TSLPL/SE/2021-22/38

July 14, 2021

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 Madam, Sir,

Sub: Integrated Report & Annual Accounts for Financial Year 2020-21 of Tata Steel Long Products Limited ('Company')

This is in furtherance to our letter dated June 09, 2021 wherein we had informed that the 38th Annual General Meeting ('AGM') of the Company will be held on **Thursday, August 05, 2021 at 3:00 p.m. (IST)** via two-way Video Conference/Other Audio-Visual Means only, in accordance with the General Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 and the Securities and Exchange Board of India Circulars dated May 12, 2020 and January 15, 2021.

Please find enclosed herewith the 3rd Integrated Report & Annual Accounts of the Company for the Financial Year 2020-21 along with the Notice of the 38th AGM **('Integrated Report')**. The Integrated Report is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrars and Transfer Agent/Depositories.

The Integrated Report is available on the website of the Company at https://www.tatasteellp.com/wp-content/uploads/2021/07/TSLPIR2021.pdf

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

This is for your information and records.

Thanking you,

Yours faithfully,

Tata Steel Long Products Limited
(Formerly Tata Sponge Iron Limited)

Sankar Bhattacharya
Company Secretary and Compliance Officer

Encl. as above

TATA STEEL LONG PRODUCTS LIMITED

(Formerly Tata Sponge Iron Limited)

Stronger today.
Steeling tomorrow.

Integrated Report & Annual Accounts 2020-21

About our Integrated Report

Our integrated report presents a succinct and balanced review of our financial and non-financial performance, outlining the information related to our strategy, governance, risks and opportunities. It combines the information of our annual report and sustainability report into a concise document to showcase our value creation journey.

Frameworks, guidelines and standards

The financial and statutory data presented in this Report is in line with the requirements of the Companies Act, 2013 (including the rules made thereunder); Indian Accounting Standards (Ind AS); the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; and the Secretarial Standards. The Report is prepared in accordance with the Integrated Reporting <IR> framework of the International Integrated Reporting Council (IIRC). The Report also presents an overview of how our value creation process contributes to the United Nations Sustainable Development Goals (UN SDGs).

Reporting scope and boundary

The Report also covers the Company's raw material locations, the manufacturing locations, sales and marketing activities, value chain-related initiatives and other community initiatives for FY 2020-21 (April 1, 2020 to March 31, 2021) in a comprehensive and concise manner.

Financial and non-financial reporting

This report covers both our financial and non-financial performances, including operational, environmental, and social performance. It also details our short-, medium- and long-term value creation processes/strategies, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which have a significant influence on our ability to create value and remain sustainable.

Independent Assurance

The non-financial information of the Report has been assured by Bureau Veritas as per the ISAE 3000 standard.

For the detailed assurance statement, please visit: https://www.tatasteellp.com/annual-report-tsil/

Navigation icons

Our capitals

Value creation at Tata Steel Long Products Limited (TSLP) depends on the integrated relationships between the six capitals identified below:

Financial capital
Read more on **pages 46**

Manufactured capital
Read more on **pages 48**

Intellectual capital
Read more on **pages 52**

Human capital
Read more on **pages 54**

Social and relationship capital
Read more on **pages 60**

Natural capital
Read more on **pages 68**

Materiality

We identify those issues as our material topics which could substantially impact our ability to create, preserve or deplete economic, environmental, and social value for us, stakeholders, and the society. During FY 2020-21, a comprehensive materiality assessment exercise was conducted with multiple internal and external stakeholders (senior management team, employees, customers, suppliers, investors, trade bodies, associations). The aim was to identify material issues relevant to our stakeholder fraternity in the backdrop of an evolving operating environment.

Read more on **pages 38**

Target readers

This integrated report is intended to address the information requirements of key stakeholders, including investors, customers, regulators, employees and the society at large.

Management responsibility statement

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 topics pertaining to the organisation and our stakeholders.

Contribution to Sustainability Development Goals

We contribute to the United Nations' Sustainability Development Goals (UN SDGs) with prudent and optimal use of our six key capitals to generate sustainable value.

We primarily contribute to the following UN SDGs

Read more at our website https://www.tatasteellp.com/

Connect with us on

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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)
C-101, 1st Floor, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli (West), Mumbai 400 083
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

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

Stronger today.
Steeling tomorrow.

FY 2020-21 saw us reach the finish line of our historic transformation marathon and script an exciting story of strength and resilience.

From being a Direct Reduced Iron (DRI) manufacturer to a high-end specialty steel player, we have come a long way and crossed many milestones with deeper synergies with our Parent Company, Tata Steel. The reporting year tested our core capabilities, and we put up a resolute performance across various operating and financial parameters.

Despite disruptions, we reported our highest ever annual volumes and operating profit in FY 2020-21; and by promptly shifting our gears to higher levels, we strengthened our balance sheets within two years of acquisition of the steel business of Usha Martin Ltd. (UML).

As an integrated player in the steel value chain, we are now ready to expand capacity, diversify and enrich our offerings, and leverage technology and digital capabilities to reach new markets. Our disciplined capital allocation and efficient working capital management are enabling us to generate stable cashflow to drive our growth ambitions.

We adhere to sustainability strategies in everything we do and are taking initiatives to adopt best available technologies to optimise resource utilisation, decarbonise operations, and achieve water neutrality.

Core competencies

Strategically located
We are the only special steel player in India with captive iron ore mines near our production locations

Wide product range
We offer an extensive product portfolio

Synergies with Tata Steel
We leverage our parent company Tata Steel's steel making expertise and strong value chains in the automotive and engineering space

Among the lowest-cost producers
Our operational excellence has enabled us to grow as one of the lowest-cost producers of DRI

Cost-based flexibility to choose raw materials
We enjoy manufacturing flexibility to produce steel through hot metal, DRI or scrap route depending on financial viability

Approvals from major commercial vehicle OEMs
We possess approvals from all major Original Equipment Manufacturers (OEMs) in the commercial vehicle space

Efficient logistics and supply chain management
Our three-track railway siding enables us to handle 150+ wagons per day, ensuring seamless logistics and supply chain management

Captive power generation
We enjoy 160 MW power cogeneration capacity that we use and sell

Engaged workforce
Our competent, motivated, and engaged team executes our strategies, and we have among the lowest attrition in the industry

Deep community bonds
Over the years, we have earned the trust of the communities where we operate and continue to take into cognisance their aspirations and needs to build a shared pathway for value creation

HIGHLIGHTS OF FY 2020-21

Outstanding performance amid headwinds

Financial

Total revenue from operations
₹4,750 crore
Y-O-Y GROWTH
36%

EBITDA
₹1,154 crore
Y-O-Y GROWTH
528%

EBITDA margin
24%
Y-O-Y GROWTH
361%

PAT
₹572 crore
Y-O-Y GROWTH
211%

Net worth
₹2,594 crore
Y-O-Y GROWTH
29%

Gross block
₹4,751 crore
Y-O-Y GROWTH
1%

Operational

EBITDA per ton
₹18,059
Y-O-Y GROWTH
402%

Crude steel production
648 kT
Y-O-Y GROWTH
11%

DRI production
797 kT
Y-O-Y GROWTH
4%

New products developed
50

Environment

CO_2 emissions
4.29 tCO_2/tcs

Specific water consumption
7.53 m^3/tcs

Dust emissions intensity
1.81 kg/tcs

Water recycled
100%

Solid waste utilisation
100%

Trees planted
2,421

Social

CSR beneficiaries
51,000+

Beneficiaries of COVID-19 relief programmes including establishing micro enterprises
~12,000

Governance

Number of Independent Directors (out of 10)
5

Average attendance in Board meetings
100%

Committees headed by Independent Directors
6

Number of women Directors
2

VISION, MISSION AND VALUES

New frontiers to explore

Vision

Be a benchmark in the Indian Long Product Industry for value creation and corporate citizenship.

Mission

Tata Steel Long Products strives to attain sustainable growth by actively pursuing quality products, services and setting best-in-class practices to emerge as the partner of choice for all our stakeholders.

Values

We are driven by our five core values

ABOUT US

Advancing with a solid identity

With an annual capacity of one million tonne (MnTPA), Tata Steel Long Products (TSLP) is one of the largest specialty steel manufacturers in the Special Bar Quality (SBQ) segment and among India's largest merchant Direct Reduced Iron (DRI) producers.

We manufacture high-alloy, value-added steel for diverse industrial use, including automotive, construction and infrastructure, general engineering, railways and agriculture segments. Our product range includes high-end steel products for segments, like forgings, bearings, fasteners and free-cutting.

For us, quality is a priority and we assure it by following the internationally recognised management systems and standards in our production processes. We also have captive ore mine and 160 MW captive power generation capacity. In addition to steel, the DRI is another saleable product where we have the capacity of 1 MnT (including both Joda and Gamharia). Our Gamharia, Jharkhand facility is India's first steel plant to use hot metal in the electric arc furnace.

Drawing synergies from Tata Steel

As a subsidiary of Tata Steel, we draw synergies from our strong parentage to grow a diversified business portfolio. We are also transforming our processes and procedures to build a future-ready organisation.

The management expertise of Tata Steel empowers our excellence journey. Thus, we are implementing the Tata Business Excellence Model to guide our activities. Synergies with Tata Steel facilitates bulk buying of major ferro alloys and fluxes and syndication for refractory, industrial gases, consumables, and graphite electrodes. This helps us optimise our input costs and strengthens our realisations.

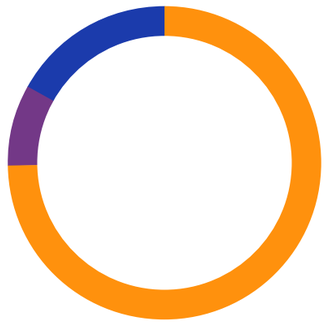
About Tata group

The Tata group is a global enterprise, headquartered in India, comprising 30 companies across ten verticals. The group's total revenues exceed $100 billion, and it operates in 100+ countries across six continents and employs 750,000+ people.

About Tata Steel

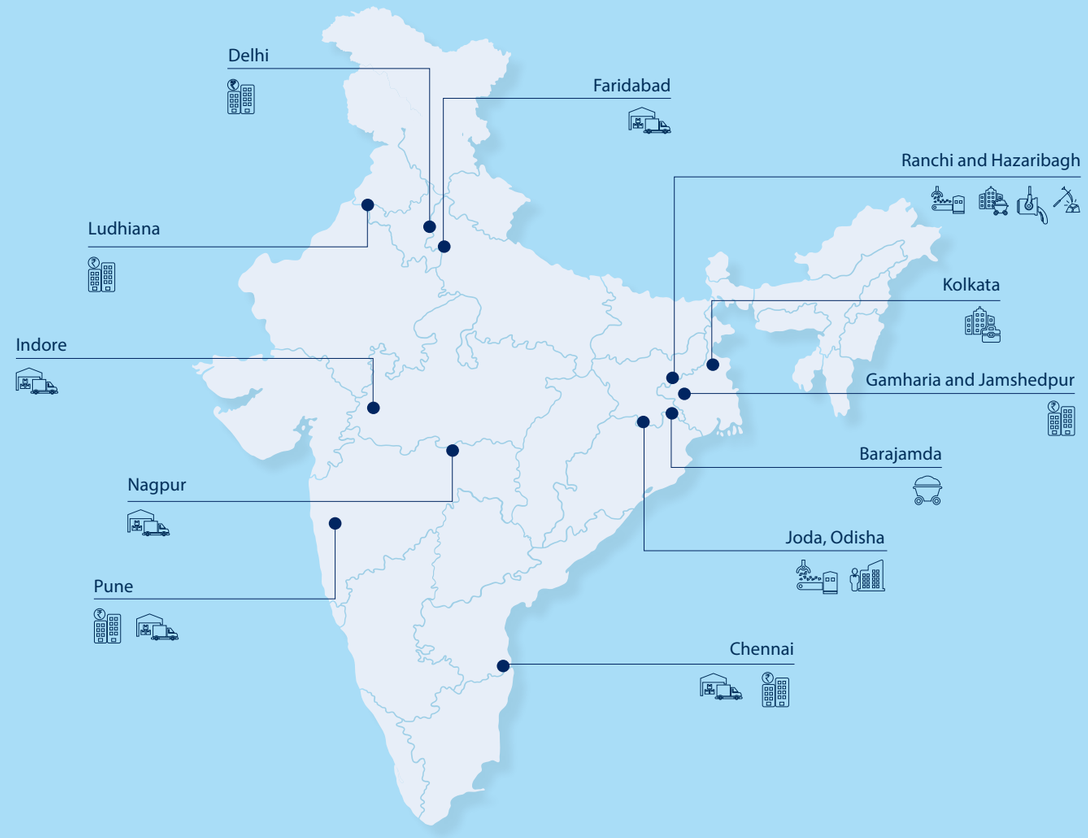
Tata Steel is currently the world's second-most geographically diversified steel producer. It is among the few steel manufacturers that are fully integrated, from mining to manufacturing and marketing of finished products.

Shareholding pattern as on March 31, 2021 (%)



- Promoter **74.91**
- Institutions and others **8.37**
- Retail shareholders **16.72**

Operational footprint

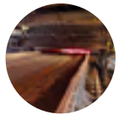
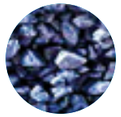


Sales office | Registered office | Steel plant | Corporate office

Mining office | DRI Plants | Warehouse | Iron ore mine | Coal mine

About us contd.

Production capabilities

Assets	Details	Output
Captive mines	» Iron ore mine	Iron ore
Agglomerates	» 1.2 MnTPA pellet plant » 80 m^2 sinter plant » 0.4 MnTPA coke plant	Pellet  Sinter Coke
Iron making	» 0.65 MnTPA Blast Furnace (280 m3 and 380 m3) » 1 MnTPA DRI plant (5 kilns at Gamharia and 3 kilns at Joda)	 Sponge iron Hot metal
Steel making	» 1 MnTPA steel (EAF + LF + VD + CCM)* EAF size: 40T (2) and 70T (1) » Number of facilities: 5 LF, 2 VD and 4 Casters	Crude steel
Rolling mills	» 0.1 MnTPA Bar mill » 0.36 MnTPA Wire rod mill » 0.24 MnTPA Bloom mill	Wire rod Special bar quality steel

* (EAF: Electric arc furnace, LF: Ladle furnace, VD: Vacuum De-gasser, CCM: Continuous casting machine)

Other key capacities

160 MW
Power plant

150+ wagons/day
Handled through 3 tracks of own railway siding

345 TPD
Total capacity of 3 oxygen plants

200 TPD
Total capacity of 3 lime kiln plants

Product suite

BOARD OF DIRECTORS

Embedding transparency and accountability

Our Board remains vigilant and accountable, playing a pivotal role in steering our decision-making regarding strategy, risk management, performance, sustainable development, and shaping the culture of the organisation. Our Board members have significant domain knowledge and expertise to enable us to deliver sustainable value.

The overarching role of our Board of directors is to ensure the long-term sustainability and success of the business, guaranteeing sustained value creation for all stakeholders.

Mr. T.V. Narendran
Non-Executive -
Non Independent Director

Ⓒ Ⓜ

Dr. Sougata Ray
Non-Executive - Independent Director

Ⓒ Ⓜ Ⓜ Ⓜ

Dr. Ansuman Das
Non-Executive - Independent Director

Ⓒ Ⓜ Ⓜ

Mr. Srikumar Menon
Non-Executive - Independent Director

Ⓒ Ⓒ Ⓜ

Mr. Shashi Kant Maudgal
Non-Executive - Independent Director

Ⓒ Ⓒ Ⓜ Ⓜ

Ms. Neeta Karmakar
Non-Executive - Independent Director

Ⓜ

Mr. Koushik Chatterjee
Non-Executive -
Non Independent Director

Ⓜ Ⓜ Ⓜ Ⓒ

Dr. Debashish Bhattacharjee
Non-Executive -
Non Independent Director

Ⓜ Ⓜ

Mrs. Meena Lall
Non-Executive -
Non Independent Director

Ⓜ

Mr. Ashish Anupam
Managing Director

Ⓜ Ⓜ Ⓜ Ⓜ Ⓜ Ⓜ

Mr. Sankar Bhattacharya
Company Secretary and Compliance Officer

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

Ⓒ Chairman Ⓜ Member

Note: The composition of the Board and Board Committees as mentioned above, are as on April 20, 2021.
The brief profile of the above Board Members can be accessed at https://www.tatasteellp.com/organisation-structure/

LEADERSHIP TEAM

Driving responsible growth

Our leadership team comprises of knowledgeable individuals with profound industry experience. Therefore, the day-to-day operations of TSLP are carried out efficiently on the back of their expertise and prudent decision making skills.

Mr. Ashish Anupam
Managing Director

Mr. Sanjay Shrivastav
Joint Chief Financial Officer (Senior General Manager – F&A, Legal and IT)

Mr. Sankar Bhattacharya
Company Secretary and Compliance Officer

Mr. N. P. Venkatesan
Senior General Manager – Marketing and Sales

Mr. Sahabji Kuchroo
Senior General Manager – Mines

Mr. Vilas N. Gaikwad
Senior General Manager – SHE & Sustainability

Mr. Debasish Mazumdar
Senior General Manager – Operation & Maintenance (Steel)

Mr. Partha Chattopadhyay
Senior General Manager – Operation & Maintenance (Sponge)

Mr. Abhijit A. Nanoti
Senior General Manager, Supply Chain, Procurement, IBMD and EPA Management

Mr. Kishore Tar
Senior General Manager – Engineering & Projects

Mr. Chandra Mohan Verma
Senior General Manager – Operation & Maintenance (Steel & Mills)

Mr. Mukesh Agarwal
Senior General Manager – Human Resources, Corporate Services & CSR

CHAIRMAN'S MESSAGE

Building a sustainable future

Dear Shareholders,

As we continue to navigate the unprecedented challenges posed by the pandemic, I hope you are safe and healthy along with your family. I would like to take this opportunity to thank each one of you for having faith and confidence in the Company.

The financial year 2020-21 was a year like none before in living memory and might well be a pivotal one for most of us. Beyond disrupting our lives, health, and social interactions, it also severely impacted millions of livelihoods. Economies across the world witnessed significant contraction and India was no exception. This led to a real GDP decline of 15.7% in the first half of FY 2020-21. Green shoots of recovery were visible in the third quarter of FY 2020-21 with 0.4% GDP growth and indicated a turnaround in the economy and commencement of a growth cycle. The improvement in domestic and global demand and favourable policy response from the government enabled the revival. However, the risk still prevails due to the resurgence in COVID-19 cases and on-ground challenges to vaccinate the entire population.

Year of turnaround

A once-in-a-century crisis of this severity and magnitude is a test of an organisation's ability to respond and remain resilient. I am proud of the Board of Directors, the Management, and all employees of your Company who rose to the occasion and stayed committed to serving all our stakeholders.

"We are now ready to grow and diversify through a combination of new and downstream businesses. Our endeavor is to drive scale and future growth, derisk the business through diversification, strengthen the balance sheet and generate operational synergies through strategic re-structuring initiatives."

The operations team quickly reconfigured themselves into PODs (Point Of Delivery - a benchmark concept pioneered by our group company Tata Steel BSL) to restrict the COVID-19 spread and create a safe environment, while ensuring that production losses were kept to the minimum possible, even in Q1 FY 2020-21 when the lockdowns and slowdown of economic activity was at its peak. The crisis also brought into sharp focus the criticality of throughput maximisation, cash conservation, and a stronger balance sheet.

Despite disruption caused by COVID-19 pandemic, your Company achieved a top-line growth of 36% (Y-O-Y) driven by best-ever production for both steel and DRI, mix enrichment and improved market conditions, especially in H2 FY 2020-21. Strong operational turnaround translated into robust bottom line performance as well.

Your Company's EBITDA touched ₹1,154 crore and a net profit of ₹572 crore vis-à-vis net loss of ₹516 crore in FY 2019-20. Your Company focussed aggressively on cashflow management, while pursuing deleveraging. I feel privileged to report that your Company has cleared in advance the long-term loan instalments falling due until March 2027 and deleveraged by 50% (₹1,325 crore) in FY 2020-21. This has helped enhance investor confidence as reflected in the Company's market capitalisation.

Set to scale up

We are now ready to grow and diversify through a combination of new and downstream businesses. Our endeavor is to drive scale and future growth, de-risk the business through diversification, strengthen the balance sheet and generate operational synergies through strategic re-structuring initiatives.

Further, the Company is exploring possibilities to reach the name plate capacity of 1 million tonne, coupled with investment in downstream and finishing facilities for balancing the capacity and meeting customer requirements.

Getting future-ready

Sustainability remains a core issue for the steel industry and is a key pivot for our strategy. Your Company has developed a long-term strategy roadmap for 2030 and initiated seeding actions in this area. Your Company is continuously working to strengthen its safety practices and accelerate the pace of the technological and digital journey with required investments. Developing a culture of customer obsession, agility and innovation are our key priorities. These would enable your Company to become future-ready not just structurally and financially, but culturally as well.

I thank all stakeholders for their continued support and look forward to a successful FY 2021-22.

Warm regards,

T. V. Narendran
Chairman

VALUE CREATION IMPERATIVE

Steady investments to pave a stable pathway

At TSLP, our growth roadmap will be shaped by the steady investments that we make in capacity, technology adoption, sustainability endeavours, employee well-being, and driving cultural change. Apart from this, strengthening our balance sheet also remains a priority to fund our future growth ambitions.

Committed to health, safety, and sustainability

Health

A group of happy employees

~12,000 lives

Supported through our community interventions

While the health of our employees and communities undoubted remains a priority to us, we simultaneously manage expectations of our customers and supply chain partners.

Some initiatives comprise:

Employee support and morale building

Continuous rollout of employee friendly policies and schemes, morale building platforms, wellness at workplace, and intense communication at all levels aiming to relieve their stress and stand in solidarity with the employees during difficult times.

New ways of working

Work from home is now the new norm for largely all functions/departments other than the shop floor employees. Deployment of PODs (Creation of Point of Delivery at various strategic areas and departments inside the plant) 'one of pioneered initiative by Tata Steel BSL' with reduced manpower and touchless attendance capturing system through face detection to restrict the spread of COVID-19.

COVID-19 testing and vaccination

Initiated our COVID-19 testing facility for employee and their family members across operating locations. We are also, running vaccination campaigns to ensure all the employees are vaccinated as quickly as possible.

Community care

Supported ~12,000 lives through our community interventions. Also, restored livelihoods of ~100 migrants by establishing micro enterprises to create employment opportunities.

Safety

Our Joda operation continues to remain Lost Time Injury (LTI) free since last 28+ months. Moreover, our Vijay II unit has not seen any fatality since May 2020. However, getting to zero harm yet remains a challenge for Gamharia where the management along with the union is taking lot of efforts to bring the cultural change. Six strategic steps are being horizontally deployed across all operating locations:

1

Build safety leadership

Significant improvement made in lead indicators for effective rollout of Ensafe system and Job Cycle check (JCCs) across locations. Near-miss reporting saw an increase from 126 in FY 2019-20 to 2,000+ in FY 2020-21. Similarly, Line walk improved from 603 level of FY 2019-20 to 3,300+ level in FY 2020-21.

2

Improve competency and capability

Around 3,803 Standard Operating Practices (SOPs) have been developed and/or revised, coupled with the deployment of various learning modules.

3

Contractor safety risk management

Connected workforce and the Centers for Medicare & Medicaid Services (CMS) Star Rating implemented across sites.

