648.68	1,109.66
(j) Commission, discounts and rebates	78.70	42.64
(k) Packing and forwarding	749.81	508.02
(l) Royalty	7,528.43	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
(m) Other expenses		
(1) Legal and professional fees (Refer Note 29.01)	1,682.97	654.81
(2) Advertisement, promotion and selling expenses	30.75	42.99
(3) Travelling expenses	843.93	186.46
(4) Net Loss on foreign currency transactions	1,565.31	252.31
(5) Corporate social responsibility expenses	320.88	236.25
(6) Allowance for expected credit losses	346.92	-
(7) Loss on disposal of property plant and equipment	206.86	-
(8) Other general expenses (Refer Note 29.02)	4,229.45	1,916.50
Total other expenses	**96,198.21**	**9,366.87**

29.01 Payments to auditors

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
(1) Auditors remuneration and out-of-pocket expenses		
(i) As auditors - statutory audit	62.61	10.61
(ii) As auditors - quarterly audits	30.00	6.00
(iii) As auditors - tax audit	5.60	1.60
(iv) For other services (*)	32.00	-
(v) Auditors out-of-pocket expenses	1.80	2.34
	132.01	**20.55**

(*) Other services includes ₹30.00 lakh (March 31, 2019: Nil) in respect of rights issue which has been charged to securities premium.

29.02 Includes R&D expenses amounting to ₹14.64 lakh (March 31, 2019 ₹11.70 lakh) paid to Indian Institute of Technology, Bhubaneswar.

30 Capital management

(a) Risk management

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

The Group monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Group.

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

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

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Equity share capital	4,510.00	1,540.00
Other equity	1,97,171.42	1,06,822.74
Total equity (A)	**2,01,681.42**	**1,08,362.74**
Non-current borrowings	2,64,407.37	-
Lease liabilities	11,087.34	-
Gross debt (B)	**2,75,494.71**	**-**
Total capital (A+B)	**4,77,176.13**	**1,08,362.74**
Gross debt as above	2,75,494.71	-
Less : Current investments	126.55	-
Less : Cash and cash equivalents	5,803.10	-
Less : Other balance with banks (including non-current earmarked balances)	10,441.97	-
Net debt (C) [1]	**2,59,123.09**	**-**
Net debt to equity ratio [2]	**1.67**	**-**

Refer note below

Notes :

[1] There were no borrowings as at March 31, 2019, hence Net debt as at March 31, 2019 is Nil.

[2] Net debt to equity ratio as at March 31, 2020 has been computed based on average of opening and closing equity.

(b) Dividend on equity shares

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Dividend Declared and Paid during the year		
Final dividend for the year ended March 31, 2019 of ₹12.50 (March 31, 2018 – ₹20.00) per fully paid share	1,925.00	3,080.00
Dividend Distribution Tax on above	395.69	633.10
Proposed Dividend Not Recognised at the End of the Reporting Period		
The directors have not recommended any final dividend for the year ended March 31, 2020 (for the year ended March 31, 2019 : ₹12.50 per fully paid up share).	-	1,925.00
Dividend Distribution Tax on above	-	395.69

31 Disclosures on financial instruments

(a) Financial risk management

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

(i) Credit risk management

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

Trade receivables and contract assets

Trade receivables are typically unsecured, considered good and are derived from revenue earned from customers. Customer credit risk is managed as per Group's policy and procedures which involve credit approvals, establishing credit limits and continually monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. Contract assets relate to unbilled work in progress and have substantially the same characteristics as the trade receivables for the same type of contracts.

Outstanding customer receivables are regularly monitored and the shipments to customers are generally covered by letters of credit or other forms of credit assurance.

Other Financial Assets

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

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

In respect of financial guarantees provided by the Group to banks/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.

(ii) Liquidity risk management

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

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

a. Financing arrangement

The Group has unutilised fund based arrangement with banks for ₹27,000 lakh (March 31, 2019: ₹7,000.00 lakh). The Group has also Non-Fund based facilities with banks for ₹19,300 lakh (March 31, 2019: ₹14,815.00 lakh) which may be utilised at any time.

b. Maturities of financial liabilities

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Group's derivative and non-derivative financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period. Cash flows in foreign currencies are translated using the period end spot rates.

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

As at March 31, 2020	Carrying value	Contractual cash flows	less than one year	between one to five years	More than five years
Financial liabilities					
Borrowings including interest obligations	2,64,407.37	4,35,720.67	24,247.50	1,57,303.40	2,54,169.77
Lease liabilities	11,087.34	17,688.39	2,183.75	6,055.33	9,449.31
Trade payables	81,156.90	81,156.90	81,156.90	-	-
Other financial liabilities	15,072.35	15,072.35	15,072.35	-	-
	3,71,723.96	**5,49,638.31**	**1,22,660.50**	**1,63,358.73**	**2,63,619.08**

₹ in lakh

As at March 31, 2019	Carrying value	Contractual cash flows	less than one year	between one to five years	More than five years
Financial liabilities					
Borrowings including interest obligations	-	-	-	-	-
Lease liabilities	-	-	-	-	-
Trade payables	7,511.02	7,511.02	7,511.02	-	-
Other financial liabilities	425.23	425.23	425.23	-	-
	7,936.25	**7,936.25**	**7,936.25**	**-**	**-**

(iii) Market risk

a. Foreign currency risk

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

USD in lakh

	As at March 31, 2020	As at March 31, 2019
Financial assets		
Trade receivables	0.77	-
Net exposure to foreign currency risk (Assets)	**0.77**	**-**
Financial liabilities		
Trade payables	482.06	3.36
Derivatives		
Foreign Exchange Forward Contracts	463.65	-
Net exposure to foreign currency risk (Liabilities)	**18.41**	**3.36**
Net exposure to foreign currency risk (Assets - Liabilities)	**(17.64)**	**(3.36)**

Foreign currency sensitivity

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

	Impact on profit / (loss) before taxes		Impact on profit / (loss) after taxes	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Increase in rate of 1 USD against ₹ by 10%	(131.88)	(23.27)	(131.88)	(15.14)
Decrease in rate of 1 USD against ₹ by 10%	131.88	23.27	131.88	15.14

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

b. Interest rate risk

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

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

₹ in lakh

	Impact on profit / (loss) before taxes		Impact on profit / (loss) after taxes	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Increase in interest rate by 100 basis points	(2,031.51)	-	(2,031.51)	-
Decrease in interest rate by 100 basis points	2,031.51	-	2,031.51	-

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

There were no outstanding borrowings as at March 31, 2019.

(iv) Securities Price risk

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

₹ in lakh

	Impact on profit / (loss) before taxes		Impact on profit / (loss) after taxes	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
NAV -Increase by 1%*	1.27	230.45	1.27	149.92
NAV -Decrease by 1%*	(1.27)	(230.45)	(1.27)	(149.92)

* Holding all other variables constant

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

(v) Commodity Price risk

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

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

(b) Financial Instruments by Category

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

(i) Financial assets and liabilities

The following tables present the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2020 and March 31, 2019.

₹ in lakh

As at March 31, 2020	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value	Total fair value
Financial assets					
Investments in Mutual fund	126.55	-	-	126.55	126.55
Investment in body corporates	-	1,640.00	-	1,640.00	1,640.00
Trade receivables	-	-	15,588.34	15,588.34	15,588.34
Loans	-	-	659.87	659.87	659.87
Cash and cash equivalents	-	-	5,803.10	5,803.10	5,803.10
Other bank balances	-	-	10,358.36	10,358.36	10,358.36
Derivatives*	819.88	-	-	819.88	819.88
Other financial assets	-	-	1,586.62	1,586.62	1,586.62
Total	**946.43**	**1,640.00**	**33,996.29**	**36,582.72**	**36,582.72**
Financial liabilities					
Borrowings	-	-	2,64,407.37	2,64,407.37	2,64,407.37
Lease liabilities	-	-	11,087.34	11,087.34	11,087.34
Trade payables	-	-	81,156.90	81,156.90	81,156.90
Other financial liabilities	-	-	15,072.35	15,072.35	15,072.35
Total	**-**	**-**	**3,71,723.96**	**3,71,723.96**	**3,71,723.96**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

As at March 31, 2019	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value	Total fair value
Financial assets					
Investments in Mutual fund	23,044.93	-	-	23,044.93	23,044.93
Investment in body corporates	-	1,328.00	-	1,328.00	1,328.00
Trade receivables	-	-	7,845.45	7,845.45	7,845.45
Loans	-	-	238.31	238.31	238.31
Cash and cash equivalents	-	-	16,320.64	16,320.64	16,320.64
Other bank balances	-	-	18,420.38	18,420.38	18,420.38
Derivatives*	-	-	-	-	-
Other financial assets	-	-	1,380.51	1,380.51	1,380.51
Total	**23,044.93**	**1,328.00**	**44,205.29**	**68,578.22**	**68,578.22**
Financial liabilities					
Borrowings	-	-	-	-	-
Lease liabilities	-	-	-	-	-
Trade payables	-	-	7,511.02	7,511.02	7,511.02
Other financial liabilities	-	-	425.23	425.23	425.23
Total	**-**	**-**	**7,936.25**	**7,936.25**	**7,936.25**

* Derivative instruments designated as not in hedging relationship.

(ii) Fair value measurement

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2019.

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

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

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

Fair value hierarchy

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

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

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

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

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

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

₹ in lakh

As at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in mutual funds	126.55	-	-	126.55
Derivative assets	-	819.88	-	819.88
Investment in equity instruments at FVTOCI (Unquoted)	-	-	1,640.00	1,640.00
Total	**126.55**	**819.88**	**1,640.00**	**2,586.43**

₹ in lakh

As at March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in mutual funds	23,044.93	-	-	23,044.93
Derivative assets	-	-	-	-
Investment in equity instruments at FVTOCI (Unquoted)	-	-	1,328.00	1,328.00
Total	**23,044.93**	**-**	**1,328.00**	**24,372.93**

Reconciliation of Level 3 fair value measurement is as below :

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Opening as on April 1, 2019	1,328.00	80.00
Changes in fair value recognised in Other Comprehensive Income	312.00	1,248.00
Closing as on March 31, 2020	**1,640.00**	**1,328.00**

Valuation technique used for Level 3 investments

Fair valuation of the equity investments have been determined using the discounted cash flow model. Significant unobservable inputs used in the valuation were earnings growth rate and risk adjusted discount rates.

The increase / decrease of 1% in earnings growth rate (keeping other variables constant) would result into an increase / decrease in fair value by ₹16.00 lakh and ₹24.00 lakh respectively.

The increase / decrease in 1% risk adjusted discount rate (keeping other variables constant) would result into decrease / increase in fair value by ₹65.00 lakh and ₹77.00 lakh respectively.

(iii) Derivative financial instruments

Derivative instruments used by the Group are forward exchange contracts. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" wherever possible. The Group does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

As at March 31, 2020, all derivative instruments are designated as not in hedging relationships.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

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

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Foreign currency forwards	819.88	-
Classified as:		
Non-current assets	-	-
Current assets	-	-
	819.88	**-**

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

USD in lakh

	As at March 31, 2020	As at March 31, 2019
Foreign currency forwards	463.65	-

32 Earnings / (loss) per equity share

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
Net (loss) / profit for the year (₹ In lakh)	(51,623.20)	12,438.67
Weighted average number of equity shares outstanding during the year (Nos.) (Refer Note (i))	3,61,48,129	1,63,59,783
Nominal value per equity share (₹)	10	10
Basic and diluted earnings / (loss) per equity share (₹)	(142.81)	76.03

Note:

(i) Basic and diluted earnings per share for the year ended March 31, 2019, have been adjusted retrospectively for the bonus element in respect of rights issue made during the year ended March 31, 2020.

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

33 Contingent liabilities

(a) Claims against the Group not acknowledged as debt:

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(a) Income tax	159.28	159.28
(b) Odisha entry tax	2,579.93	2,579.93
(c) Customs duty (Refer Note below)	3,818.44	3,818.44
(d) Demand from Ministry of Coal against Radhikapur coal block (Refer Note 33(d))	3,250.00	3,250.00
(e) Demand from suppliers	152.13	152.13
	9,959.78	**9,959.78**

Note:

The above includes demand received from Commissioner of Customs (Preventive) aggregating to ₹4,398.99 lakh pertaining to the financial year 2012-13 on account of levy of additional customs duty on classification of the imported coal as bituminous coal as against Group's classification as steam coal. The Group has filed an appeal against the aforesaid order in the Customs, Excise and Service Tax Appellate Tribunal, Kolkata. The Group had paid an amount of ₹1,087.94 lakh and recognised the non-cenvatable portion of the duty and applicable interest as expense whereas cenvatable portion had been recognised as an advance in the year 2012-13.

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

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

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(i) Renewable energy purchase obligation	632.89	632.89
(ii) Excise Duty	3,041.01	2,946.30
	3,673.90	**3,579.19**

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

(c) Cross subsidy surcharge payable to power distribution companies

In 2012-13, the Group injected power to State Grid due to denial of permission for open access by Orissa Power Transmission Corporation Limited ("OPTCL") to supply power to the parent Company Tata Steel Limited beyond the period of invocation of section 11 of Electricity Act, 2003 by the Government of Odisha i.e., June, 2012. As a result of which the Group could not meet the minimum stipulated criteria of 51% self-consumption of generated power as a captive power plant and the provisions of Cross Subsidy Surcharge under Electricity Act, 2003 became applicable. The Group filed a case before the Odisha Electricity Regulatory Commission ("OERC") for relief which was denied and consequently the Group had filed a case before Appellate Tribunal of Electricity ("ATE"). Appeal filed by the Group before "ATE" was allowed and the matter stands remitted back to the OERC for reconsideration afresh. As a matter of prudence, pending finalisation of the matter, an amount of ₹601.00 lakh provided in the year ended March 31, 2015, is being continued.

(d) In the month of November 2012, Ministry of Coal ("MoC") issued notices to the Holding company for invocation of bank guarantee of ₹3,250 lakh submitted towards performance of conditions for allocation of Radhikapur (East) coal block against which the Holding company had filed a writ petition in the Hon'ble High Court of Delhi, which directed the Holding company to keep the bank guarantee valid till November 30, 2015 by which date the MoC was directed to take decision. The bank guarantee expired after November 30, 2015 and had not been renewed, since no communication had been received from MoC. Subsequently, MoC issued a notice dated December 28, 2015, stating that the bank guarantee be invoked and the aforesaid amount be deposited. Consequent to MoC's notice, the Holding company has moved to the Hon'ble High Court of Delhi. In the judgment dated May 27, 2020 the Hon'ble High Court of Delhi remanded the matter to MoC to consider afresh on the aspect whether the delay in achieving the milestones is attributable to the Holding company and has directed the Holding company to ensure that the bank guarantee furnished by it is kept alive till the said decision is rendered by the MoC. Pending finalisation of the matter, the amount continues to be disclosed as a contingent liability.

(e) (i) During pendency of the aforesaid matters in Hon'ble High Court of Delhi, the Hon'ble Supreme Court of India vide its order dated September 24, 2014 had cancelled allocation of 214 coal blocks including the Radhikapur (East) Coal Block which was allotted to the Holding company on February 7, 2006. The amount incurred on the Radhikapur (East) Coal Block upto March 31, 2020 aggregates to ₹18,040.96 lakh (March 31, 2019: ₹18,040.96 lakh), and the carrying amount in the books net of depreciation and write off as at March 31, 2020 is ₹17,892.69 lakh (March 31, 2019: ₹17,905.00 lakh).

(ii) Pursuant to the judgment of Hon'ble Supreme Court of India, the Government of India had promulgated Coal Mines (Special Provision) Rules, 2014 ("Rules") for allocation of the coal mines through auction and matters related thereto. In terms of the said Rules, the successful bidder will be called upon to pay to the prior allocattee the expenses incurred by the prior allocattee towards land and mine infrastructure. Pursuant to the judgement dated March 9, 2017 of the Hon'ble High Court of Delhi in W.P (c) 973/2015, the directives of MoC vide its letter dated February 1, 2018 and as per details prescribed by Nominated Authority, the company has furnished the required statement of expenses and other details in the prescribed format on February 22, 2018. Relying on the legal position and legal opinion obtained by the company in respect of the recoverability of the amount, no provision is considered necessary.

34 Estimated amounts of contracts remaining to be executed on capital account (Property, plant and equipment) and not provided for is ₹4,099.08 lakh (As at March 31, 2019: ₹244.88 lakh) net of advances of ₹320.25 lakh (As at March 31, 2019 ₹0.31 lakh).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

35 Exceptional items

(i) Acquisition related expenditure

Represents expenses incurred on stamp duty and registration fees for a portion of land parcels and mines acquired as part of business combination aggregating to ₹2,741.85 lakh during the year ended March 31, 2020 (for the year ended March 31, 2019 : Nil). (Refer Note 38)

(ii) Provision for coal block performance obligation

The Holding Company acquired the Steel business of Usha Martin Limited (UML) at Gamharia, Jamshedpur under a going concern and slump sale basis. The transaction included a greenfield coal block with corresponding performance obligation by way of bank guarantee to the Nominated Authority, Ministry of Coal towards development of the said coal block. Post acquisition, the Holding company has assessed the social and environmental challenges for the development of the coal block and have come to the view that the performance obligations of developing the coal block look challenging to fulfil. Accordingly, the Holding Company, as a matter of prudence, has taken provision related to the aforesaid bank guarantee.

36 Related party transaction

A List of related parties

Name of the related Party	Relationship
Tata Sons Private Limited [Formerly Tata Sons Limited]	Company having significant Influence
Where control exists	
Tata Steel Limited	Holding Company
Others with whom transactions have taken place during the current or previous year	
The Tinplate Company of India Limited	Fellow Subsidiary
Tata Pigments Limited	
The Indian Steel and Wire Products Limited	
Tata Metaliks Limited	
Jamshedpur Utilities & Services Company Limited	
The Siam Industrial Wire Company Ltd.	
Tata Steel Global Procurement Company Pte. Ltd.	
TM International Logistics Limited	Joint venture with Tata Steel Limited
mjunction services limited	
Jamipol Limited	
Tata Bluescope Steel Limited	
TKM Global Logistic Limited	
Tata International Limited	Subsidiary of Tata Sons Private Limited
Tata International Singapore PTE Limited	
Tata Consultancy Services Limited	
Tata AIG General Insurance Company Limited	
TRL Krosaki Refractories Limited	Associate of Tata Steel Limited (till December 28, 2018)
Mr. Sanjay Kumar Pattnaik (Up to October 31, 2019)	Key Management personnel - Managing Director (MD)
Mr. Ashish Anupam (w.e.f. November 1, 2019)	

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

Name of the related Party	Relationship
Mr. T V Narendran	Key Management personnel -Non- Executive Director (NED)
Mr. Koushik Chatterjee	
Dr. Sougata Ray	
Mr. A M Misra (up to January 12, 2019)	
Mr. D K Banerjee	
Mr. P C Parakh	
Mr. Manoj T Thomas	
Mr. Krishnava S Dutt (up to October 11, 2018)	
Mrs. Meena Lall	
Dr. Omkar N Mohanty	
Dr. Ansuman Das (from July 15, 2019)	
Mr. Srikumar Menon (from July 15, 2019)	
Mr. Shashi Kant Maudgal (from July 15, 2019)	
Mr. Ashish Anupam (from March 14, 2019 to October 31, 2019)	
Tata Sponge Iron Limited Employee Provident Fund Trust	Post Employment Benefit Plans (PEBP) as per Ind AS 24
Tata Sponge Iron Limited Superannuation Fund	
Tata Sponge Iron Limited Gratuity Fund	

B Particulars of transactions during the year

₹ in lakh

Name of the related party	Nature of relationship	Year ended March 31, 2020	Year ended March 31, 2019
Tata Steel Limited	Holding Company	24,393.34	806.71
Tata International Limited	Subsidiary of Tata Sons Private Limited	9,925.56	9,882.23
The Siam Industrial Wire Company Ltd.	Fellow subsidiary	56.69	-
The Indian Steel and Wire Products Limited	Fellow subsidiary	33.56	-
Tata Metaliks Limited	Fellow subsidiary	-	43.81
Total - Sale of goods		**34,409.15**	**10,732.75**
Tata Steel Limited	Holding Company	5,187.75	4,314.52
Total - Sale of power		**5,187.75**	**4,314.52**
Tata Steel Limited	Holding Company	5,540.59	6.96
Total - Services rendered		**5,540.59**	**6.96**
Tata Steel Limited	Holding Company	46,960.22	26,960.92
Tata Steel Global Procurement Company Pte. Ltd.	Fellow subsidiary	49,585.58	-
The Indian Steel and Wire Products Limited	Fellow subsidiary	124.24	3.14
Tata International Singapore PTE Limited	Subsidiary of Tata Sons Private Limited	13,608.06	28,056.59
Tata International Limited	Subsidiary of Tata Sons Private Limited	463.19	-
Tata Bluescope Steel Limited	Joint venture with Tata Steel Limited	443.20	88.84
Jamipol Limited	Joint venture with Tata Steel Limited	149.72	-
TRL Krosaki Refractories Limited	Associate of Tata Steel Limited	-	74.78
Total - Purchase of goods		**1,11,334.21**	**55,184.27**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

Name of the related party	Nature of relationship	Year ended March 31, 2020	Year ended March 31, 2019
Tata Steel Global Procurement Company Pte. Ltd.	Fellow subsidiary	147.34	-
Tata International Limited	Subsidiary of Tata Sons Private Limited	365.82	243.95
Tata International Singapore PTE Limited	Subsidiary of Tata Sons Private Limited	763.58	147.94
TM International Logistics Limited	Joint venture with Tata Steel Limited	1,531.39	640.45
Total - Reimbursement of expenses		**2,808.13**	**1,032.34**
Tata Steel Limited	Holding Company	1,465.81	94.22
Jamshedpur Utilities & Services Company Limited	Fellow subsidiary	31.98	0.02
Tata Pigments Limited	Fellow subsidiary	10.22	-
The Tinplate Company of India Limited	Fellow subsidiary	0.49	0.03
Tata Sons Private Limited	Company having significant influence	2.83	276.01
Tata Consultancy Services Limited	Subsidiary of Tata Sons Private Limited	88.01	-
Tata AIG General Insurance Company Limited	Subsidiary of Tata Sons Private Limited	3.79	-
TM International Logistics Limited	Joint venture with Tata Steel Limited	1,848.47	749.80
TKM Global Logistic Limited	Joint venture with Tata Steel Limited	89.61	-
mjunction services limited	Joint venture with Tata Steel Limited	57.19	-
Total - Services received		**3,598.40**	**1,120.08**
Jamipol Limited	Joint venture with Tata Steel Limited	84.00	88.00
Total - Dividend income		**84.00**	**88.00**
Tata Steel Limited	Holding Company	1,049.19	1,678.71
Total - Dividend paid		**1,049.19**	**1,678.71**
Mr. Sanjay Kumar Pattnaik	MD	170.83	321.49
Mr. Ashish Anupam	MD	84.11	-
Total - Short term employee benefits		**254.94**	**321.49**
Mr. Sanjay Kumar Pattnaik	MD	10.19	31.29
Mr. Ashish Anupam	MD	6.05	-
Total - Post employment benefits		**16.24**	**31.29**
Mr. A M Misra	NED	-	3.25
Mr. D K Banerjee	NED	1.10	3.95
Mr. Manoj T Thomas	NED	0.90	3.90
Mr. P C Parakh	NED	3.75	4.10
Dr. Omkar N Mohanty	NED	1.35	4.10
Mr. Krishnava S Dutt	NED	-	0.70
Dr. Sougata Ray	NED	2.50	0.85
Dr. Ansuman Das	NED	1.60	-
Mr. Srikumar Menon	NED	1.95	-
Mr. Shashi Kant Maudgal	NED	2.60	-
Total - Sitting fees		**15.75**	**20.85**

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

Name of the related party	Nature of relationship	Year ended March 31, 2020	Year ended March 31, 2019
Mr. A M Misra	NED	-	8.50
Mr. D K Banerjee	NED	-	6.12
Mr. Manoj T Thomas	NED	-	7.14
Mr. P C Parakh	NED	-	7.82
Dr. Omkar N Mohanty	NED	-	6.12
Mr. Krishnava S Dutt	NED	-	1.36
Dr. Sougata Ray	NED	-	2.04
Total - Commission		**-**	**39.10**
Tata Sponge Iron Limited Employee Provident Fund Trust	PEBP	434.27	200.24
Tata Sponge Iron Limited Superannuation Fund	PEBP	109.06	106.58
Tata Sponge Iron Limited Gratuity Fund	PEBP	94.14	98.15
Total - Contribution made		**637.47**	**404.97**

C The Board at its meeting held on October 23, 2019, has approved the appointment, including the terms and conditions of appointment and remuneration, of the Managing Director with effect from November 01, 2019. However, in view of the loss incurred by the Holding Company, the remuneration of ₹90.16 lakh paid/provided for in respect of the managing director during the financial year ended March 31, 2020, exceeds the limit in terms of the provisions of the Companies Act, 2013 by ₹32.97 lakh.

Further, the shareholders in their meetings held on August 4, 2017, had approved the annual remuneration along with the subsequent revisions thereto on July 18, 2018 and July 15, 2019, to be paid to the former Managing Director of the Holding Company. During the year, the Holding Company has paid/provided an amount of ₹181.02 lakh based on the recommendation of the Nomination and Remuneration Committee. The said amount exceeds the limit in terms of the provisions of the Companies Act, 2013 by ₹102.55 lakh.

The said appointment and the remuneration paid/to be paid aggregating ₹192.71 lakh (including ₹135.52 lakh of excess remuneration) is subject to the approval of the members at the ensuing Annual General Meeting.

D Balances outstanding

₹ in lakh

Name of the related party	Nature of relationship	Year ended March 31, 2020	Year ended March 31, 2019
Tata Steel Limited	Holding company	7,548.74	708.68
The Indian Steel and Wire Products Limited	Fellow subsidiary	14.81	-
Tata International Limited	Subsidiary of Tata Sons Private Limited	-	488.81
Total - Trade receivables		**7,563.55**	**1,197.49**
Tata Steel Limited	Holding company	3,455.41	2,555.22
Tata Steel Global Procurement Company Pte. Ltd.	Fellow subsidiary	35,041.84	-
Jamshedpur Utilities & Services Company Limited	Fellow subsidiary	4.74	-
The Indian Steel and Wire Products Limited	Fellow subsidiary	3.10	0.51
Tata Pigments Limited	Fellow subsidiary	10.22	-
Tata Sons Private Limited	Company having significant influence	-	240.96
Tata International Singapore PTE Limited	Subsidiary of Tata Sons Private Limited	163.71	234.02
Tata Bluescope Steel Limited	Joint venture with Tata Steel Limited	21.89	-
mjunction services limited	Joint venture with Tata Steel Limited	58.69	-
Jamipol Limited	Joint venture with Tata Steel Limited	30.48	-
TKM Global Logistic Limited	Joint venture with Tata Steel Limited	27.68	-
Total - Trade payables for supplies and services		**38,817.76**	**3,030.71**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

Name of the related party	Nature of relationship	Year ended March 31, 2020	Year ended March 31, 2019
Tata Sponge Iron Limited Employee Provident Fund Trust	PEBP	121.71	-
Tata Sponge Iron Limited Superannuation Fund	PEBP	8.98	-
Tata Sponge Iron Limited Gratuity Fund	PEBP	195.13	-
Total - Payable to PEBP		**325.82**	**-**
Tata Steel Limited	Holding company	4.42	-
Tata International Limited	Subsidiary of Tata Sons Private Limited	9.81	-
TM International Logistics Limited	Joint venture with Tata Steel Limited	295.71	80.30
Total - Advances		**309.94**	**80.30**
Jamipol Limited (At cost)	Joint venture with Tata Steel Limited	80.00	80.00
Total - Investments		**80.00**	**80.00**
Mr. Sanjay Kumar Pattnaik	MD	122.31	6.23
Mr. Ashish Anupam	MD	47.23	-
Total-Trade payables for accrued wages and salaries		**169.54**	**6.23**
Mr. A M Misra	NED	-	8.50
Mr. D K Banerjee	NED	-	6.12
Mr. Manoj T Thomas	NED	-	7.14
Mr. P C Parakh	NED	0.77	7.82
Dr. Omkar N Mohanty	NED	-	6.12
Mr. Krishnava S Dutt	NED	-	1.36
Dr. Sougata Ray	NED	0.20	2.04
Dr. Ansuman Das	NED	0.20	-
Mr. Srikumar Menon	NED	0.20	-
Mr. Shashi Kant Maudgal	NED	0.20	-
Total - Payable to KMP		**1.57**	**39.10**

37 Employee benefits

37.01 Post employment defined contribution plans

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
Amount recognised in Consolidated Statement of Profit and Loss		
(i) Provident fund contribution*	11.73	-
(ii) Superannuation fund@	419.62	106.58
	431.34	**106.58**

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

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

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

37.02 - Post employment defined benefit plans

(a) Description of plan characteristics

(i) Gratuity

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

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

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

(ii) Long term service award

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

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

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

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

(b) Risk analysis

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

(i) Interest risk

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

(ii) Salary risk

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

(iii) Investment risk

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

(iv) Longevity risk

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

(c) Details of defined benefit obligations and plan assets

A. Gratuity

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(i) Reconciliation of opening and closing balances of obligation		
a. Opening defined benefit obligation	1,852.68	1,778.80
b. Acquired through business combination (Refer Note 38)	2,351.15	-
c. Current service cost	283.65	96.78
d. Interest cost	289.64	127.52
e. Remeasurement (gains)/losses	1,221.59	6.69
f. Benefits paid	(405.03)	(157.11)
g. Acquisitions (credit)/cost	55.45	-
Closing defined benefit obligation	**5,649.13**	**1,852.68**
(ii) Movements in the fair value of the plan assets are as follows		
a. Opening fair value of plan assets	1,852.68	1,753.11
b. Interest income	132.60	126.15
c. Remeasurement gains/(losses)	56.01	8.41
d. Contributions from the employer	2.81	122.12
e. Benefits paid	(227.66)	(157.11)
f. Acquisitions (credit)/cost	55.45	-
Closing fair value of plan assets	**1,871.89**	**1,852.68**
(iii) Reconciliation of fair value of assets and obligations		
a. Fair value of plan assets	1,871.89	1,852.68
b. Present value of obligation	5,649.13	1,852.68
	3,777.24	**-**
c. Amount recognised in the balance sheet		
- Retirement benefit obligations - Non-current	3,451.72	-
- Retirement benefit obligations - Current	325.52	-
	3,777.24	**-**

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

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
Employee benefit expense		
a. Current service cost	283.65	96.78
b. Net interest expense	157.04	1.37
	440.69	**98.15**
Other Comprehensive income		
a. Return on plan assets excluding amount included in employee benefits expense	(56.01)	(8.41)
b. Actuarial (gain)/loss arising from changes in demographic assumptions	-	-
c. Actuarial (gain)/loss arising from changes in financial assumptions	1,356.38	-
d. Actuarial (gain)/loss arising from changes in experience adjustments	(134.79)	6.69
	1,165.58	**(1.72)**
Total defined benefit costs	**1,606.27**	**96.43**

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

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

	As at March 31, 2020	As at March 31, 2019
Category of Plan Assets:	In %	In %
Funded with LIC	100%	100%
(vi) Principal assumptions used for the purposes of the actuarial valuations		
a. Discount rate (per annum)	6.20% / 6.70%	7.50%
b. Expected rate of salary increase (per annum)	8.00%	8.00%
c. Mortality rate	Indian Assured Lives Mortality (2006-08) ult.	Indian Assured Lives Mortality (2006-08) ult.
d. Withdrawal rate		
- Ages from 20-25 - Ages from 25-30 - Ages from 30-35 - Ages from 35-50 - Ages from 50-55 - Ages from 55-65	1.00% For all age group	1.00% For all age group

(vii) Maturity profile of defined benefit obligation

	As at March 31, 2020	As at March 31, 2019
Within 1 year	380.06	262.71
1-2 year	579.51	214.52
2-5 years	1,324.98	869.84
Over 5 years	2,804.44	1,025.40

The weighted average duration of the defined benefit plan obligation representing average duration for active members is 6 to 13 years (As at March 31, 2019: 6 years).

(viii) The Group expects (best estimate) to contribute ₹110.00 lakh to the plan during the financial year 2020-21.

(ix) Sensitivity analysis

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

Assumption	As at March 31, 2020	As at March 31, 2019
a. Discount rate increase by 1%	Decrease by 512.72	Decrease by 93.93
b. Discount rate decrease by 1%	Increase by 609.47	Increase by 106.83
c. Expected salary growth increase by 1%	Increase by 587.30	Increase by 105.29
d. Expected salary growth decrease by 1%	Decrease by 504.53	Decrease by 94.37

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

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

B. Long term service award (Unfunded)

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(i) Reconciliation of opening and closing balances of obligation		
a. Opening defined benefit obligation	-	-
b. Acquired through business combination (Refer Note 38)	43.50	-
c. Current service cost	2.48	-
d. Interest cost	2.91	-
e. Remeasurement (gains)/losses	25.91	-
f. Benefits paid	(6.38)	-
Closing defined benefit obligation	**68.42**	**-**
(ii) Reconciliation of fair value of assets and obligations		
a. Fair value of plan assets	-	-
b. Present value of obligation	68.42	-
	68.42	**-**
c. Amount recognised in the balance sheet		
- Retirement benefit obligations - Non-current	63.38	-
- Retirement benefit obligations - Current	5.04	-
	68.42	**-**

	Year ended March 31, 2020	Year ended March 31, 2019
(iii) Amounts recognised in the Statement of Profit and Loss		
Employee benefit expense		
a. Current service cost	2.48	-
b. Net interest expense	2.91	-
	5.39	**-**
Other Comprehensive income		
a. Actuarial (gain)/loss arising from changes in financial assumptions	4.65	-
b. Actuarial (gain)/loss arising from changes in experience adjustments	21.26	-
	25.91	**-**
Total defined benefit costs	**31.30**	**-**

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(iv) Principal assumptions used for the purposes of the actuarial valuations		
a. Discount rate (per annum)	6.70%	-
b. Expected rate of salary increase (per annum)	Not applicable	-
c. Mortality rate	Indian Assured Lives Mortality (2006 - 2008) Ult.	-
d. Withdrawal rate		
- Ages from 20-25	1.00% For all age group	-
- Ages from 25-30		
- Ages from 30-35		
- Ages from 35-50		
- Ages from 50-55		
- Ages from 55-65		
(v) Maturity profile of defined benefit obligation		
Within 1 year	5.14	-
1-2 year	8.01	-
2-5 years	18.59	-
Over 5 years	25.82	-

The weighted average duration of the defined benefit plan obligation representing average duration for active members is 9 years. (As at March 31, 2019: Nil year).

(vi) Sensitivity analysis

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

	As at March 31, 2020	As at March 31, 2019
Assumption		
a. Discount rate increase by 1%	Decrease by 5.72	NA
b. Discount rate decrease by 1%	Increase by 6.75	NA

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

C. Ex-MD Pension (Unfunded)

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(i) Reconciliation of opening and closing balances of obligation		
a. Opening defined benefit obligation	1,196.53	1,169.93
b. Interest cost	86.67	84.95
c. Remeasurement (gains)/losses	245.81	16.07
d. Benefits paid	(81.72)	(74.42)
Closing defined benefit obligation	**1,447.29**	**1,196.53**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(ii) Reconciliation of fair value of assets and obligations		
a. Fair value of plan assets	-	-
b. Present value of obligation	1,447.29	1,196.53
	1,447.29	**1,196.53**
c. Amount recognised in the balance sheet		
- Retirement benefit obligations - Non-current	1,373.32	1,122.29
- Retirement benefit obligations - Current	73.97	74.24
	1,447.29	**1,196.53**

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
(iii) Amounts recognised in the Statement of Profit and Loss		
Employee benefit expense		
a. Net interest expense	86.67	84.95
	86.67	**84.95**
Other Comprehensive income		
a. Actuarial (gain)/loss arising from changes in financial assumptions	188.44	-
b. Actuarial (gain)/loss arising from changes in experience adjustments	57.37	16.07
	245.81	**16.07**
Total defined benefit costs	**332.48**	**101.02**

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(iv) Principal assumptions used for the purposes of the actuarial valuations		
a. Discount rate (per annum)	6.20%	7.50%
b. Pension inflation rate (per annum)	6.00%	6.00%
c. Mortality rate	LIC (1996-98) Annuitants ultimate	LIC (1996-98) Annuitants ultimate

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

	As at March 31, 2020	As at March 31, 2019
(v) Maturity profile of defined benefit obligation		
Within 1 year	76.23	76.98
1-2 year	78.93	79.41
2-5 years	251.34	250.62
Over 5 years	1,637.22	852.56

The weighted average duration of the defined benefit plan obligation representing average duration for active members is 12 years. (As at March 31, 2019: 11 years).

(vi) Sensitivity analysis

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

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Assumption		
a. Discount rate increase by 1%	Decrease by 148.78	Decrease by 115.06
b. Discount rate decrease by 1%	Increase by 179.34	Increase by 137.54
c. Pension inflation rate increase by 1%	Increase by 177.88	Increase by 138.25
d. Pension inflation rate decrease by 1%	Decrease by 150.33	Decrease by 117.56

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

D. PRMB (Unfunded)

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(i) Reconciliation of opening and closing balances of obligation		
a. Opening defined benefit obligation	75.10	76.56
b. Interest cost	5.45	5.65
c. Remeasurement (gains)/losses	5.47	(4.76)
d. Benefits paid	(4.39)	(2.35)
Closing defined benefit obligation	**81.63**	**75.10**
(ii) Reconciliation of fair value of assets and obligations		
a. Fair value of plan assets	-	-
b. Present value of obligation	81.63	75.10
	81.63	**75.10**
c. Amount recognised in the balance sheet		
- Retirement benefit obligations - Non-current	74.26	67.75
- Retirement benefit obligations - Current	7.37	7.35
	81.63	**75.10**

₹ in lakh

	Year ended March 31, 2020	Year ended March 31, 2019
(iii) Amounts recognised in the Statement of Profit and Loss		
Employee benefit expense		
a. Net interest expense	5.45	5.65
	5.45	**5.65**
Other Comprehensive income		
a. Actuarial (gain)/loss arising from changes in financial assumptions	7.94	-
b. Actuarial (gain)/loss arising from changes in experience adjustments	(2.47)	(4.76)
	5.47	**(4.76)**
Total defined benefit costs	**10.92**	**0.89**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(iv) Principal assumptions used for the purposes of the actuarial valuations		
a. Discount rate (per annum)	6.20%	7.50%
b. Medical cost - % of annual entitlement utilised (per annum)	20.00%	20.00%
c. Mortality rate	LIC Annuitants (1996-98) Ultimate	LIC Annuitants (1996-98) Ultimate
d. Withdrawal rate - The effects of mortality and withdrawal have been factored by constructing a Multiple Decrement Table taking into account the above mortality table.		
(v) Maturity profile of defined benefit obligation		
Within 1 year	7.60	7.62
1-2 year	7.16	7.22
2-5 years	18.70	18.99
Over 5 years	36.80	37.54
The weighted average duration of the defined benefit plan obligation representing average duration for active members is 8 years. (As at March 31, 2019: 8 years).		
(vi) Sensitivity analysis		
Significant actuarial assumption for the determination of the defined obligation is discount rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The table below outlines the effect on obligation in the event of a decrease/increase of 1% in the assumptions used.		