4

Road, rail safety risk management

Bicycle dashing/collision risk eliminated at Gamharia by providing safe parking facility along with the deployment of all required safety features as per DGMS norms for Heavy vehicle and mobile equipment.

5

Process safety management

Reduced man-machine interface by completing 293 projects out of identified 461 areas; ensured zero process related red risks for the year; achieved 10% Y-O-Y reduction of total incidences.

6

Occupational health

A comprehensive wellness programme for the employee including their families have been rolled out in addition to the various COVID-19 related measures as stipulated above.

Safety oath being taken by the employees

293

Projects completed out of 461 identified areas in process safety management

Value creation imperative contd.

Sustainability

In-house facility for reduction of contaminants from service water

- We include environmental and social considerations to all our strategic and operational decisions.
- We rolled out the sustainability and responsible supply chain policy during the year.
- We adopted a two-pronged approach to realise our sustainability target of 2030. First, with strategic intervention to adopt benchmark technology for all our facilities to reduce carbon footprint. Second, by cultural changes among all our stakeholders to embrace circularity concept i.e. 'closing the loop' by focusing on full life cycle resource productivity. This approach not only considers the emissions associated with the manufacture of steel products, but also the reduction in energy consumption associated with this. The reduction in intake of rich carbon content material such as various coal, coke, other fuel (LDO, HSD etc) are prioritised and implementation of various energy conservation measures are undertaken.
- Invested in various pollution control devices such as de-dusting systems, mobile industrial vacuum cleaners, and Electrostatic Precipitator (ESP), among others. A full-fledged Environment Management department comprising multi-disciplinary team of environment professionals are engaged to track and improve the plant's environment performance.
- We have a robust water management system that helps us control our specific water consumption by continuously evaluating our water intake and discharge.
- An effluent treatment plant (7,200M3/day) has been established that helps to treat the polluted effluent from plant. The treated effluent from ETP is 100% utilised back in the plant for shell cooling, slag cooling, horticulture, haul road dust suppression, and so on. Considering the importance of the natural resource 'water', systems are established for its collection and reuse thereby achieving 'Zero Effluent Discharge'.
- We are reducing our waste generation and maximisation of its utilisation pattern. We prioritise in-process waste reduction.

ZERO

Effluent discharge

Growth aspirations

In line with our vision, TSLP aspires to become the most preferred supplier in chosen segments. Accordingly, TSLP will play a pivotal role to help accelerate TSL's aspiration of growth in long products and consolidating the allied businesses to drive scale and synergies. In addition, we at TSLP are geared to strengthen our leadership position in speciality steel with ~25% market share by 2030.

To meet our aspiration, capacity, and capability building measures must be taken in the following phased manner:

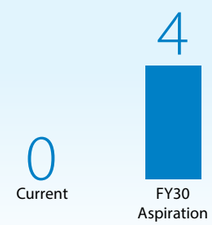
- Entry into Rebar, a new avenue of growth primarily through EAF based distributed facilities is being explored. This would be key to reduce our carbon footprint emission as well.
- Leader in Speciality Steel, Phase 1: Augmentation of Gamharia plant to 1 MnT with new Mill to establish presence in PV and 2W segments, coupled with sustaining the existing products in the marketplace for the long run. Phase 2: 1 MnT new complex equipped with state-of-the-art steel making and downstream facility to create technological differentiation and achieve the target market share positioning.

Inspection of the furnace

Approach models

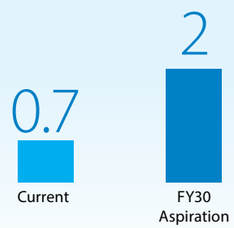
Rebar: Grow through EAF based distributed facilities and explore in-organic opportunities.

(Figures in MnTPA)



Specialty Steel: Attain leadership through investment in capacity and capability

(Figures in MnTPA)



DRI: Sustain DRI business and explore transition towards gas based

- **Joda (0.45 MnTPA):** Maintain production and sell in market
- **Gamharia (0.55 MnTPA):** Maintain production and use 100% captively

BUSINESS MODEL

Broad canvas of value creation

We leverage our integrated value chains through the adoption of technologies and processes that convert our raw materials into high-value offerings. Our approach is to deliver industry-leading value to our customers, investors, employees, communities, and other stakeholders.

Capital inputs

Financial capital
Equity capital: **₹45.10 crore**
Reserves: **₹2,548.79 crore**
Net debt: **₹1,141.59 crore**

Manufactured capital
State-of-the-art manufacturing units: **Gamharia, Joda & Barajamda**
Crude steel capacity: **1 MnTPA**
DRI: **1 MnTPA**
Iron ore mines: **2.5 MnTPA ROM**

Intellectual capital
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 capital
Total workforce: **7,729***
Investment in employee training and development: **₹1.87 crore**
Employee training: **person days/employee – 6.68 days/employees**
Employees trained: **2,268 (On Roll)**
Skilled manpower: **92.7%**
*(Including contract workers)

Social and relationship capital
Pan-India sales offices: **2**
Application engineers: **3**
Customer service teams: **10**

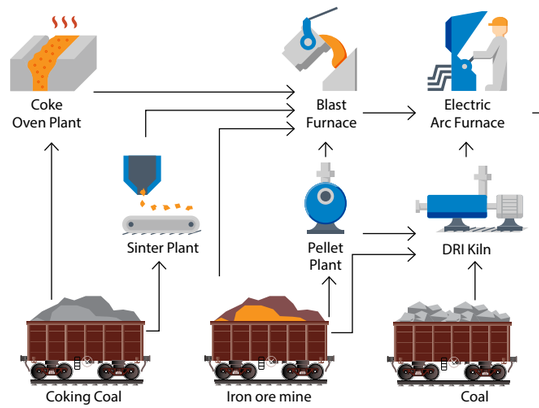
Natural capital
Energy intensity: **5.2 Giga Cal/T**
Specific water consumption: **7.53 m3/tcs**
Key raw materials: **Iron ore, Coal, Limestone, Dolomite, Quartzite and Pyroxinite**
Trees planted: **8,500+**
Capital spend on environment: **₹13.67 crore**
Liquid discharge: **Zero**

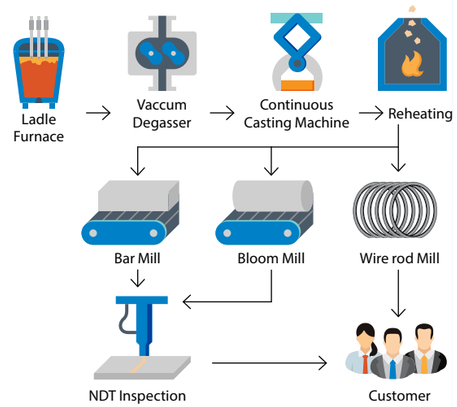
Value creation approach

Vision
Be a benchmark in the Indian Long Product Industry for value creation and corporate citizenship.

Mission
Tata steel Long products strives to attain sustainable growth by actively pursuing quality products, services and setting best-in-class practices to emerge as the partner of choice for all our stakeholders.

Manufacturing process





Strategic objectives

SO 1	SO 2	SO 3	SO 4
To become most preferred supplier in chosen segments	Achieve profitable growth	Be a respected corporate citizen	Become an employer of Choice

Values

Strategic enablers
SE 1 Digital and Technology Leadership
SE 2 Industry leading cultures

Continued focus on mix enrichment (%)

	FY 2019-20	FY 2020-21
Alloy	37	49
High Carbon	62	51

*Note: Compared to 0.25 kg/tonne of DRI

Output

797 kT
DIRECT REDUCED IRON (DRI)

648 kT
CRUDE STEEL

534 kT
ROLLED PRODUCTS

Outcome

Financial capital
Revenues: **₹4,750 crore**
EBITDA: **₹1,154 crore**
PAT: **₹572 crore**
Market capitalisation: **₹3,261 crore**
Earnings per share (EPS): **₹126.82**

Manufactured capital
EBITDA per tonne: **₹18,059/tcs**
Highest ever crude steel production
Highest ever DRI production

Intellectual capital
New products developed: **50**
Cost savings: **₹7,000/tcs over FY 2019-20**
Impact centres launched: **9**
Workshops and Focus Groups (FGs): **40+ Focus Group Discussions (FGDs) held across all impact centres**

Human capital
Fatalities: **1**
Health index: **11.32 out of 16**
Employee productivity: **531 tonnes of Steel and DRI per employee per year**

Social and relationship capital
Enriched/value-added products sales: **400-500 MT per month annealed products**
Repeat customers: **95%+**
Lives touched through CSR initiatives: **51,000+**

Natural capital (Steel/ DRI)
CO_2 emission intensity: **4.29 tCO2/tcs / 1.75 tCO2/tDRI**
Solid waste utilisation: **100% / 96%**
Dust emission intensity: **1.81 kg/tcs / 0.30 kg/tDRI***

RISK MANAGEMENT

Strengthening our safeguards

Organisations must create capable structures that identify and mitigate the inevitable risks of business. Thus, our risk-mapping and mitigation framework enables us to address potential risks holistically while evaluating the risk-reward scenario.

We have a robust risk management policy in place aiming to develop a risk intelligent culture in the organisation and further support its decision-making process, thereby improving performance.

All the identified risks are being evaluated in terms of likelihood and impact score along with the velocity. Based on the overall score, all the Risks are being classified into Class A, B and C category for prioritisation.

Macro-economic and market risk

Steel demand is highly co-related with the economic growth. In addition, any development across the global market can cause disruptions in the supply chain, thereby, impacting demand, supplies, and prices. We primarily cater to the automotive segment which have shown commendable signs of recovery in H2 FY 2020-21 despite experiencing the worst downturn in last two decades. However, as the COVID-19 pandemic is extending with severity into the second year, new variants are re-introducing lockdowns and other restrictions which could delay the recovery for a longer period.

COVID-19 led disruptions and uncertainties affecting markets and supply chain thereby impacting profitability and morale of the employees.

Mitigation Strategies

As domestic steel demand plunged during Q1 FY 2020-21 on COVID-19 induced lockdowns, export volumes have been ramped up by exploring international markets and building supply chain capabilities for both steel and DRI.

We continue to leverage our presence in the tractor segment as the agricultural sector grew despite the lockdown driven by rural economy.

In addition, we are continuously working on modifying the business by adding new customers and approvals. Prestigious approvals from Passenger Vehicle (PV) and 2-wheeler (2W) have been added to the basket while securing newer approvals from global OEMs, with an aim to enhance its presence in component exports market and to counter slowdown in any one sector or region by diverting sales to other sectors/regions.

We have developed 50 new products in FY 2020-21 and rolled out several digital initiatives to enhance customer engagement. Customer service teams were formed to drive value enhancement while solving customer's problems to ring-fence with the OEMs. Continuous multilevel engagement, agility and improvement in the product quality and services have helped in achieving customer appreciation/ awards on various fronts.

Strategies deployed

- SO1 To become most preferred supplier in chosen segments
- SO2 Achieve profitable growth

Capital Impacted

Financial risk

Lower than planned cash flow generation due to the pandemic resurgence coupled with slow pace of vaccination may affect the targeted deleveraging.

Mitigation Strategies

TSLP efficiently managed to counter the challenges posed by COVID-19 through a war room-based approach. Business decisions were pivoted to achieve cash neutrality in operations by lowering spend, managing working capital, and reducing capital expenditures.

We have decisively focused on deleveraging through internal cash generation, and has been able to deleverage 50% of total debt in FY 2020-21 and ensured prepayment till March 2027. We have further taken up the target to deleverage its balance sheet by another significant amount in FY 2021-22. In order to achieve this, we remain watchful of pandemic resurgence and are exploring other avenues like making full use of the commodity upcycle by advancing shutdown, deployment of Shikhar improvement initiatives to reduce cost etc.

Strategies deployed

- SO2 Achieve profitable growth

Capital Impacted

Operational risk

Reliability of the production facilities/equipment are critical to achieve the planned operational performance level.

Obsolete/ageing equipment, inadequate resources (Spares, consumables, manpower) and maintenance practices pose a threat to the equipment reliability, thereby leading to lower production and higher cost on unplanned interruptions at Plant.

Mitigation strategies

We are implementing advance maintenance practices to enhance plant availability and build reliability. In this light, TSLP is re-establishing the Total Productive Maintenance (TPM) principles in the Gamharia plant with the re-launch of Jishu-hozen model. Data analytics are being rigorously used and monitoring of key Early Warning Indicators are in place.

Both revenue and capex budget have been allocated to improve spares availability and sustenance of the old equipment.

Several initiatives such as implementation of Digital preventive and Structural Integration Inspection with automated alerts are undertaken to improve operations.

A focused drive towards indigenisation of materials is helping to build self-reliance especially in Spares and Consumables.

With the second wave of COVID-19, the availability of manpower and liquid oxygen at the plant had reduced. As a mitigation measure, we have further accelerated the POD concept at the shop floor and installed plasma cutting facility at Bar mill to minimise production loss.

Strategies deployed

- SO1 To become most preferred supplier in chosen segments
- SO2 Achieve profitable growth

Capital Impacted

Risk management contd.

Safety risk

Steel Industry is a labor-intensive sector, where the shop floor personnel are subjected to various risks associated with high temperature, hazardous material handling, man-machine interface, etc. In addition, the continued spread of COVID-19 poses a threat to plant operations coupled with the increased incidents of mental stress for employees.

Non-adherence to process and workforce safety requirements along with COVID-19 induced stress poses risk to workforce health, safety and mental well-being, and business disruptions.

Mitigation strategies

We work to maintain a safe environment by encouraging the use of safety practices. TSLP has continued to follow six strategic steps to manage risks related to safety in the areas of Process, Contractor, Road/Rail, and Occupational Health while developing safety leadership capabilities. We have focused heavily on strengthening Standard Operating Procedures and reducing man machine interface by deploying more than 250+ projects in this area during FY 2020-21. The total incidences reduced by 10% on Y-O-Y basis through various initiatives and driving the lead indicators such as safety line walk, near miss loggings, job cycle checks, theme-based safety campaigns, and horizontal deployment of Tata Steel E-learning modules across the organisation.

We have leveraged TSL Group's benchmark concept like POD (Point of Deliveries); scaling up digital ecosystem to manage the health and safety aspects arising due to the pandemic whilst ensuring business continuity. Detailed advisories are being issued periodically along with various wellness programmes to safeguard employees and their families.

COVID-19 dashboard along with the vaccination status are being used to provide real-time information on the COVID-19 profile of workforce. Heightened safety protocols have been implemented across units with end-to-end solutions from transportation of workmen, screening, regular deep cleaning and sanitisation to ensure safe workplace.

Strategies deployed

- SO3 Be a respected corporate citizen
- SO4 Become an employer of Choice

Capital Impacted

Hot metal being poured into the furnace

Community Risk

We are responsible to the inhabitants in the immediate vicinity of our manufacturing locations.

However, the emerging new State Government policy to increase employability of local people may further lead to business vulnerabilities.

Social unrest and inability to maintain harmonious relationship with proximate communities on rising income disparity may adversely impact business continuity and increase cost of operation.

Mitigation strategies

Our vision of achieving CSR Leadership has led to the adoption of a five-pronged approach to address the immediate needs of the community. We practiced sustainable interventions in the areas of education, essential services, livelihood, health and sanitation, and youth engagement. Formal need assessment survey has been conducted for Gamharia and Vijay II mines to design the societal interventions accordingly.

TSLP is committed to the well-being of society and stands in solidarity against any adversity. This responsibility is evident through the support we have extended to more than 12,000+ lives and how we restored the livelihood of 100+ migrants during the first wave of the COVID-19 pandemic. Further, we provided essentials and food items to the families who were adversely affected by the recent cyclone Yaas around our operating locations.

In addition, we are also promoting a volunteering culture amongst employees through various campaign-based initiatives such as plasma/blood donation, planting trees, providing study materials to the poor children, cleaning drive etc., and secured a respectable place in the Tata volunteering week 14 and 15 amongst Tata Group companies.

Strategies deployed

- SO3 Be a respected corporate citizen
- SO4 Become an employer of Choice

Capital Impacted

A group of happy volunteers and children

Risk management contd.

Supply chain and commodity risk

The supply chain network is subjected to physical and environmental destructions, trade restrictions due to geopolitical tensions, and disruptions at suppliers or the logistics network may lead to operational disruptions.

Raw Materials (mainly coal and iron ore) are a significant contributor to the input cost in steel making. These commodities have global supply chains and their prices get impacted by various factors such as dynamic geopolitical landscape, supply-demand imbalance, weather patterns, policy interventions by governments in key sourcing/ consuming countries (esp. China), etc.

The profitability of our company can get significantly impacted due to the supply chain issues and volatility in raw material prices.

Mitigation strategies

At TSLP, we source all our major raw materials through T S Global Procurement Company Pte. Ltd. (TSGP) who consolidates the group requirements and negotiates the best deal. Further, TSGP has established a balance of long-term and spot buy that protects us against any price fluctuations. In addition, a common inventory, pool and Vendor Managed Inventory with few suppliers, help us to further reduce the cost. With the support of the Strategic Procurement team of Tata Steel and Process Improvement Teams, we have developed common blend of coal along with unified specifications across Tata Steel Group. We are progressively working towards diversification in sourcing and expanding our vendor base from other geographies to manage supply chain disruptions. Exploring the alternative source of thermal coal for DRI operation is on track and various trials are under progress.

We also have a dedicated team that efficiently manages our supply chain and procurement. For an uninterrupted supply chain, we have combined and synchronised our requirements with Tata Steel for ports and shipments as well. In addition, several in-house measures have been taken to reduce vehicle turn-around time, better coordination with Railways, and strengthening of operations have helped in improvement in inbound and outbound logistics. During the pandemic, licenses were obtained to continue operations and minimise disruption in supply chain.

We have also developed a predictive analytics tool to have an advance information on price direction to optimise buying decisions.

Strategies deployed

- SO1 To become most preferred supplier in chosen segments
- SO2 Achieve profitable growth

Capital Impacted

Special quality bars ready for despatch

Information technology/ cyber security risk

COVID-19 has accelerated the pace of digital transformations as organisations across the board are increasing remote working operations and increasing the adoption of new technologies. These factors have created an ideal situation for cyber criminals to attack IT infrastructure and launch a range of hacking strategies like malware, ransomware, phishing emails, among others.

As we are embarking on a digital journey, the cyber security breaches or disruption to IT infrastructure or any loss of sensitive data/ information could impact business continuity and may lead to reputational/financial damage.

Mitigation strategies

We aim to optimise our digital infrastructure and also continuously initiate policies and procedures to ensure data privacy. We constantly follow best practices in terms of password policy, continuous awareness and sensitisation of users, VPN (Virtual Private Network) based secure access for core transactions of SAP. Investments are in progress to enhance protection against cyber-attacks through migration of production servers to cloud and best-in class security centres. Devices are in place to capture alerts and triggers from external sources and any information security related incidents.

The strengthening of IT infrastructure is on a progressive track through upgradations of IT systems and physical network strengthening. VAPT (Vulnerable Assessment and Penetration Testing) and periodic audits of systems and procedures are set to periodically assess the current state as well as prioritising fundamental components of cyber security.

Strategies deployed

- SE1 Digital and technology leadership
- SE2 Industry leading cultures

Capital Impacted

Application of digitalisation for quality control

Risk management contd.

Environment/climate change risk

Stringent environmental norms along with increased emphasis on protecting the environment through transition towards low-carbon footprints and sustainable business practices are gaining momentum. Accordingly, the customer preferences are changing, and the Government is ensuring the same through policy interventions. The pandemic has further accelerated this change.

Non-compliance to the stringent laws and regulations related to environment and increasing disclosure requirements amongst financial communities poses a high threat for hefty penalties and reputational loss.

Mitigation strategies

We are extending efforts towards reducing the carbon footprint as well as restricting emissions well within norms and maximising resource conservation. Several capex projects are under progress to strengthen this journey. Some initial efforts are evident as we have won the 1st prize in National Energy Conservation Programme.

In addition, we have developed a long-term road map focusing on various dimensions of sustainability. Strategies are being initiated to achieve the long-term target of CO_2 reduction. We have recently developed lead-free cutting of steel which is a significant break through in our endeavor to have product sustainability. This would eliminate the hazardous lead fumes which are generated in manufacture of leaded steels.

Strategies deployed SO3 Be a respected corporate citizen

Capital Impacted

The green cover inside the DRI Plant

Regulatory risks

We have been exposed to stringent laws and regulations in the areas of environment, trade measures, competition, taxes, and others. The frequent changes in existing regulations and introduction of newer ones make compliance more complex.

Any non-compliance to various laws and regulations can weigh on our operating performance and adversely impact reputation.

Mitigation strategies

We have deeply committed to complying with the existing laws and regulations and also have a fixed policy of zero tolerance to non-compliance which is an integral part of our culture and operating philosophy. We have invested in systems and processes to drive compliance across the organisation. To further imbibe this philosophy, employees are regularly sensitised toward the need to comply, and are educated on the compliance requirements of the role.

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

Strategies deployed

- SO1 To become most preferred supplier in chosen segments
- SO2 Achieve profitable growth
- SO3 Be a respected corporate citizen
- SO4 Become an employer of Choice

Capital Impacted

Discussions on risk mitigation and updation is a regular process

OPPORTUNITY LANDSCAPE

Well poised for sustained progress

As the Indian economy steadily recovers from the pandemic, ongoing reform measures and forward-looking policies such as 'Aatmanirbhar Bharat' have the potential of boosting the growth trajectory.

The steel industry is also entering a phase which will see substantial growth enabled by robust demand and favorable geopolitical factors. The strategic initiatives have given us the structural and financial strength to capture the opportunities that arise going forward, while ensuring our resilience in the face of uncertainty and a dynamic operating environment. As we continue to position ourselves to capitalise on the opportunities of the coming decade, we will play our part in the transition to a greener economy – aiming to create a virtuous cycle of growth and returns for our shareholders.

crore 2020-21 witnessed an extraordinary and unprecedented turn of events due to the COVID-19 pandemic. Although most economies had begun to recover in second half of the year, the overall global recovery was uneven amidst resurgence of infections at different points in time, the varying levels of policy support and access to medical facilities that was available. Although the world is still battling the pandemic and it would take a considerable amount of time to overcome the same, the rapid pace of vaccination, in collaboration with government stimulus, provides hope for a quick rebound.

Key opportunities

Capitalise on the growth potential of the large, growing Indian market, backed by government initiatives

India is the fifth largest auto maker in the world and is expected to gain the third rank globally by 2026. The country is also a prominent auto exporter and has strong growth potential in the near future. The Government of India is encouraging foreign investments and has laid out the Production Linked Incentive (PLI) scheme to enhance manufacturing capabilities and exports under the Aatmanirbhar Bharat mission, especially in the areas of automobile, auto components, and alloy steel. This will give a huge boost to the demand for our specialty steel. In addition, the government's infrastructure push is likely to drive the domestic demand in the coming years, and create a number of opportunities for the Company. We are well poised to capitalised on this opportunity.

Address evolving needs of consumers and the increased focus on 'Services & Solutions' to enhance convenience

With higher aspirations and affordability of the growing middle class, customers/consumers are continuously looking for increased convenience and experience. This is resulting into the growing need of 'Services & Solutions' in addition to the demand for cutting-edge smart products. We can leverage this opportunity to create further differentiation for our products in the marketplace.