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Assumption		
a. Discount rate increase by 1%	Decrease by 6.22	Decrease by 5.36
b. Discount rate decrease by 1%	Increase by 7.25	Increase by 6.20

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

E. Provident fund

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

The Actuary has carried out year-end actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the balance sheet date using Projected Unit Credit Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, the Group has recognised interest rate guarantee shortfall in the Statement of Profit and Loss amounting to ₹129.22 lakh (March 31, 2019 : ₹ Nil). Further during the year, the Group's contribution of ₹434.27 lakh (March 31, 2019: ₹200.24 lakh) to the Provident Fund Trust has been expensed under the 'Contribution to Provident and Other Funds' in Note 26. Disclosures given hereunder are restricted to the information available as per the Actuary's Report.

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
a. Discount rates	6.20%	7.50%
b. Expected yield on plan assets	8.40%	8.75%
c. Guaranteed Interest Rate	8.50%	8.65%

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

38 Business combinations

(a) Acquisition of steel business of Usha Martin Limited

Pursuant to the Business Transfer Agreement ('BTA') entered into between Tata Steel Limited (group's holding company) and Usha Martin Limited ('UML') on September 22, 2018, its subsequent novation in favour of the Holding Company and approval by the Holding Company's shareholders, the acquisition of steel business of UML was completed on April 9, 2019 (other than transfer of some of the assets including iron ore mines, coal mines and certain land parcels) on compliance with relevant conditions precedents specified in the BTA by respective parties. Further, consequent to satisfaction of relevant conditions precedents, transfer of iron ore mines and coal mines were completed on July 3, 2019.

In terms of the BTA, a purchase consideration of ₹452,500 lakh was determined for transfer of the acquired business from UML. The consideration is based on the transfer of business undertaking on a debt-free, cash-free and nil net working capital.

The acquisition would help the Group to diversify beyond sponge iron business and enter into steel business with a focus on specialty long products portfolio.

(i) Details of purchase consideration

Particulars	₹ in lakh
Cash paid	3,90,611.53
Working capital adjustments	47,636.91
Amount held back (to be released subsequent to satisfaction of relevant conditions precedents)	14,251.56
Total Purchase consideration	**4,52,500.00**

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

Particulars	₹ in lakh
Non-current assets	
(a) Property, plant and equipment	4,10,617.86
(b) Capital work-in-progress	1,987.54
(c) Right-of-use assets	25,511.15
(d) Other intangible assets	31,520.00
(e) Other financial assets	798.87
(f) Other non-financial assets	1,525.74
	4,71,961.16

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

Particulars	₹ in lakh
Current assets	
(a) Inventories	24,574.69
(b) Trade receivables	10,118.40
(c) Other financial assets	18.04
(d) Other non-financial assets	2,701.96
	37,413.09
Assets held for sale	
Total assets	838.66
Non-current liabilities	**5,10,212.91**
(a) Lease liabilities	10,042.00
(b) Provisions	3,359.99
	13,401.99
Current liabilities	
(a) Lease liabilities	2,129.22
(b) Trade payables	61,985.47
(c) Other financial liabilities	1,655.43
(d) Provisions	2,551.18
(e) Other non-financial liabilities	24,192.08
	92,513.38
Total liabilities	**1,05,915.37**
Net identifiable assets acquired	**4,04,297.54**

(iii) Calculation of goodwill on business combination

Particulars	₹ in lakh
Consideration transferred	4,52,500.00
Less : Working capital adjustments	47,636.91
Less : Net identifiable assets acquired	4,04,297.54
Goodwill	**565.55**

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

Goodwill arising on this acquisition is expected to be deductible for tax purposes.

(iv) Acquired receivables

Particulars	₹ in lakh
Fair value of acquired trade receivables (net of bills discounted)	10,118.40
Gross contractual amount for trade receivables (net of bills discounted)	10,118.40
Contractual cash flows not expected to be collected	-

(v) Significant estimates

(a) Contingent liabilities

Contingent Liabilities of ₹638.55 lakh for pending litigations related to demand for electricity charges and labour related cases were recognised on acquisition date. Based on legal opinion, it is probable that these demand charges are required to be paid by the Group. As at March 31, 2020, there has been no change in the probability of the outcome.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

(b) Indemnification assets

As per the terms of BTA, UML has provided specific indemnity against case related to electricity charges amounting to ₹609.43 lakh included above. Accordingly, the Group has recognised this as indemnification asset at the date of acquisition. There has been no change to the value of indemnification asset subsequent to the date of acquisition.

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

(a) The acquired business contributed ₹266,860.44 lakh of revenue from operations and ₹53,324.10 lakh loss before exceptional items to the Group for the year ended March 31, 2020.

(b) If the business combinations had been effected at April 1, 2019, the revenue from operations of the Group would have been ₹354,962.75 lakh and the loss before exceptional items for the year would have been ₹38,097.79 lakh. The directors consider these 'pro-forma' numbers to represent an approximate measure of the performance of the Group on an annualised basis and to provide a reference point for comparison in future periods.

In determining the 'pro-forma' revenue and profit of the Holding Company had business acquisition been affected at the beginning of the current year, the directors have:

- calculated depreciation of plant and equipment acquired on the basis of the fair values arising in the initial accounting for the business combination rather than the carrying amounts recognised in the pre-acquisition financial statements;
- calculated borrowing costs on the funding levels, credit ratings and debt/ equity position of the Holding Company after the business combination; and
- excluded exceptional items.

(vii) Acquisition related costs

Acquisition costs of ₹2,741.85 lakh were charged to Statement of Profit and Loss for the year ended March 31, 2020 in relation to stamp duty and registration fees for a portion of land parcels and mines acquired as part of business combination under the head exceptional items.

(viii) Purchase consideration - cash outflow

Particulars	₹ in lakh
Consideration paid in cash	3,90,611.53
Less : Cash and cash equivalent balances acquired	-
Net outflow of cash - investing activities	**3,90,611.53**

39 Goodwill

A. Movement in goodwill during the year

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Opening balance	-	-
Add: Additions during the year due to acquisitions (Refer Note 38)	565.55	-
Closing balances	**565.55**	**-**

B. Impairment tests for goodwill

The Goodwill of ₹565.55 lakh (March 31, 2019: Nil) represents the goodwill accounted on the date of acquisition of Steel Business (CGU) as stated in Note 38 to these Financial Statements. Though the goodwill is not material to the Group. The Group has assessed the goodwill for impairment and based on such assessment, no impairment was considered necessary (Refer Note 03.05). The entire goodwill as mentioned above is attributable to the aforesaid acquired business CGU i.e. Integrated steel manufacturing plant at Gamharia.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

40 Assets classified as held for sale

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

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

41 Segment reporting

Prior to acquisition of steel business of UML, the Group had manufacturing facility for sponge iron and generation of power through waste heat. By acquiring the steel business of UML, the Group has forayed into manufacturing of alloy based specialty long products and the information presented to the Chief Operating Decision Maker ('CODM') for the purposes of resource allocation and assessment of segment performance, focuses on the manufacture of steel and allied products (including the manufacture of sponge iron and generation of power), accordingly, steel and allied products is the only reportable segment in accordance with Ind AS 108 - Segment Reporting. In view of the aforesaid change, generation of power is no longer a reportable segment.

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

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
(i) India	4,88,362.26	50,567.68
(ii) Outside India	-	-
Total	**4,88,362.26**	**50,567.68**

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

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

₹ in lakh

	VAT, entry tax and sales tax	Cross subsidy surcharge	Interest on income tax	Mines restoration	Coal block performance obligation	Contingent liability recognised on business combination	Others
Carrying amount as at beginning of the year	**2,605.75**	**601.00**	**2,067.62**	**-**	**-**	**-**	**-**
	(2,538.75)	(601.00)	(1,887.91)	(-)	(-)	(-)	(-)
Add : Acquired under business combination	**-**	**-**	**-**	**1,418.75**	**-**	**638.55**	**684.54**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Add : Provision made during the year	**30.53**	**-**	**-**	**-**	**13,371.52**	**-**	**402.83**
	(122.46)	(-)	(179.71)	(-)	(-)	(-)	(-)
Less : Amount paid during the year	**12.13**	**-**	**-**	**-**	**-**	**-**	**-**
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
Less : Amount reversed during the year	**98.94**	**-**	**-**	**-**	**-**	**-**	**-**
	(55.46)	(-)	(-)	(-)	(-)	(-)	(-)
Carrying amount as at the end of the year	**2,525.21**	**601.00**	**2,067.62**	**1,418.75**	**13,371.52**	**638.55**	**1,087.37**
	(2,605.75)	(601.00)	(2,067.62)	(-)	(-)	(-)	(-)

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

₹ in lakh

	VAT, entry tax and sales tax	Cross subsidy surcharge	Interest on income tax	Mines restoration	Coal block performance obligation	Contingent liability recognised on business combination	Others
Nature of obligation	VAT, entry tax and sales tax including interest thereon	Cross subsidy surcharge payable to power distribution companies	Interest on income tax	Activities to be performed at the time of final mine closure	Activities to be performed for developing the coal block (Refer Note 35(ii))	Demand for electricity charges and labour related matters on acquired steel business (Refer Note 38)	Demand charges of DMFT and NMET on royalty payment and other matters
Expected timing of resultant outflow	On decision by competent authority			Upon closure of mines	On decision by competent authority	On decision by competent authority	
Indication of uncertainty about those outflows	The above matters are under dispute with authorities			None	(Refer Note 35(ii))	The above matters are under dispute with authorities	
Major assumptions concerning future events	The matter is with higher authorities for adjudication. Provision has been made on the grounds of prudence.			None	(Refer Note 35(ii))	The matter is with higher authorities for adjudication. Provision has been made on the grounds of prudence.	
Amount of any expected reimbursement, i.e., amount of any asset that has been recognised for that expected reimbursement	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(figures in brackets represents amount for the previous year)

43 Expenditure on corporate social responsibility

a. Gross amount required to be spent by the Group during the year March 31, 2020 : ₹320.31 lakh (year ended March 31, 2019 ₹223.44 lakh).

b. Amount spent during the year ended March 31, 2020 (figures in brackets represents amount for the previous year).

₹ in lakh

Sr. No.	Particulars	Paid (A)	Yet to be Paid (B)	Total (A)+(B)
(i)	Construction / acquisition of any asset	-	-	-
		(-)	(-)	(-)
(ii)	On purposes other than (i) above	**203.22**	**117.66**	**320.88**
		(163.50)	(72.75)	(236.25)
	Total	**203.22**	**117.66**	**320.88**
		(163.50)	(72.75)	(236.25)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

44 Assets hypothecated as security

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

₹ in lakh

	As at March 31, 2020	As at March 31, 2019
Non-current assets		
First charge (against term loan from banks)		
(i) Property, plant and equipment	4,03,489.35	-
(ii) Leased assets (under process of creation of charge)	12,826.51	-
Collateral security (against working capital requirement from banks)		
(i) Property, plant and equipment	-	21,973.09
	4,16,315.86	**21,973.09**
Current assets		
First charge (against working capital requirement from Banks)		
(i) Inventories	79,697.27	11,527.69
(ii) Trade receivables	15,588.34	7,845.45
(iii) Cash and cash equivalents	5,802.73	-
(iv) Other balances with banks	10,358.36	-
(v) Other financial assets	2,053.57	-
(vi) Other current assets	12,182.16	-
	1,25,682.43	**19,373.14**

45 On account of the Covid-19 outbreak globally and in India, the Group had on April 1, 2020 made a disclosure in terms of Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

The Group is in the business of manufacturing steel / steel products, which support activities that are fundamental to the Indian economy. The impact of the Government imposed nation-wide lock down / restrictions since March 25, 2020, due to the Covid-19 pandemic, impacted the Group's production, sales and other operations and the Group expects normalcy to return gradually. The Management estimates the demand for the Group's products to be lower in the short term but is not likely to have a continuing impact on the business of the Group. In light of the above, inter alia, considering the current internal and external factors, the Group has made detailed assessment of its liquidity position / cash flows for the next one year and carrying amounts / values of Property, Plant and Equipment, Intangible assets (including goodwill), Right of use of assets, trade receivables, inventories, investments and other assets as at the balance sheet date, and has concluded that there are no material adjustments required in the consolidated financial statements. The impact of the pandemic on economic outlook remain uncertain and may be different from that estimated as at the date of approval of these financial statements.

46 The Group has long-term contracts including derivative contracts as at March 31, 2020 for which there were no material foreseeable losses.

47 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, except a sum of ₹5.31 lakh, relating to Holding Company, which is held in abeyance due to pending legal cases.

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

₹ in lakh

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
			As at March 31, 2020	As at March 31, 2019
TSIL Energy Limited (Subsidiary)	Generation and sale of power *	India	100%	100%

* The Company was incorporated to primarily engage in generation and sale of power and is yet to carry out such activities

CONSOLIDATED ACCOUNTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

49 Disclosure of additional information as required by Schedule III -

Name of Entity	Year	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount ₹ in lakh	As % of consolidated profit/(loss)	Amount ₹ in lakh
Tata Steel Long Products Limited (Parent)	2019-2020	99.94%	2,01,555.39	100.01%	(51,627.71)
TSIL Energy Limited (Subsidiary)	2019-2020	0.06%	126.03	(0.01)%	4.51
Total		**100%**	**2,01,681.42**	**100%**	**(51,623.20)**
Tata Steel Long Products Limited (Parent)	2018-2019	99.89%	1,08,241.23	99.96%	12,433.16
TSIL Energy Limited (Subsidiary)	2018-2019	0.11%	121.51	0.04%	5.51
Total		**100%**	**1,08,362.74**	**100%**	**12,438.67**

Name of Entity	Year	Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated other comprehensive income/(Loss)	Amount ₹ in lakh	As % of consolidated total comprehensive income/(Loss)	Amount ₹ in lakh
Tata Steel Long Products Limited (Parent)	2019-2020	100.00%	(706.66)	100.01%	(52,334.37)
TSIL Energy Limited (Subsidiary)	2019-2020	0.00%	-	(0.01)%	4.51
Total		**100%**	**(706.66)**	**100%**	**(52,329.86)**
Tata Steel Long Products Limited (Parent)	2018-2019	100.00%	984.57	99.96%	13,417.73
TSIL Energy Limited (Subsidiary)	2018-2019	0.00%	-	0.04%	5.51
Total		**100%**	**984.57**	**100%**	**13,423.24**

50 Figures for the current year include operations of acquired steel business, set out in note 38 starting April 9, 2019, and accordingly not comparable with figures of previous year.

Signatures to Notes 1 to 50 above

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

Sd/-
Pinaki Chowdhury
Partner
Membership No. 057572

Place: Kolkata
Date: June 9, 2020

For and on behalf of the Board of Directors

Sd/-
T V Narendran
Chairman
DIN: 03083605

Sd/-
Ashish Anupam
Managing Director
DIN: 08384201

Sd/-
S K Mishra
Chief Financial Officer

Sd/-
S K Shrivastav
Joint Chief Financial Officer

Sd/-
Sanjay Kasture
Company Secretary

Place: Jamshedpur
Date: June 9, 2020

Notice

Notice of the Annual General Meeting of the Company

Notice is hereby given that the Thirty-Seventh Annual General Meeting (AGM) of the Members of Tata Steel Long Products Limited (Formerly Tata Sponge Iron Limited) will be held on Monday, September 14, 2020 at 03:00 PM (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS

1. Adoption of Audited Financial Statements

To receive, consider and adopt the:

a) Standalone Financial Statements of the Company for the Financial Year ended March 31, 2020 together with the Reports of the Board of Directors and the Auditors thereon; and

b) Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2020 together with the Report of the Auditors thereon.

2. Re-appointment of a Director

To appoint a Director in place of Mr. Koushik Chatterjee (DIN: 00004989), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and being eligible, seeks re-appointment.

SPECIAL BUSINESS

3. Appointment of Dr. Ansuman Das as an Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act'), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, Dr. Ansuman Das (DIN: 02845138), who was appointed by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, as an Additional Director (Non-executive, Independent) of the Company effective July 15, 2019 and who holds office up to the date of the ensuing Annual General Meeting of the Company in terms of Section 161 of the Act (including any modification or re-enactment thereof) and Article 109 of the Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company, and also meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five years commencing with effect from July 15, 2019 up to July 14, 2024, not liable to retire by rotation."

4. Appointment of Mr. Shashi Kant Maudgal as an Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('**Act**'), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, Mr. Shashi Kant Maudgal (DIN: 00918431) who was appointed by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, as an Additional Director (Non-executive, Independent) of the Company effective July 15, 2019 and who holds office up to the date of the ensuing Annual General Meeting of the Company in terms of Section 161 of the Act (including any modification or re-enactment thereof) and Article 109 of the Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company, and also meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five years commencing with effect from July 15, 2019 up to July 14, 2024, not liable to retire by rotation."

5. Appointment of Mr. Srikumar Menon as an Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('**Act**'), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, Mr. Srikumar Menon (DIN: 00470254) who was appointed by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, as an Additional Director (Non-executive, Independent) of the Company effective July 15, 2019 and who holds office up to the date of the ensuing Annual General Meeting of the Company in terms of Section 161 of the Act (including any modification or re-enactment thereof) and Article 109 of the Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company, and also meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five years commencing with effect from July 15, 2019 up to July 14, 2024, not liable to retire by rotation."

6. Appointment of Ms. Neeta Karmakar as an Independent Director of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('**Act**'), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as amended from time to time, Ms. Neeta Karmakar (DIN: 08730604) who was appointed by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, as an Additional Director (Non-executive, Independent) of the Company effective March 30, 2020 and who holds office up to the date of the ensuing Annual General Meeting of the Company in terms of Section 161 of the Act (including any modification or re-enactment thereof) and Article 109 of the Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company, and also meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five years commencing with effect from March 30, 2020 up to March 29, 2025, not liable to retire by rotation."

7. Appointment of Mr. Ashish Anupam as the Managing Director of the Company and payment of remuneration / excess remuneration due to inadequate profits or loss

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions, if any, read along with Schedule V to the Companies Act 2013 ('**Act**'), and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force) and Article 112 of the Articles of Association of the Company, the consent of the Members be and is hereby accorded to the appointment and terms of remuneration of Mr. Ashish Anupam (DIN: 08384201) as the Managing Director of the Company for a period of five years with effect from November 1, 2019 to October 31, 2024, not liable to retire by rotation, upon the terms and conditions set out in the Statement annexed to the Notice convening the 37th Annual General Meeting, including remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his said tenure within the overall limits of Section 197 read with Schedule V to the Act, as recommended by the Nomination and Remuneration Committee, with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and terms of remuneration as it may deem fit and in such manner as may be agreed to between the Board and the Managing Director.

RESOLVED FURTHER THAT consent of the Members of the Company be and is hereby accorded to ratify and confirm the waiver of the recovery of ₹32.97 lakh being a part of the minimum remuneration as per Schedule V to the Act, paid to Mr. Ashish Anupam (DIN: 08384201), Managing Director of the Company with effect from November 01, 2019 upto March 31, 2020, due to loss incurred in the financial year 2019-20.

RESOLVED FURTHER THAT the Board of Directors (the 'Board' which term includes a duly constituted Committee of the Board) and Mr. Sanjay Kasture, Chief Risk & Compliance Officer and Company Secretary of the Company be and are hereby

authorised severally to do and perform all such acts, deeds, matters and things, as may be considered necessary, proper, expedient or incidental, to give effect to the above resolution."

8. Approval of waiver of recovery of excess remuneration paid to Mr. Sanjay Kumar Pattnaik, Managing Director for the period April 01, 2019 to October, 31, 2019

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Schedule V thereto (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the recommendation of Board of Directors and Nomination and Remuneration Committee and in pursuance of the Special Resolution No. 12 passed by the Members at the 36th Annual General Meeting of the Company held on July 15, 2019 ("36th AGM"), consent of the Members of the Company be and is hereby accorded to ratify and confirm the waiver of the recovery of ₹102.55 lakh being a part of the Minimum Remuneration paid to Mr. Sanjay Kumar Pattnaik (DIN: 00256832), Managing Director of the Company upto October 31, 2019, as per the terms of his appointment and remuneration approved by the Members by means of Special Resolution at the 36th AGM which is within the overall limits approved by them, but which exceeded the limits specified under Section 197 read with Schedule V of the Act to the extent as aforesaid, due to loss incurred in the financial year 2019-20.

RESOLVED FURTHER THAT the Board of Directors (the 'Board' which term includes a duly constituted Committee of the Board) and Mr. Sanjay Kasture, Chief Risk & Compliance Officer and Company Secretary of the Company be and are hereby authorised severally to do and perform all such acts, deeds, matters and things, as may be considered necessary, proper, expedient or incidental, to give effect to the above resolution."

9. Ratification of Cost Auditors' remuneration

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any modification or re-enactment thereof), the Company hereby ratify and confirm the remuneration of ₹6,00,000/- (Rupees six lakh only plus applicable taxes and 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 cost records of the Company as prescribed by the Central Government under the Act and Rules framed thereunder, for the Financial Year ending March 31, 2021."

10. Approval of Material Related Party Transactions – Purchase of Coal from T S Global Procurement Company Pte. Ltd.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended till date, and the Company's policy on Related Party Transaction(s), approval of the Members be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with TS Global Procurement Company Pte. Ltd., a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations, for purchase of coal, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of ₹2000 crore for financial year 2021-22 and ₹800 crore for financial year 2020-21, which is incremental to the transactions of ₹1,200 crore already approved by the Members for the financial year 2020-21, provided that the said contract(s)/ arrangement(s)/transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board of Directors ("Board") be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary and to delegate all or any of the powers herein conferred, to any Director(s) or Chief Financial Officer or Joint Chief Financial Officer or Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

11. Approval of Material Related Party Transactions – Purchase of Coal from Tata International Limited

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended till date, and the Company's policy on Related Party Transaction(s), approval of the Members be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Tata International Limited, a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations, for purchase

of coal, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of ₹2,000 crore per annum for each of the financial year 2020-21 and 2021-22, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board of Directors ("Board") be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary and to delegate all or any of the powers herein conferred, to any Director(s) or Chief Financial Officer or Joint Chief Financial Officer or Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

12. Approval of Material Related Party Transactions – Purchase of Coal from Tata Steel Limited

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended till date, and the Company's policy on Related Party transaction(s), approval of the Members be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Tata Steel Limited, a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1) (zb) of the Listing Regulations, for purchase of coal, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of ₹400 crore for financial year 2021-22 and ₹270 crore for financial year 2020-21, which is incremental to the transactions of ₹130 crore already approved by the Members for the financial year 2020-21, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board of Directors ("Board") be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary and to delegate all or any of the powers herein conferred, to any Director(s) or Chief Financial Officer or Joint Chief Financial Officer or Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

13. Approval of Material Related Party Transactions – Purchase of coal from Tata International Singapore PTE Ltd

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended till date, and the Company's policy on Related Party Transaction(s), approval of the Members be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Tata International Singapore PTE Ltd., a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations, for purchase of coal, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of ₹2000 crore for financial year 2021-22 and ₹1000 crore for financial year 2020-21, which is incremental to the transactions of ₹1,000 crore already approved by the Members for the financial year 2020-21, provided that the said contract(s)/ arrangement(s)/transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board of Directors ("Board") be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary and to delegate all or any of the powers herein conferred, to any Director(s) or Chief Financial Officer or Joint Chief Financial Officer or Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

14. Approval of Material Related Party Transactions – Purchase of Iron Ore from Tata Steel Limited

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended till date, and the Company's policy on Related Party transaction(s), approval of the Members be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Tata Steel Limited, a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1) (zb) of the Listing Regulations, for purchase of iron ore on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of

₹1,400 crore for the financial year 2021-22, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board of Directors ("Board") be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary and to delegate all or any of the powers herein conferred, to any Director(s) or Chief Financial Officer or Joint Chief Financial Officer or Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

15. Approval of Material Related Party Transactions – Sale of different grades of Steel & alloy steel to Tata Steel Limited

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended till date, and the Company's policy on Related Party transaction(s), approval of the Members be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Tata Steel Limited, a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1) (zb) of the Listing Regulations, for sale of different grades of steel and alloy steel, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of ₹400 crore per annum for each of the financial year 2020-21 and 2021-22, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board of Directors ("Board") be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary and to delegate all or any of the powers herein conferred, to any Director(s) or Chief Financial Officer or Joint Chief Financial Officer or Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respects."

16. Approval of Material Related Party Transactions – Sale of Sponge Iron to Tata International Ltd.

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended till date, and the Company's policy on Related Party Transaction(s), approval of the Members be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Tata International Ltd., a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations, for sale of sponge iron, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of ₹500 crore for the financial year 2021-22, provided that the said contract(s)/ arrangement(s)/transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board of Directors ("Board") be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary and to delegate all or any of the powers herein conferred, to any Director(s) or Chief Financial Officer or Joint Chief Financial Officer or Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

17. Approval of Material Related Party Transactions – Rendering of service by Tata Steel Long Products Limited, in nature of conversion of iron ore to pellets for Tata Steel Limited

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended till date, and the Company's policy on Related Party Transaction(s), approval of the Members be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Tata Steel Limited., a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations, for rendering of service by Tata Steel Long Products Limited, in nature of conversion of iron ore to pellets, on such terms and conditions as the Board of Directors may deem fit, up to a maximum

aggregate value of ₹400 crore per annum for each of the financial year 2020-21 and 2021-22, provided that the said contract(s)/ arrangement(s)/transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board of Directors ("Board") be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary and to delegate all or any of the powers herein conferred, to any Director(s) or Chief Financial Officer or Joint Chief Financial Officer or Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolution are hereby approved, ratified and confirmed in all respects."

18. Approval of Material Related Party Transactions – Rendering of service by Tata Steel Long Products Limited in nature of conversion of iron ore to pellets for Tata Steel BSL Limited

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended till date, and the Company's policy on Related Party Transaction(s), approval of the Members be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with Tata Steel BSL Limited, a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations, for rendering of service by Tata Steel Long Products Limited in nature of conversion of iron ore to pellets, on such terms and conditions as the Board of Directors may deem fit, up to a maximum aggregate value of ₹400 crore per annum for each of the financial year 2020-21 and 2021-22, provided that the said contract(s)/ arrangement(s)/transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board of Directors ("Board") be and is hereby authorised to do and perform all such acts, deeds, matters and things as may be necessary and to delegate all or any of the powers herein conferred, to any Director(s) or Chief Financial Officer or Joint Chief Financial Officer or Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

Notes:

(a) The Statement, pursuant to Section 102 of the Companies Act, 2013, as amended ('**Act**') with respect to Item Nos. 3 to 18 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 on General Meetings issued by The Institute of Company Secretaries of India in respect of Director retiring by rotation seeking re-appointment at this 37th Annual General Meeting ('**Meeting**' or '**AGM**') is furnished as an annexure to the Notice.

(b) In view of the global outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ('**MCA**') has vide its General Circular No. 20/2020 dated May 5, 2020 in relation to 'Clarification on holding of annual general meeting (AGM) through video conferencing ('**VC**') or other audio visual means ('**OAVM**')' read with General Circular No. 14/ 2020 dated April 8, 2020 and the General Circular No. 17/ 2020 dated April 13, 2020 in relation to 'Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19' (collectively referred to as '**MCA Circulars**') and SEBI vide its circular dated May 12, 2020 in relation to 'Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 – COVID-19 pandemic' ('**SEBI Circular**') permitted the holding of the AGM through VC or OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, SEBI Listing Regulations' and MCA Circulars & SEBI Circular, the 37th AGM of the Company is being held through VC/OAVM on Monday, September 14, 2020 at 03:00 PM (IST). The deemed venue for the 37th AGM will be P.O. Joda, Dist. Keonjhar, Odisha-758034.

(c) **PURSUANT TO PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING 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 THROUGH VC / OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS AND SEBI CIRCULAR, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ROUTE MAP AND ATTENDANCE SLIP 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 e-voting website of National Securities Depository Limited's ('**NSDL**') 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 Investors, who are Members of the Company, are encouraged to attend the 37th AGM through VC/OAVM mode and vote electronically. Pursuant to the provisions of the Act, the Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to kothari.navin@yahoo.com with a copy marked to evoting@nsdl.co.in

(f) The attendance of the Members attending the AGM through VC/OAVM will 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 line with the MCA Circular dated May 5, 2020 and SEBI Circular dated May 12, 2020, the Notice of the AGM along with the Integrated Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 37th AGM has been uploaded on the website of the Company at www.tatasteellp.com and may also be accessed from the relevant section of the 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. The Notice is also available on the website of NSDL at www.evoting.nsdl.com

(i) **Book Closure:**

The Register of Members and share transfer books of the Company will be closed from Saturday, September 5, 2020 to Monday, September 14, 2020 (both days inclusive) for the purpose of AGM for Financial Year 2019-20.

(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 may submit the same in Form SH-14. The said forms can be downloaded from the Company's website at www.tatasteellp.com. Members are requested to submit the said form to their DP in case the shares are held in electronic form and to the RTA at csg-unit@tsrdarashaw.com in case the shares are held in physical form, quoting their folio no(s).

(k) Members who wish to inspect the relevant documents referred to in the Notice can send an e-mail to investorcell@tatasteellp.com by mentioning their DP ID & Client ID/Physical Folio Number.

(l) **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 Registrar, 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.

(m) The attention of Members is particularly drawn to the Corporate Governance Report forming part of the Board's Report in respect of unclaimed and unpaid dividends and transfer of dividends/shares to the Investor Education & Protection Fund.

(n) In compliance with the aforesaid MCA Circulars and SEBI Circular, Notice of the AGM along with the Integrated Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ RTA/ Depositories. Members may note that the Notice and Integrated Report 2019-20 will also be available on the Company's website www.tatasteellp.com, relevant section of the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL https://www.evoting.nsdl.com

(o) As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of the listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. 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 dematerialized form. Members may contact the Company's RTA, Messrs. TSR Darashaw Consultants Private Limited at csg-unit@tsrdarashaw.com for assistance in this regard. Members may also refer to Frequently asked questions ('**FAQs**') on the company's website at www.tatasteellp.com.

(p) 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 and Annual Accounts for FY 2020 and 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 this Integrated Report and Annual Accounts for FY 2019-20 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 Monday, September 7, 2020.

Process to be followed for one time registration of e-mail address is as follows:

I. For Members who hold shares in Electronic form:

a) Visit the link: https://green.tsrdarashaw.com/green/events/login/ip

b) Enter the DP ID & Client ID, PAN details and captcha code.

c) System will verify the Client ID and PAN details.

d) On successful verification, system will allow you to enter your e-mail address and mobile number.

e) Enter your e-mail address and mobile number.

f) The system will then confirm the e-mail address for the limited purpose of service of this AGM Notice & Integrated Report & Annual Accounts 2019-20.

II. For Members who hold shares in Physical form:

a) Visit the link: https://green.tsrdarashaw.com/green/events/login/ip

b) Enter the physical Folio Number, PAN details and captcha code.

c) In the event the PAN details are not available on record, Member to enter one of the share certificate number.

d) System will verify the Folio Number and PAN details or the share certificate number.

e) On successful verification, system will allow you to enter your e-mail address and mobile number.

f) Enter your e-mail address and mobile number.

g) If PAN details are not available, the system will prompt the Member to upload a self-attested copy of the PAN card.

h) The system will then confirm the e-mail address for the purpose of service of this AGM Notice & Integrated Report and Annual Accounts for FY 2019-20

After successful submission of the e-mail address, NSDL will e-mail a copy of this AGM Notice and Integrated Report for FY 2019-20 along with the e-Voting user ID and password. In case of any queries, Members may write to csg-unit@tsrdarashaw.com 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@tsrdarashaw.com. 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.

iii. Alternatively, Members may also send an e-mail request to evoting@nsdl.co.in along with the following documents for procuring user id and password and registration of e-mail addresses for e-voting for the resolutions set out in this Notice:

- In case shares are held in physical form, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card
- In case shares are held in demat form, please provide DP ID-Client ID (8 digit DP ID + 8 digit Client ID or 16 digit Beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, self-attested scanned copy of Aadhaar Card

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) and Regulation 44 of Listing Regulations (as amended) and the MCA Circulars, 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-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 Monday, September 7, 2020 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 person who acquires shares of the Company and becomes a Member of the Company after the despatch of the Notice and holding shares as on the cut-off date i.e. Monday, September 7, 2020, may obtain the User ID and Password by sending a request at evoting@nsdl.co.in.

3. The remote e-voting period commences on Thursday, September 10, 2020 (9:00 AM IST) and ends at Sunday, September 13, 2020 (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.** Monday, September 7, 2020.

4. Members will be provided with the facility for voting through electronic voting system during the VC 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 Chairperson. 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.

5. 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.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM AND REMOTE E-VOTING (BEFORE AND DURING THE AGM) ARE AS UNDER:

1. The Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-voting system and they may access the same at https://www.evoting.nsdl.com under the Shareholders/Members login by using the remote e-voting credentials, where the EVEN of the Company i.e. 113264, will be displayed. On clicking this link, the Members will be able to attend and participate in the proceedings of the AGM. Please note that the 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 below to avoid last minute rush. Further, Members may also use the OTP-based login for logging into the e-voting system of NSDL.

2. Members may join the Meeting through Laptops, Smartphones, Tablets and iPads for better experience. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the Meeting. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops connecting via mobile hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.

3. 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 email address, mentioning their name, DP ID and Client ID /folio number and mobile number, to reach the Company's email address at investorcell@tatasteellp.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 email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investorcell@tatasteellp.com, by September 8, 2020 (5:00 p.m. IST). **Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.** 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 /1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in /022-24994360 or Ms. Pallavi Mhatre, Manager- NSDL at pallavid@nsdl.co.in/022-24994545.

THE INSTRUCTIONS FOR REMOTE E-VOTING BEFORE/DURING THE AGM

The instructions for remote e-voting before the AGM are as under:

The way to vote electronically on NSDL e-voting system consists of 'Two Steps' which are mentioned below:

Step 1: Log-in to NSDL e-voting system at https://www.evoting.nsdl.com/

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/ either on a Personal Computer or on a mobile.

2. Once the home page of e-voting system is launched, click on the icon 'Login' which is available under 'Shareholder' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices 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 113264 then user ID is 113264*******

5. Your password details are given below:

   (a) If you are already registered for e-voting, then you can use your existing password to login 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. 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 email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Open the email 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 email ID is not registered, please follow steps mentioned in process for those shareholders whose email 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.

Step 2: Cast your vote electronically on NSDL e-voting system.

How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.

2. After clicking on Active Voting Cycles, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle is in active status.

3. Select 'EVEN' of the Company.

4. Now you are ready for e-voting as the Voting page opens.

5. 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.

6. Upon confirmation, the message 'Vote cast successfully' will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

8. 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 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: 1800-222-990 or send a request at evoting@nsdl.co.in or contact Mr. Amit Vishal or Ms. Pallavi Mhatre or Mr. Pratik Bhatt from NSDL at the designated e-mail IDs: evoting@nsdl.co.in or amitv@nsdl.co.in or pallavid@nsdl.co.in or pratikb@nsdl.co.in or at telephone nos.: +91 22 2499 4360/4545/4738

Other Instructions:

i. The Board of Directors has appointed Mr. Navin Kothari of M/s. N.K. & Associates, Company Secretaries (Membership No. FCS 5935, C.P. No. 3725), as the Scrutinizer to scrutinize 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 and count the votes cast during the AGM and votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing who shall countersign the same.

iii. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company www.tatasteellp.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared by the Chairman or any other person authorised by the Chairman and the same shall be communicated 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/-
Sanjay Kasture
Chief Risk & Compliance Officer and
Company Secretary
(ACS: 24429)
Kolkata
June 09, 2020

Registered Office:
Post Joda Dist.: Keonjhar
Odisha – 758 034
Tel: 06767 278122 Fax: 06767 278159
CIN- L27102OR1982PLC001091
Website: www.tatasteellp.com
Email: investorcell@tatasteellp.com

Statements pursuant to Section 102 of the Companies Act, 2013 as amended ('Act')

The following Statement sets out all material facts relating to Item Nos. 3 to 18 mentioned in the accompanying Notice.

Item No 3

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors ("Board"), appointed Dr. Ansuman Das (DIN: 02845138), as an Additional (Independent) Director of the Company, not liable to retire by rotation, effective July 15, 2019. Pursuant to Section 161 of the Act and Article 109 of the Articles of Association of the Company, Dr. Ansuman Das will hold office up to the date of the ensuing Annual General Meeting ('AGM') and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160 of the Act, received a notice in writing from a Member proposing the candidature of Dr. Das for the office of Director.

The Company has received from Dr. Das (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with related Rules and applicable MCA Notifications and Regulation 16 and Regulation 25(8) of the Listing Regulations as amended (iv) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by SEBI or any other such authority and (v) a confirmation in terms of Regulation 25(8) of SEBI Listing Regulations that, he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

The resolution seeks the approval of the Members, by way of Ordinary Resolution, in terms of Section 149, 152 and other applicable provisions of the Act, read with Schedule IV to the Act and the Rules made thereunder, and in terms of the applicable provisions of the Listing Regulations, as amended, for appointment of Dr. Das as an Independent Director of the Company for a period of five years (first term) commencing July 15, 2019 through July 14, 2024. Dr. Das, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Dr. Das is a person of integrity, fulfils the conditions and criteria as specified in the Act and the Rules made thereunder and the Listing Regulations, as amended and he is independent of the Management of the Company. A copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of his appointment will be available for inspection by the Members. Members who wish to inspect the same can send a request to the e-mail address mentioned in the notes to the Notice.

The profile and specific areas of expertise of Dr. Das are provided as an annexure to this Notice.

Given the vast knowledge, skills and experience of Dr. Das, the Board considers that his association will be beneficial to the Company.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Dr. Das, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 3 of the Notice.

The Board is satisfied with the integrity, expertise and experience (including the proficiency), of Dr. Das who is being appointed as Independent Director at this AGM. Hence, the Board recommends the Resolution set forth in Item No. 3 for the approval of Members.

Item No 4

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors ("Board"), appointed Mr. Shashi Kant Maudgal (DIN: 00918431), as an Additional (Independent) Director of the Company, not liable to retire by rotation, effective July 15, 2019. Pursuant to the provisions of Section 161 of the Act and Article 109 of the Articles of Association of the Company, Mr. Shashi Kant Maudgal will hold office up to the date of the ensuing Annual General Meeting ('AGM') and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160 of the Act, received a notice in writing from a Member proposing the candidature of Mr. Maudgal for the office of Director.