Take on a leadership role in sustainability by adopting circular economy model, cleaner steel-making routes, and other sustainable options

While climate change is a key risk for the steel sector, it also provides an opportunity for innovation in the business model and adoption of more advanced technologies. As the world recovers from the COVID-19 pandemic, the focus on sustainability will intensify, together with a greater push for green technology. We are exploring a pilot project in carbon capture and usage (CCU) to reduce our carbon footprint and generate value from it. In addition, we are also working extensively to recalibrate our business model to serve the Rebar market through Electric Arc Furnace-based distributed facilities.

Leveraging the digital wave to simplify and transform business models

Our focus is on developing a digital mindset among our workforce, leading to innovation and research that would reinforce our drive towards the improvement of operational efficiency, resource optimisation, and sustainability.

STAKEHOLDER ENGAGEMENT

Encouraging engagement to gain insights

Our stakeholders are our allies in the value creation process. With frequent and effective stakeholder engagement, we align better to their evolving aspirations and expectations, further integrating those in our business decision-making. Our engagement with our stakeholder fraternity reinforces their trust enabling us to become their partner of choice.

Investors

Strategic importance
- Providers of financial resources essential to fund growth
- Corporate governance

Engagement platform
- Annual General Meeting
- Investor grievance redressal mechanism
- One-on-one conference calls/ virtual conference
- Meetings before Annual General Meeting
- Press release
- Analyst/investor presentation and Circulation of half yearly results

Highlights of FY 2020-21
- Continuous enrichment in business disclosures to bring more transparency
- Engagement with the investor and analyst fraternity has increased multi-fold

Outcomes in FY 2020-21
- Deleveraging - 50% gross debt reduction
- Strong financials: 6x increase in EBITDA
- Best in class shareholder return: ~3x increase in share prices along with dividend

Employees

Strategic importance
- Core to the organisational success; their knowledge, skill set, and untiring efforts are instrumental in delivering the strategies for sustained business growth
- Brand Ambassador

Engagement platform
- Employee Engagement Survey
- Joint Committees
- MD Connect
- Senior leadership communication meeting
- Performance Appraisal discussion
- Union meeting/ discussion

Highlights of FY 2020-21
- Business vertical based organisation structure created for one team approach
- Developed 41 new policies for better people practices and benefits
- Launched Stride – the new Performance Management System (PMS)
- Encouraged employee volunteering
- Capability building through various training programmes involving 92% of the workforce
- 63 sessions on employee wellness for morale building

Outcomes in FY 2020-21
- 80% employee engagement index
- Uniform process and policies bringing organisational alignment
- Engaged workforce delivering ₹499 crore of Shikhar benefits through various new trials and operational excellence

Stakeholder engagement contd.

Customers

Strategic importance
- Fundamental purpose of organisational existence
- Drives product/process / Business model innovation

Engagement platform
- Dedicated Customer Account Manager
- Product Application Engineer
- Customer Meet
- Customer service team/ Cross functional team engagement
- Customer Engagement and Satisfaction survey
- Webinars
- Senior Management visit/ Virtual meet

Highlights of FY 2020-21
- Enhanced last-mile connectivity through Just-in-time supplies from stockyard and new warehouses
- Rolled out Customer Satisfaction and Engagement survey for the first time
- Launched customer voice portal for enhancing Customer Feedback and timely complaint resolutions
- Rolled out financing programme for key customers

Outcomes in FY 2020-21
- 50 new products
- Baselining of customer perception
- 4 Customer Service Teams (CSTs) rolled out
- Certificates of appreciation received from four key customers

Suppliers

Strategic importance
- Partner for resource supplies for optimising value chain

Engagement platform
- Discussion with vendors
- Vendor Satisfaction Survey
- Vendor Meet
- Supplier Day
- Supplier Relationship Management

Highlights of FY 2020-21
- Enhanced MRP (Maximum Retail Price) coverage for better availability of Maintenance, Repair, and Operating Supplies (MRO) items
- Rolled out responsible supply chain policy covering 21 vendors
- Regularised manpower contracts as per agreement
- Rolled out e-procurement (vendor portal for better visibility of quotation handling)
- Ensured timely release of payment within 45 days as per contractual norms
- 100% Indigenisation of ladle refractory and development of engineering drawings for critical spares

Outcomes in FY 2020-21
- 6 supplier day programme conducted
- Rolled out responsible supply chain policy
- Prioritised MSME payments
- Driving trust-based relationships

Community

Strategic importance
- Provides social license to operate
- Helps in building strong corporate brand
- Provider of human resource

Engagement platform
- District authorities and gram panchayats
- Village co-ordinator meetings
- Rural satisfaction survey
- Need assessment survey
- Tata Volunteering week Programmes

Highlights of FY 2020-21
- Touched ~12,000 lives with COVID-19 relief programmes
- Restored livelihoods of ~100 migrants by establishing micro enterprises
- Mobilised resources of various ISST government schemes
- Impacted >600 students in Joda and Vijay II through online classes
- Provided Health and Sanitation facilities
- Organised vocational training to support livelihoods

Outcomes in FY 2020-21
- 9,000 hours of volunteerism
- Positively impacted 51,000+ lives
- Bagged 7th position in volunteering among Tata Group Companies in Tata Volunteering Week (TVW) 14
- Bagged first position among all medium category Tata companies in the "highest participation rate" category, during TVW#15. Besides, two other recognitions among all Tata Companies, Best SPOC award and Best Volunteer Champion, were also received by company's representatives

Government

Strategic importance
- Torch bearer for setting best standards of corporate governance
- Enables ease of doing business

Engagement platform
- Formal meeting with Government officials
- Working with government directly and indirectly to develop various policies, regulations and legislations

Highlights of FY 2020-21
- Reduced 34% stack dust emission
- Reduced 6% CO_2 emission intensity
- Zero effluent discharge and 100% use of solid waste (SMS slag)
- Decreased specific water consumption by 3% by arresting water leakages
- Advocated on various policy issues and regulatory matters through Regulatory affairs and CRE team of TSL

Outcomes in FY 2020-21
- Received 1st prize in National Energy Conservation
- Emissions within the Target limit
- 100% solid waste utilisation increasing material efficiency and focus on green energy consumption (341 MU) for increasing energy efficiency

MATERIALITY

Addressing issues that matter the most

Material issues are those that have direct or indirect impact on an organisation's ability to create, preserve or deplete economic, environmental, and social value for itself, its stakeholders, and the society. Material issues influence the business in diverse ways for the short, medium and long-term. Therefore, a thorough examination of these issues are crucial to ensure business sustainability.

Materiality assessment has been instrumental in ensuring the Company retains focus on aspects which enable it to create long-term sustained value. At TSLP, materiality issue identification goes beyond prioritising to addressing risks and capitalising on emerging opportunities. A comprehensive understanding of our material topics further allows us to classify them under economic and environment, social and governance (EESG).

For TSLP, a Stakeholder Engagement and Materiality Assessment exercise has been undertaken in FY 2020-21 to map the Materiality of the company on EESG issues. The materiality comprises issues which have been voiced by specific stakeholder groups of TSLP and have been assessed and prioritised by the Senior Leadership at TSLP. We recognise, rank, trace, and document these topics as they continue to evolve amidst a dynamic business landscape and changing stakeholder aspirations.

Our objectives of materiality assessment

- Identify key environmental, social and governance risks and opportunities
- Ascertain the high-impact topics to be covered in the sustainability report or integrated report
- Discover areas for target setting to improve business and sustainability performance
- Build sustainability strategy
- Engage with internal and external stakeholders

A panoramic view of the DRI plant at Joda

Stakeholder engagement in materiality assessment

We believe deeper engagement with stakeholder significantly enhances our Company's knowledge and understanding on externalities that may impact the business environment. The expectations of all the stakeholders of an organisation are deemed to be the real drivers for socially responsible, ethical and sustainable behaviours.

TSLP identified three clusters of stakeholders:

- Business Partners (Investors, Employees and Suppliers)
- Civil Society (NGOs working on social and environmental issues, community)
- Influencers (Regulators, Politicians, Media, Industry Associations, Customers)

We captured stakeholder aspects through focused interactions to derive our material topics and integrate these into our long-term strategies. And we also used emerging issues identified by sustainability-related developments (SDGs and COP 21 to 24) to refresh our business context.

Materiality assessment process

- Stakeholder expectation
- Perspective from mega-trends, local/ national regulation
- Leadership directions

Inputs from Senior Management on relevance of issues to the business

Integration in strategy and planning

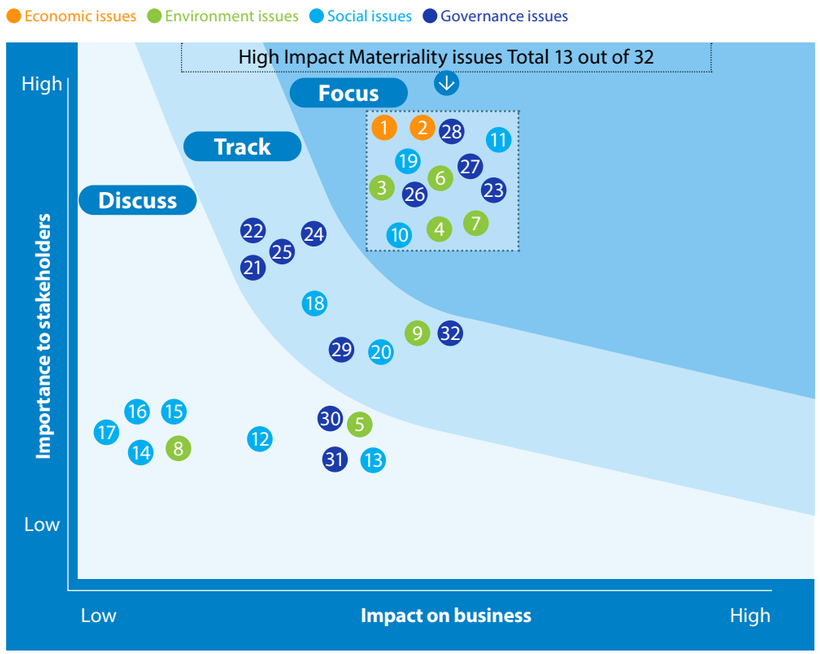
Disclosure of performance against material issues

Materiality contd.

Classification of material topics

We categorise our material topics under the heads of Economic, Environment, Social, and Governance to underline our sustainable value creation capabilities. Our material topics are further classified as high-impact, medium-priority, and low-priority issues based on their importance for TSLP and we respond to them accordingly.

Materiality matrix



Response to material topics

High-impact material topics

Focus

- Integrated into strategy and planning
- Covered in the Integrated Report
- Reported every month by issue-owners and reviewed by the top management on a quarterly basis

Medium-priority issues

Track

- Reviewed by corporate sustainability department bi-annually
- Evaluated annually by top management

Low-priority issues

Discuss

- Investigated by corporate sustainability department
- Concentrated reporting on exceptions to the top management

Material topics we Focus

Economic

Business growth 1

Long-term profitability 2

Environmental

Waste management 3

Water consumption and effluent discharge 4

Air pollution 6

CO_2 emissions 7

Social

Occupational health and safety 10

Labour relations 11

Community development 19

Governance

Technology, product and process innovation 23

Promoting/protecting organisational brand 26

Promoting ethical behaviour 27

Supply chain sustainability 28

Material topics we Track

Environmental

Circular economy 9

- Solid waste utilisation
- Scrap recycling

Social

Diversity and inclusion in workforce 18

Strengthening community relationships 20

- Events or activities, pre-mining R&R
- Youth engagement and women empowerment
- Community representation in meetings or workforce

Governance

Going beyond compliance an setting trends for future regulations 21

Sustainability disclosures 22

Capability building for relevant partners 24

Responsible advocacy for the steel and mining sector 25

Information and cyber security 29

- Focus on automation and digitalisation of operations
- Managing risk-free remote working operations

Raw material security 32

- Sustainability of mining operations
- Improve operational efficiency for resource utilisation

Material topics we Discuss

Environmental

Energy management 5

- High specific energy consumption Biodiversity conservation 8
- Protection of wildlife and flora and fauna

Social

Talent attraction and retention 12

- Career progression
- Remuneration
- Learning and development
- Leadership development

Employee productivity 13

Water – drinking 14

Water – irrigation 15

Healthcare facilities 16

Sanitation 17

Governance

Delivery to customers 30

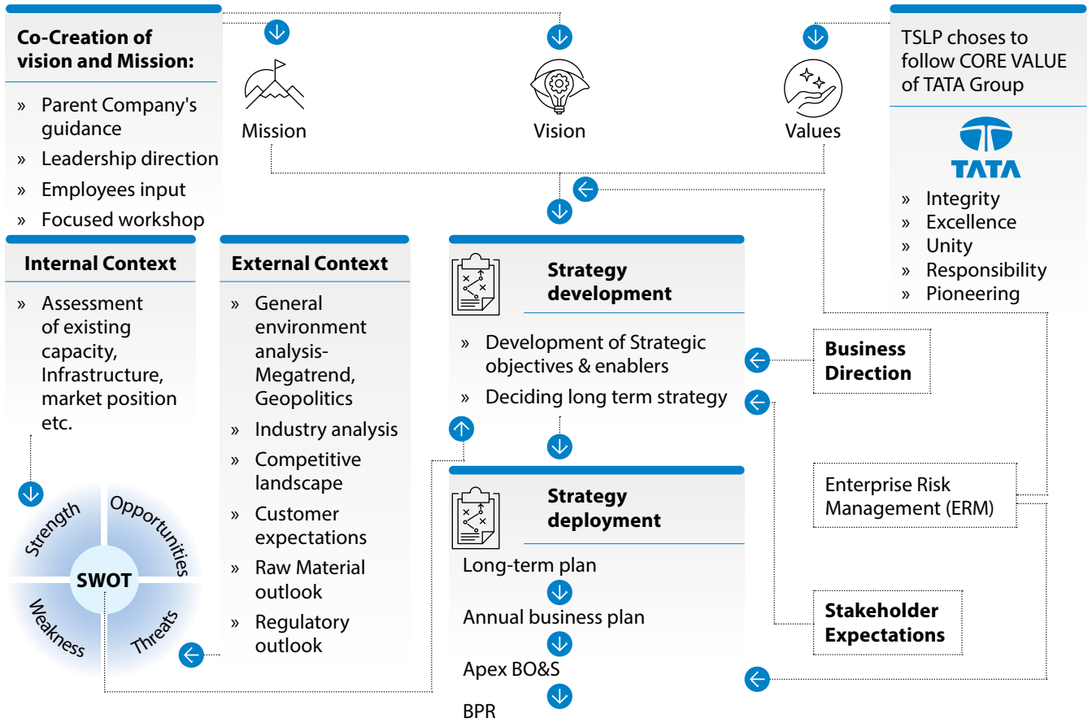
Compliance management 31

STRATEGY PLANNING

Our strategy playbook is well integrated

Our elaborate strategic planning framework enables us to analyse the external and internal operating landscapes to map potential risks and opportunities. The integrated planning framework also overlooks the deployment of the strategy in the form of long-term plan, annual business plans, and monthly business plans. The overall strategy and plans are subsequently cascaded down to individual departments with clearly defined responsibilities across all employee levels.

Integrated framework used for Strategy development and deployment at TSLP



ERM-Enterprise Risk Management, BPR-Business Performance Review, BO&S-Business Objective & Strategy, SWOT-Strength Weakness Opportunities Threats

TSLP is striving to emerge as a long product industry leader in India by 2030. To strengthen our presence, we are developing the appropriate technology roadmap, baselining customers-and-employee perceptions through conducting a third-party survey, community need assessment, sustainability related policies rollout and strengthening of balance sheet through deleveraging. Accordingly, the Company has sharpened and extended its strategic horizon to 2030.

The Long-term Strategic objectives (SOs) have been defined by considering the current and future needs of all its stakeholders in a rapidly evolving business environment. In order to achieve these strategic objectives which makes us future-ready in terms of structure and finance, a set of core capabilities are also required in the form of culture readiness known as strategic enablers.

Strategic objectives

SO1 — To become most preferred supplier in chosen segments

- No. 1 in Customer Satisfaction/Experience Index
- Dominant position in chosen market/product segments

SO2 — Achieve profitable growth

- Revenue growth through capacity addition and mix enrichment – 5X increase over FY 2020-21
- EBITDA > 25%
- Gross Debt to EBITDA <3

SO3 — Be a respected corporate citizen

- Safety leadership with "zero harm"
- Achieve benchmark level for material issues of sustainability
- CSR leadership through participative and sustainable intervention in communities of our operating locations.

SO4 — Become an employer of Choice

- Rank within 25 best manufacturing companies

Strategic enablers

SE1 — Digital and technology leadership

- Rank among Top 5 Digital and technology player

SE2 — Industry leading cultures

Fostering a culture of agility, innovation, collaboration and data driven to become future-ready and leading to various process/ business model and product innovation

PROGRESS ON STRATEGIC PRIORITIES

The journey on the long-term strategy has begun

We aim at setting an industry benchmark in speciality steel to become the most preferred supplier in this market segment. Thus, the innovation of leading-edge products would enable us to obtain a technology leadership position.

Our roadmap

In view of the same, an in-depth market assessment has been conducted to understand changing customers' needs and mapping of capabilities required to meet these requirements.

Emphasis on quality control process

Prioritising customer needs

Technology

Parallelly, a detailed benchmarking study was done against the leading domestic and international companies to design a suitable technology roadmap. The entire technology roadmap for speciality steel has been divided in 2 phases. The 1st phase will take care of the Gamharia Crude Steel Capacity Augmentation to 1 MTPA along with a new combi mill, thereby, enabling us to establish its presence in the passenger vehicle and two wheeler space. The work in this regard has already been initiated in terms of Business case preparation and obtaining the necessary approvals. Phase 2 would be a full-fledged 1 MTPA new speciality steel complex, the further details of which are being worked out.

Customer centricity

We have identified focused action plans based on the customer experience and satisfaction survey carried out by an independent agency to become no.1 in Customer Satisfaction Index (CSI). Customer Service Teams (CST) based approach rolled out with the key customers for value generation and customer delight. OE financing and factoring arrangements have been made to solve credit/finance issue at customer's end. A new product development pipeline has been developed in joint syndication with the customers while prioritising their needs. Online Customer Voice portal 'ACE' has been created to manage customer complaints and get real-time customer feedback.

New avenues

In addition to the speciality steel, we want to grow in the Long Products through entry into the Rebar business by leveraging Tata Steel's strong branded play in the retail market. As we are embarking upon the journey of growth, it is imperative to take the circular economy concept as an integral part of the strategy to reduce carbon emission. We are exploring distributed facility of Electric Arc based Mini mills through a business model innovation.

The main entrance of our Steel plant at Gamharia

Sustainability

Being a responsible corporate, we are progressively working on the Safety, Sustainability and CSR aspects to create a sustainable tomorrow. Along with strengthening the safety practices towards achieving zero harm, a long-term roadmap has been developed to reduce the carbon emission to benchmark level of <1.5t/tcs. Some of the pilot projects are being explored in the area of carbon capture and utilisation in collaboration with Tata Steel.

Employee well-being remains a priority area wherein we have unified the organisation's structure and policies. We are focusing upon the customer obsession, accelerating the pace of digital and technology while demonstrating agility and collaboration in every area to making a paradigm shift in the cultural practices to be a future-ready organisation.

Financial capital

Reporting a resolute performance

We have scripted an exciting turnaround story by accomplishing growth across key financial parameters, driven by robust operational performance. We have strengthened our balance sheet through unwavering focus on working capital cycle and stable cashflow.

Strategic objectives

SO1 SO2 SO3 SO4

Strategic enablers

SE2

SDGs impacted

Stakeholders affected

- Employees
- Customers
- Suppliers
- Government
- Community
- Shareholders
- Lenders

Material issues addressed

- Business growth
- Long-term profitability
- Deleverage

Risks addressed

- Macro-economic and market risk
- Financial risk
- Operational risk
- Supply chain and commodity risk
- Information technology/ cyber security risk
- Environment/climate change risk
- Regulatory risks

Revenue growth

During FY 2020-21, we recorded a phenomenal performance across key parameters with a strong focus on cash flow and deleveraging. Our realisation grew quarter on quarter supported by sales ramp up and mix enrichment as the economy started opening-up with a good rebound in the market sentiments post Q1 FY 2020-21. This has resulted in the revenue growth of 36% (Y-O-Y).

Strengthening EBITDA

We continued directing focus toward operational improvement through Shikhar initiatives and curbing all non-essential spend that resulted in multifold growth of EBITDA. We reported an EBITDA margin of 24% at ₹1,154 crore in FY 2020-21 as against ₹184 crore in FY 2019-20. During the year under review, we focused aggressively in managing liquidity and maximising cash.

Strengthening profitability

Gross debt has been prepaid to the tune of ₹1,325 crore, thereby clearing all the long-term loan instalments upto March 2027. This has also resulted in the savings of finance and interest cost by ~20%. We registered a PBT of ₹615 crore in FY 2020-21 as against loss of ₹369 crore in FY 2019-20. Earnings per share has reached to ₹127 with a price earning ratio of 6 times for FY 2020-21.

Fortifying balance sheet

During Q1 FY 2020-21, when the domestic markets were subdued, exports volume have been ramped up to increase cash flows coupled with managing the line item wise receivable, payables and raw material orders through Daily War room meetings. Credit sales have been converted to cash sales by increasing Letter of Credits, financing and factoring arrangement. In totality, ₹589 crore of cash has been released from the working capital reducing the gross working capital cycle by more than a month. The release of fund from working capital coupled with healthy EBITDA Level, helped us to deleverage the balance sheet and creating headroom for future growth.

Revenue from operations
(₹ in crore)

FY 2020-21	**4,750**
FY 2019-20	3,490
FY 2018-19	992
FY 2017-18	817
FY 2016-17	615

EBITDA
(₹ in crore)

FY 2020-21	**1,154**
FY 2019-20	184
FY 2018-19	145
FY 2017-18	183
FY 2016-17	62

Profit after tax
(₹ in crore)

FY 2020-21	**572**
FY 2019-20	(516)
FY 2018-19	124
FY 2017-18	141
FY 2016-17	59

Quarter-wise revenue
(₹ in crore)

Q4 FY 2020-21	**1,547**
Q3 FY 2020-21	1,364
Q2 FY 2020-21	1,186
Q1 FY 2020-21	653

Quarter-wise EBITDA
(₹ in crore)

Q4 FY 2020-21	**507**
Q3 FY 2020-21	439
Q2 FY 2020-21	194
Q1 FY 2020-21	15

Quarter-wise Profit after tax
(₹ in crore)

Q4 FY 2020-21	**340**
Q3 FY 2020-21	304
Q2 FY 2020-21	59
Q1 FY 2020-21	(131)

EBITDA per tonne
(₹)

FY 2020-21	**18,057**
FY 2019-20	3,597
FY 2018-19	3,309
FY 2017-18	4,419
FY 2016-17	1,570

EBITDA margin
(%)

FY 2020-21	**24.30**
FY 2019-20	5.27
FY 2018-19	14.59
FY 2017-18	22.37
FY 2016-17	10.02

Net worth
(₹ in crore)

FY 2020-21	**2,594**
FY 2019-20	2,017
FY 2018-19	1,084
FY 2017-18	987
FY 2016-17	865

Gross block
(₹ in crore)

FY 2020-21	**4,751**
FY 2019-20	4,703
FY 2018-19	260
FY 2017-18	178
FY 2016-17	172

Net debt
(₹ in crore)

FY 2020-21	**1,140**
FY 2019-20	2,591

Net Debt to Equity
(X)

FY 2020-21	**0.49**
FY 2019-20	1.67

Way forward

Further deleveraging balance sheet through internal cash flows from business.