The Company has received from Mr. Maudgal (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with related Rules and applicable MCA Notifications and Regulation 16 and Regulation 25(8) of the Listing Regulations as amended (iv) a declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by SEBI or any other such authority and (v) a confirmation in terms of Regulation 25(8) of SEBI Listing Regulations that, he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

The resolution seeks the approval of the Members, by way of an Ordinary Resolution, in terms of Section 149, 152 and other applicable provisions of the Act, read with Schedule IV to the Act and the Rules made thereunder and in terms of the applicable provisions of the Listing Regulations, as amended, for appointment of Mr. Maudgal as an Independent Director of the Company for a period of five years (first term) commencing July 15, 2019 up to July 14, 2024. Mr. Maudgal, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Mr. Maudgal is a person of integrity, fulfils the conditions and criteria as specified in the Act and the Rules made thereunder and the Listing Regulations, as amended and he is independent of the Management of the Company. A copy of the draft letter for appointment of the Independent Director setting

out the terms and conditions of his appointment will be available for inspection by the Members. Members who wish to inspect the same can send a request to the e-mail address mentioned in the notes to the Notice.

The profile and specific areas of expertise of Mr. Maudgal are provided as an annexure to this Notice.

Given the vast knowledge, skills and experience of Mr. Maudgal, the Board considers that his association will be beneficial to the Company.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Maudgal, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

The Board is satisfied with the integrity, expertise and experience (including the proficiency), of Mr. Maudgal who is being appointed as Independent Director at this AGM. Hence, the Board recommends the Resolution set forth in Item No. 4 for the approval of Members.

Item No 5

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors ("Board"), appointed Mr. Srikumar Menon (DIN: 00470254), as an Additional (Independent) Director of the Company, not liable to retire by rotation, effective July 15, 2019. Pursuant to the provisions of Section 161 of the Act and Article 109 of the Articles of Association of the Company, Mr. Srikumar Menon will hold office up to the date of the ensuing Annual General Meeting ('AGM') and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160 of the Act, received a notice in writing from a Member proposing the candidature of Mr. Menon for the office of Director.

The Company has received from Mr. Menon (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with related Rules and applicable MCA Notifications and Regulation 16 and Regulation 25(8) of the Listing Regulations as amended (iv) a declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by SEBI or any other such authority and (v) a confirmation in terms of Regulation 25(8) of SEBI Listing Regulations that, he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

The resolution seeks the approval of the Members, by way of an Ordinary Resolution, in terms of Section 149, 152 and other applicable provisions of the Act, read with Schedule IV to the Act and the Rules made thereunder and in terms of the applicable provisions of the Listing Regulations, as amended, for appointment of Mr. Menon as an Independent Director of the Company for a period commencing July 15, 2019 up to July 14, 2024 (first term). Mr. Menon, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Mr. Menon is a person of integrity and fulfills the conditions and criteria as specified in the Act and the Rules made thereunder and the Listing Regulations, as amended, and he is independent of the Management of the Company. A copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of his appointment will be available for inspection by the Members. Members who wish to inspect the same can send a request to the e-mail address mentioned in the notes to the Notice.

The profile and specific areas of expertise of Mr. Menon are provided as an annexure to this Notice. Given the vast knowledge, skills and experience of Mr. Menon, the Board considers that his association will be beneficial to the Company.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Menon, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

The Board is satisfied with the integrity, expertise and experience (including the proficiency), of Mr. Menon who is being appointed as Independent Director at this AGM. Hence, the Board recommends the Resolution set forth in Item No. 5 for the approval of Members.

Item No 6

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors ("Board"), appointed Ms. Neeta Karmakar (DIN: 08730604), as an Additional (Independent) Director of the Company, not liable to retire by rotation, effective March 30, 2020. Pursuant to the provisions of Section 161 of the Act and Article 109 of the Articles of Association of the Company, Ms. Neeta Karmakar will hold office up to the date of the ensuing Annual General Meeting ('AGM') and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160 of the Act, received a notice in writing from a Member proposing the candidature of Ms. Karmakar for the office of Director.

The Company has received from Ms. Karmakar (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2) of the Act (iii) a declaration to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act read with related Rules and applicable MCA Notifications and Regulation 16 and Regulation 25(8) of the Listing Regulations as amended (iv) a declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that she has not been debarred from holding office of a Director by virtue of any Order passed by SEBI or any other such authority and (v) a confirmation in terms of Regulation 25(8) of SEBI Listing Regulations that, she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties.

The resolution seeks the approval of the Members, by way of an Ordinary Resolution, in terms of Section 149, 152 and other applicable provisions of the Act, read with Schedule IV to the Act and the Rules made thereunder and in terms of the applicable provisions of the Listing Regulations, as amended, for appointment of Ms. Karmakar as an Independent Director of the Company for a period commencing March 30, 2020 up to March 29, 2025 (first term). Ms. Karmakar, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Ms. Karmakar is a person of integrity and fulfills the conditions and criteria as specified in the Act and the Rules made thereunder and the Listing Regulations, as amended, and she is independent of the Management of the Company. A copy of the draft letter for appointment of the Independent Director setting out the terms and conditions of her appointment will be available for inspection by the Members. Members who wish to inspect the same can send a request to the e-mail address mentioned in the notes to the Notice.

The profile and specific areas of expertise of Ms. Karmakar are provided as an annexure to this Notice. Given the vast knowledge, skills and experience of Ms. Karamakar, the Board considers that her association will be beneficial to the Company.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Ms. Karmakar, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 6 of the Notice.

The Board is satisfied with the integrity, expertise and experience (including the proficiency), of Ms. Karmakar who is being appointed as Independent Director at this AGM. Hence, the Board recommends the Resolution set forth in Item No. 6 for the approval of Members.

Item No 7

Mr. Ashish Anupam (DIN: 08384201) was the Non-executive Director of the Company for the period March 14, 2019 till October 31, 2019. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company at its Meeting held on October 23, 2019 appointed Mr. Ashish Anupam (DIN: 08384201), as the Managing Director of the Company for a period of five years effective November 1, 2019 through October 31, 2024, subject to the approval of the Members of the Company at the ensuing general meeting, not liable to retire by rotation.

The Company has received from Mr. Anupam (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014; (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, that he has not been debarred from holding office of a Director by virtue of any Order passed by SEBI or any other such authority.

On the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on October 23, 2019, approved the terms and conditions of Mr. Ashish Anupam's appointment, subject to the approval of the Members.

The Board while appointing Mr. Anupam, considered his background, skills, experience and leadership qualities.

Mr. Ashish Anupam joined Tata Steel in 1991 after completing his B.E. in Mechanical from BIT, Mesra, Ranchi and General Management Programme from CEDEP (INSEAD, France). He has more than 25 years of experience in mining and metals industry.

Mr. Anupam's career spanned many years in India and overseas in areas such as Rolling Mills, International Trading Division and Marketing & Sales for different products (Flat Products, Long Products & Tubes) in various capacities. In 2004, he was elevated as the Chief - Marketing and Sales (Tubes) and in 2010, as Chief - Marketing & Sales (Long Products). Mr. Anupam was appointed as the President and CEO of NatSteel Holdings Pte. Ltd., Singapore, in July 2015, a position he held till March 2019.

Mr. Ashish Anupam was inducted on the Board of Tata Steel Long Products Limited ("the Company") as Non-executive Director w.e.f March 14, 2019 and was subsequently appointed as the Managing Director of the Company.

The main terms and conditions relating to the appointment and terms of remuneration of Mr. Ashish Anupam as the Managing Director are as follows:

(1) Tenure of Contract:

For a period of five years i.e. from November 1, 2019 through October 31, 2024.

(2) Nature of Duties:

The Managing Director shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and / or subsidiaries, including performing duties as assigned to the Managing Director from time to time by serving on the boards of such associated companies and / or subsidiaries or any other executive body or any committee of such a company.

The Managing Director shall not exceed the powers so delegated by the Board.

The Managing Director undertakes to employ the best of his skill and ability and to make his utmost endeavours to promote the interests and welfare of the Company and to conform to and comply with the policies and regulations of the Company and all such orders and directions as may be given to him from time to time by the Board.

Mr. Ashish Anupam shall undertake his duties from such location as may be directed by the Board.

(3) Remuneration:

a. **Basic Salary:** ₹3,80,100 per month in the salary scale of ₹3,50,000 to ₹7,50,000 per month. The annual increments which will be effective 1st April each year, will be decided by the Board based on recommendation of the Nomination and Remuneration Committee which will be based on the Company's performance and individual performance.

b. Benefits, Perquisites, Allowances:

In addition to the basic salary referred to in (a) above, the Managing Director shall be entitled to:

A. Rent-free residential accommodation (furnished or otherwise) the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.

OR

House Rent, House Maintenance and Utility Allowances aggregating 85% of the basic salary subject to city-wise cap of ₹2,25,000 per month for Kolkata city.

(in case residential accommodation is not provided by the Company)

B. Hospitalisation, Transport, Telecommunication and other facilities:

(i) Hospitalisation and major medical expenses for self, spouse and dependent (minor) children and dependent parents;

(ii) Car, with driver provided, maintained by the Company for official and personal use or Car cash option in terms of the policy.

(iii) Telecommunication facilities including broadband, internet and fax.

(iv) Housing Loan as per the Rules of the Company.

C. Other perquisites and allowances given below subject to a maximum of 55% of the annual salary;

The categories of perquisites / allowances to be included within the 55% limit shall be –

a) Allowances for Helper/ Education of Children/ Other Allowances		33.34%
b) Leave Travel Concession/Allowance		8.33%
c) Medical allowance		8.33%
		50.00%
d) Personal Accident Insurance Club Membership fees	@ actuals subject to a cap of	5.00%
		55.00%

D. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the Rules of the Company.

E. The Managing Director shall be entitled to leave in accordance with the Rules of the Company. Privilege Leave earned but not availed by the Managing Director is encashable in accordance with the Rules of the Company.

F. The Managing Director shall be entitled to Executive Holiday Plan of up to 10 room nights, subject to a limit of up to ₹2 lakh p.a., of which 85% will be borne by the Company, and 15% will be borne by the individual.

c. **Performance Bonus / Commission:** Managing Director shall be entitled to annual performance linked bonus and/or Commission, not exceeding 200% percent of the annual salary, based on certain performance criteria and such other parameters laid down by the Board/ Committees thereof, subject to the overall ceilings stipulated in section 197 of the Companies Act, 2013, and related Rules. These amounts (if any) will be paid after the Annual Financial Statements have been approved by the Board and adopted by the Members.

d. **Minimum Remuneration**
In the event of absence or inadequacy of profits of the Company in any financial year during the period of the Managing Director's appointment, the Company shall pay to the Managing Director remuneration by way of salary, benefits, perquisites and allowances, performance linked bonus/commission, as specified above, as per the provisions of the Act and Schedule V of the Act.

(4) Other Terms of Appointment

a. The terms and conditions of the appointment of the Managing Director and / or this Agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Managing Director, subject to such approvals as may be required.

Managing Director shall not, so long as he functions as the Managing Director of the Company entitled to receive any fee for attending any meetings of the Board or any Committee thereof.

The entire remuneration package of the Managing Director shall be as per the provisions of Companies Act, 2013.

Managing Director may be entitled to Long Term Incentive Plan (LTIP) as per the Company's norms, subject

to the approval and discretion of the Board of Directors of the Company.

b. The Managing Director covenants with the Company that he will not, during the continuance of his employment with the Company, without the prior written consent of the Board, carry on or be engaged, directly or indirectly, either on his own behalf or on behalf of any person, or as manager, agent, consultant or employee of any person, firm or company, in any activity or business, in India or overseas, which shall directly or indirectly be in competition with the business of the Company or its holding company or its subsidiaries or associated companies.

c. The Managing Director, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and / or children, in any selling agency of the Company.

d. The Managing Director shall during his term, abide by the provisions of the Tata Code of Conduct in spirit and in letter and commit to assure its implementation.

e. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the Managing Director, unless specifically provided otherwise.

f. The employment of the Managing Director may be terminated by the Company without notice or payment in lieu of notice:

   (i) if the Managing Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or

   (ii) in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the Managing Director of any of the stipulations contained in the Agreement; or

   (iii) in the event the Board expresses its loss of confidence in the Managing Director.

g. In the event the Managing Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

h. The appointment may be terminated earlier, without any cause, by either Party by giving to the other Party six months' notice of such termination or the Company paying six months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Bonus/Performance Linked Incentive/ Commission (paid at the discretion of the Board), in lieu of such notice.

i. Upon the termination by whatever means of his employment under the Agreement:

   a. the Managing Director shall immediately cease to hold offices held by him in any holding company, subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167 (1)(h) of the Act and shall resign as trustee of any trusts connected with the Company.

   b. the Managing Director shall not without the consent of the Board at any time thereafter represent himself as connected with the Company or any of its subsidiaries and associated companies.

j. As and when if and when the Agreement expires or is terminated for any reason whatsoever, Mr. Ashish Anupam will cease to be the Managing Director and also cease to be a Director of the Company. If at any time, the Managing Director ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director and the Agreement shall forthwith terminate. If at any time, the Managing Director ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Managing Director of the Company.

k. The Managing Director covenants with the Company that he will not during the continuance of his employment with the Company accept any other directorships in any company or body corporate without the prior written consent of the Board.

l. The Managing Director covenants with the Company that he will not for a period of 1 year immediately following the termination of his employment under this Agreement, without the prior written consent of the Board endeavor or entice away from the Company any who has at any time during the (2 years period) immediately preceding such termination been employed or engaged by the Company or any subsidiaries or associated companies at any time during the (2 years period) immediately preceding termination.

m. Notices may be given by either Party by letter addressed to the other Party at, in the case of the Company, its registered office for the time being and in the case of the Managing Director his last known address and any notice given by letter shall be deemed to have been given at the time at which the letter would be delivered in the ordinary course of post or if delivered by hand upon delivery and in proving service by post it shall be sufficient to prove that the notice was properly addressed and posted by hand or by electronic mail.

(5) **Excess Remuneration paid during financial year 2019-20**

In view of the loss incurred by the Company for financial year 2019-20, the Company is required to obtain Members approval for the excess remuneration of ₹32.97 lakh, calculated in terms of the provisions of the Companies Act, 2013, paid to Mr. Ashish Anupam for Financial year 2019-20 [with effect from November 01, 2019 to March 31, 2020].

Based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on June 09, 2020, has approved payment of such excess remuneration, subject to Members approval at the ensuing Annual General Meeting to held in 2020.

The Statement and details required pursuant to Schedule V of the Companies Act, 2013, SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 and Secretarial Standard on General Meetings along with the profile of Mr. Ashish Anupam is annexed to this Notice.

In compliance with the provisions of Section 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act as amended, and based on the recommendation of the Board and the NRC, approval of the Members is sought for the appointment and terms of remuneration of Mr. Anupam as Managing Director as set out above.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Anupam, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 7 of the Notice.

The additional information as required under Schedule V of the Companies Act, 2013, are provided as an annexure to AGM Notice.

The Board recommends the Resolution set forth in Item No. 7 for the approval of Members.

Item No 8

The Members at the 36th Annual General Meeting held on July 15, 2019, approved the revision in terms of remuneration of Mr. Sanjay Kumar Pattnaik. In view of the loss incurred by the Company for financial year 2019-20, the Company is required to obtain Members approval for the excess remuneration of ₹102.55 lakh, calculated in terms of the provisions of the Companies Act, 2013, paid to Mr. Sanjay Kumar Pattnaik for Financial year 2019-20.

Based on the recommendation of the Nomination and Remuneration Committee, the Board at its meeting held on June 09, 2020 has approved payment of such excess remuneration, subject to Members approval at the ensuing Annual General Meeting to held in 2020.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in any way concerned or interested in the said Resolution.

The additional information as required under Schedule V of the Companies Act, 2013, are provided as an annexure to AGM Notice

The Board recommends the resolution set forth in Item No. 8 for approval of the Members.

Item No 9

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 Auditor to the Board of Directors (the '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 2020-21.

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 of Directors has to be ratified by the Members of the Company. The Board of Directors has fixed the remuneration payable to the Cost Auditors for Financial Year 2020-21 at ₹6 lakh plus applicable taxes and reimbursement of out of pocket expenses, to cover the cost audit of plants located at Joda, Odisha, Gamharia, Jharkhand and Iron Ore Mines at Odisha. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 9 of the Notice for ratification of the remuneration payable to the Cost Auditor of the Company for the Financial Year ending March 31, 2021.

None of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 9 of the Notice.

The Board recommends the Resolution set forth in Item No. 9 for the approval of the Members.

Item No 10

Approval of Material Related Party Transactions – Purchase of Coal from TS Global Procurement Co. Pte. Ltd.

Background and Details of the transaction:

The Company has taken over the steel division of Usha Martin Limited on April 09, 2019. Coal is one of the key raw materials for manufacture of coke for use in steel melting in blast furnace. TS Global Procurement Co. Pte. Ltd (TS Global) is a subsidiary of Tata Steel having its base in Singapore. It supplies the requirement of coal to Tata Steel and its Group Companies by procuring in bulk from international coal suppliers.

Benefits of purchasing coal from TS Global Procurement Co. Pte Ltd. ("TS Global"):

TS Global, being a fellow subsidiary, has significant presence in procuring coal from across the globe and has deep knowledge about trading of coal and access to sourcing channels/miners, expertise in shipping, freight operations and market intelligence. In the above business backdrop, Tata Steel Long Products derives significant value in leveraging TS Global expertise in the following ways:

a) **Sourcing Cost** – TS Global by virtue of its size / trading book has a better negotiation position with the miners / suppliers to secure competitive sourcing rates.

b) **Freight Benefits** – Further as trading company, TS Global is having better freight negotiating power with freight parties due to their bulk purchase. This improves the overall landed cost economics for Tata Steel Long Products.

c) **Flexibility** – Under this arrangement, TS Global provides value added services to Tata Steel Long Products, such as change in scheduling/ lay cans, shipment sizes to meet Tata Steel Long Products dynamic plant inventory situations.

d) **Professional Services** – Being a fellow subsidiary, TS Global offers professional and transparent business services to secure coal supply. TS Global will charge a nominal fee for the services including port documentation, commercial formalities and their establishment cost etc.

Approval being sought for each of the Financial Year 2020-21 and 2021-22:

Tata Steel Long Products had sought approval of the Members for purchase of coal from TS Global at its AGM held on July 15, 2019, for an amount of ₹1,200 crore per annum for two financial years i.e. 2019-20 and 2020-21. Since, the approval would expire on March 31, 2021, it is necessary to obtain approval of the Members in order to ensure uninterrupted operations of the Company, post March 31, 2021. Considering the business requirement, the value has been enhanced to ₹2,000 crore for Financial Year 2020-21 & 2021-22. In the aforesaid background, the Company explains below further details:

As per Regulation 23 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI Listing Regulations, 2015"] all material related party transactions shall require the approval of Members. Further, explanation provided to Regulation 23(1) of SEBI Listing Regulations, 2015 states that a transaction with a related party shall be considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during the financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. According to this definition the relevant turnover was ₹3,489.99 crore for the financial year 2019-20 and 10% of which is equal to ₹349 crore Hence, it is proposed to secure Members approval for the following related party contracts/ arrangements to be entered each for the financial year 2020-21 and 2021-22.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) etc. are as follows:

Name of the related party
TS Global Procurement Co. Pte Ltd. (''TS Global")

Name of the Director or Key Managerial Personnel who is related, if any
Mr. Koushik Chatterjee - Non-Executive Director of TSLP, is also Non-Executive Director of TS Global.

Nature of relationship
Fellow subsidiary

Nature, material terms, monetary value and particulars of the contract or arrangement:
The Company intends to procure coal from TS Global Procurement Pte Ltd. The purchase price for the Company will be the negotiated price by TS Global with the original supplier plus an agreed fee towards their establishment expenses and margin. Freight and other charges will be paid at actuals.

Maximum value of transactions in a financial year is expected to be ₹2,000 crore.

Any other information relevant or important for Members to take a decision on the proposed resolution

All important information forms part of the statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013 which has been mentioned in the foregoing paragraphs.

Rationale behind the resolution:
The rationale behind sourcing coal through TS Global is given below.

Quality & Quantity of Coal: The key success factor of the company inter-alia is procurement of right quantity and quality of key raw materials which includes coal. Consistent supply of desired quality of coal from TS Global helps in controlling the cost of operation for manufacturing hot metal in blast furnace, thereby increasing the profitability of the Company.

Arm's length pricing vetted by an affiliate of a Global Accounting and Advisory firm:
The related party contract/transaction mentioned in this proposal has been evaluated by an affiliate of a Global Accounting and Advisory firm and the firm has confirmed that the proposed pricing mechanism mentioned above meets the arm's length testing criteria. The related party transaction also qualifies as contract under ordinary course of business.

The said transactions have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members.

None of the Directors and / or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested either directly or indirectly, in the Resolution mentioned at Item No. 10 of the Notice. Mr. Koushik Chatterjee who is the Non-Executive Director of the Company is also the Non-Executive Director

of TS Global Procurement Company Pte. Limited and his / his relatives interest or concern, if any, is limited to the extent of him holding directorship position in both, Tata Steel Long Products Limited and TS Global Procurement Company Pte. Limited.

The Board recommends the resolution set forth in Item no. 10 for approval of the Members.

Item No 11

Approval of Material Related Party Transactions – Purchase of coal from Tata International Limited (TIL):

Background and Details of the transaction:

Coal is one of the prime raw materials of the Company for manufacturing sponge iron. Coal also constitutes major part of hot metal produced at newly acquired steel plant at Gamharia (Adityapur). Consistent, cost effective and assured supply of coal of desired quality is the most important requirement for continuous plant operations and better productivity. Tata Steel Long Products gets its coal primarily from South Africa which meets the required quality parameters suitable for sponge iron making. With the acquisition of steel business in Adityapur, the Company would now operate 8 sponge iron kilns as against 3 kilns, as it was having earlier. High calorific value thermal coal is sufficiently not available in India and requires import.

The details of the proposed transactions are as follows:

Coal would be purchased from TIL for the value of ₹2,000 crore for each of the financial year 2020-21 and 2021-22. It may be pertinent to note that Tata Steel Long Products has been purchasing coal through TIL since last 6 years.

Benefits of purchasing Coal from Tata International Limited ("TIL"):
Tata Steel Long Products has experimented various types of imported high calorific value coal and has identified certain South African grades of coal as the most appropriate for its use in sponge iron kilns considering the technical fit / yield and landed cost economics.

TIL has significant presence in South Africa and has deep knowledge about trading of coal and access to sourcing channels / miners, expertise in shipping, freight operations and market intelligence.

In the above business backdrop, Tata Steel Long Products derives significant value in leveraging TIL's expertise in the following ways:

a. **Sourcing Cost** – TIL by virtue of its size / trading book has a better negotiation position with the miners / suppliers, to secure competitive sourcing rates.

b. **Freight Benefits** – Further as trading company, TIL is able to plan large vessels size (Panamax) instead of Supramax vessels, such that additional quantity is sold by TIL to other customers and Tata Steel Long Products benefits from lower freight. This improves the overall landed cost economics for Tata Steel Long Products.

c. **Flexibility** – Under this arrangement, TIL provides value added services to Tata Steel Long Products, such as change in scheduling/ lay cans, shipment sizes to meet Tata Steel Long Products dynamic plant inventory situations.

d. **Professional Services** – Being a Tata group Company, TIL offers professional and transparent business services to secure coal supply. TIL charges a fixed commission per ton for the services including port documentation, commercial formalities and their cost of fund etc.

Approval being sought for each of the Financial Year 2020-21 and 2021-22:
Tata Steel Long Products had sought approval of the Members for purchase of coal from TIL at its AGM held on July 15, 2019, for an amount of ₹1,000 crore per annum for two financial years i.e. 2019-20 and 2020-21. Since, the approval would expire on March 31, 2021, it is necessary to obtain approval of the Members in order to ensure uninterrupted operations of the Company, post March 31, 2021. Considering the business requirement, the value has been enhanced to ₹2,000 crore for Financial Year 2020-21 & 2021-22.

After acquisition of steel business at Adityapur, the requirement for import of coal has increased substantially.

In the aforesaid background, the Company explains below further details:

As per Regulation 23 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI Listing Regulations, 2015"] all material related party transactions shall require the approval of Members. Further, explanation provided to Regulation 23(1) of SEBI Listing Regulations, 2015 states that a transaction with a related party shall be considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during the financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. According to this definition the relevant turnover was ₹3,489.99 crore for the financial year 2019-20 and 10% of which is equal to ₹349 crore. Hence, it is proposed to secure Members approval for the following related party contracts/ arrangements to be entered during each of financial year 2020-21 and 2021-22.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) etc. are as follows:

Name of the related party

Tata International Limited. ("TIL")

Name of the Director or Key Managerial Personnel who is related, if any

None

Nature of relationship

Group Company

Nature, material terms, monetary value and particulars of the contract or arrangement:

The Company has been importing non-coking coal through TIL since last 6 years. API-4 index is widely used for determining the coal price in the international market and is the basis for determination of FOB price. Freight & insurance are paid at comparable/actual price. The maximum value of transactions shall be ₹2,000 crore each for the financial year 2020-21 and 2021-22.

Any other information relevant or important for Members to take a decision on the proposed resolution

All important information forms part of the statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013 which has been mentioned in the foregoing paragraphs.

Rationale behind the resolution:

The rationale behind sourcing imported coal with high carbon and low ash through TIL is given below:

Quality & Quantity of Coal

After acquisition of steel business, the Company is now operating 8 sponge iron kilns as against 3 kilns, it was operating earlier. The Company is operating at over 100% capacity utilisation, while the Industry average in the country is about 70%. The key success factor of the company inter-alia is procurement of right quantity and quality of key raw materials which includes coal. Consistent supply of desired quality of coal from TIL helps in controlling the operating parameters in the sponge iron Kilns, which leads to increased campaign life of the kilns, thereby increasing the productivity and profitability of the Company.

Usage of such coal increases the production and helps in producing beyond the rated capacity and is a major contributing factor for ensuring environmental friendly operations.

Assured supply at arm's length pricing:

In the absence of the Company's own overseas sourcing arm, the Company has made arrangement with TIL, which is a global trading and distribution company with expertise in trading of coal. The pricing mechanism is based on API-4 Index.

Arm's length pricing vetted by an affiliate of a Global Accounting and Advisory firm: The related party contract/transaction mentioned in this proposal has been evaluated by an affiliate of a Global Accounting and Advisory firm and the firm has confirmed that the proposed pricing mechanism mentioned above meets the arm's length testing criteria. The related party transaction also qualifies as contract under ordinary course of business.

The said transactions have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members.

None of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested either directly or indirectly in the Resolution mentioned at Item no. 11 of the Notice.

The Board recommends the resolution set forth in Item no. 11 for approval of the Members.

Item No 12

Approval of Material Related Party Transactions – Purchase of Coal from Tata Steel Limited:

Background and Details of the transaction:

The Company has completed the acquisition of the steel business undertaking of Usha Martin Limited on April 09, 2019. Coal is one of the key raw materials for manufacture of coke for use in blast furnaces.

Benefits of purchasing coal from Tata Steel Limited (TSL)

This gives flexibility of sourcing alternate coal available at ports with minimum lead time of buying. Tata Steel buys coal in bulk which gives price advantage as they import from mine owners directly which leverages advantage of shipping cost. Tata Steel Long Products requires smaller quantity of different grades in comparison with Tata Steel, to optimise blend to reduce its cost and importing these materials directly may cost more. Option of sourcing coal from TSL helps in crisis situations.

Approval being sought for each of the Financial Year 2020-21 and 2021-22:

Tata Steel Long Products had sought approval of the Members for purchase of coal from Tata Steel at its AGM held on July 15, 2019, for an amount of ₹130 crore per annum for two financial years i.e. 2019-20 and 2020-21. Since, the approval would expire on March 31, 2021, it is necessary to obtain approval of the Members in order to ensure uninterrupted operations of the Company, post March 31, 2021. Considering the current business requirement, the value has been enhanced to ₹400 crore for financial year 2020-21 and 2021-22. In the aforesaid background, the Company explains below further details:

As per Regulation 23 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI Listing Regulations, 2015"] all material related party transactions shall require the approval of Members. Further, explanation provided to Regulation 23(1) of SEBI Listing Regulations, 2015 states that a transaction with a related party shall be considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during the financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. According to this definition the relevant turnover was ₹3,489.99 crore for the financial year 2019-20 and 10% of which is equal to ₹349 crore. Hence, it is proposed to secure Members approval for the following related party contracts/ arrangements to be entered each for the financial year 2020-21 and 2021-22.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) etc. are as follows:

Name of the related party

Tata Steel Limited ("Tata Steel")

Name of the Director or Key Managerial Personnel who is related, if any

a. Mr. T.V. Narendran, Chairman of TSLP, is Chief Executive Officer and Managing Director of Tata Steel.

b. Mr. Koushik Chatterjee, Non-Executive Director of TSLP, is Executive Director and Chief Financial Officer of Tata Steel.

Nature of relationship
Tata Steel is a holding Company having 75.91% shares in the paid up capital of the Company.

Nature, material terms, monetary value and particulars of the contract or arrangement:
The Company intends to procure coal from Tata Steel. The purchase price for the Company will be the negotiated price by Tata Steel with the original supplier plus an agreed fee towards their establishment expenses and margin. Freight and other charges will be paid at actuals. Maximum value of transactions in a financial year is expected to be ₹400 crore.

Any other information relevant or important for Members to take a decision on the proposed resolution
All important information forms part of the statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013 which has been mentioned in the foregoing paragraphs.

Rationale behind the resolution:
The rationale behind sourcing imported coal through Tata Steel is given below.

Quality & Quantity of Coal: The key success factor of the company inter-alia is procurement of right quantity and quality of key raw materials which include coal. Consistent supply of desired quality of coal from Tata Steel will help in controlling the cost of operation for manufacturing liquid steel in blast furnace, thereby increasing the profitability of the Company.

Arm's length pricing vetted by an affiliate of a Global Accounting and Advisory firm:

The related party contract/transaction mentioned in this proposal has been evaluated by an affiliate of a Global Accounting and Advisory firm and the firm has confirmed that the proposed pricing mechanism mentioned above meets the arm's length testing criteria. The related party transaction also qualifies as contract under ordinary course of business.

The said transactions have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members.

None of the Directors and / or Key Managerial Personnel of the Company and / or their respective relatives are concerned or interested either directly or indirectly, in Item No. 12 of Notice. Mr. T.V. Narendran who is the Chairman of the Company is also the Chief Executive Officer and Managing Director of Tata Steel Limited and his/ his relatives interest or concern, if any, is limited to the extent of him holding directorship position in both, Tata Steel Long Products Limited and Tata Steel Limited. Mr. Koushik Chatterjee who is the Non-Executive Director of the Company is also the Executive Director and Chief Financial Officer of Tata Steel Limited and his / his relatives interest or concern, if any, is limited to the extent of him holding directorship position in both, Tata Steel Long Products Limited and Tata Steel Limited.

The Board recommends the resolution set forth in Item no. 12 for approval of the Members.

Item No 13

Approval of Material Related Party Transactions – Purchase of coal from Tata International Singapore PTE Ltd (TISPL):

Background and Details of the transaction:

Coal is one of the prime raw materials of the Company for manufacturing sponge iron and hot metal, at the newly acquired steel plant at Gamharia (Jharkhand). Consistent, cost effective and assured supply of coal of desired quality is the most important requirement for continuous plant operations and better productivity. Tata Steel Long Products gets its coal primarily from South Africa which meets the required quality parameters suitable for sponge iron making. With the acquisition of steel business in Adityapur, the Company is now operating 8 sponge iron kilns as against 3 kilns, as it was having earlier. High calorific value thermal coal is sufficiently not available in India and requires import. Coal would be purchased from TISPL for the value of ₹2,000 crore for each of the financial year 2020-21 and 2021-22. It may be pertinent to note that Tata Steel Long Products has been purchasing coal through TISPL since last 6 years.

Benefits of purchasing Coal from Tata International Singapore PTE Ltd ("TISPL"):

Tata Steel Long Products has experimented various types of imported high calorific value thermal coal and has identified certain South African grades of coal as the most appropriate for its use in sponge iron kilns considering the technical fit / yield and landed cost economics.

TISPL has significant presence in South Africa and has deep knowledge about trading of coal and access to sourcing channels / miners, expertise in shipping, freight operations and market intelligence.

In the above business backdrop, Tata Steel Long Products derives significant value in leveraging TISPL's expertise in the following ways:

a. **Sourcing Cost** – TISPL by virtue of its size / trading book has a better negotiation position with the miners / suppliers, to secure competitive sourcing rates.

b. **Freight Benefits** – Further as trading company, TISPL is able to plan large vessels size (Panamax) instead of Supramax vessels, such that additional quantity is sold by TISPL to other customers and Tata Steel Long Products benefits from lower freight. This improves the overall landed cost economics for Tata Steel Long Products.

c. **Flexibility** – Under this arrangement, TISPL provides value added services to Tata Steel Long Products Limited.

Products, such as change in scheduling/ lay cans, shipment sizes to meet Tata Steel Long Products dynamic plant inventory situations.

d. Professional Services – Being a Tata group Company, TISPL offers professional and transparent business services to secure coal supply. TISPL charges a fixed commission per ton for the services including port documentation, commercial formalities and their cost of fund etc.

Approval being sought for each of the Financial Year 2020-21 and 2021-22:
Tata Steel Long Products had sought approval of the Members for purchase of coal from TISPL at its AGM held on July 15, 2019, for an amount of ₹1,000 crore per annum for two financial years i.e. 2019-20 and 2020-21. Since, the approval would expire on March 31, 2021, it is necessary to obtain approval of the Members in order to ensure uninterrupted operations of the Company, post March 31, 2021. Considering the business requirement, the value has been enhanced to ₹2,000 crore for Financial Year 2020-21 & 2021-22.

After acquisition of steel business at Adityapur, the requirement for import of coal has increased substantially. In the aforesaid background, the Company explains below further details:

As per Regulation 23 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI Listing Regulations, 2015"] all material related party transactions shall require the approval of Members. Further, explanation provided to Regulation 23(1) of SEBI Listing Regulations, 2015 states that a transaction with a related party shall be considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during the financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. According to this definition the relevant turnover was ₹3,489.99 crore for the financial year 2019-20 and 10% of which is equal to ₹349 crore. Hence, it is proposed to secure Members approval for the following related party contracts/ arrangements to be entered during each of financial year 2020-21 and 2021-22.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) etc. are as follows

Name of the related party
Tata International Singapore PTE Ltd. ("TISPL")

Name of the Director or Key Managerial Personnel who is related, if any
None

Nature of relationship
Group Company

Nature, material terms, monetary value and particulars of the contract or arrangement:
The Company has been importing coal through TISPL since last 6 years. API-4 index is widely used for determining the coal price in the international market and is the basis for determination of FOB price. Freight & insurance are paid at comparable/actual price. The maximum value of transactions shall be ₹2,000 crore each for the financial year 2020-21 and 2021-22.

Any other information relevant or important for Members to take a decision on the proposed resolution
All important information forms part of the statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013 which has been mentioned in the foregoing paragraphs.

Rationale behind the resolution:
The rationale behind sourcing imported coal with higher carbon and low ash through TISPL is given below:

Quality & Quantity of Coal
After acquisition of steel business, the Company is now operating 8 sponge iron kilns as against 3 kilns, it was operating earlier. The Company is operating at over 100% capacity utilisation, while the Industry average in the country is about 70%. The key success factor of the company inter-alia is procurement of right quantity and quality of key raw materials which includes coal. Consistent supply of desired quality of coal from TISPL helps in controlling the operating parameters in the sponge iron Kilns, which leads to increased campaign life of the kilns, thereby increasing the productivity and profitability of the Company.

Usage of such coal increases the production and helps in producing beyond the rated capacity and a major contributing factor for ensuring environmental friendly operations.

Assured supply at arm's length pricing:
In the absence of the Company's own overseas sourcing arm, the Company has made arrangement with TISPL, which is a global trading and distribution company with expertise in trading of thermal coal. The pricing mechanism is based on API-4 Index.

Arm's length pricing vetted by an affiliate of a Global Accounting and Advisory firm:

The related party contract/transaction mentioned in this proposal has been evaluated by an affiliate of a Global Accounting and Advisory firm and the firm has confirmed that the proposed pricing mechanism mentioned above meets the arm's length testing criteria. The related party transaction also qualifies as contract under ordinary course of business.

The said transactions have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members.

None of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested either directly or indirectly in the Resolution mentioned at Item no. 13 of the Notice.

The Board recommends the resolution set forth in Item no. 13 for approval of the Members.

Item No 14

Approval of Material Related Party Transactions – Purchase of Iron Ore from Tata Steel

Background and Details of the transaction:
Iron-ore constitutes sizeable part of the total cost of the raw materials of the Company. Consistent, cost effective and assured supply of iron ore of high quality are the most important requirements for continuous operations and higher productivity. Iron-ore would be purchased from Tata Steel for the value of ₹1,400 crore for the financial year 2021-22. It may be noted that Tata Steel Long Products has been primarily purchasing iron-ore from Tata Steel.

Benefits of purchasing Iron-Ore from Tata Steel: The iron-ore mines of Tata Steel are situated in the States of Odisha and Jharkhand and located in close proximity to our plants at Joda and Gamharia, Adityapur. The strategic advantages for the Company of purchasing iron-ore from Tata Steel are:

- The consistency in supply of high quality and desired quantity of iron-ore is assured, since the supplier, Tata Steel has been supplying to Tata Steel Long Products for the last 30 years.
- The quality of iron ore from Tata Steel mines is reliable;
- Tata Steel also gives commercial discount over and above the e-auction price of iron-ore notified by the State Public Sector Company, Odisha Mining Corporation;
- The cost of transportation is low. As such, the landed cost of iron-ore at Tata Steel Long Products plant by purchasing from Tata Steel is most advantageous to Tata Steel Long Products.
- The mines are well connected to our plants which ensures regular and steady supply. Hence, purchase of iron ore from Tata Steel is advantageous to Tata Steel Long Products.

In order to meet the enhanced requirements of iron ore for the newly acquired steel plant at Gamharia, Adityapur, in addition to the existing requirement for sponge iron plant at Joda, approval of the Members is sought for an amount of ₹1,400 crore per annum.

Approval being sought for each of the Financial Year 2021-22:
Tata Steel Long Products had sought approval of the Members for purchase of iron ore from Tata Steel at its AGM held on July 15, 2019, for an amount of ₹1,400 crore per annum for two financial years i.e. 2019-20 and 2020-21. Since, the approval would expire on March 31, 2021, it is necessary to obtain approval of the Members in order to ensure uninterrupted operations of the Company, post March 31, 2021.