Focus on liquidity management amid nation-wide COVID-19 pandemic through robust working capital management.

Allocation of capital towards value accretive projects and opportunities of strategic importance.

Creating newer avenues of enhancing financial capital through additional coke sales and lazy capital liquidation.

Manufactured capital

Strengthening cost and quality leadership

We consistently invest in achieving operational excellence by strengthening our operations through a seamless supply chain, enhancing efficiency, optimising raw material mix, and reducing wastage. We continue to adopt best-in-class processes and digital techniques to attain these objectives.

Strategic objectives

SO1 SO2

Strategic enablers

SE2

SDGs impacted

Stakeholders affected

Employees

Customers

Suppliers

Government

Community

Material issues addressed

» Business growth
» Long-term profitability
» Technology, product and process innovation
» Supply chain sustainability

Risks addressed

» Macro-economic and market risk
» Operational risk
» Safety risk
» Community risk
» Supply chain and commodity risk
» Environment/climate change risk
» Regulatory risks

Securing raw material supply

We source our major raw materials through long-term contracts as per the grades required by plant and week-wise supply schedule. Our coal procurement is aligned to common buying at the group level and raw material buying is handled by the central buying team. We ensure usage of only certain suitable grades of raw materials to attain desired quality levels.

We also share synergies with Tata Steel for buying major bulk ferro alloys and fluxes and syndication with the same for refractory, industrial gases, consumables, and graphite electrodes.

Planning plays a key role in securing a constant supply of raw materials. We undertake buffer management at ports and plants. We do three-month advanced planning with volumes committed for three months on a rolling basis with the scope of revision for two months. Besides, we take care of port and inland logistics risk by keeping materials in three different ports to overcome any port congestion and rail logistics constraints. This further enables us to optimise logistics costs.

Long-term multiple geographical sourcing de-risks our supply chain.

Safe levels of RM are (maintained as per requirement for)/(aligned to) monthly production and consumption levels.

We are also undertaking the following measures to ensure seamless supply of raw materials:

» Achieved annual production performance according to the Mine Development and Production Agreement (MDPA)
» Conduct scientific and sustainable mining with requisite forest permission and closure of statutory compliance, compliance to approved site-specific wildlife and biodiversity conservation plan and environmental standards
» Utilise both rail and road ways to dispatch to be able to meet the captive consumption demands

Enhancing mines activities

We undertake several measures to improve efficiency and reduce wastes at our mines. During the year we increasingly emphasised on an effective safety communication and surveillance system. We also optimised cycle time in logistics, and minimised shift losses and enhanced operational hours. We are also blending the fines for mineral conservation and designing a 3-D haul road design for the proposed mining area.

Improved raw material utilisation

Our raw material mix is based on our operational requirements. We order and acquire raw materials by aligning the mix required by our facilities and any deviation in shipment planning is adjusted in the subsequent month without changing the mix.

We also undertook various measures to enhance raw material consumption, including the following:

» PCI rate increased by 19.44% compared to FY 2019-20 and HB temperatures in the blast furnace to reduce cost
» Reduced flux by 0.50% compared to FY 2019-20, in the sinter plant to minimise cost
» Decreased PCI rate by 21.54% compared to FY 2019-20, in the pelletisation process to cut costs
» Operational performance

The private railway siding of the company at Joda

Increasing production and process efficiency

Crude steel production
(kT)

Q4 FY 2020-21	186
Q3 FY 2020-21	173
Q2 FY 2020-21	168
Q1 FY 2020-21	121

DRI production
(kT)

Q4 FY 2020-21	226
Q3 FY 2020-21	213
Q2 FY 2020-21	225
Q1 FY 2020-21	134

Rolled products production
(kT)

Q4 FY 2020-21	172
Q3 FY 2020-21	170
Q2 FY 2020-21	134
Q1 FY 2020-21	58

Crude steel capacity utilisation
(%)

Q4 FY 2020-21	95
Q3 FY 2020-21	84
Q2 FY 2020-21	91
Q1 FY 2020-21	66

Manufactured capital contd.

We fast-tracked critical capex projects (~₹50 crore) to step up our production capacity and enhanced efficiency:

- Eliminated manual movement of HM trolley by using earthmovers motorised trolley at blast furnace 1
- Strengthened the power systems at the bloom mill
- Upgraded equipment at SMS plant
- Augmented critical inspection and testing system to enhance quality assurance
- Installed fire alarms for safety
- Modernised captive power plant

Consistent improvement in key operational parameters

Coke rate
(kg/thm, Indexed Q1 FY 2019-20=100)

Q4 FY 2020-21 | 467	
Q3 FY 2020-21 | 474	
Q2 FY 2020-21 | 482	
Q1 FY 2020-21 | 472	

PCI rate
(kg/thm, Indexed Q1 FY 2019-20=100)

Q4 FY 2020-21 | 132	
Q3 FY 2020-21 | 130	
Q2 FY 2020-21 | 124	
Q1 FY 2020-21 | 127	

Power consumption
Kvah/tcs, Indexed Q1 FY 2019-20=100)

Q4 FY 2020-21 | 307	
Q3 FY 2020-21 | 348	
Q2 FY 2020-21 | 257	
Q1 FY 2020-21 | 254	

Assuring quality

Quality has always been of paramount importance for us. With a focus on quality of raw materials and state-of-the-art processes and equipment, we ensure to deliver best-in-class products. Our quality focus yielded the following results during FY 2020-21:

- Lowest-ever Customer Complaints 243 Parts Per Million (PPM) compared to previous best of 467 PPM in FY 2018-19
- 97% customers are supplied with ZERO PPM complaints
- Lowest ever internal rejection of 0.76% compared to 1.54% in FY 2019-20 and previous best of 0.89% in FY 2018-19
- First-time products such as tyre cord and Group III (Cable Wire) were made in India
- 90% of Wire Rod (WR) and 60% of Straight Length (SL) is covered as per Quality Control Order (QCO)

Operation at the Wire rod mill

Quality focus

Our continuous quality focus has led us to consistently create and deliver quality products. 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), among others.

Initiatives undertaken to improve finished products quality

- Segregated billets/blooms having ALMC fluctuation of ±5 mm and rolled them for the less critical applications
- Separated billets/blooms with Submerged Entry Nozzle (SEN) clogging/Tundish Nozzle Clogging (TNC) /Ladle Nozzle Clogging (LNC) to be sold at a lower price
- Started 100% physical/off inspection of coils
- Implemented 200% micro check at 500x in the core position to confirm looseness, alongside visual standards of 'OK' and 'NOT OK' micrographs
- Inspected the surface of 100% coils, after shot blasting during the day
- Carried out UT testing on all four faces, during the day and with two inspectors; final audit conducted by level-2 personnel
- Conducted zig-zag and strip grinding in full length of rolled bars to check for cracks
- Started binding 5.5 mm wire rod in two places of each bundle
- Started using stickers and colour code our bars at each end for easy identification

Seamless delivery of finished products during peak COVID-19 days of 2020

We executed smooth dispatch of all four Billet export parcels (85 kT) within time with no vessel demurrage by road during the peak COVID-19 period and recorded the highest-ever 9.6 kT WR dispatch for exports during May 2020. Overall WR dispatch stood at 34 kT during H1 FY 2020-21 and RP dispatch compliance was over 99% between Q1 FY 2020-21 and Q3 FY 2020-21.

Improving logistic costs

Considering the volume of commodities moving into the plant and finished products moving out, expenditure associated with logistics is one of the key variable expenses in the sponge iron and steel industry. During the year, we shifted completely to rail movements, thereby saving ₹20 crore. Besides, the year witnessed a decrease in IDLE freight/punitive charges.

We undertook the following measures resulting in significant savings:

- Entered into new handling contract in railways siding
- Introduced 40 feet containers (used for Wire Rod export) instead of 20 feet
- Eliminated road movement of imported coal for Joda (which was earlier 15% of the total requirement)
- Increased rake handling in railway siding by 20% with the same infrastructure
- Recorded 100% dispatch of pellet rake from own railway siding resulting better efficiency
- Acquired seven fresh Bureau of Indian Standards (BIS) licences during the year—highest-ever in any financial year— resulting in improved logistics

Raw Material handling through Rake
(%, Indexed Q1 FY 2019-20=100)

Q4 FY 2020-21 | 99.09	
Q3 FY 2020-21 | 100	
Q2 FY 2020-21 | 99.09	
Q1 FY 2020-21 | 100	

Coil unloading at wire rod mill (WRM)

Way forward

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

- Further optimising raw material usage
- Land area management
- Reducing coke consumption
- Ensuring higher quality benchmarks of products developed

Intellectual capital

Growing our core knowledge base

Our strength rests on the key pillars of knowledge and insight. Innovation across a wide range of products and processes is a continuous journey for us. We have made significant progress in the way we operate in the last few years, and our overall efficiency curve has gone up remarkably. Automation and digitisation have taken over in large measure, minimising human intervention. Now we have a smarter, leaner ecosystem, which enables data-driven decision-making and integration across the steel value chain.

Strategic objectives

SO1 SO2 SO3

Strategic enablers

SE1 SE2

SDGs impacted

Stakeholders affected

Employees

Customers

Suppliers

Government

Community

Material issues addressed

- Business growth
- Technology, product and process innovation
- Promoting/protecting organisational brand
- Water consumption and effluent discharge
- CO_2 emissions

Risks addressed

- Information technology/ cyber security risk

Digital readiness

Customer Complaint Management System (CCMS) Process

We launched an online platform called Customer Voice Portal, ensuring seamless handling of customer complaints right from the start till the time our customer is satisfied. It will also help to track the following KPIs (Complaint PPM against sales, response time by a team for complete closure, and so on). These indicators can be considered as a measurement of customer experience. This is expected to improve customer centricity and responsiveness.

Variant Configuration (VC) to Test Certificate (TC) Process

We have partially automated this process and reduced human interference by 66%. The process ensured uniflow system from SAP, easy-to-trace back approval oriented in case of deviations and eliminate chances of wrong heat and TC dispatch to customers. Overall, this helps improve customer experience.

Retrieval of Online Process Details of rolling mill from IBA Software

We can look at online process details and identify minor deviations or trend of parameters and act accordingly. Strand wise current, laying head temperature and other relevant process parameters can be retrieved and tracked online. Reheating furnace data to be incorporated. This cannot be retrieved through IBA software.

New Product Development (NPD) tracking: We introduced a tracking system, which enables us to retrieve sales, dispatch and production related details from SAP by unique sub-grades assigned for all new products, at any point of time.

Designing new products

During the year, we made significant progress in new product development by launching 50 new products, of which several were made for the first time in India, substituted imports and enjoy single source.

50

New products developed

₹500+ crore

Improvement savings in FY 2020-21, contributing towards higher EBITDA

Project Shikhar

Shikhar is an integrated project management structure that is helping the transformation of TSLP. The programme focuses on EBITDA improvement through the execution of ideas marked out for their potential. The Shikhar programme has gained momentum for more than two years at TSLP through a rigorous review process (weekly at the mentor's level and monthly at the MD's level). It has created a culture of performance through reward and recognition of the change drivers. In the current financial year impacted by COVID-19, Shikhar worked on various aspects of fixed cost and General Admin & General Works (GAGW) to ensure reduced expenditure and a healthy cashflow. Around 70+ new trials were conducted across the plant to establish the new operating paradigm (for example, reduced Primary Hard Coking Coal (PHCC) percentage in coal blend for coke, reduced fuel consumption in mills by usage of alternate fuels). In supply chain, we were able to increase our rake handling capacity up to 150% by improving the siding efficiency. In byproducts, several new products were developed from wastes such as sale of DRI Oversize (for the first time in the industry). The best practices were shared among the DRI units of Tata Steel Group through the newly formed Direct Reduced Iron (DRI, also known as Sponge Iron) Indian - Process Improvement Task (I-PIT).

Case study

Developing steel for tyre cord

Ms/ Sumiden Wire (Thailand) needed wire rod in coil form with special requirements. The most requirement for this order was inclusion type and rating. We used robust testing and other methodology to manufacture steel for the tyre cord first time in India and export. We delivered the trial lot during January 2021, which the customer accepted and approved further shipment of 140 MT of the material.

Way forward

Going forward, our focus will be:

- Collaboration with R&D facilities of Tata Steel for technical projects, innovation and characterisation of material
- Filing of patents for new product development (NPD) and innovations
- Facilitate separate tracking of NPD and innovation projects and sales analysis from NPD
- Focus on first time in the country and import substitution products
- Build database of competitor samples and results / analysis for benchmarking against best in country and best across the globe
- Develop inhouse capability for customised test facilities to ensure critical product requirements.

Human capital

Empowering teams to achieve more

We value our people and their contributions. In line with this, we foster their personal and professional growth, while developing our future leadership pipeline.

Strategic objectives

SO3

Strategic enablers

SE1

SDGs impacted

Stakeholders affected

Employees

Material issues addressed

- Occupational health and safety
- Labour relations
- Promoting ethical behaviour

Risks addressed

- Safety risk

Integrating culture, people and the organisation

During the year, we continued to consolidate our new organisational culture by transforming and restructuring our policies. We also bridged the gap between various HR structures and systems and brought alignments in terms of people, processes and places.

Stronger policies

We developed 41 new employee policies under the following buckets:

Social security schemes	Leave and benefits	Business enablers
Work life/diversity	Corporate policies	Career and performance
Culture and values	Capability development	Talent management

We further introduced performance management system- 'STRIDE', performance bonus payable on achievement of business KPIs and joint consultation system for harmonious union management working.

We undertook the following steps to integrate and create one TSLP across locations, with new identity:

- Reorganised all levels and built better connect across the organisation through various policies that focused on uniformity in the culture
- Created a simple and lean organisation design
- Encouraged people movement across locations
- Strengthened learning and development
- Introduction of administrative and functional reporting for multi-location engagement
- Collaborated with Ore Mines and Quarries Division of Tata Steel Limited for Vijaya-II mines for efficient working

Incorporating digital functions to enhance people processes

We initiated several digital projects for seamless employee processes such as Performance Management System (STRIDE), Contract Labour Management System(CLMS), Canteen Management, among others. Moreover, new Intranet was launched which offers uninterrupted and transparent communication among our people. It also features employee policies and employee-related important information on real-time basis.

During the year, we also launched another interactive platform—MD connect—for direct communication and connection between the MD and our people.

Strengthening the talent pipeline

We have a two-pronged approach to bolster Team TSLP. We use both internal and external recruitment to gather the best talent. As on March 31, 2021, 36 officers from Tata Steel are working on deputation at TSLP to strengthen culture, systems and processes aligned to Tata Steel's overall ideals. Generally position is advertised internally amongst existing talent, before we selectively look to hire outside talent. For external hiring, we use jobs portals and have hired consulting search firms to source the right-fit candidates according to the job requirements. During the year under review, the complete recruitment process was conducted online.

Infusing TSLP's ecosystem with fresh talent

During the year, we introduced the practice of campus hiring, whereby young talent – management and graduate engineering trainees join our ranks. We conducted online recruitment drives across India's top engineering and management schools.

A group of new employees undergoing on-the-job training

Total hires

Fresh graduates from Top B schools and engineering institutes

19

Technical and management interns

17

Human capital contd.

Diversity and inclusion are a priority

We emphasise on diversity and inclusion at the workplace through policy interventions. We have introduced several policies like Rahaat leaves, sabbatical, work from home and equal opportunity policy to enhance diversity at TSLP. For FY 2020-21, our male-female diversity was 2% and we are working towards increasing it to 25% in times to come.

Throughout the year, we focused on the following to enhance workplace diversity and inclusivity:

- Policy interventions
- Well-being survey for all female employees
- Leadership interactions
- Targeted hiring to enhance gender diversity

Team composition by age (number)

Under 30 years	30-50 years	> 50 years
191	1,666	538

Our employees adhering to safety standards

Affirmative action

At TSLP, we are focusing on inclusive growth through Affirmative Action (AA) concept of the Tata group.

We constantly endeavour to focus on inclusive and collaborative growth and undertake programmes for improving the lives of the disadvantaged communities through employment, employability, entrepreneurship development, education, and essential amenities initiatives. As a part of the AA programme, we are committed to exercise positive discrimination in employing personnel from historically disadvantaged communities. We have expanded our focus on diversity to additionally cover gender diversity, and person with disability, all of which are important segments that can help create a more sustainable organisation the for future.

Managing talent

We remain committed to nourish talent at TSLP. Talent development, Internal Job Postings (IJP), promotions and cross-location-based job rotations are all part of this. We have also launched a study leave policy for higher studies.

Learning and development

We undertake several learning and training programmes that enable our people to upskill. During the year, we launched an online internship programme—DAKSH 20—for college students, where 24 bright minds completed their projects under able mentorship of our people.

We also collaborated with Shavak Nanavati Technical Institute (SNTI) for various training programmes such as technical trainings, safety trainings, and computers trainings. SNTI also helped us run the School of Excellence, which focuses on basic concepts of steelmaking.

During the year, we also launched three KPI-based training programmes in partnership with SNTI, in the following areas:

- Steel Melting Shop (SMS)
- Wire Rod Mill (WRM)
- Sinter Plant

We also conducted skill-based trainings for our contract workers and undertook initiatives under Leadership Development. Under the latter, we launched the Managerial Effectiveness Program (MEP) to groom and develop high potential officers for the future to ensure a healthy pipeline of talent. We also organised various managerial training programmes during the period.

92%

Of the workforce covered in various programmes

Performance management

Our robust performance management system—Stride—allows us to offer policy-backed fast-tracked, accelerated-track and normal-tracked career progression strategies. During the year, our entire performance management process was conducted online from goal setting to end-year feedback. The new features include:

- Continuous feedback
- Performance Journal
- Discussion on performance and development areas by Talent Review committee
- Customer feedback and administrative appraiser
- Appeal process

During FY 2020-21, we trained our people on the end-year review and providing effective feedback.

Case study

Achieving 80% Employee Engagement Survey (EES) score

During the year, we conducted an EES covering all our officers and associates. We emphasised integration of our systems and people, with 41 people-centric policies to enhance employee benefits and development. Besides, we ensured to focus on the following:

- Implemented Performance Management System (PMS)
- Introduced employee-centric policies and benefits
- Drove diversity and inclusion
- Focused on leadership development
- Ensured transparent and regular communication
- Launched Leadership Connect
- Sensitised team towards Tata values and code of conduct
- Developed a better networked organisation

All these factors contributed to the achievement of an overall EES of 80%.

Top 3 areas that drove engagement for officers

- Change Readiness (88%)
- Customer Focus (88%)
- Employer Brand (88%)

Top 3 areas that drove engagement for associates

- Job Security (84%)
- Enabling Infrastructure (82%)
- Collaboration (81%)

Shifting of wire rods to the yard

Encouraging employee volunteering

We encourage our people to participate in various volunteer initiatives, including the Tata group's Tata Volunteering Week (TVW). During the year, our people contributed 1,443 person-hours of volunteering through TVW.

Human capital contd.

Employee safety

- Rolled out IT based safety system 'Ensafe' to capture, monitor, analyse and review safety related data
- Rolled out campaign on Elimination of Commonly Accepted Unsafe Practices (ECAUP)
- Identified and rectified fatality potential situations through Fatality Risk Control Programme (FRCP)
- Started Joint Mass Communication Programme with Senior Management Team and Union Representatives
- Trained officers on Safety Standards through e-learning safety modules
- Deployed several engineering / digital solutions for eliminating man-machine interface
- Deployed infrastructure integrity standard

Safety dashboard

Parameter	Unit of Measurement	FY 2019-20	FY 2020-21
Fatality	No.	0	1
Lost Time Injury (LTI)/Lost Time Injury Frequency Rate (LTIFR)	No./Index	15/1.16	24/1.38
First Aid Case (FAC)	No.	82	49
Near Miss	No.	237	2,125

5.1 hours

Of safety training per employee

Health and wellness

We launched a comprehensive wellness programme for our people and their families. We have also created a year-long activity calendar covering social, mental, physical, financial and spiritual wellness.

Our wellness programme includes activities like Doctor at Shopfloor, Mental Wellness Session by Brahma Kumaris, online session on Nutrition & Diets, Yoga & Zumba by professional trainers on a regular basis.

We also organised annual heath check-up for all our permanent employees and contractual workers across locations.

Steps undertaken to keep employees safe from COVID-19

- Suspended operations initially at some units and subsequently re-started in a controlled manner
- Staggered canteen timing to ensure social distancing
- Sanitised offices and workplaces periodically
- Conducted medical examination of employees at shopfloor
- Continued to train employees online regularly
- Ensured periodic MD communication with officers and union members
- Granted special paid leave to symptomatic employees, including contract workmen
- Introduced absolute work from home
- Conducted bi-monthly COVID-19 test for employees
- Dedicated ambulance for COVID-19 suspects and patients
- Started POD concept
- Provided transport and food facilities to contract workers during the initial period
- Collected travel history regularly and ensured that our people use the Arogya Setu app
- Distributed advisories from statutory bodies, posters, emailers, visual Standard Operating Procedures (SOPs) to keep the employees updated on COVID-19-related developments and associated requirements regularly
- Commenced online employee engagement initiatives under the brand ADDA Online

Safety aspects being briefed before the start of a work

Retaining talent

Employee retention strategy

Diversity and inclusion

Continued focus of the senior leadership to build an agile, diverse and inclusive organisation

High performance

Launched online performance management system driving high performance and linked annual bonus and increment with performance

Employee engagement

Conducted EES to gain a clear understanding of various aspects of our workforce's functioning, the engagement level and areas of improvement in work environment

Learning and development

Focused learning and development strategy to shape an inspiring work culture and develop a future ready pipeline

Safety and well-being

Adopted a holistic approach for our sustainability framework with a focused impetus in the areas of safety and well-being of our full-time employees and contractual workforce

Leadership connect

Continued dialogue between the leadership and employees facilitates an open channel for two-way communication, keeping our employees adequately informed to ensure about organisational developments and enables better understanding of their needs, aspirations and ambitions

97.8%

Employee retention rate

Way forward

We are planning our way forward through focused group discussions across levels and location to frame the subsequent action plans.

View of a class room training

Social and relationship capital

Helping build happier communities

Community care is integral to the values that underpin our group's businesses. We, at TSLP, imbibe and energise this principle with focused need-based CSR programmes. As a responsible corporate citizen, we focus on building prosperous communities and encourage our people to participate in volunteering programmes.

Strategic objectives

SO1 SO2 SO3

Strategic enablers

SE2

SDGs impacted

Stakeholders affected

Community

Material issues addressed

- Business growth
- Long-term profitability
- Community development
- Labour relations
- Occupational health and safety

Risks addressed

- Macro-economic and market risk
- Community risk
- Environment/climate change risk
- Regulatory risks

51,000+
Total beneficiaries

₹88.18 lakh
CSR expenditure

13
CSR programmes

7
Projects in partnership with government bodies

One of the Anganwadi Centres developed by the Company

For us sustainable CSR is at the confluence of the efforts of the government, non-governmental organisation (NGO), the village representatives and our company. We continuously strive towards onboarding all these elements with us.