In the aforesaid background, the Company explains below further details:
As per Regulation 23 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "SEBI [Listing Regulations], 2015" all material related party transactions shall require approval of Members. Further, explanation provided to Regulation 23(1) of SEBI Listing Regulations, 2015 states that a transaction with a related party shall be considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during the financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. According to this definition the relevant turnover was ₹3,489.99 crore for the financial year 2019-20 and 10% of which is equal to ₹349 crore. Hence, it is proposed to secure Members approval for the following related party contracts/ arrangements to be entered during each of financial years 2020-21 and 2021-22. Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) etc. are as follows:

Name of the related party
Tata Steel Limited ("Tata Steel")

Name of the Director or Key Managerial Personnel who is related, if any

a. Mr. T.V. Narendran, Chairman of TSLP, is Chief Executive Officer and Managing Director of Tata Steel.

b. Mr. Koushik Chatterjee, Non-Executive Director of TSLP, is Executive Director and Chief Financial Officer of Tata Steel.

Nature of relationship
Tata Steel is a holding Company having 75.91% shares in the paid up capital of the Company.

Nature, material terms, monetary value and particulars of the contract or arrangement
Right from its inception the Company has been purchasing iron ore from Tata Steel. As enumerated above the Company gets qualitative and quantitative advantages by usage of iron ore purchased from Tata Steel. The pricing mechanism for purchase of iron ore is purely market based. The latest auction price of State Public Sector Company, Odisha Mining Corporation (OMC) will be considered as base/ indicative price for purchase of iron ore. Further Tata Steel also gives commercial discount on the e-auction price of iron-ore notified by OMC. The maximum value of such transactions will be capped at ₹1,400 crore for iron ore purchase for each of the financial year 2020-21 and 2021-22.

Any other information relevant or important for Members to take a decision on the proposed resolution
All important information forms part of the statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013 which has been mentioned in the foregoing paragraphs.

Rationale behind the resolution
The advantages associated in transacting with Tata Steel for purchase of iron ore are given below:

Lower logistics Cost due to close proximity with Tata Steel Mines:
The Company has been purchasing iron ore from the nearby mines of Tata Steel, since inception of Tata Steel Long Products around 30 years ago. Tata Steel is operating several iron ore mines in the State of Odisha and Jharkhand, for many decades. The Tata Steel iron ore mines are situated at a distance of approximately 15-35 Kms from its sponge plant at Joda and around 150 kms from its newly acquired steel plant at Gamharia, Adityapur. As such sourcing of iron ore from these nearby mines of Tata Steel is beneficial for the Company as it

helps the Company to save on inward logistics costs as compared to purchase from other sources.

Quality & Quantity of Iron Ore:
The principal raw material for manufacture of both sponge iron and steel is iron ore. Hence, the key success factor of the Company inter-alia is procurement of right quantity and quality of iron ore. A consistent supply of high quality of iron ore from Tata Steel, is a huge advantage to the Company in terms of increased campaign life, productivity and profitability of the Company

Arm's Length Pricing Vetted by an Affiliate of a Global Accounting & Advisory Firm:
The related party contract/transaction mentioned in this proposal has been evaluated by an affiliate of a Global Accounting and Advisory firm and the firm has confirmed that the proposed pricing mechanism mentioned above meets the arm's length testing criteria. The related party transaction also qualifies as contract under ordinary course of business.

The said transactions have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members.

This arrangement is at arm's length basis and in the ordinary course of business.

None of the Directors and / or Key Managerial Personnel of the Company and / or their respective relatives are concerned or interested either directly or indirectly, in Item No. 14 of Notice. Mr. T.V. Narendran who is the Chairman of the Company is also the Chief Executive Officer and Managing Director of Tata Steel Limited and his/ his relatives interest or concern, if any, is limited to the extent of him holding directorship position in both, Tata Steel Long Products Limited and Tata Steel Limited. Mr. Koushik Chatterjee who is the Non-Executive Director of the Company is also the Executive Director and Chief Financial Officer of Tata Steel Limited and his / his relatives interest or concern, if any, is limited to the extent of him holding directorship position in both, Tata Steel Long Products Limited and Tata Steel Limited.

The Board recommends the resolution set forth in Item no. 14 for approval of the Members.

Item No 15

Approval of Material Related Party Transactions – Sale of different grades of Steel & alloy steel to Tata Steel Limited:

Background and Details of the transaction:

Sale of steel and alloy steel to Tata Steel would provide readymade market for our newly acquired steel plant at Gamharia, Adityapur.

The details of the proposed transactions are as follows:
Different grades of Steel would be sold to Tata Steel for the value of approx. ₹400 crore for each of the financial year 2020-21 and 2021-22.

Benefits of selling different grades of steel and alloy steel to Tata Steel:
Tata Steel is the parent Company of Tata Steel Long Products. Their requirement of steel and alloy steel which they normally procure from companies outside the group can now be partly met by Tata Steel Long Products at arm's length prices. Tata Steel Long Products benefits in terms of readymade market and a reliable customer for their newly acquired steel and alloy steel plant at Gamharia, Adityapur.

Considering available customer base in High carbon wire rods, Tata Steel is amongst the most attractive in terms of steadiness of requirement and price position. Moreover, it is also a strategic segment as they cater to a range of wire applications viz. LRPC, Springs, tire chord and retail. Also, there would be no issue and effort in collecting the payment from Tata Steel.

Approval being sought for each of the Financial Year 2020-21 and 2021-22:
Tata Steel Long Products had sought approval of the Members for sale of steel and alloy steel to Tata Steel at its AGM held on July 15, 2019, for an amount of ₹400 crore per annum for two financial years i.e. 2019-20 and 2020-21. Since, the approval would expire on March 31, 2021, it is necessary to obtain approval of the Members in order to ensure uninterrupted operations of the Company, post March 31, 2021. In the aforesaid background, the Company explains below further details:

As per Regulation 23 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "SEBI [Listing Regulations], 2015" all material related party transactions shall require the approval of Members. Further, explanation provided to Regulation 23(1) of SEBI Listing Regulations, 2015 states that a transaction with a related party shall be considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during the financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. According to this definition the relevant turnover was ₹3,489.99 crore for the financial year 2019-20 and 10% of which is equal to ₹349 crore. Hence, it is proposed to secure Members approval for the following related party contracts/ arrangements to be entered during each of financial year 2020-21 and 2021-22.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) etc. are as follows:

Name of the related party
Tata Steel Limited ("Tata Steel")

Name of the Director or Key Managerial Personnel who is related, if any

a. Mr. T.V. Narendran, Chairman of TSLP, is a Chief Executive Officer and Managing Director of Tata Steel.

b. Mr. Koushik Chatterjee, Non-Executive Director of TSLP, is Executive Director and Chief Financial Officer of Tata Steel.

Nature of relationship
Tata Steel is a holding Company having 75.91% shares in the paid up capital of the Company.

Nature, material terms, monetary value and particulars of the contract or arrangement
The pricing mechanism for sale of steel and alloy steel is market driven. Sale of steel and alloy steel to Tata Steel will be at comparable prices and in respect of sale alloy steel, the Company benefits in terms of assured market.

The maximum value of such transactions will be capped at ₹400 crore for sale of steel and alloy steel for each of the financial year 2020-21 and 2021-22.

Any other information relevant or important for Members to take a decision on the proposed resolution
All important information forms part of the statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013 which has been mentioned in the foregoing paragraphs.

Rationale behind the resolution:

The advantages associated in transacting with Tata Steel for sale of steel are given below:

Sale of steel and alloy steel to Tata Steel at Comparable price will ensure readymade market for newly acquired steel plant at Gamharia, Adityapur. Tata Steel is currently sourcing its alloy steel requirement for its bar mill from different manufacturers in open market. With acquisition of steel business by Tata Steel Long Products in April, 2019, the Company would be in a position to meet their part requirements of alloy steel at comparable prices. Tata Steel being the holding company, it would help Tata Steel Long Products to establish a reliable customer relationship while ensuring steady market.

Arm's Length Pricing Vetted by an Affiliate of a Global Accounting & Advisory Firm:
The related party contract/transaction mentioned in this proposal has been evaluated by an affiliate of a Global Accounting and Advisory firm and the firm has confirmed that the proposed pricing mechanism mentioned above meets the arm's length testing criteria. The related party transaction also qualifies as contract under ordinary course of business.

The said transactions have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members.

None of the Directors and / or Key Managerial Personnel of the Company and / or their respective relatives are concerned or interested either directly or indirectly, in Item No. 15 of Notice. Mr. T.V. Narendran who is the Chairman of the Company is also the Chief Executive Officer and Managing Director of Tata Steel Limited and his/ his relatives interest or concern, if any, is limited to the extent of him holding directorship position in both, Tata Steel Long Products Limited and Tata Steel Limited. Mr. Koushik Chatterjee who is the Non-Executive Director of the Company is also the Executive Director and Chief Financial Officer of Tata Steel Limited and his / his relatives interest or concern, if any, is limited to the extent of him holding directorship position in both, Tata Steel Long Products Limited and Tata Steel Limited.

The Board recommends the resolution set forth in Item no. 15 for approval of the Members

Item No 16

Approval of Material Related Party Transactions – Sale of Sponge Iron to Tata International Ltd:

Background and Details of the transaction:
Until your Company acquired the steel business undertaking of Usha Martin Limited, Sponge Iron was one of the main product of the Company. As the Company is now operating 8 sponge iron kilns as against 3 kilns, the production of sponge iron has increased substantially during FY'20. About 75% of the total production from Joda plant, is sold to domestic consumers and the balance 25% is sold to the customers in the neighboring countries. The Company regularly exports to such neighboring countries through Tata International Limited ("Tata International") for more than 15 years which helps Tata Steel Long Products in catering to a wider market.

Benefits of selling sponge iron through Tata International Limited ("Tata International"):
The strategic advantages of selling sponge iron through Tata International, are as follows:

Company does not have its own establishment outside India. Since the Company wants to make its presence felt in the neighboring countries by providing good quality sponge iron, it is necessary to export through an agency who has the wide foot print in international market. Tata International is a global trading and distribution company. Tata International with its in-depth market knowledge and wide network of establishments across the globe in respect of various minerals and metals including sponge iron, is one of the leaders in international trading.

Payments are assured through Tata International.

Since the Company Sells Sponge iron in the Business to Business (B2B) segment, it is important to have a portfolio of large customers in domestic and international markets. Tata International with its in-depth expertise in International markets and having worked closely with the Company for the last 15 years is able to fulfill this objective.

As soon as the product is dispatched from the premises of the plant, the risk of supply of product to the end Customer in international market, gets transferred to Tata International.

Approval being sought for each of the Financial Year 2021-22:
Tata Steel Long Products had sought approval of the Members for sale of sponge iron through Tata International at its AGM held on July 15, 2019, for an amount of ₹500 crore per annum for two financial years i.e. 2019-20 and 2020-21. Since, the approval would expire on March 31, 2021, it is necessary to obtain approval of the Members in order to ensure uninterrupted operations of the Company, post March 31, 2021. In the aforesaid background, the Company explains below further details:

As per Regulation 23 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI Listing Regulations, 2015"] all material related party transactions shall require the approval of shareholders. Further, explanation provided to Regulation 23(1) of SEBI Listing Regulations, 2015 states that a transaction with a related party shall be considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during the financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. According to this definition the relevant turnover was ₹3,489.99 crore for the financial year 2019-20 and 10% of which is equal to ₹349 crore. Hence, it is proposed to secure Members approval for the following related party contracts/ arrangements to be entered for the financial year 2021-22. Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) etc. are as follows:

Name of the related party
Tata International Limited (''Tata International")

Name of the Director or Key Managerial Personnel who is related, if any
None

Nature of relationship
Group Company

Nature, material terms, monetary value and particulars of the contract or arrangement:
Since the Company sells Sponge iron in the Business to Business ("B2B") segment, it is important to have a portfolio of large customers in domestic and international markets. Tata International with its in-depth expertise in International markets and having worked closely with the Company for the last 15 years, is able to fulfill this objective. Therefore, the Company proposes to sell its Sponge Iron in overseas market through Tata International. The pricing mechanism is purely market based and comparable with prices at which the sponge iron is sold to unrelated parties. As such the transaction with Tata International is at arm's length basis. The maximum value of transactions will be capped at ₹500 crore each in financial year 2020-21 and financial year 2021-22.

Any other information relevant or important for Members to take a decision on the proposed resolution
All important information forms part of the statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013 which has been mentioned in the foregoing paragraphs.

Rationale behind the resolution:
As a marketing and risk mitigation strategy the Company has been selling about 75% of sponge iron production to the domestic consumers and approximately 25% is exported to the neighboring countries through Tata International.

The Company has made arrangements with Tata International, a global trading and distribution company. Tata International with its deep market knowledge and wide network of establishments across the globe in respect of various minerals and metals including sponge iron, is one of the leaders in international trading.

In order to safeguard the risks relating to bad-debts, the Company instead of selling sponge iron to overseas customers directly, sells to/ through Tata International for meeting the customer's requirement in those countries.

Arm's length pricing vetted by an affiliate of a Global Accounting and Advisory firm:
The related party contract/transaction mentioned in this proposal has been evaluated by an affiliate of a Global Accounting and Advisory firm and the firm has confirmed that the proposed pricing mechanism mentioned above meets the arm's length testing criteria. The related party transaction also qualifies as contract under ordinary course of business.

The said transactions have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members.

None of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested either directly or indirectly in the Resolution mentioned at Item no. 16 of the Notice.

The Board recommends the resolution set forth in Item no. 16 for approval of the Members.

Item No. 17

Approval of Material Related Party Transactions – Rendering of service by Tata Steel Long Products ("TSLP") in nature of conversion of iron ore to pellets for Tata Steel Limited (TSL):

Background and Details of the transaction:

The Company sought approval for entering into contract(s)/ arrangement(s)/ transaction(s) with Tata Steel Limited (TSL)., a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1) (zb) of the Listing Regulations, for rendering of service by TSLP in nature of conversion of iron ore to pellets, on such terms and conditions as the Board of Directors might deem fit, up to a maximum aggregate value of ₹400 crore per annum for each of the financial year 2020-21 and 2021-22, provided that the said contract(s)/ arrangement(s)/transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

TSLP has offered to convert iron ore fines supplied by TSL into Pellet and supply the same to TSL's plants. TSLP will bill TSL for the conversion charges of the Pellet.

Conversion charges to be paid by TSL to TSLP shall be determined as below:

a. Total conversion cost incurred by TSLP for converting iron ore into pellet from its pellet plant Plus

b. Mark-up in the range of 7% to 9% on point (a) above.

The mark-up range has been benchmarked with the companies engaged in manufacturing of similar goods.

Benefits of conversion of iron ore fines in to pellet for TSL:
TSLP has experimented various grades of iron ore fines for its use in iron ore pellet plant considering the technical fit / yield and landed cost economics. In the above business backdrop, TSLP wants to derive significant value in leveraging its top line by converting and supplying pellets to TSL.

Approval being sought for each of the Financial Year 2020-21 and 2021-22:
TSLP had sought approval of the Members for conversion of iron ore fines in to iron pellet, for an amount of ₹400 crore per annum for two financial years i.e. 2019-20 and 2020-21. Since, the approval would expire on March 31, 2021, it is necessary to obtain approval of the Members in order to ensure uninterrupted operations of the Company, post March 31, 2021, for a value of ₹400 crore for Financial Year 2020-21 & 2021-22. With the aforesaid background, the Company explains below further details:

As per Regulation 23 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI Listing Regulations, 2015"] all material related party transactions shall require the approval of Members. Further, explanation provided to Regulation 23(1) of SEBI Listing Regulations, 2015 states that a transaction with a related party shall be considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during the financial year, exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company. According to this definition the relevant turnover was ₹3,489.99 crore for the financial year 2019-20 and 10% of which is equal to ₹349 crore. Hence, it is proposed to seek Members approval for the following related party contracts/ arrangements to be entered during each of financial year 2020-21 and 2021-22.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) etc. are as follows:

Name of the related party
Tata Steel Limited ("TSL")

Name of the Director or Key Managerial Personnel who is related, if any

a. Mr. T.V. Narendran, Chairman of TSLP, is Chief Executive Officer and Managing Director of Tata Steel.

b. Mr. Koushik Chatterjee, Non-Executive Director of TSLP, is Executive Director and Chief Financial Officer of Tata Steel.

Nature of relationship
Parent Company

Nature, material terms, monetary value and particulars of the contract or arrangement:
TSLP having 1.2 MTPA pellet plant has offered its plant capacity for conversion of 50,000 MT Iron ore fines in to pellet at an input output ratio of 1.15 MT, for TSL. TSL agreed to supply iron ore fines free of cost, along with payment under Cost plus mark-up model.

Conversion charges to be paid by TSL to TSLP shall be determined as below:

a. Total conversion cost incurred by TSLP for converting iron ore into pellet from its pellet plant Plus

b. Mark-up in the range of 7% to 9% on point (a) above.

The mark-up range has been benchmarked with the companies engaged in manufacturing of similar goods.

Any other information relevant or important for Members to take a decision on the proposed resolution
All important information forms part of the statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013 which has been mentioned in the foregoing paragraphs.

Rationale behind the resolution:
The conversion arrangement is mutually beneficial for both the Companies.

Quality & Quantity of iron ore fines:
TSL will supply to TSLP with consistent quality parameters such as Alumina 2.70%, Silica 2.90%, Phosphorous 0.080%, Moisture 8%, +10mm-6-9%

Arm's length pricing vetted by an affiliate of a Global Accounting and Advisory firm:
The related party contract/transaction mentioned in this proposal has been evaluated by an affiliate of a Global Accounting and Advisory firm and the firm has confirmed that the proposed pricing mechanism mentioned above meets the arm's length testing criteria. The related party transaction also qualifies as contract under ordinary course of business.

The said transactions have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members.

None of the Directors and / or Key Managerial Personnel of the Company and / or their respective relatives are concerned or interested either directly or indirectly, in Item No. 17 of Notice. Mr. T.V. Narendran who is the Chairman of the Company is also the Chief Executive Officer and Managing Director of Tata Steel Limited and his/ his relatives interest or concern, if any, is limited to the extent of him holding directorship position in both, Tata Steel Long Products Limited and Tata Steel Limited. Mr. Koushik Chatterjee who is the Non-Executive Director of the Company is also the Executive Director and Chief Financial Officer of Tata Steel Limited and his / his relatives interest or concern, if any, is limited to the extent of him holding directorship position in both, Tata Steel Long Products Limited and Tata Steel Limited.

The Board recommends the resolution set forth in Item no. 17 for approval of the Members.

Item No. 18

Approval of Material Related Party Transactions – Rendering of service by Tata Steel Long Products ("TSLP") in nature of conversion of iron ore to pellets to Tata Steel BSL Ltd. (TSBSL):

Background and Details of the transaction:

Based on the ongoing economic scenario, the Company may enter into a contract (s)/ arrangement of transaction with Tata Steel (BSL) Limited, which is a related party, within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for rendering of services in the nature of conversion of iron ore to pellets, on such terms and conditions as the Board of Directors might deem fit, up to a maximum aggregate value of ₹400 crore per annum for each of the financial year 2020-21 and 2021-22, provided that the said contract(s)/ arrangement(s)/transaction(s) that may be carried out shall be at arm's length basis and in the ordinary course of business of the Company.

TSLP having 1.2 MTPA Iron pellet plant has offered its plant capacity for conversion of 50,000 MT Iron ore fines in to pellet at an input output ratio of 1.15 MT, for TSBSL. TSBSL agreed to supply iron ore fines free of cost, along with payment under Cost plus mark-up model.

Conversion charges to be paid by TSBSL to TSLP shall be determined as below:

a. Total conversion cost incurred by TSLP for converting iron ore into pellet from its pellet plant Plus

b. Mark-up in the range of 7% to 9% on point (a) above.

The mark-up range has been benchmarked with the companies engaged in manufacturing of similar goods. The conversion cost plus mark up for the conversion of iron ore pellet, to be determined at arm's length basis and in the ordinary course of business of the Company.