Primary CSR activities

Education
- Help to Anganwadis
- Primary Learning
- Pre-Matric Coaching
- Scholarships
- School implements

Health & Sanitation
- Drinking water
- Electrifying water points
- Sanitation
- Basic medicare

Livelihood enhancement
- Entrepreneurship
- Assistance to self-help groups
- Gainful engagement
- Facilitating Government Schemes

Skill building programmes
- Vocational trainings

Youth engagement
- Assistance to clubs
- Community halls
- Competitions
- Promote local culture

Essential services
- Support TSL zoological park
- Help during natural calamity
- Pandemic related support
- Publicity and promotions

Social and relationship capital contd.

Annual CSR expenditure
(₹ in lakh)

FY 2020-21	**88**
FY 2019-20	321
FY 2018-19	236
FY 2017-18	180
FY 2016-17	219

Lives touched
(numbers)

FY 2020-21	**51,423**
FY 2019-20	16,757
FY 2018-19	16,431
FY 2017-18	13,892
FY 2016-17	17,698

Education

We prioritise education for the communities near us with a focused approach that allows children, including teenagers, to grow into responsible adults. During the year, we conducted the following programmes to enhance education among our communities:

- Conducted regular online classes for primary and high school students through Primary Learning Centre (PLC) and Pre-Matric Coaching Centre (PMC), impacting 600+ students
- Started TSLP Gurukul programme with 16 volunteers to benefit 51 children.
- Helped 38 poor and meritorious children this year with our scholarship programme

A group of meritorious students receiving scholarship

Key education programmes and their objectives

Prarambh and Vidyarthi

- Organise Primary Learning Coaching and Pre-Matric Coaching
- Cater to some of the primary and secondary needs of children to create a joyful experience and inculcate interest in education

Protsahan

- Encourage meritorious and economically weak students to pursue technical job oriented courses through monitory scholarship

Residential Bridge Course Centre

- Bring school dropouts into the folds of mainstream, through age-appropriate education in a residential environment

TSLP Gurukul

- Volunteer initiative to impart free tuitions on core subjects to high school students in Gamharia

Health and sanitation

With need-based interventions, we focus on all basic health and sanitation related needs in our focus areas, including supply of drinking water. During the year, we ensured to provide the following services:

- Completion of 103 units of Toilets and Bathrooms in Gram Panchayat, thus completing 800 units till date
- Supplied potable water to ~2,000 households in Vijay-II Mines, in the water-starved areas
- Organised seven cataract camps where 409 patients were screened and 103 operated
- Organised several medical camps for the benefit of over 1,000 patients in Vijay-II Mines

Drinking water facility in a school

Overhead tank constructed by the Company to ensure water supply in a village

Key health and sanitation programmes and their objectives

Swabhiman

- Construct toilets and bathrooms in Birikala Gram Panchayat, Joda to eliminate open defaecation

Jaldhara

- Ensure availability of potable water in all our focus areas through well diggings and tankers
- Repair borewells and tubewells

Upachar

- Conduct medical camps to extend free diagnosis and consultation in focus areas
- Provide basic medications and conduct cataract surgeries

Livelihood enhancement

Our company has felt the need of supplementing the income of villagers as many of them are depending on agriculture, being their area of expertise. However, for want of contemporary techniques, their income levels have been limited, leading to abject poverty.

Promotion of pisciculture

Livelihood promotion - a poultry shop that came up with the Company's support

Social and relationship capital contd.

Key Livelihood enhancement programmes and their objectives

Sakshyam

» Facilitate village youth, self-help groups, farmers and others to generate primary/supplementary income through capability building, marketing and others

Hariyali

» Convert tracks of barren land to harvest vegetables and fruits for providing regular incomes to beneficiaries and adding to environmental benefits

Sahyog

» Extend all assistance to apply for government subsidies and implement programmes with government collaboration

» Implement government projects with schemes such as MNREGA* to provide temporary engagement to locals

*Mahatma Gandhi National Rural Employment Guarantee Act

COVID-19 had a deep impact on the lives of migrant workers who lack job security. A number of these migrant workers returned home with a bleak future and no skill sets to find employability in the communities near us. During the year, we facilitated the restoration of livelihood to ~100 migrant labourers.

The lockdown imposed to control the spread of the virus also led to the closure of several petty grocery shops in our communities. Often these shops were the only source of livelihood for the shop owners. By the time the lockdown was eased, they had consumed their stocks for self needs and were clueless on how to restart their business. Our CSR team helped 67 such shopkeepers to restock and facilitated some of their approach for soft loans from banks. Today, all the 67 grocery stores are up and running in their respective villages, generating incomes for their families.

~100

Migrant labourers' livelihood restoration facilitated during the year

Support extended in the area of agriculture

Case study

Facilitating micro enterprises

Manoj Tiu returned home to Basudevpur village (Odisha) leaving behind his decent-earning job in Gujarat. Now he was unemployed and found no way to sustain his income and faced a bleak future.

With the help of our CSR team, he set up a poultry farm with four other local youths. Our CSR team provided the chicken cage and monetary support, while facilitating his bank loan. Today, Manoj is settled in his village as an entrepreneur and has decided not to go back to his former life.

Enabling sustainable livelihoods

Budhu Purti also returned home to his native village near our Vijay-II mines in Jharkhand, without any source of income and had to support a family of seven. Our CSR team helped him in establishing a tea and snacks stall in his village. Thereafter, we supported him to grow his business and cater to the village's grocery requirements. Today, he makes a decent living and also contributes to the meagre income of his family.

Skill building programmes

We empower individuals with different vocational trainings for sustainable livelihood generation. Our programmes are designed to strengthen the employability of the youth.

We are thrilled to announce that 27 youth were benefited with our skill development programme at Tata Steel Training Institute (TSTI), Jagannathpur Industrial Training Institute (ITI) and Indo Danish Tool Room (IDTR).

A group of girls sponsored by the company for training at Tata Steel Training Institute, Jamshedpur

Other programmes

» Helped mobilise resources worth ~₹70 lakh from various government programmes

» Organised government sponsorship for foster care for 23 orphans of peripheral villages in Gamharia

» Supported a Butterfly wing in Tata Steel Zoological Society, Jamshedpur

Organisation of inter-panchayat tournaments to promote sports

Youth engagement

We undertake several youth engagement programmes such as:

Krida

Organise PANCHSAKHA tournament among gram panchayats in Joda to encourage healthy competition and sportsman spirit

Donate sports kits

Distribute sports materials in clubs and local schools to promote sports

Ama Sanskriti

Promote local cultural events, competitions, arts and crafts in our focus areas

Encouraging employee volunteering through TVW in FY 2020-21

20,655	1,252	773	8,713
Lives impacted	**Volunteers**	**Programmes**	**Person hours of volunteering service**

Social and relationship capital contd.

Volunteers participating in a blood donation camp

Essential services

We undertake several programmes based on our study of local area requirements. During the year, we undertook the following programmes that serve a variety of needs in the society:

Prakriti

Supported maintenance of the Butterfly Wing of Tata Steel Zoological Society, Jamshedpur.

COVID-19 support

We extended help to the needy across focus areas, especially to the migrant workers.

Tata Volunteering Week

Encouraged employees to participate in various activities like blood donation camps, cleaning river banks in Jamshedpur and Joda, spending time with destitute children in Bilaipada, Odisha and the residents of Cheshire Home in Jamshedpur, organised health camps in Vijaya II Mines, among others.

Infrastructural support

Constructed boundary walls in schools, renovation of check dam.

Cataract camp activities

Way forward

We are a responsible organisation and plan on achieving the following targets for a sustainable future of communities over the next 5 years:

- Touch 3,00,000 lives through various programmes
- Strengthen amiable relationship and participative culture with all villages in our focus areas across Jharkhand, Odisha and West Bengal
- Add 50,000 hours of volunteering activities
- Implement two signature projects:
  - Super 30: help girls from our operating locations to accomplish their career aspirations, in a holistic manner
  - Mushroom cultivation: Operationalise mushroom cultivation of high volume as a source of sustainable livelihood
- Ensure universal schooling for children in the focus areas
- Eliminate cataract and ensuing blindness across villages in focus areas
- Promote lakhpati Kisan Scheme to encourage at least 100 farmers to earn more than a lakh annually with targeted interventions

Enduring supplier bonds

We have enhanced focus on supplier engagement and strengthened procurement synergies along with Tata Steel Limited. Senior management team's one to one interaction with strategic supplier started for sustainable business long-term relation. We have established a long-term contract/ annual contract for sustained engagement and a win-win scenario with supplier partners. During 2020-21, we implemented responsible supply chain policy and onboarded 21 vendors under this policy. We further enabled and enhanced business with Micro, Small & Medium Enterprise (MSME) vendors and over 25% MSME vendors registered with us in last one year. Also facilitated MSME vendors payment within 45 days as per contractual norms. Indigenisation of imported products was also taken up this year and Indian sources were developed for some of the critical items like ladle brick and MRO spares among others.

For better and transparent business e-procurement and SAP ARIBA usage was maximised to a level of ~100%. We undertook initiatives like deprop, manpower contract to job-based contract, VIU based buying and VMI for selected commodities. Many new VMI-based projects were taken up like lime procurement, ferro alloys buy to reduce our inventory. We organised supplier day programmes for different categories and also successfully implemented joint projects with suppliers.

Enduring customer bonds

Our customers are one of our key stakeholders. In order to maximise customer satisfaction, increase customised product offerings, and introduce new products that cater to their needs, it is important to keep alive a constant interaction with the customer across all levels. We engage with our customers through various platforms and this year we started our journey towards digitalising customer data points in order to glean better insights into customer behaviour.

Senior Management and MD connect

Interaction with the customer at the senior management and apex levels bring a lot of clarity on customer needs and the changing market scenario, this is one of the critical inputs to strategy. Our senior management maintains regular interaction with our customers.

Customer Service Teams (CST)

CSTs continues to be our main customer-facing initiatives that drive 'value generation and customer satisfaction'. We started with four CSTs in FY 2020-21, and are looking at extending the number to 10 CSTs in FY 2021-22.

Launch of ACE

To enable customers to voice their opinion and reach out to us, the ACE (Assure, Correct & Ensure) platform was launched on February 25, 2021. This new customer feedback portal has been designed to track client feedback through a dedicated dashboard. The captured data points will give us valuable insights that will guide us to accurately design and deliver our products and services, leading to customer delight.

Upcoming plans

Going forward, we plan to give greater attention to customer-centricity and hence, customer engagements will remain a top priority. For this, our teams will be utilising, launching and developing web platforms, concepts and ideas to take customer engagement to the next level.

Natural capital

Committed to environmental care

Environmental degradation and climate change have been identified as one of the foremost challenges of the 21st century by The Global Risk Report of the World Economic Forum. These risks together act as a risk multiplier, exacerbating other potential risks to businesses, economy and society. We, at TSLP, are collectively stepping up our initiatives towards environmental conservation and climate action for a sustainable future for all.

We are optimising our use of natural resources and aligning our processes to embrace a circular economy across every aspect of our operations. We are enhancing energy efficiency, reducing greenhouse gas (GHG) emissions, alongside minimising water intake and pollution. In addition, we are taking appropriate measures to extend the lives of our mines.

Strategic objectives

SO1 SO2 SO3

Strategic enablers

SE2

SDGs impacted

Stakeholders affected

Communities

Government and regulatory bodies

Material issues addressed

- Supply chain sustainability
- Air pollution
- CO_2 emission
- Water consumption and effluent discharge
- Waste management

Risks addressed

- Operational risk
- Environment/climate change risk
- Regulatory risks

At TSLP, we firmly believe that sustainable production is the key to our success and in the long-run it will majorly impact our business and its ability to create value. Our operations are subject to various central and state environmental laws and regulations.

Diminishing energy consumption

We dedicated our attention towards lowering our energy consumption by setting up an Energy Impact Centre under Shikhar – our continuous improvement programme, wherein we categorised the energy reduction initiatives deployed across our manufacturing units into the following:

- Power consumption and generation
- By-product gases
- Industrial gases
- Fuels and consumables

Under these categories, we undertook various initiatives for improving equipment efficiency, optimising equipment loading and run-time, alternate process assessment, reducing leakages, maximising waste heat recovery, reducing auxiliary consumption, evaluating value-in-use for by-product gases, combustion efficiency, alternate fuel, heat-resistant paint and others.

Some of our key energy conservation projects led to:

- Lowered coke rate in the Blast Furnace (BF at 474 kg/tHM in FY 2020-21 compared to 487 kg/tHM in FY 2019-20)
- Reduced coal consumption at DRI unit by 952 kg/tDRI in FY 2020-21 compared to 994 kg/tDRI in FY 2019-20

The approach road at Joda plant and the green surrounding

- Cut down specific power consumption at sinter plant by 3%, BF-1 by 5%, Wire Rod Mill (WRM) by 15% and DRI plant by 12%
- Decreased auxiliary power consumption in SMS Plant
- Lowered Prime Hard Coking Coal in coke blend
- Reduced coal use at pellet plant by 15%
- Decreased Light Diesel Oil (LDO) consumption in blooming mill, Straight Bar Mill, Vacuum Degassing 02
- Reduced Low Gross Calorific Value (LGCV) raw coal use, as it was replaced by DRI char – a solid by-product of DRI plant

Increasing the use of green energy

We focus on maximising waste heat recovery to reduce our energy consumption. During the year, we reported:

- 23% increase in coke oven Waste Heat Recovery Boilers (WHRB)-based power consumption
- 22 MW (vis-à-vis 16 MW in FY 2019-20) waste heat from our coke oven based WHRB by arresting leakage in duct and steam line, maintenance and cleaning of boiler tube, installing new Boiler Feed Pump (BFP), Quick Closing Non-Return Valve (QC NRV) by changing QC NRV in turbine and reduction in raw steam in de-aerator
- 8.4% increase in DRI WHRB-based power consumption
- 20 MW (vis-à-vis 15 MW in FY 2019-20) waste heat power generated from the DRI based WHRB by arresting the flue gas leakage, insulation of steam line, boiler tube cleaning, elbow duct inspection and cleaning to avoid the cleaners formation, maintaining the boiler input temperature and draught and repairing the bellows of all WHRB

331 MU*

Green energy consumed

*Note: Coke oven based WHRB Generation 175.23 MU, DRI based WHRB Generation 156.22 MU, Total WHRB Generation 331.44 MU

Natural capital contd.

Increasing green cover to reduce carbon footprint

Reducing environmental impact

To reduce our carbon footprint, we increased our share of railway logistics, minimising road transport from 14% in FY 2019-20 to 0.25% during FY 2020-21. We also installed 12 dust monitors to supervise stack emissions and sewage treatment plant for canteen wastes to diminish our effect on the environment.

Lowering specific CO_2 emission intensity

We undertook various initiatives to reduce CO_2 emission intensity including:

- Decreased fuel rate at MBF
- Reduced specific coal consumption at DRI plant
- Lowered specific coal consumption at Pellet plant
- Increased green power generation ratio by 57% of total power generation in FY 2020-21 compared 49% in FY 2019-20
- Enhanced coke yield of 65.68 in FY 2020-21 compared to 65.24 in FY 2019-20
- Improved air quality measured at 181 AQI at Gamharia in FY 2020-21, compared to 191 AQI in FY 2019-20$

4.29 $tCO_2/tcs^{\#}$
Carbon emissions

Air quality monitoring station

Minimising other emissions

We are also working towards reducing our other emissions, including dust, Sulphur oxides (SOx) and Nitrogen oxides (NOx) with specific initiatives such as like de-dusting systems, mobile vacuum cleaning van and Electrostatic Precipitator (ESP), among others.

Other emissions

1.81 kg/tcs*
Dust emissions intensity

4.9 kT
Nitrogen oxides (NOx) emission

1.1 kT
Sulphur ox ides (SOx) emission

Environmental initiatives around Vijay II Iron Ore Mine

We have taken the following measures to protect the Karo and Koina rivers:

- 31m concrete retaining wall construction concluded
- 100m garland drain has been de-silted
- SCP pond with dimension 26m x 22 m x 2 m, settling tank with dimension 10mX5mX3m and a settling pit have been developed in the previous year. The settling tank and SCP Pond are de-silted and maintained during this period
- Dumping is being done in earmarked area maintaining 10m height of each bench and each terrace saplings are planted at dead-end slope of the dump. Drought hardy grass has been sowed on backfilled area for stabilisation
- 2,200 saplings have been planted during this year

*Note: 1.81 kg/tcs / 4.9 KT (NOx) / 1.1 KT (SOx) in FY 2020-21 compared to 2.86 kg/tcs / 5.8 KT (NOx) / 1.02 KT (SOx) in FY 2019-20

#Note: Compared to 4.52 tCo2/tcs in FY 2019-20

@Note: Gamharia: (7.53 m3/tcs in FY 2020-21 compared to 7.71 m3/tcs in FY 2019-20)
Mines: (0.022 m3/tp in FY 2020-21 compared to 0.034 m3/tp in FY 2019-20)
Joda: (1.97 m3/tp in FY 2020-21 compared to 2.11 m3/tp in FY 2019-20)

$Note: Mines: 94 AQI in FY 2020-21 compared to 81.2 AQI in FY 2019-20
Joda: 189 AQI in FY 2020-21 compared to 150 AQI in FY 2019-20

Water treatment plant

Minimising freshwater consumption

We undertook various water conservation projects to reduce specific water consumption, including the following:

- Arrested water leakage of SMS#3 combustion chamber
- Stopped water loss by providing new cooling arrangement at Mini Blast Furnace (MBF)-1 Diesel Generator (DG) set
- Laid Effluent Treatment Plant (ETP) treated water line at Pick Casting Machine (PCM) and Slag Granulation Plant (SGP) of MBF-2
- Restored damaged cooling towers
- Prevented various leakages and closely monitored individual water inlets by providing flow meters
- Reused and recycled 100% wastewater through its ETP treatment

7.53 $m^3/tcs^{@}$
Specific water consumption

100%
Wastewater reused and recycled

Segregation and use of scrap

Cutting down solid waste

During the year, we continued to curb our solid waste and undertook the following the initiatives in this direction:

- Installed bagging plant at DRI to ensure regular disposal of DE dust in packed condition
- Continued long-term agreements with cement industry players for disposal of blast furnace slag
- Enhanced processing rate of electric arc furnace slag
- Increased customer base for disposal of solid waste
- Emphasised on knowledge and resource-based synergy initiatives with Tata Steel

100%
Solid waste utilisation

Landscape view of the sponge iron plant

Increasing green cover

To control pollution in our operational zones of Gamharia, Joda and Vijay-II mines, we are planting trees using the Miyawaki plantation technique near our units. The Miyawaki plantation technique uses native plant species and provides 10x faster growth, resulting in 30 times denser than usual forests.

8,500+
Trees planted

Way forward

We are focusing on further reducing our carbon footprint with reduced emissions and increased plantation drives. We are also incorporating new and upcoming technologies that will enable us to decrease water consumption and pollution and minimise waste production.

^Note: Gamharia: 2,421 nos in FY 2020-21 compared to 1,911 nos in FY 2019-20

Mines: 5,103 nos in FY 2020-21 compared to 2,820 nos in FY 2019-20
Joda: 1,000 nos in FY 2020-21 compared to 1,280 nos in FY 2019-20

GOVERNANCE

Delivering with high governance standards

As a value-focussed organisation, we follow globally benchmarked governance practices and highest standards of safety, integrity and ethics. Our Board and its various Committees delegate their responsibilities diligently to create tangible value for all stakeholders.

We have inherited our governance practices from the culture and ethos of our group. The Board of Directors considers it its inherent responsibility to adhere to governance guidelines beyond the regulatory requirements.

Board diversity and commitments

50%
Independent Directors

20%
Woman Directors

100%
Board Attendance

Experience of Board members

1. Finance
2. Marketing & Sales
3. Human Resources
4. Supply Chain
5. Information Systems
6. Legal and Regulatory Affairs
7. Corporate Communications
8. Taxation
9. Strategy and planning,
10. Project management
11. Corporate governance, Risk Management and Compliance,
12. Corporate M&A
13. Entrepreneurship
14. Investor Relations
15. International Trade

Compliance

We adhere to the strict compliance of all applicable laws, codes of conduct or internal regulations. The management is fully committed to compliance and the senior leaders serve as anchors and play pivotal role in implementing the compliance interventions. The compliance management framework is managed by the in-house compliance function. The function is headed by the Company Secretary and Compliance Officer, who is primarily responsible for overseeing and managing all regulatory compliances. The managers are responsible for establishing business and industry-specific standards in both steel and DRI divisions of the organisation. Adherence to compliance obligations is among the subjects covered in audits by the Group Internal Audit function. Observations from such audits are placed before the Audit Committee and the Board of Directors.

Corporate ethics

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

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

The governance structure of our Company is a combination of the oversight of the Board (through various committees) and the Ethics Team. The Ethics Counsellor has the overall responsibility of driving the MBE initiatives and reports to the Managing Director. Leadership engagement on topics such as sustainability, corporate social responsibility, corporate governance and membership in different industry bodies helped the organisation augment its reputation at all levels.

We have established the standards of ethical conduct required of our stakeholders through TCoC procedures and other applicable guidelines and polices such as Whistle-blower Policy for Directors and Employees, Whistle-blower Policy for Business Associates, Whistle-blower Protection Policy for Business Associates, Gifts and Hospitality, and Conflict of Interest Policy for Employees and Prevention of Sexual Harassment Policy and also the Policies on Anti-Bribery Anti-Corruption and Anti-Money Laundering.

Communication and training

For reinforcing TCoC and the policies related to it, a multi-year training and communication programme has been implemented. These programmes are customised to different platforms based on the target audience such as leadership team, employees, vendors and contract employees. 'Ethics Month' was organised on the theme 'Responsible Me, Responsible We'. Various events such as round-table conferences involving the senior leadership, panel discussions and townhall sessions for employees have been conducted. All events were conducted online. During FY 2020-21, training and communications were conducted through online platforms due to the ongoing COVID-19 pandemic. We organised various sessions to cover employees and vendors as well.

Measurement of effectiveness

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

Sustainability

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

Our sustainability approach is articulated in our Sustainability Policy which is supported by other policies such as CSR Policy, Environment, Energy, Climate Change, Biodiversity Management, Affirmative Action, Social Accountability, Responsible Supply Chain, Human Resource policies, etc. These policies reinforce the integrated thinking and balance the impact and outcome of the six capitals. We have systems in place to capture the voice of stakeholders periodically and review our long-term strategy in line with evolving stakeholder expectations. We have adopted the materiality assessment as a process to capture stakeholder voice and embed these material issues in our strategic planning process. The sustainability agenda is driven by the CSR and SHE Committees of the Board with an organisation-wide governance structure around it. The scope and membership of the Board-level Committees have been detailed in the Corporate Governance Report. At the Corporate level, various committees, including the Apex Safety Committee, Apex Environment Committee, Apex HRD Committee, Apex CSR Committee, Apex R&D Committee and Quality and Production reviews periodically assess the progress on material issues and apprise the Board on a quarterly basis.

AWARDS AND RECOGNITIONS

Honoured to be recognised

1

TSLP has been conferred with the National Energy Conservation Award (first position) for the year 2020, in appreciation of its commendable achievements in the area of energy conservation, specific to the secondary steel sector.

In view of the COVID-19 norms, the entire award ceremony was conducted online. On behalf of the Company, Mr. Debashish Majumdar, Sr.GM (Operations & Maintenance - Steel) and Mr. Biltu Maji, Dy. Divl. Head (Central Electrical Maintenance), received the award from Shri R. K. Singh, Hon'ble Union Minister of State (I/C) for Power and New & Renewable Energy, Govt. of India, during the National Energy Conservation Award Function held on January 11, 2021.

2

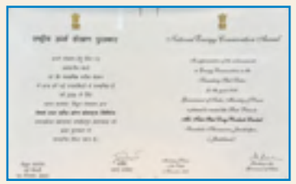
Awarded patent on 'Heat Resistant Paint Composition'

3

TSLP shined on the three following categories at the Group level at Tata Volunteering Week 15 this year.

- Highest participation rate in Medium category among all TATA group companies
- SPOC Hero shortlisted
- Volunteer Champion

1



2

3

Highest participation rate in Medium category among all TATA group companies

SPOC Hero shortlisted

Volunteer Champion

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BOARD'S REPORT

To the Members,

Your Directors take pleasure in presenting the 3rd Integrated Report (prepared as per the framework set forth by the International Integrated Reporting Council) and the 38th Annual Accounts on the business and operations of Tata Steel Long Products Limited, (formerly Tata Sponge Iron Limited), ('**TSLP**' / '**the Company**') along with the summary of standalone and consolidated financial statements for the year ended March 31, 2021.

A. Financial Results

(₹ crore)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Revenue from operations	4,749.87	3,489.99	4,749.87	3,489.99
Total expenditure before finance cost, depreciation	3,651.45	3,336.72	3,651.46	3,336.73
Operating Profit	1,098.42	153.27	1,098.41	153.26
Add: Other income	78.23	81.26	78.28	81.32
Profit before finance cost, depreciation, exceptional items and taxes	1,176.65	234.53	1,176.69	234.58
Less: Finance costs	234.63	292.84	234.63	292.84
Profit before depreciation, exceptional items and taxes	942.02	(58.31)	942.06	(58.26)
Less: Depreciation and amortisation expenses	327.19	310.79	327.19	310.79
Profit/(Loss) before exceptional items & tax	**614.83**	**(369.10)**	**614.87**	**(369.05)**
Add/(Less): Exceptional Items	-	(161.14)	-	(161.14)
Profit before taxes	**614.83**	**(530.24)**	**614.87**	**(530.19)**
Less: Tax Expense	42.86	(13.96)	42.86	(13.96)
(A) Net Profit/(Loss) for the Period	**571.97**	**(516.28)**	**572.01**	**(516.23)**
Total Profit/(Loss) for the period attributable to:				
Owners of the Company	571.97	(516.28)	572.01	(516.23)
Non-controlling interests	-	-	-	-
(B) Total other comprehensive income	5.31	(7.07)	5.31	(7.07)
(C) Total comprehensive income for the period [A + B]	**577.28**	**(523.35)**	**577.32**	**(523.30)**
Retained Earnings: Balance brought forward from the previous year	(379.95)	159.54	(379.75)	159.69
Add: Profit for the period	571.97	(516.28)	572.01	(516.23)
Add: Other movements within equity	-	-	-	-
Balance	192.02	(356.74)	192.26	(356.54)
Which the Directors have apportioned as under to:-				
(i) Dividend on Ordinary Shares		19.25		19.25
(ii) Tax on dividends		3.96		3.96
Total Appropriations	**-**	**23.21**	**-**	**23.21**
Retained Earnings: Balance to be carried forward	**192.02**	**(379.95)**	**192.26**	**(379.75)**

1. Dividend Distribution Policy

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

The Policy is annexed to this report (**Annexure 1**) and is available on our website at https://www.tatasteellp.com/performance- corporate-governance/.

2. Dividend

For Financial Year 2020-21, the Board has recommended a dividend of ₹5/- per equity share on 4,51,00,000 equity shares of ₹10/- each, subject to approval of the shareholders at the ensuing Annual General Meeting scheduled to be held on Thursday, August 5, 2021.

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

The dividend once approved by shareholders will be paid on and from August 9, 2021. If approved, the dividend would result in a cash outflow of ₹22.55 crore. The total dividend pay-out works out to 3.94% (Previous year – Nil) of the net profit (on standalone basis).

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

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 24, 2021 to Thursday, August 5, 2021 (both days inclusive) for the purpose of payment of dividend and Annual General Meeting ('AGM') scheduled to be held on Thursday, August 5, 2021.

3. Transfer to Reserves

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

4. Capex and Liquidity

During the year under review, the Company has spent ₹42.47 crore on capital projects largely towards essential sustenance and replacement.

The Company's liquidity position is ₹1,227.29 crore as on March 31, 2021, comprising of ₹281.78 crore in cash and cash equivalent and ₹945.51 crore in undrawn bank lines.

5. Management Discussion & Analysis Report

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

6. 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 commitment to stakeholders, in Financial Year 2017-18, we transitioned from compliance-based reporting to governance-based reporting by adopting the <IR> framework developed by the International Integrated Reporting Council.

Our 3rd Integrated Report highlights the measures taken by the Company that contributes to long-term sustainability and value creation, while embracing different skills, continuous innovation, sustainable growth and a better quality of life.

C. Operations & Performance

The COVID 19 breakdown has led to unprecedented socio- economic disruption worldwide. The nation-wide stringent lockdown 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. The risk-intelligent culture embedded across the Company helped in developing and adopting a multi-pronged strategy to effectively respond to the evolving pandemic situation. The health and safety of our employees and the communities in which we operate continue to be the foremost priority of the Company 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 norm. 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 leveraged various opportunities to increase penetration in the domestic market.

Despite several macroeconomic headwinds, volatile market environment and operational challenges, the Company delivered a robust performance driven by a strong focus on operational excellence and product/ market diversification. This being the 2nd year of operations for steel business after the acquisition, the Company focused more on stabilising the production at an increased rate. During the nationwide lockdown period in Q1 FY21, the Company has quickly ramped up exports volume to continue its operations. After signs of recovery post pandemic related lockdown measures in Q2 FY'21, the Company has continued its strategy to increase production and diverse its product portfolio towards more value-added products. With improvement in economic activities over the quarters, the Company ramped up its steel production thereby registering higher crude steel production of 11% (Y-O-Y). The Company has also taken several initiatives to improve its presence in the chosen segments of the domestic market by enhancing reach and increasing share of business with the customers. This has resulted in the sales growth of 41% (Y-O-Y) in the domestic special steel business amidst the industry de-growth of about 13%. With the focus on product mix enrichment and diversification, the Company has increased alloy Wire Rod mix to 49% in FY 2020-21 as against 37% in FY 2019-20 while increasing the market share to 20% in FY 2020-21 against 12% in FY 2019-20, supported by increased share in Two-Wheel Steering ("2Ws") segment. The Company has also used this period as an opportunity to develop a total of 50 new products during the year as against 34 new products in FY 2019-20. The Company focused on liquidity and cash flow management in a big way. Special focus was brought to release the fund from working capital and lazy assets. A total amount of ₹589 crore unlocked through the effective management of working capital. Deleveraging has been adopted as a strategy to strengthen balance sheet for future growth and ~50% of the long-term loan has been discharged during the year much ahead of due dates.

In DRI business also the Company has shown the same agility and quickly ramped up the production levels to the normal levels as the market had started opening up in May'20 onwards. All collaborative efforts have resulted in increasing the overall production to 797 KT with an increase of 4% w.r.t FY 2019-20.

D. Key Developments

Update on Radhikapur Coal Block

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

Material Changes Post Closure of Financial Year

Pursuant to the judgment of Hon'ble Supreme Court of India, the Government of India had promulgated the Coal Mines (Special Provision) Rules, 2014 and subsequent amendments ("Rules"), for allocation of the coal mines through auction and matters related thereto. In terms of the said Rules, the prior allottee (i.e. the Company) shall be compensated for the expenses incurred towards land and mine infrastructure. As part of 11th tranche of auction under The Coal Mines Act 2015, the Ministry of Coal (MoC) has carried out an auction of the coal block in November 2020 and EMIL Mines and Mineral Resources Limited (EMMRL) was declared as the successful bidder by the Nominated Authority on December 24, 2020. The MoC issued the vesting order dated March 3, 2021 in favour of EMMRL and directed the Company to hand over all the rights/ licenses/ approvals and documents to EMMRL. The

Company has handed over the documents in respect of title deeds of land and possession of buildings and other required details on April 6, 2021 to EMMRL in compliance with the vesting order. The Company is awaiting directions from MoC on the determination of the just, fair & adequate compensation in respect of the aforesaid amounts incurred by the Company. Based on assessment of the matter by the Company including evidence supporting the expenditure and claim and an external legal opinion obtained by the Company in respect of the recoverability of the amount, no provision is considered necessary.

Merger & Amalgamation:

The Board at its meeting held on November 13, 2020, had approved the following schemes of amalgamation:

1. Scheme of Amalgamation of Tata Metaliks Limited ("TML") into and with Tata Steel Long Products Limited ("TSLP"); and
2. Scheme of Amalgamation of Indian Steel and Wire Products Limited ("ISWP") into and with TSLP.

Subsequent to the Board's approval, the Company had filed the respective schemes of amalgamation with the Stock Exchanges, viz. BSE Limited and National Stock Exchange of India Limited on November 14, 2020. The observation letter from the respective stock exchanges are awaited.

Payout of Bank Guarantee in connection with Brinda Sesai Coal Block:

The Steel business acquired by the Company in FY 2019 included a Coal Block under development, which carried a performance obligation by way of a bank guarantee to the Nominated Authority i.e. MoC, towards development of the said coal block. Post acquisition, the Company assessed the social and environmental challenges for the development of the coal block and was of the view that the performance obligations of developing the coal block looked challenging to fulfil. Accordingly, the Company, as a matter of prudence, had taken provision related to the aforesaid bank guarantee during the year ended March 31, 2020. Subsequently, the Company made an application to MoC seeking cancellation of the vesting of the coal block. Pursuant to such application, on November 11, 2020, the Company received a letter from MoC confirming cancellation of the vesting rights of the coal block and directed State Bank of India for the encashment of aforesaid bank guarantee associated with the performance obligation. Accordingly, the Company had made a payment of ₹133.72 crore on December 2, 2020. With the aforesaid provision already recorded during the year ended March 31, 2020, there is no further financial impact expected by the Company.

E. Corporate Sustainability

The current pandemic has reinforced the links between health, environment and economy. Various research has shown that climate change can contribute to pandemics, hence environmental resiliency becomes core for economic recovery and growth. Taking this to the Industry parlance, Sustainability is no longer a choice but a business imperative for sustenance and growth. Accordingly, as part of the Company's 2030 strategy, we have defined Sustainability Leadership as one of the strategic objectives. We need to adopt a two-pronged approach to realise our sustainability target. One with strategic intervention to adopt benchmark technology for our facilities to reduce carbon footprint and the second one for cultural changes amongst all our stakeholders to embrace circularity concept i.e. "closing the loop" by focusing on full life cycle resource productivity. Underpinning this approach, the Company's strategies are on low carbon transition, reducing dependence on freshwater consumption, maximising value from waste and exploring opportunities in the circular economy, enhancing biodiversity in the areas where the Company has its operations, building a sustainable and resilient supply chain and customer focussed product stewardship. The Company has also rolled out the Sustainability and Responsible supply chain policy during the year.

Safety and Environment

Conducting business responsibly is a cornerstone of the Company's strategy and culture. The most important aspect of conducting business is to ensure the total safety across all corner of operations. Inspite of taking all requisite steps towards safety, it is with deep regret that we report one fatality that took place at Vijay-II Iron Ore Mines. Keeping in mind the incident, 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 the 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 CO2 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. The Company believes that new technologies, will be 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 objective of the Company's Corporate Social Responsibility ('CSR') initiatives is to improve the quality of life of communities through long-term value creation for all stakeholders. The Company has in place a CSR policy which provides guidelines to conduct CSR activities of the Company. The CSR policy is available on the website of the Company at https://www.tatasteellp.com/performance-corporate- governance/. During the year, the Company has spent ₹88.18 lakh, which includes ₹32.40 lakh received from Govt. of Odisha for deployment of Swatch Bharat Mission project on account of construction of toilets. Accordingly, the net outgo on account of CSR activities during Financial Year 2020-2021 is ₹55.78 lakh.

Company's primary focus areas of interventions are Education, Health & Sanitation and Livelihood enhancement. Besides, the Company also promotes sports and local cultural programs, with an objective to establish a deeper connect with the local youths and respect for the primeval culture existing in company's focus areas; apart from extending support to the victims of natural disasters & pandemic, as appropriate. All these interventions are prioritised and implemented through a set of short term and long-term programs & projects

The Annual Report on CSR activities, in terms of Section 135 of the Companies Act, 2013 ('the Act') and the Rules framed thereunder, is annexed to this report (**Annexure 3**).

F. Corporate Governance

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 shareholders' 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 4**).

Meetings of the Board and Committees of the Board

Meeting calendar for Board and Committees is prepared and circulated in advance to the Directors at the beginning of every 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 duly accepted by the Board during the Financial Year 2020-21. The details of composition of the Board and its Committees as well as details of Board and 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') engages with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole as well as for its individual members with the objective of having a Board with diverse backgrounds and experience in business, finance, governance, and public service. Thereafter, the NRC recommends to the Board the selection of new Directors.

Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgement, ability to participate constructively in deliberations, and willingness to exercise authority in a collective manner. The Company has in place a Policy on appointment & removal of Directors ("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 program. Presentations are made by Senior Management giving an overview of the operations, to familiarise the new Directors with the Company's business operations. The Familiarisation Program of Ms. Karmakar, Independent Director has been carried out during Financial Year 2020-21. During the year under review, one Non-Executive Director was inducted on the Board effective October 13, 2020. 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/2021/04/Familiarization-Independent Directors-2020-21.pdf.

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.

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 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 Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report (**Annexure 5**).

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

Director(s)

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

Cessations

During the year under review, Mr. P.C. Parakh (DIN: 01305775) ceased to be an Independent Director of the Company, on completion of his tenure as Member of the Board effective August 20, 2020. The Board placed on record its appreciation for his invaluable contribution and guidance during his tenure of association as Director in the Company.

Inductions

The Board of Directors of the Company, based on the recommendation of Nomination and Remuneration Committee ("NRC"), approved the appointment of Dr. Debashish Bhattacharjee (DIN: 00060737) as an Additional Director on the Board of the Company. The resolution for confirming this appointment forms part of the Notice of ensuing AGM scheduled to be held on Thursday, August 5, 2021. The profile and particulars of experience, attributes and skills that qualify Dr. Bhattacharjee for the Board membership are also disclosed in the said Notice.

Re-Appointment

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mrs. Meena Lall (DIN: 05133322) (Non-Executive Non- Independent Director), retires by rotation at the ensuing AGM of the Company and being eligible, seeks re-appointment. The necessary resolution for re-appointment of Mrs. Lall forms part of the Notice of ensuing AGM. The profile and particulars of experience, attributes and skills that qualify Mrs. Lall for the Board membership are also disclosed in the said Notice.

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 and commission for attending the meetings. As per 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.

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.

Key Managerial Personnel:

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company are as follows as on the date of this report:-

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. Sankar Bhattacharya – Company Secretary and Compliance Officer (Inducted effective April 9, 2021)

Prior to Joining of Mr. Sankar Bhattacharya as Company Secretary and Compliance Officer, Mr. Sanjay Kasture served as the Company Secretary of the Company. Mr. Kasture resigned from the services of the Company effective April 8, 2021. The Board placed on record its appreciation for his services rendered during his tenure as Company Secretary of the Company.

Apart from the above, no other changes took place in the key managerial personnel of the Company.

Independent Directors' Meeting:

During the year under review, the Independent Directors met on December 18, 2020 and March 16, 2021, 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 Independent Directors were present at these meetings.

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.

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 Committee has adopted a Charter for its functioning. 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. Srikumar Menon (Chairman), 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, details on meeting held and attendance of Members during the year forms 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 (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.

Risk Management

The Company has a Board-level Risk Management committee of Independent Directors and executive members of Tata Steel with diverse set of expertise. The Committee consists of the board members 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 Report, which forms part of this report.

Vigil Mechanism/ Whistle Blower Mechanism

The 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 2020-21, 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 are available on the website of the Company at https://www.tatasteellp.com/performance-corporategovernance/

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

The Company has zero tolerance for sexual harassment at workplace and adopted a gender-neutral 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 2020-21 the Company had one complaint of sexual harassment, which has been successfully discharged by taking appropriate action within the defined timeline.

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 2020-21 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 the Audit Committee on quarterly basis. There were 5 (five) material RPTs in FY 2020-21 under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of transactions with related party as per Form AOC-2 are provided in this report (**Annexure – 6**) 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 were no other material RPTs entered into by the Company with its Promoters, Directors, KMPs or other designated persons during FY 2020-21, except those reported in the financial statements. None of your Directors or KMPs had any pecuniary relationships or transactions with the Company during FY 2020-21.

Approval of Members is being sought for 5 (five) material RPTs for FY 2021-22 and FY 2022-23 at the scheduled to be held on Thursday, August 5, 2021.

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 2020-21.

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

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

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

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

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

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

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

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, Director's 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 annexed to this report (**Annexure – 7**). The said report 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 to this report (**Annexure – 8**).

Further, pursuant to the 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 for FY 2020-21. The said report does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Statutory Auditors did not report any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

(b) Cost Auditors

In terms of Section 148 of the Act, the Company is required to maintain cost records and have the audit of its cost records conducted by a Cost Accountant. Cost records are prepared and maintained by the Company as required under Section 148(1) of the Act.

The Board of Directors, 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 2021-22.

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.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the companies (Audit and

Auditors) Rules, 2014, as amended, the remuneration of ₹6 lakh plus applicable taxes and reimbursement of out-of-pocket expenses payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the Members of the Company. Accordingly, a resolution to this effect forms part of the Notice convening the AGM.

(c) Secretarial Auditors

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., (Registration no. P1993WB046600) a firm of Company Secretaries in Practice, to undertake the Secretarial Audit of the Company for the Financial Year 2020-21.

The Secretarial Audit Report for the Financial Year 2020-21, is annexed to this report (**Annexure – 9**).

The Board has also appointed Messrs. S. M. Gupta & Co., as Secretarial Auditor to conduct the Secretarial Audit of the Company for Financial Year 2021-22.

Annual Return

The Annual Return for Financial Year 2020-21 as per provisions of the Act and Rules thereto, is available on the Company's website at https://www.tatasteellp.com/extracts-of-annual-return/

Significant and Material Orders Passed by the Regulators or Courts

There has 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.

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 (**Annexure 10**).

Particulars of Loans, Guarantees or Investments by the Company

Particulars of loans, guarantees given or investments made during the year under review in accordance with Section 186 of the Act is annexed to this report (**Annexure 11**).

Deposits

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 Financial Year 2020-21 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.

Secretarial Standards

The Company has in place proper systems to ensure compliance with the provisions of the applicable secretarial standards issued by The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

G. Acknowledgements

The Directors regret the loss of life due to COVID-19 pandemic and are deeply grateful and have immense respect for every person who risked their life and safety to fight this pandemic.

We thank our customers, vendors, dealers, investors, business associates and bankers for their continued support during the year. We place on record our appreciation of the contribution made by employees at all levels. Our resilience to meet challenges was made possible by their hard work, solidarity, co-operation and support.

We thank the Government of India, the State Governments and other regulatory authorities and government agencies for their support and look forward to their continued support in the future.

On behalf of the Board of Directors

Sd/-
T.V. Narendran
Chairman
(DIN: 03083605)

Place: Jamshedpur
Date: April 20, 2021

ANNEXURE 1
Dividend Distribution Policy

1. Preamble

1.1 The Dividend Distribution Policy (hereinafter referred to as the 'Policy') has been developed in accordance with the extant provisions of the Companies Act, 2013 and SEBI regulations.

1.2 The Securities and Exchange Board of India (SEBI) vide its notification dated July 08, 2016 has amended Regulation 43 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "the Regulations") by inserting Regulation 43A. The Regulation mandates top five hundred listed entities based on market capitalisation (calculated as on 31st March of every Financial Year) to formulate a Dividend Distribution Policy which shall be disclosed in the Annual Reports of the said entities and on their websites.

The Board of Directors of the Company approved the Policy at its meeting held on July 21, 2017, being the effective date of the Policy.

1.3 Under Section 2(35) of the Companies Act, 2013, "Dividend" includes any interim dividend. In common parlance, "dividend" means the profit of a Company, which is not retained in the business and is distributed among the shareholders in proportion to the amount paid-up on the shares held by them. In case of listed companies, Section 24 of the Companies Act, 2013 confers on SEBI, the power of administration of the provisions pertaining to non-payment of dividend.

2. Effective Date

The Policy shall become effective from the date of its adoption by the Board i.e. July 21, 2017.

3. Purpose, Objectives and Scope

3.1 The objective of the Company's Dividend Policy is to provide a return that shareholders expect from their investment with consideration given to the cash and growth requirements of the business. To further build long term shareholder value and confidence in the Company's future, it is the objective of the Company to pay dividends on a regular basis. The amount, frequency and type of dividends paid should not impair or impede the ability of the Company to grow its operating income consistent with Board approved operating and capital budgets, or long term strategic plans, by restricting capital necessary to grow the business.

3.2 Declaration of dividend on the basis of parameters in addition to the elements of this Policy or resulting in amendment of any element or the Policy will be regarded as deviation. Any such deviation on elements of this Policy in the interests of the Company, along with the rationale will be disclosed in the Annual Report by the Board.

3.3 The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted hereon, progressive dividend, which shall be consistent with the performance of the Company over the years.

4. Parameters to be Considered While Declaring Dividends

The Board of Directors will endeavor to take a decision with an objective to enhance shareholder's wealth and market value of the shares. However, the decision regarding pay-out is subject to various internal and external factors affecting the Company.

The Board shall evaluate and consider key factors, including but not limited to:

4.1 Financial Parameters

a) Magnitude of current year's earnings of the Company:

Since dividend is directly linked with the availability of earning over the long haul, the magnitude of earnings will significantly impact the dividend declaration decisions of the Company.

b) Operating cash flow of the Company: If the Company cannot generate adequate operating cash flow, it may need to rely on outside funding to meet its financial obligations and sometimes to run the day-to-day operations. The Board will consider the same before its decision whether to declare dividend or retain its profits.

c) Return on invested capital: The efficiency with which the Company uses its capital.

d) Cost of borrowings: The Board will analyse the requirement of necessary funds considering the long-term or short-term projects proposed to be undertaken by the Company and the viability of the raising funds from alternative sources vis-à-vis plough back its own funds.

e) Obligations to lenders: The Company should be able to repay its debt obligations without much difficulty over a reasonable period of time. Considering the

volume of such obligations and time period of repayment, the decision of dividend declaration shall be taken.

f) Inadequacy of profits: If during any Financial Year, the Board determines that the profits of the Company are inadequate, the Board may decide not to declare dividends for that Financial Year.

g) Post dividend EPS: The post dividend EPS can have strong impact on the funds of the Company, thus, impacting the overall operations on day-to-day basis and therefore, affects the profits and can impact the decision for dividend declaration during a particular year.

4.2 Proposals for major capital expenditures

The Board may also take into consideration the need for replacement of capital assets, expansion and modernisation or augmentation of capital asset including any major sustenance, improvement and growth proposals.

4.3 Agreements with lending institutions / Bondholders / Debenture Trustees

The decision of dividend pay-out shall also be affected by the restrictions and covenants contained in the agreements as may be entered into with the lenders of the Company from time to time.