Benefits of conversion of iron ore fines in to pellet for TSBSL:
TSLP has evaluated and experimented various grades of iron ore fines for its use in iron ore pellet plant considering the technical fit / yield and landed cost economics. In the above business backdrop, TSLP wants to derive significant value in leveraging its top line by supplying iron pellets to TSBSL.

Approval being sought for each of the Financial Year 2020-21 and 2021-22:
In the above business backdrop, TSLP proposes to secure approval of the Members for conversion of iron ore fines in to iron pellet, for an amount of ₹400 crore per annum for the financial years 2020-21 and 2021-22. Considering the business requirement, the value may be approved to ₹400 crore.

In the aforesaid background, the Company explains below further details:
As per Regulation 23 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI Listing Regulations, 2015"] all material related party transactions shall require the approval of Members. Further, explanation provided to Regulation 23(1) of SEBI Listing Regulations, 2015 states that a transaction with a related party shall be considered material if the transaction/ transactions to be entered into individually or taken together with previous transactions during the financial year, exceeds 10% of the annual consolidated turnover as per the last audited financial statements of the Company.

According to this definition the relevant turnover was ₹3,489.99 crore for the financial year 2019-20 and 10% of which is equal to ₹349 crore Hence, it is proposed to seek Members approval for the following related party contracts/ arrangements to be entered during each of financial year 2020-21 and 2021-22.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, the following particulars may be considered relevant relating the above proposed business transaction that may be entered into:

Name of the related party
Tata Steel BSL Limited

Name of the Director or Key Managerial Personnel who may be related, if any

a. Mr. T.V. Narendran, Chairman of TSLP, is also Chairman of TSBSL.

b. Mr. Koushik Chatterjee, Non-Executive Director of TSLP, is also Non-Executive Director of TSBSL.

c. Mr. Srikumar Menon, Independent Director of TSLP, is also Independent Director of TSBSL.

d. Mr. Shashi Kant Maudgal, Independent Director of TSLP, is also Independent Director of TSBSL.

Nature of relationship
Group Company

Nature, material terms, monetary value and particulars of the future contract or arrangement that may be entered into:
TSLP having 1.2 MTPA pellet plant has offered its plant capacity for conversion of 50,000 MT Iron ore fines in to pellet at an input output ratio of 1.15 MT, for TSBSL. TSBSL agreed to supply iron ore fines free of cost, along with payment under Cost plus mark-up model.

Conversion charges to be paid by TSBSL to TSLP shall be determined as below:

a. Total conversion cost incurred by TSLP for converting iron ore into pellet from its pellet plant Plus

b. Mark-up in the range of 7% to 9% on point (a) above.

The mark-up range has been benchmarked with the companies engaged in manufacturing of similar goods.

Any other information relevant or important for Members to take a decision on the proposed resolution
All important information forms part of the statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013 which has been mentioned in the foregoing paragraphs.

Rationale behind the resolution:
The arrangement will be in the interest of both companies.

Quality & Quantity of iron ore fines:
TSBSL may supply to TSLP with consistent quality parameters such as Alumina 2.70%, Silica 2.90%, Phosphorous 0.080%, Moisture 8%, +10mm-6-9%

Arm's length pricing vetted by an affiliate of a Global Accounting and Advisory firm:
The related party contract/transaction mentioned in this proposal has been evaluated by an affiliate of a Global Accounting and Advisory firm and the firm has confirmed that the proposed pricing mechanism mentioned above meets the arm's length testing criteria. The related party transaction also qualifies as contract under ordinary course of business.

The said transactions have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members.

None of the Directors and / or Key Managerial Personnel of the Company and / or their respective relatives are concerned or interested either directly or indirectly, in Item No. 18 of Notice. Mr. T.V. Narendran who is the Chairman of the Company is also the Chairman of Tata Steel BSL Limited and his/his relatives interest or concern, if any, is limited to the extent of him holding directorship position in both, Tata Steel Long Products Limited and Tata Steel BSL Limited. Mr. Koushik Chatterjee who is the Non-Executive Director of the Company is also the Non-Executive Director of Tata Steel BSL Limited and his/his relatives interest or concern, if any, is limited to the extent of him holding directorship position in both, Tata Steel Long Products Limited and Tata Steel BSL Limited. Mr. Srikumar Menon who is the Independent Director of the Company is also the Independent Director of Tata Steel BSL Limited and his/his relatives interest or concern, if any, is limited to the extent of him holding directorship position in both, Tata Steel Long Products Limited and Tata Steel BSL Limited. Mr. Shashi Kant Maudgal who is the Independent Director of the Company is also the Independent Director of Tata Steel BSL Limited and his/ his relatives interest or concern, if any, is limited to the extent of him holding directorship position in both, Tata Steel Long Products Limited and Tata Steel BSL Limited.

The Board recommends the resolution set forth in Item no. 18 for approval of the Members.

By Order of the Board of Directors

Sd/-
Sanjay Kasture
Chief Risk & Compliance Officer and
Company Secretary
(ACS: 24429)
Kolkata
June 09, 2020

Registered Office:
Post Joda Dist.: Keonjhar
Odisha – 758 034
Tel: 06767 278122 Fax: 06767 278159
Email: investorcell@tatasteellp.com
CIN- L27102OR1982PLC001091
Website: www.tatasteellp.com

Annexure to AGM Notice

ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V OF THE COMPANIES ACT, 2013

I. General Information:

1. Nature of Industry

The Company is engaged in the manufacturing business of iron and steel.

2. Date or expected date of commencement of commercial production:

Sponge Iron at Joda, Odisha: July, 1982.

Steel at Gamharia, Jharkhand: April, 2019

3. In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.

4. Financial Performance based on given indicators:

(₹ lakh)

Particulars	2019-20	2018-19
Revenue from operations	3,48,999.39	99,205.30
Total expenditure before finance cost, depreciation	3,33,672.65	84,735.02
Operating Profit	15,326.74	14,470.28
Add: Other income	8,126.40	5,766.39
Profit before finance cost, depreciation, exceptional items and taxes	23,453.14	20,236.67
Less: Finance costs	29,284.47	302.18
Profit before depreciation, exceptional items and taxes	(5,831.33)	19,934.49
Less: Depreciation and amortisation expenses	31,079.38	1,157.90
Profit/(Loss) before exceptional items & tax	**(36,910.71)**	**18,776.59**
Add/(Less): Exceptional Items	(16,113.37)	-
Profit before taxes	**(53,024.08)**	**18,776.59**
Less: Tax Expense	(1,396.37)	6,343.43
Net Profit/(Loss) for the Period	**(51,627.71)**	**12,433.16**

5. Foreign Investments and Collaborations:

The Company has not made any Foreign Investments and neither entered into any collaborations during FY 2019-20.

II. Information about the Appointees:

1. Background Details:

(a) Mr. Ashish Anupam: Mr. Ashish Anupam joined Tata Steel in 1991 after completing his B.E. in Mechanical from BIT, Mesra, Ranchi and General Management Programme from CEDEP (INSEAD, France). He has more than 25 years of experience in mining and metals industry.

Mr. Anupam's career spanned many years in India and overseas in areas such as Rolling Mills, International Trading Division and Marketing & Sales for different products (Flat Products, Long Products & Tubes) in various capacities. In 2004, he was elevated as the Chief -Marketing and Sales (Tubes) and in 2010, as Chief - Marketing & Sales (Long Products). Mr. Anupam was appointed as the President and CEO of NatSteel Holdings Pte. Ltd., Singapore, in July 2015, a position he held till March 2019.

Mr. Ashish Anupam was inducted on the Board of Tata Steel Long Products Limited ("the Company) as Non-executive Director w.e.f March 14, 2019 and was subsequently appointed as the Managing Director of the Company.

(b) Mr. Sanjay Kumar Pattnaik: Not Applicable

2. Past remuneration:

(a) Mr. Ashish Anupam: During FY 2019-20, ₹90.15 lakh was paid to Mr. Ashish Anupam.

(b) Mr. Sanjay Kumar Pattnaik: During FY 2019-20, ₹181.02 lakhs was paid to Mr. Sanjay Kumar Pattnaik.

3. **Recognition and Awards:** Not Applicable

4. **Job profile Suitability:**

   (a) **Mr. Ashish Anupam:** Mr. Ashish Anupam joined Tata Steel in 1991 after completing his B.E. in Mechanical from BIT, Mesra, Ranchi and General Management Programme from CEDEP (INSEAD, France). He has more than 25 years of experience in mining and metals industry.

   Mr. Anupam's career spanned many years in India and overseas in areas such as Rolling Mills, International Trading Division and Marketing & Sales for different products (Flat Products, Long Products & Tubes) in various capacities. In 2004, he was elevated as the Chief - Marketing and Sales (Tubes) and in 2010, as Chief - Marketing & Sales (Long Products). Mr. Anupam was appointed as the President and CEO of NatSteel Holdings Pte. Ltd., Singapore, in July 2015, a position he held till March 2019.

   Mr. Ashish Anupam was inducted on the Board of Tata Steel Long Products Limited ("the Company) as Non-executive Director w.e.f March 14, 2019 and was subsequently appointed as the Managing Director of the Company.

   (b) **Mr. Sanjay Kumar Pattnaik:** Not Applicable

5. **Remuneration proposed:**

   (a) **Mr. Ashish Anupam:** ₹3,80,100 per month in the salary scale of ₹3,50,000 to ₹7,50,000 per month. The annual increments which will be effective 1st April each year, will be decided by the Board based on recommendation of the Nomination and Remuneration Committee which will be based on the Company's performance and individual performance.

   (b) **Mr. Sanjay Kumar Pattnaik:** Not Applicable

6. **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

   Taking into consideration the size of the Company, the profile, knowledge, skills and responsibilities shouldered by Mr. Ashish Anupam, the remuneration proposed to be paid is commensurate with the remuneration packages paid to his similar counterparts in other companies.

7. **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel:**

   Besides the remuneration proposed to be paid to Mr. Ashish Anupam, he does not have any other pecuniary relationship with the Company or relationships with any other managerial personnel and Directors.

III. Other Information:

1. **Reasons of loss or inadequate profits:**

   FY 20 and FY 19 financial performances are not on like to like basis as the financial performance of FY20 includes the performance of the steel business acquired from Usha Martin Limited on April 09, 2019. FY'20 commenced on a downward spiral in the market front, starting from sharp slowdown of the steel consuming sectors, especially the Automotive, pushing prices for both Steel & DRI hitting the low range (till middle of November'19) and lastly the disruption caused by the COVID-19 pandemic towards the end of FY'20 resulting into sharp decline in the net realisations.

2. **Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:**

   Being the 1st year of acquisition, the Company had worked upon addressing multiple challenges to scale up the operations and bring smoothness in the entire value chain. In addition to above, several decisive actions had been taken throughout the year to improve the financial flexibility and liquidity of the Company in a progressive manner. During Q1FY20, the primary focus was on setting the basics right, securing and meeting working capital requirements, getting understanding of the market along with on-boarding of customers, integration & stabilisation of various operating units and seeding actions to realise the identified synergies with the parent, Tata Steel Limited. In order to achieve seamless integration and operational efficiencies, a transformation program called "Shikhar" was started by utilizing subject matter experts from the parent organization, where such programme has been running successfully for many years and built the expertise over the years.

IV. Disclosures:

The information and disclosures of the remuneration package of the managerial personnel have been mentioned in the Corporate Governance Report of this Integrated Report.

BRIEF PROFILE AND DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT IN THE THIRTY-SEVENTH ANNUAL GENERAL MEETING

[Pursuant to Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)]

1.

Name of the Director	**Mr. Koushik Chatterjee**
Director Identification Number	00004989
Date of Birth	September 03, 1968
Date of appointment / re-appointment	July 15, 2019
Qualifications	B.COM, CA
Expertise in specific functional areas	Corporate Strategy, Operations, Finance, Governance.
Board Meeting Attendance and Remuneration	During the year under review, details regarding the attendance at the Board Meeting and remuneration paid to Mr. Chatterjee are provided in the Board's Report and in the Corporate Governance Report forming part of the Board's Report
Directorships held in other Companies	1. Tata Steel Limited 2. Tata Metaliks Limited 3. The Tinplate Company of India Ltd. 4. Tata Steel Europe Limited 5. TS Global Holdings Pte. Ltd. 6. TS Global Minerals Holdings Pte. Ltd., Singapore 7. TS Global Procurement Co. Pte. Ltd., Singapore 8. Tata Steel Foundation 9. Tata Steel BSL Ltd. 10. TRF Ltd.
Chairpersonships / Memberships of statutory committees across companies	**Audit Committee** Tata Steel Long Products Limited (Member) Tata Steel Europe Limited (Member) Tata Steel BSL Limited (Member) TRF Limited (Member) **Stakeholders Relationship Committee** Tata Steel Limited (Member) Tata Steel BSL Limited (Member) **Nomination and Remuneration Committee** Tata Metaliks Ltd. (Member) The Tinplate Company of India Limited (Member) Tata Steel Long Products Limited (Member) **Risk Management Committee** Tata Steel Long Products Limited (Member) TRF Ltd. (Member) **Corporate Social Responsibility Committee** Tata Steel Ltd. (Member) TRF Ltd. (Member) **Committee of Board** Tata Steel Long Products Limited (Member)
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company	NIL

2.

Name of the Director	**Dr. Ansuman Das**
Director Identification Number	02845138
Date of Birth	April 29, 1955
Date of appointment / re-appointment	July 15, 2019
Qualifications	Mechanical Engineer, Regional Engineering College (Presently National Institute of Technology), Rourkela; Post-graduation course in Aeronautical Productions from the Indian Institute of Technology (IIT), Chennai; MBA, University of Hull, United Kingdom with a British Council Scholarship under the Colombo Plan.
Expertise in specific functional areas	Corporate Strategy, Operations, Information Technology, Governance.
Board Meeting Attendance and Remuneration	During the year under review, details regarding the attendance at the Board Meeting and remuneration paid to Dr. Das are provided in the Board's Report and in the Corporate Governance Report forming part of the Board's Report
Directorships held in other Companies	1. M/s. Amartya Ventures Pvt Ltd. 2. Angul Energy Ltd.
Chairmanships / Memberships of statutory committees across companies	**Audit Committee** Angul Energy Limited (Member) **Stakeholders' Relationship Committee** Tata Steel Long Products Limited (Member) **Nomination & Remuneration Committee** Angul Energy Limited (Chairman) **Corporate Social Responsibility Committee** Tata Steel Long Products Limited (Member) **Safety, Health and Environment Committee** Tata Steel Long Products Limited (Chairman)
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company	NIL

3.

Name of the Director	**Mr. Shashi Kant Maudgal**
Director Identification Number	00918431
Date of Birth	February 01, 1954
Date of appointment / re-appointment	July 15, 2019
Qualifications	Chemical Engineering, Indian Institute of Technology, Delhi; MBA, Indian Institute of Management, Calcutta; Advanced Management Program, Harvard University.
Expertise in specific functional areas	Corporate Strategy, Operations, Finance, Information Technology, Governance.
Board Meeting Attendance and Remuneration	During the year under review, details regarding the attendance at the Board Meeting and remuneration paid to Mr. Maudgal are provided in the Board's Report and in the Corporate Governance Report forming part of the Board's Report
Directorships held in other Companies	1. Tata Steel BSL Limited 2. The Tinplate Company of India Limited 3. Starbright Consultancy LLP
Chairmanships / Memberships of statutory committees across companies	**Audit Committee** Tata Steel Long Products Limited (Member) The Tinplate Company of India Limited (Member) **Nomination and Remuneration Committee** Tata Steel BSL Limited (Chairman) The Tinplate Company of India Limited (Member) **Risk Management Committee** Tata Steel Long Products Limited (Chairman) **Corporate Social Responsibility Committee** Tata Steel BSL Limited (Member) **Safety, Health and Environment Committee** Tata Steel Long Products Limited (Member) Tata Steel BSL Limited (Member)
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company	NIL

4.

Name of the Director	**Mr. Srikumar Menon**
Director Identification Number	00470254
Date of Birth	June 22, 1952
Date of appointment / re-appointment	July 15, 2019
Qualifications	B.COM, CA
Expertise in specific functional areas	Corporate Strategy, Operations, Finance, Governance.
Board Meeting Attendance and Remuneration	During the year under review, details regarding the attendance at the Board Meeting and remuneration paid to Mr. Menon are provided in the Board's Report and in the Corporate Governance Report forming part of the Board's Report
Directorships held in other Companies	1. Tata Steel BSL Limited 2. Bellary Oxygen Company Private Limited 3. Calcutta Promotions 4. Etrans Solutions Private Limited 5. Ramp Insurance Brokers Private Limited
Chairmanships / Memberships of statutory committees across companies	**Audit Committee** Tata Steel BSL Limited (Member) Tata Steel Long Products Limited (Member) **Committee of Board** Tata Steel Long Products Limited (Member) **Corporate Social Responsibility** Tata Steel Long Products Limited (Chairman)
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company	NIL

5.

Name of the Director	**Ms. Neeta Karmakar**
Director Identification Number	08730604
Date of Birth	January 18, 1962
Date of appointment / re-appointment	March 30, 2020
Qualifications	PGDBM (Finance) from Indian Institute of Management, Calcutta BE (Chemical Engg.) from National Institute of Technology, Surathkal
Expertise in specific functional areas	Experienced in Corporate Strategy, Operations, Finance, Information Technology, Governance.
Board Meeting Attendance and Remuneration	Not Applicable (Ms. Neeta Karmakar was inducted on the Board of the Company w.e.f March 30, 2020)
Directorships held in other Companies	None
Chairmanships / Memberships of statutory committees across companies	**Audit Committee** Tata Steel Long Products Limited (Member)
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company	NIL

6.

Name of the Director	**Mr. Ashish Anupam**
Director Identification Number	08384201
Date of Birth	October 26, 1968
Date of appointment / re-appointment	November 01, 2019
Qualifications	B.E. in Mechanical from BIT, Mesra, Ranchi; General Management Programme from CEDEP (INSEAD, France).
Expertise in specific functional areas	Corporate Strategy, Operations, Finance, Information Technology, Governance.
Board Meeting Attendance and Remuneration	During the year under review, details regarding the attendance at the Board Meeting and remuneration paid to Mr. Anupam are provided in the Board's Report and in the Corporate Governance Report forming part of the Board's Report
Directorships held in other Companies	1. TSIL Energy Limited 2. Indian Steel & Wire Products Ltd 3. Tata Steel (Thailand) Public Company Ltd. 4. NatSteel Holdings Pte. Ltd. 5. NatSteel Asia Pte. Ltd. 6. Tata Steel International (Singapore) Holdings Pte. Ltd. 7. The Siam Industrial Wire Co., Ltd. 8. TSN Wires Co., Ltd. 9. Bhushan Steel (Australia) Pty Ltd.
Chairmanships / Memberships of statutory committees across companies	**Stakeholders Relationship Committee** Tata Steel Long Products Limited (Member) **Corporate Social and Responsibility Committee** Tata Steel Long Products Limited (Member) Tata Steel (Thailand) Public Company **Safety, Health and Environment Committee** Tata Steel Long Products Limited (Member) **Committee of Board** Tata Steel Long Products Limited (Member) **Risk Management Committee** Tata Steel Long Products Limited (Member)
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company	Mr. Ashish Anupam holds 20 shares of Tata Steel Long Products Limited

Note: Directors of the company do not have any inter-se relationship.

Notes

Notes

TATA STEEL LONG PRODUCTS LIMITED
(Formerly Tata Sponge Iron Limited)

Registered Office
P.O. Joda, Dist. Keonjhar,
Odisha - 758034,
CIN No. L27102OR1982PLC001091
http://www.tatasteellp.com

/ Concept, content and design at **AICL** (hello@aicl.in)