4.4 Statutory requirements

The Company shall observe the relevant statutory requirements including those with respect to mandatory transfer of a certain portion of profits to any specific reserve such as Debenture Redemption Reserve, Capital Redemption Reserve etc. as provided in the Companies Act, 2013, which may be applicable to the Company at the time of taking decision with regard to dividend declaration or retention of profit.

5. Factors that May Affect Dividend Payout

5.1 External Factors

- Macroeconomic conditions: Considering the current and future outlook of the economy of the Country, the policy decisions that may be formulated by the Government and other similar conditions prevailing in the global market which may have a bearing on or affect the business of the Company, the management may consider retaining a larger part of the profits to have sufficient reserves to meet the exigency during unforeseen circumstances.
- Cost of raising funds from alternative sources: If the cost of raising funds to pursue its planned growth and expansion plans is significantly higher, the management may consider retaining a larger part of the profits to have sufficient funds to meet the capital expenditure plan.
- Taxation and other regulatory provisions: Dividend distribution tax or any tax deduction at source as required by applicable tax regulations in India, as may be applicable at the time of declaration of dividend. Any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company at the time of declaration of dividend.

5.2 Internal Factors

- The Company's long-term growth strategy which requires to conserve cash in the Company to execute the growth plan.
- The liquidity position of the Company including its working capital requirements and debt servicing obligations.
- The trend of the performance / reputation of the Company that has been during the past years determine the expectation of the shareholders.

6. Target Dividend

6.1 The Company has adopted a progressive dividend policy, intending to maintain or grow the dividend each year.

6.2 The Company targets to pay dividend up to 50% of profit after tax of the Company subject to the applicable rules and regulations.

7. Circumstances Under which the Shareholders Can or Cannot Expect Dividend

7.1 The Board shall consider the factors provided above under Clause 4 and 5 above, before determination of any dividend payout after analysing the prospective opportunities and threats, viability of the options of dividend payout or retention, etc.

7.2 The decision of dividend payout shall, majorly be based on the aforesaid factors considering the balanced interest of the shareholders and the Company.

8. Manner of Dividend Payout

8.1 Given below is a summary of the process of declaration and payment of dividends, and is subject to applicable regulations.

8.2 In case of final dividends:

a) Recommendation, if any, shall be done by the Board, usually in the Board meeting that considers and approves the annual financial statements, subject to approval of the shareholders of the Company.

b) The dividend as recommended by the Board shall be approved / declared at the annual general meeting of the Company.

c) The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date / book closure period as per the applicable law.

8.3 In case of interim dividend

a) Interim dividend, if any, shall be declared by the Board.

b) Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.

c) The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date as per the applicable laws.

d) In case no final dividend is declared, interim dividend paid during the year, if any, will be regarded as final dividend in the annual general meeting.

9. Policy as to how the Retained Earnings will be Utilised

9.1 The Board may retain its earnings in order to make better use of the available funds and increase the value of the stakeholders in the long run.

9.2 The decision of utilisation of the retained earnings of the Company shall be based on the following factors:

- Long-term strategic plans
- Augmentation / Increase in production capacity
- Market expansion plan
- Product expansion plan
- Modernisation plan
- Diversification of business
- Replacement of capital assets
- Balancing the Capital Structure by de-leveraging the Company
- Other such criteria as the Board may deem fit from time to time.

10. Provisions in Regard to Various Classes of Shares

10.1 The Company has only one class of equity shareholders and does not have any issued preference share capital. However, in case the Company issues different class of equity shares at any point in time, the factors and parameters for declaration of dividend to different class of shares of the Company shall be same as covered above.

10.2 The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.

10.3 The dividends shall be paid out of the Company's distributable profits and / or general reserves, and shall be allocated among shareholders on a pro-rata basis according to the number of each type and class of shares held.

10.4 Dividend when declared shall be first paid to the preference shareholders of the Company, if any as per the terms and conditions of their issue.

11. Applicability of the Policy

11.1 The Policy shall not apply to

- Determination and declaring dividend on preference shares as the same will be as per the terms of issue approved by the shareholders;
- Distribution of dividend in kind, i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;
- Distribution of cash as an alternative to payment of dividend by way of buyback of equity shares.

12. Reporting and Disclosure

As prescribed by Regulation 43A of the Listing Regulation, this Policy shall be disclosed on the Company's website and the Annual report.

13. Review of the Policy

13.1 This Policy shall be subject to review as may be deemed necessary as per any regulatory amendments.

13.2 Such amended Policy shall be periodically placed before the Board for adoption immediately after such changes.

14. Compliance Responsibility

Compliance of this Policy shall be the responsibility of the Company Secretary of the Company who shall have the power to ask for any information or clarifications from the management in this regard.

ANNEXURE 2

Management Discussion and Analysis

I. Overview

This report is an integral part of the Board's Report and covers management perspective on external environment, strategic focus, business performance, significant operational initiatives, risk & opportunities, internal control, and statutory compliances of the Company during the Financial Year 2020-21. This should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Integrated Report. The Company's financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013, as amended and regulations issued by the Securities and Exchange Board of India ('SEBI') from time to time.

II. External environment

1. Macroeconomic condition

The year 2020 witnessed an extraordinary and unprecedented turn of events that negatively impacted the global economy. Spread of COVID-19 sparked lockdowns across the world resulted in 3.3 % (IMF report) de-growth of global GDP in 2020 as against a growth of 2.8% in 2019, as all the leading economies went in to contraction, barring China, which registered a growth of 2.3%. The pandemic turned year 2020 into a historic year for the global economy, beset by a recession, the likes of which the world hasn't seen since the Great Depression in the year 1929-1939. COVID-19 led lockdowns crippled small businesses, supply chains and put millions out of work, to worsening inequality, however, at the same time, the pandemic has also tested the ability of Countries / Organisations to respond innovatively and mitigate the catastrophic impact in a best possible manner. Despite this slowdown, due to considerable fiscal and monetary stimulus in many key regions, the global recovery began in the third quarter of 2020. This recovery is expected to continue through 2021 but will very much depend on the near-term path of the COVID-19 pandemic. In 2021, global economy is set to grow by 5.5% with a base assumption that by the beginning of 2H21, the pandemic will largely be contained with most of the population vaccinated by then. In its 14th Five Year Plan, China has announced a 6% GDP target for 2021 with emphasis on reforms, innovation and high-quality development.

2. Economic Outlook

The accelerating rollout of COVID-19 vaccines in many advanced economies has set the stage for rapid recovery in the second half of this year and into 2022. Advanced economies will remain less affected by the virus this year and beyond, with low-income countries and emerging markets suffering more which is a contrast to 2009. While, the global economy is expected to recover to its pre-pandemic level of output in 2022, the emerging-market and developing economies are expected to take until 2023 to recover to the pre-pandemic level. Policy rates in the United States, Eurozone, United Kingdom, and Japan will remain near zero, well beyond 2021. Emerging market and developing economies may take until 2023 to recover to the pre-pandemic level. Intermittent resurge in COVID cases with different variants and pace of vaccination would drive the divergent recovery paths and are likely to create wider gaps in living standards across countries compared to pre-pandemic expectations.

3. Indian Economy

India's economy had grown at 4.2% in 2019-20 but entered a recessionary phase with two successive quarters of sharp contraction triggered by the COVID-19 induced national lockdowns beginning March 2020. Following a 24.4% collapse between April to June 2020 period, the GDP contained the further fall to 7.5% in the second quarter – leading to a real GDP contraction of 15.8% in the first half of 2020-21. Just two sectors are estimated to record growth in GVA for FY 2020-21, with Agriculture continuing its strong run through the first half of year to the second half (3.4%) and Electricity, Gas, Water Supply & Other Utility services (2.7%). The second half of the year has shown signs of good recovery and has surfaced to record above zero growth ~0.6%. The continuous quarter-on-quarter growth endorses the strength of economic fundamentals of the country to sustain a post lockdown V-shaped recovery. On the demand side, real GDP in 2020-21 has been supported by an estimated increase in Government Consumption Expenditure by 5.8%. The Global rating agency Moody's has said that India's economy would shrink by 7 per cent in FY 2020-21. As per finance ministry, the Indian economy is likely to do better than the projection with the economic activity gaining momentum post relaxation in Covid 19 induced lockdowns and the ongoing rollout of anti-virus vaccines. This recovery is going to continue in coming FY 2021-22 with an estimated GDP growth of 11%, however, the downside risk prevails on account of significant resurge of Covid 19 cases in the initial part of FY22 in a rapid manner.

III. Steel Industry

1. Global Steel Industry

According to World Steel Association (WSA), global crude steel production reached about 1864 million tons in 2020, down by 0.9% compared to the level in 2019. Asia produced 1,374.9 Mt of crude steel in 2020, an increase of 1.5% compared to 2019's level. China's crude steel production in 2020 reached 1,053.0 Mt, up by 5.2% on 2019's level. China's share of global crude steel production increased from 53.3% in 2019 to 56.5% in 2020.

The global steel industry has been impacted due to lockdowns, disrupted supply chains as well as decline in consumption activity across the globe. Financial market volatility and depressed oil prices have further undermined investment. However, the steel market is expected to recover in 2021 provided the pandemic is contained by major economies.

2. Outlook for the Steel Industry

The domestic steel sector has witnessed a strong revival in third quarter of FY 2020-21 regaining the pre COVID19 level because of a combination of factors such as strong retail demand emanating from a thriving rural economy, and green shoots of recovery in white goods and the automobile sector, especially from tractors, passenger vehicles and two-wheelers.

This spree of high demand is likely to continue in FY22 backed by an uptick in the overall consumption; government's efforts to improve infrastructure, coupled with the 'Atmanirbhar Bharat' policy and the Production Linked Incentive (PLI) initiative. Government route for investment on infrastructure and projects such as affordable housing, railway line, metro rail, shipbuilding, oil & gas distribution pipeline projects, etc., should boost steel consumption. Additionally, the government's focus on rural infrastructure projects will also give an impetus to the steel demand. The auto component sector has seen a recovery in the last two quarters on the back of the increased affinity for personal mobility amid the pandemic, and the demand outlook for the next fiscal year remains upbeat after two years of prolonged slowdown.

Steel prices are likely to stay firm as China is not expected to export large volumes owing to a better balance in their domestic market, and there being no other significant exporter in the world market. The margin of large integrated players could further improve on self-sufficiency of iron ore, lower coking coal costs and better fixed cost absorption due to near-normal utilisation rates.

3. Indian Steel Industry:

India could end up producing 93-94 million tonne (MnT) of finished steel in FY 2021, a 10% decline compared to last year's production. In the current fiscal, the domestic steel demand is expected to contract by 9-11 per cent on account of the nationwide lockdowns through April-May 2020 and slower-than-desirable ramp-up in manufacturing activities post that. The demand for steel plunged 55% in the first quarter as the pan-India lockdown brought construction and manufacturing to a near standstill. However, it has recovered sharply since then, with the demand decline limited to only 17 per cent in the first 9 months of FY 2020-21. The government's support to rural income, festive season, has helped in substantial demand recovery for consumption-driven manufacturing goods in the second half. With gradual relaxations in the lockdown measures and pent-up demand from auto & construction sector, mills ramped up capacity utilisation to over 90-95% towards year end from the level of 30-40% in April 2020.

While economic activity and hence steel demand has picked up from the third quarter, the huge blow suffered in the first two quarters is likely to weigh heavy on the full year's data. Steel demand was already under stress as the pandemic marched in, causing stress across downstream segments.

Post fiscal 2020-21, steel demand will drive its growth trajectory to 15 per cent, led by numerous government-led initiatives on infrastructure and housing, as well as the automotive sector.

4. 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 ~32 MnT of Sponge iron in FY 2020-21 as against 37 MnT in FY 2019-20 and witnessed a de-growth of 14%. 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 Q1 and Q2 FY 2020-21 due to pandemic imposing lockdown and supply chain disruptions across many parts of country. Q3 and Q4 have been period of good recovery for DRI industry on account of increased consumption by steel units.

DRI market in FY22 is likely to bounce back on the strong Government push towards construction & infrastructure.

IV. Operational Performance

Financial Year 2020-21 has been the year of a successful turnaround for the Company. During Q1FY 2020-21, the Company remained resilient and adapted working with new scenario. The Company adopted a step by step approach to focus upon its priorities & strategies. As the things moved towards easing out, it has started leveraging the playground laid down in FY 2019-20 and quickly been able to emerge as a winner in the marketplace.

The Performance summary of the Company is enlisted below:

a. **Embracing the new normal:** The nation-wide lockdown, which was imposed from March 25, 2020 due to Covid-19 pandemic adversely impacted economic activities across the country. In this situation, the first and the foremost priority for the Company was health & safety of its employees and communities while managing impact on its customers & suppliers. The Company has rolled out several employee friendly policies, morale building platforms and put in place stringent mechanism on sanitisation and social distancing norms. A cross-company coronavirus steering committee, comprising relevant internal experts, resulted in a well- coordinated agile response across Tata Steel Group. Tata Steel Long Products has also been successful in deploying "POD", one of its kind initiatives pioneered by one of the group companies i.e. Tata Steel BSL limited to restrict COVID 19 spread in its Plants. The POD concept helped the Company achieve Nil operational disruption through- out the year. The Company made very good use of 'Scenario planning' as part of its business planning process which helped chose the optimal scenario while quickly considering the current realities of the external factors.

b. **Quick ramp-up of exports amid weak domestic market:** Key steel consuming segments viz. automotive, infrastructure, capital goods, consumer durables witnessed significant reduction in first two quarters. Muted demand from the consuming sectors coupled with shortage of manpower, liquidity constraints and logistics issues resulted in sharp reduction of steel production and demand in the beginning of the fiscal. Being part of the essential services and process industries, the Company's steel and mining operations were exempt from lockdown measures, but it was very critical for the Company to be flexible in its sales to continue uninterrupted operations. While initially the Company had to curtail its operations, it chose to quickly ramp-up the capacities with a tactical decision of rapidly ramp-up in export volumes and was the first amongst peers to restore the full crude steel production.

c. **Working capital management:** In response to the COVID-19, the Company was focused on managing liquidity and conserving cash. The Company quickly ramped up exports driven collections to increase inflows while minimising outflows by curbing non-essential spends, seeking cooperation from supplying partners in terms of higher credit period, rolling out factoring programme for customers and reprioritising company's capital expenditure. In addition, the Company also availed relaxations provided by the RBI. All these efforts helped the Company manage its liquidity and stay afloat during the Q1FY 2020-21.

d. **Strategic focus – "The Turnaround":** After acquiring the steel business assets in early April 2019 and the mining assets in July 2019, TSLP has been heading continuously on a pathway to transform its business operations and firmly establish its presence in the market place. Strategic focus has always been to lay down strong foundation for creating a sustainable organisation. To drive the transformation and turnaround, the Company embarked on a phased journey since FY 2019-20-Stabilisation to Sustenance of increased sales.

Following have been the major phases in FY 2020-21:

Ramp up and diversification: There were increased opportunity in the market in Q2FY 2020-21 post-COVID lockdown relaxations and company could take full advantage of this opportunity by increasing its production and achieving best quarterly sales of Steel and DRI post acquisition. Agriculture segment was going at a great rate owing to good monsoon and the Company achieved a 3X Y-O-Y market share growth in this segment.

Embarking on a sustainable path: The industry has shown a V-shaped recovery in terms of demands, across all segments, and it has made possible for TSLP to continue to diverse its product portfolio to more value-added products while also scaling up. Despite the initial set back due to the pandemic induced situation, the Company has been able to increase its steel production and sales by 11% and 25% respectively as against industry de-growth@ 14%.

In summary, all the initiatives taken by the Company during the last two years (Transformation, Synergy / group strategic procurement, etc.) have resulted in building the strong fundamentals for the Company.

FY 2020-21 EBITDA registered 6X growth with a positive PBT of ₹615 crore. The Company, through its strong liquidity management, has successfully deleveraged its balance sheet by 50% during the year by prepaying 12 instalments much ahead of schedule.

e. 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 to the steel scrap) in the electric arc furnaces or induction furnaces.

Steel Business: FY 2020-21 was challenging year for everyone and so for TSLP, too. Since it was second year after the acquisition, it was very important for TSLP to ramp up its production and diversify its product portfolio. But pandemic brought a stalemate in domestic demand in the first two quarters of the year. However, TSLP was able to continue its production by routing its sales to export. Thereafter, over the quarters, TSLP took several initiatives at the marketplace and consistently improved its presence through increase in share of business with the existing customers and acquisition of **12** new customers. TSLP could increase its crude steel production by 11% Y-O-Y with best BF productivity of 3.15/MT/M3/Day across India (for similar size of furnace). **The overall market share in special steel business has improved from 13% in FY 2019-20 to ~15% in FY 2020-21.** The Company has also developed total 50 new products during the year with increase of 47% (Y-O-Y). TSLP was also able to receive 12 prestigious approvals from reputed OEMs. To ensure customer delight, TSLP has taken many steps to make its quality control process robust and was able to achieve lowest ever customer complaint of 244 PPM as against 866 PPM in FY 2019-20.

Product wise Sales performance (All figures in kT)

Particulars	FY 2020-21
Straight Length (Bar & Blooms)	239
Wire Rod	291
Billet	108
Total Steel Sales	**639**

Sponge/DRI: Despite of Covid challenges, when the domestic demand was completely muted during the start of Q1, the Company proved its credibility by promptly shifting to exports. With the Domestic market rebounding in later quarters, the production level was ramped up to the normal levels. The Company eventually achieved an overall production of 797 kT with an increase of 4% w.r.t FY 2019-20 despite the setback in the first quarter.

FY 2020-21 witnessed scarcity of Iron ore & decline in coal prices. While the Company could achieve almost same level of sales of FY 2019-20 (511 kT), its margin improved riding on better market realisations and operational efficiencies.

f. Operational Excellence: Shikhar is a single integrated transformation program for Tata Steel Long Products to drive the culture of continuous improvement across the Organisation. This was launched on May 27, 2019 post acquisition of UML business. Since its launch, the program is continuously yielding the results.

Shikhar Program works across the entire steel & DRI value chain to improve operational efficiency, lower costs, optimise product mix and supply chain, reduce and recycle waste and improve energy efficiency through its nine Impact Centers covering the entire value chain. The program is focused on EBITDA improvement by immediate execution of identified ideas, along with harder-to-attain goals. Unique methodology & tools such as Best Demonstrated Performance (BDP), peer benchmarking, zero based budgeting, optimisers, value in use lens, cross functional collaborations are adopted to hunt for value-creation opportunities & pursue change-related goals. Shikhar program has now sustained momentum for greater than 2 years at TSLP with transformation supported by improved rigor & robust review cadence (weekly at mentor's level & monthly at MD's level). It has created a culture of performance and excitement geared towards improvement via structured reward & recognition for the change drivers. In the current Financial Year impacted by COVID-19, Shikhar took the challenge and worked on various aspects of fixed cost to ensure reduced expenditure & maintain healthy cashflow. Demonstrating the zeal to pursue operational excellence, 70+ new trials were conducted across the plant to establish new operating paradigm (reduced Prime Hard Coking Coal percentage in coal blend for coke, use of char & middling's in thermal coal blend for Captive Power Plant, reduced fuel consumption in mills by usage of alternate fuels, etc.). In supply

chain area, the Company has been able to increase its rake handling capacity up to 150% by improving the siding efficiency. With estimated improvement savings of 400+ crore in the current Financial Year, Shikhar program has contributed to improvement of EBITDA & has been pivotal in staging the Turnaround of TSLP.

V. Financial Performance:

During FY 2020-21, the Company recorded a stellar financial performance across parameters with a strong focus on cash flow and deleveraging. The blended realisation grew quarter on quarter supported by sales ramp up and mix enrichment as the economy started opening-up with a good rebound in the market sentiments post Q1FY 21. This has resulted in the revenue growth of 36% (Y-O-Y). In addition, the Company's continued focus on operational improvement through Shikhar initiatives and curbing all non-essential spend has resulted in multifold growth of EBITDA along with crossing the landmark of ₹1,000 crore. The Company posted an EBITDA margin of 24% at ₹1,154 crore in FY 2020-21 as against ₹184 crore in FY 2019-20. During the year the Company has focused aggressively in managing liquidity and maximising cash. During Q1 FY 21 when the domestic markets were closed, exports volume have been ramped up to increase cash flows coupled with managing the line items wise receivable, payables and raw material orders through Daily War room meetings. Credit sales have been converted to cash sales by increasing Letter of Credits, financing and factoring arrangement. In totality, ₹589 crore of cash has been released from the working capital reducing the Gross working capital cycle by more than a month. The release of fund from working capital coupled with healthy EBITDA level helped the Company to deleverage the Balance sheet in a big way. Gross debt has been prepaid to the tune of ₹1,325 crore thereby clearing all the long-term loan installments dues upto March 2027. This has also resulted in the savings of Finance & interest cost by ~20%. The Company has registered a +ve PBT of ₹615 crore in FY 2020-21 as against loss of ₹369 crore in FY 2019-20. Earnings per share has reached to ₹127 with a price earning ratio of 6 times. The share prices have continuously been trending upwards from the beginning of the year and grown by 285% as compared to Sensex increase of 68% from March 2020 to March 2021 level.

a. Revenue from operations

(₹ in crore)

	Standalone			Consolidated		
	FY 21	FY 20	Change %	FY 21	FY 20	Change %
Sale of products	4,359	3,321	31%	4,359	3,321	31%
Sale of power	51	60	-14%	51	60	-14%
Income from services	195	47	310%	195	47	310%
Other operating revenue	145	62	133%	145	62	133%
Total revenue from operations	**4,750**	**3,490**	**36%**	**4,750**	**3,490**	**36%**

During the year under review, sale of products was higher as compared to that of the previous year, primarily due to increase in volumes and higher realisations. The Company recorded sales of 639 kT which is 25% higher than previous year. Continued focus towards mix enrichment resulted in 20% growth in Rolled product sales coupled with 38% increase in Alloy wire Rod (highest ever) sales for FY 2020-21 on Y-O-Y basis. Income from services primarily includes revenue from conversion of iron ore into pellet, the activity started in Q4 FY 20 and hence numbers are not comparable on Y-O-Y basis.

b. Cost of materials consumed

(₹ in crore)

	Standalone			Consolidated		
	FY 21	FY 20	Change %	FY 21	FY 20	Change %
Cost of Materials consumed	2,182	2,392	-9%	2,182	2,392	-9%

During the year under review, cost of materials consumed decreased primarily due to lower cost of imported coal, higher captive ore availability negated partially by increase in bought out iron ore prices.

c. Employee benefits expense

(₹ in crore)

	Standalone			Consolidated		
	FY 21	FY 20	Change %	FY 21	FY 20	Change %
Employee benefit expenses	215	192	12%	215	192	12%

During the year under review, employee benefit expenses have increased due to provision for expected shortfall in interest between guarantee rate on PF and expected rate of return on investments.

d. Depreciation and amortisation expense

(₹ in crore)

	Standalone			Consolidated		
	FY 21	FY 20	Change %	FY 21	FY 20	Change %
Depreciation and amortisation expenses	327	311	5%	327	311	5%

During the year under review, Depreciation and amortisation expenses has increased due to increase in amortisation expenses.

e. Other expenses

(₹ in crore)

	Standalone			Consolidated		
	FY 21	FY 20	Change %	FY 21	FY 20	Change %
Other Expenses	1,198	962	25%	1,198	962	25%

f. Other Expenses represents the following expenditure:

(₹ in crore)

Particulars	Standalone			Consolidated		
	FY 21	FY 20	Change %	FY 21	FY 20	Change %
Consumption of stores and spare parts	275	276	0%	275	276	0%
Fuel oil consumed	94	85	10%	94	85	10%
Purchase of power	55	51	9%	55	51	9%
Rent	5	4	31%	5	4	31%
Repairs to buildings	11	9	24%	11	9	24%
Repairs to machinery	122	103	18%	122	103	18%
Insurance	11	7	56%	11	7	56%
Rates and taxes	29	14	103%	29	14	103%
Freight and handling charges	332	236	40%	332	236	40%
Commission, discounts and rebates	2	1	90%	2	1	90%
Packing and forwarding	8	8	3%	8	8	3%
Royalty	152	75	n/a	152	75	n/a
Legal and professional costs	11	17	(36)%	11	17	(36)%
Advertisement, promotion and selling expenses	0	0	(45)%	0	0	(45)%
Travelling expenses	4	8	(53)%	4	8	(53)%
Net Loss on foreign currency transactions	3	16	(82)%	3	16	(82)%
Corporate social responsibility expenses	1	3	(83)%	1	3	(83)%
Provision for doubtful advances	0	3	n/a	0	3	n/a
Loss on disposal of property plant and equipment	10	2	363%	10	2	363%
Other general expenses	62	42	466%	62	42	466%
Net loss on fair value changes of financial assets / liabilities carried at FVTPL	13	0	n/a	13	0	n/a
Total Other expenses	**1,198**	**962**	**25%**	**1,198**	**962**	**25%**

Other expenses were higher as compared to those of the previous Financial Year primarily on account of higher freight and handling charges mainly due to increased volumes, increase in royalty expense due to higher rates & increased volumes.

g. Finance costs and net finance costs

(₹ in crore)

	Standalone			Consolidated		
	FY 21	FY 20	Change %	FY 21	FY 20	Change %
Finance cost	235	293	(20)%	235	293	(20)%
Net finance cost	212	242	(12)%	212	242	(12)%

During the year under review, finance costs decreased mainly on account of prepayment of term loan installments of ₹1,325 crore along with lower interest rate.

h. Exceptional items

(₹ in crore)

	Standalone			Consolidated		
	FY 21	FY 20	Change %	FY 21	FY 20	Change %
Acquisition related expenditures	0	27	n/a	0	27	n/a
Provision for coal block performance obligation	0	134	n/a	0	134	n/a

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

(₹ in crore)

	Standalone			Consolidated		
	FY 21	FY 20	Change %	FY 21	FY 20	Change %
Property, Plant and Equipment	3,823	4,071	(6)%	3,823	4,071	(6)%
Capital work-in-progress	24	37	(35)%	24	37	(35)%
Goodwill	6	6	0%	6	6	0%
Right-of-use assets	224	240	(7)%	224	240	(7)%
Other Intangible assets	289	298	(3)%	289	298	(3)%
Total property, plant & equipment (PPE) including intangibles	**4,365**	**4,652**	**(6)%**	**4,365**	**4,652**	**(6)%**

The movement in total PPE including intangible assets is lower primarily on account of depreciation charge for the year, partly offset by additions made during the year

j. Investments

(₹ in crore)

	Standalone			Consolidated		
	FY 21	FY 20	Change %	FY 21	FY 20	Change %
Investment in Subsidiary, JVs and Associates	21	17	18%	20	16	20%
Investments-Non-current	0	0	Na	0	0	Na
Investments – Current	0	0	Na	1	1	0
Total Investments	**21**	**17**	**18%**	**21**	**17**	**18%**

The increase in investment in Subsidiary, JVs and associates represents fair valuation gain.

k. Inventories

(₹ in crore)

	Standalone			Consolidated		
	FY 21	FY 20	Change %	FY 21	FY 20	Change %
Raw materials	551	470	17%	551	470	17%
Finished and semi-finished goods	203	259	(22)%	203	259	(22)%
Stores and spares	60	67	(12)%	60	67	(12)%
Total Inventories	**813**	**797**	**2%**	**813**	**797**	**2%**

Raw material inventories increased over that of previous year mainly due to increase in coal and iron ore inventory owing to higher rates and quantities. Finished and semi-finished inventory decreased as compared to that of the previous year mainly due to decrease in quantities, partly offset by higher rates.

l. Trade receivables

(₹ in crore)

	Standalone			Consolidated		
	FY 21	FY 20	Change %	FY 21	FY 20	Change %
Gross trade receivables	98	182	(46)%	98	182	(46)%
Less: allowance for credit losses	(23)	(26)	11%	(23)	(26)	11%
Net trade receivables	75	156	(52)%	75	156	(52)%

Decrease in trade receivables as compared to that of previous year is primarily due to aggressive collection measures.

m. Gross debt and net debt

(₹ in crore)

	Standalone			Consolidated		
	FY 21	FY 20	Change %	FY 21	FY 20	Change %
Gross debt*	1,424	2,755	48%	1,424	2,755	48%
Less: Cash and Bank balances (incl. Non-current balances)	283	162	74%	283	162	74%
Less: Current investments	0	0	n/a	1	1	n/a
Net debt	1,142	2,593	56%	1,140	2,591	56%

*Gross debt reduced due to prepayment of Term loan installment of ₹1,325 crore

n. Cash Flows

(₹ in crore)

	Standalone			Consolidated		
	FY 21	FY 20	Change %	FY 21	FY 20	Change %
Net cash generated /(used)from operating activities	1,690	(336)	(603)%	1,690	(336)	(603)%
Net cash (used) in investing Activities	91	(3,574)	(103)%	91	(3,574)	(103)%
Net cash generated/(used) from financing activities	(1,559)	3,805	(141)%	(1,559)	3,805	(141)%
Net (decrease)/increase in cash and cash equivalents	221	(105)	(310)%	221	(105)	(310)%

a) Net cash generated from operating activities – The cash inflow from operating profit before working capital changes and direct taxes during the current year was ₹1,107 crore as against ₹155 crore during previous year reflecting higher operating profits. Cash inflow from working capital changes was ₹589 cores as against cash outflow of ₹483 crore during the previous year, mainly on account of decrease in inventories & increase in liabilities. The payment of income taxes during the current year was 6 crore as against 7 crore during previous year.

b) Net cash used in investing activities – During the current year, the net cash inflow from investing activities was ₹91 crore as against ₹3,574 crore outflow during the previous year. The outflow in FY 2019-20 broadly represents payment for acquisition of steel business amounting to ₹3,906 crore.

c) Net cash generated from financing activities – During the current year, the net cash outflow from financing activities was ₹1,559 crore against cash inflow of ₹3,805 crore during the previous year. Cash outflow during the current year included prepayment of term loan of ₹1,325 crore. Previous year inflow includes proceeds from borrowings and rights issue (net of issue expenses) of ₹4,123 crore in FY 2019-20 broadly represents payment for acquisition of steel business amounting to ₹3,906 crore.

o. Changes in key financial ratio

	FY 21	FY 20	Change %
Debtors' turnover ratio[1]	41.12	29.79	38%
Inventory turnover ratio	5.90	7.65	(23)%
Interest coverage ratio	3.90	(0.79)	(593)%
Current ratio[2]	0.79	0.93	(15)%
Net debt to equity ratio	0.50	1.67	(70)%
Operating profit margin (%)[3]	23.13	4.39	427%
Net Profit margin (%)[4]	11.85	(14.46)	182%
Return on average net worth (%)[4]	24.81	(33.31)	174%

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 at year end.
3. Operating profit margin has primarily increased on account of higher sales margins during the year.
4. Net profit margin and return on average net worth has increased due to increase in operating profit margin, lower finance costs during the year.

VI. Human Resources management and Industrial Relations

As on March 31, 2021, the Company had 2,395 employees. The Company strongly believes in the policy of hiring the right talent for the right position in right time, with a focus to improve employee productivity. To abide by this policy, TSLP has a two-pronged approach for filling its talent pipeline, internally and then externally. TSLP is committed to nourish and develop internal talent and therefore Internal Job Postings, promotions and cross location-based job rotations were done as part of the process. With a challenge to attract the best minds of the country during the lockdown period and Covid 19 restriction, our team conducted the entire process using online platforms, including the campus selections. To retain the talent, the team thoughtfully created and launched 41 people centric policies, leading to an Employee Engagement score of 80%, a healthy score at overall level and in top quartile zone in comparison with benchmark.

The Company, has successfully maintained cordial and productive relationships with its workforce through effective Industrial Relations management. This is largely attributed to the Management's concern for its employees and the proactive yet cooperative attitude of the employee trade union. In Jamshedji Tata's own words, "We do not

claim to be more unselfish, more philanthropic than other people. But we believe in sound and generous business principles and regard the health and the welfare of our employees as a sure foundation of our prosperity". TSLP has formulated and implemented Policies/Programmes/ Schemes/Projects for providing Social Security and Welfare, regulating Conditions of Work, Occupational Health and Safety of Workers, promoting Harmonious Industrial Relations.

VII. Digital Transformation

TSLP aspires to become a benchmark in coal-based sponge iron operation by adopting best practices, innovating and exploring new opportunities in the process, contribute to community development and nation building. To achieve the same, some major digital initiatives are being taken. One such initiative is implementing Digital Twin for DRI plant for both Joda and Gamharia. A Central Virtual Command Centre is being established to enable Remote Manufacturing & Operations. This will help to improve Productivity, Quality and Cost Reduction through process optimisation by adopting Industry 4.0 approach. Another major digital transformation is bringing in different versions of SAP of TSLP into single and latest platform of SAP S/4HANA. This will ensure Uniform IT Landscape, Latest updates in a single-go for all group companies, Scalability – Ease of on-boarding new organisation unit (plug and play), Bringing all organisation data to central platform for group level view to Senior Management. IT is an enabler for many Shikhar initiatives of the organisation. In human resources front, an IT enabled reward and recognition platform is created to build a culture of recognition and appreciation at workplace, to increase employee engagement, to inculcate the sense of pride & belongingness towards the organisation. Not only this, with the sudden hit of pandemic, work from home became the new normal for working. Agility in IT and Digital front became the need of the hour. From the day of 1st announcement of nation-wide lockdown (March 23, 2021) on an average 600 persons are working from home seamlessly connecting to the secured company network. With the laptops getting obsolete and vulnerable a need was felt to replace all the such laptops and providing laptop to all eligible employees. In order to achieve this, an asset refreshment drive is initiated where in phase-1 around 450 laptops were refreshed and in phase -2 another 850 laptops will be refreshed.

VIII. Effect of COVID-19 Pandemic on the Company

Vulnerable communities across the country had to face several challenges during the times of COVID-19; and it was no different in our close surroundings. specially for the section with deeply entrenched poverty, village children who were neither prepared nor could afford virtual tutoring, migrant workers who had to return with a bleak future, local labourers falling prey to the economic impact of ongoing crisis, petty shopkeepers whose only source of daily income came to a standstill and there may be other effected communities. Even seemingly simple measures to keep the spread of COVID-19 at bay, such as maintaining social distance, use of proper mask & sanitisers, washing hands with water and soap, were mere luxuries to many. While there were no exigent pressure or representations, as a responsible corporate citizen, the Company genuinely felt concerned about the wellbeing of these hapless people.

The management came to the rescue to every section of the community, through its customised approach. There were instant arrangements for long supply of dry ration and cooked food, to prevent any casualty out of hunger. This also included constant coordination and persuasion with the local administration to normalise supply of basic amenities. Free masks & sanitisers were distributed to those who could not afford. Special arrangements were made to build virtual set up for village children through tailored programs so that they did not miss out on regular classes. Direct & indirect job opportunities were created for the migrant workers – many of them subsequently decided not to return to their earlier jobs. Soft loans and arrangements were made for the petty shopkeepers to reinstate their business. As a policy, company arranged to disburse full payment of the wages to every such contract worker who could not come to the plant due to lockdown restrictions, for the entire period of his/her absence. Company has now also organised administration of free vaccines for all those labourers working in our plants. Besides, the Company also extended able support to the local administration and public health centres in equipping them to effectively continue their treatments. And the impact has been all pervasive as the normalcy was restored in quick time.

IX. Risks & Opportunities

COVID-19 has changed the way organisations conduct businesses. As organisations have been forced to enact preparedness and business continuity plans, Enterprise Risk Management (ERM) is more important than ever before. TSLP had proactively embraced 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 the ones prescribed by the SEBI Listing Regulations and Companies Act, 2013.

In its journey towards risk intelligence, a robust risk governance is developed across the organisation and is driven by the Risk Management Committee of the Board. The Company also has an Apex committee who is

responsible for the successful implementation of the ERM process across the Company.

The Company has rolled out a 5 step ERM process (establish context, risk identification, risk assessment & evaluation, mitigation & monitoring and review & report) for holistic risk identification across the organisation. The Company through the ERM framework has identified several strategic, macroeconomic, financial, operational, regulatory, and other risks. Post the identification of these risks, the Company has also assessed these risks and developed short term and long-term plans to mitigate or reduce these risks. The Company is also focusing upon the capability building of the employees to make every manager as a Risk manager.

Some of the key learnings from FY 2020-21 which have a large bearing on the Risk & opportunity management are as follows:

a) the Company's likely inability to keep pace with the changing customer and competitive landscape that could lead to inferior product mix/loss of market share in chosen markets;

b) normalisation of spread level on account of rebalancing of demand & supply or regulatory interventions will lead to lower profitability;

c) the likely volatility in coal prices on account of supply chain disruptions or geo-political issues that could lead to higher cost of production;

d) Health disruptions can be more severe than the world war crisis- the interdependencies across the value chain to be understood better;

e) Liquidity remains the core of the business and the organisation's ability to recalibrate its priorities and agile decision making helps to build resilience;

f) Digital journey is getting fast paced with an equal importance to the digital mindset.

Some of the opportunities which TSLP is trying to ride upon are listed below:

- Capitalise on growth potential posed by rising India and self- reliant initiatives of Government viz. strengthening the domestic manufacturing through production linked incentive etc.
- Fast paced technological and digital changes provide opportunity to grow in new segment and transform the business models.
- Increasing thrust of the government on climate change provides an opportunity to take leadership role in sustainability by generating value through circular economy.
- As steel industry is going through the consolidation phase, it offers opportunity for TSLP to grow at a faster pace through in-organic route.

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

X. Internal control system and their adequacy

The Board of Directors 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 quick remediation of deviations, if any. 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.

XI. Statutory Compliances

The Managing Director, after obtaining confirmation from each of the departments, makes a quarterly reporting to the Board regarding the compliance with the provisions of various statutes, applicable to the Company.

An enterprise-wide digital compliance management tool has been implemented across all locations of the Company to help monitor compliance real-time across the organisation. Due systems and processes are in place to ensure effectiveness of this tool.

The Company Secretary, being the Compliance Officer, ensures compliance with the relevant provisions of the Companies Act, 2013 and SEBI Listing Regulations.

ANNEXURE 3

Annual Report on Corporate Social Responsibility (CSR) Activities

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

1. Brief outline on CSR Policy of the Company.

In alignment with the Tata Steel Group philosophy, Tata Steel Long Products (TSLP) has always believed in positively impacting the lives of people and communities in its vicinity, besides being mindful of its social accountability, respecting applicable laws and human dignity.

To this effect, TSLP will make strategic interventions through volunteerism, facilitation and providing resources for community development programs, with emphasis on providing essential services, education and avenues for livelihood generation. The Company will work towards the growth & well being of the community in its proximate surrounding of its operating locations, with a clear principle of collaboration and sustainability.

TSLP will also positively impact and influence its employees in fostering a sense of social commitment for the community.

2. Composition of Corporate Social Responsibility (CSR) Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Srikumar Menon	Non-Executive, Independent	3	2
2	Dr. Ansuman Das	Non-Executive, Independent	3	3
3	Mr. Ashish Anupam	Executive Non-Independent	3	3

3. The web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company are provided below:

The composition of the CSR Committee:	www.tatasteellp.com
CSR Policy:	https://www.tatasteellp.com/wp-content/uploads/2020/05/TSLP_CSR_Policy1.pdf
CSR Projects as approved by the Board:	https://www.tatasteellp.com/wp-content/uploads/2021/06/CSR-Approved-Programmes-by-Board-during-FY21.pdf

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

Not conducted, as there was no expenditure beyond ₹1 crore/project.

5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the Financial Year, if any:

Sl. No.	Financial Year	Amount available for set-off from preceding Financial Years (in ₹)	Amount required to be set- off for the Financial Year, if any (in ₹)
		Not Applicable	

6. Average net profit of the Company as per section 135(5) of the Companies Act, 2013: ₹7,81,22,379

7. (a) Two percent of average net profit of the Company as per section 135(5) of the Companies Act, 2013: ₹15,62,448

(b) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years: Nil

(c) Amount required to be set off for the Financial Year, if any: Nil

(d) Total CSR obligation for the Financial Year (7a+7b-7c): ₹15,62,448

8. (a) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
55,78,318*	Nil	N.A.	N.A.	Nil	N.A.

* After netting of ₹32,40,000/- received from Government of Odisha for deployment of Swatch Bharat Mission project on account of construction of toilets.

(b) Details of CSR amount spent against ongoing projects for the Financial Year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Project Name	Item from the list of activities in Schedule VII to the Companies Act, 2013 (Section 135)	Local area (Yes/No)	Location of the project		Project duration	Sum of amount allocated for the project (in ₹)	Sum of amount spent in the current Financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation- Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
Not Applicable												

(c) Details of CSR amount spent against other than ongoing projects for the Financial Year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Project Name	Item from the list of activities in schedule VII to the Companies Act, 2013 (Section 135)	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementtation- Direct (Yes/No)	Mode of implementation- Through implementing agency	
				State	District			Name	CSR registration number
1	Prarambh	(ii)	Yes	Odisha	Keonjhar	5,68,897	Yes	NA	NA
			Yes	Jharkhand	West Singhbhum	2,65,000	Yes	NA	NA
2	Vidyarthi	(ii)	Yes	Odisha	Keonjhar	22,40,300	Agency	Gram Vikas	CSR00000596
3	Protsahan	(ii)	Yes	Odisha	Keonjhar	3,41,421	Yes	NA	NA
			Yes	Odisha	Keonjhar	4,50,000	Yes	NA	NA
4	Upachar	(i)	Yes	Jharkhand	Seraikela-Kharsawan	1,46,000	Yes	NA	NA
			Yes	Odisha	Keonjhar	76,688	Yes	NA	NA
			Yes	Jharkhand	Seraikela-Kharsawan	22,000	Yes	NA	NA
5	Sakshyam	(ii)	Yes	Jharkhand	West Singhbhum	1,38,000	Yes	NA	NA
			Yes	Odisha	Keonjhar	1,57,301	Yes	NA	NA
			Yes	Jharkhand	Seraikela-Kharsawan	1,00,000	Yes	NA	NA
6	Krida	(vii)	Yes	Jharkhand	West Singhbhum	2,67,000	Yes	NA	NA
			Yes	Odisha	Keonjhar	49,037	Yes	NA	NA

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Project Name	Item from the list of activities in schedule VII to the Companies Act, 2013 (Section 135)	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementtation- Direct (Yes/No)	Mode of implementation- Through implementing agency	
				State	District			Name	CSR registration number
			Yes	Jharkhand	Seraikela-Kharsawan	11,315	Yes	NA	NA
7	Ama Sanskriti	(v)	Yes	Jharkhand	West Singhbhum	50,000	Yes	NA	NA
8	Rural Development	(x)	Yes	Odisha	Keonjhar	99,799	Yes	NA	NA
			Yes	Odisha	Keonjhar	5,26,184	Yes	NA	NA
			Yes	Jharkhand	Seraikela-Kharsawan	81,000	Yes	NA	NA
9	COVID assistance	(xii)	Yes	Jharkhand	West Singhbhum	57,000	Yes	NA	NA
			Yes	Odisha	Keonjhar	6,41,072	Yes	NA	NA
			Yes	Jharkhand	Seraikela-Kharsawan	20,21,000	Yes	NA	NA
			Yes	Jharkhand	West Singhbhum	3,32,000	Yes	NA	NA

(d) Amount spent in Administrative Overheads: ₹1,89,490

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year: ₹*88,18,318

*Gross amount before adjustment of ₹32,40,000/- received from Govt. of Odisha for deployment of Swatch Bharat Mission project on account of construction of toilets.

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	15,62,448
(ii)	Total amount spent for the Financial Year	55,78,318
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	40,15,870
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	Nil
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	*40,15,870

* The Company does not propose to avail any set-off, against the excess amount spent in FY 2020-21, for succeeding Financial Years

9. (a) Details of Unspent CSR amount for the preceding three Financial Years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding Financial Years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NA	NA	Nil	NA	NA	Nil	NA	NA

(b) Details of CSR amount spent in the Financial Year for ongoing projects of the preceding Financial Year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project Completed /Ongoing
NA	NA	NA	NA	NA	Nil	Nil	Nil	NA

Note : The project initially took into consideration provision of piped water in each of the targeted villages. Subsequently, Government of Odisha started implementing the water project under its program "Basudha" which significantly reduced the total implementation cost and revised project cost stood at ₹3.69 crore. With the said revised cost of ₹3.69 crore, the Company has completed its 1st Phase of Swabhiman Project by constructing 800 toilets & bathrooms in one of its locations at Joda.

10. Details of creation or acquisition of capital asset acquired through CSR spent in the Financial Year

(a) Date of creation or acquisition of the capital asset(s): None
(b) Amount of CSR spent for creation or acquisition of capital asset: Nil
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Sd/-
Srikumar Menon
Chairman
CSR Committee
DIN: 00470254

Sd/-
Ashsish Anupam
Managing Director
DIN: 08384201

Date: April 20, 2021
Place: Kolkata

ANNEXURE 4

Report on Corporate Governance

1. Company's Philosophy on Code of Governance

Tata Steel Long Products ("TSLP" / "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 the shareholders' value and protect the interest of all other stakeholders.

The prime objective of practicing good corporate governance 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, the Company follows the principles of transparency, disclosure, fairness, independent supervision, healthy competition, provisions of equal opportunity in employment, political non-alignment, promotion of health, safety and welfare, production of quality products and services, compliance with all applicable laws, rules and regulations, improvement in quality of life and meeting social obligations. Adoption of Tata Business Excellence Model, Tata Code of Conduct ("TCoC / Code"), Code of Affirmative Action etc. have strengthened the Company's philosophy of good corporate governance practices.

2. Code of conduct

The Company has a strong legacy of fair, transparent and ethical governance practices.

The Company has adopted the TCoC for Executive Directors ('EDs'), Senior Management Personnel and other Executives and Employees, which is available on the website of the Company at 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 for Non-Executive Directors ('NEDs') which includes the Code of Conduct of Independent Directors ('IDs') as laid down in the Companies Act, 2013 ('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 has adopted the Tata Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ('Insider Trading Code') in compliance with the SEBI Insider Trading Regulations.

4. Board of Directors

The Board of Directors ('Board') is at the core of corporate governance practices to oversee and ensure that the Management serves and protects the long-term interest of all stakeholders of the Company.

The Company believes 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 (10) Directors, out of which five (5) are ID, four (4) are NED and one (1) is ED. Therefore, majority of Board comprises of IDs. The Chairperson 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 Obligations and Disclosure Requirements) Regulations,2015 as amended ("SEBI Listing Regulations") read with Section 149 of the Companies Act, 2013 ("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 other 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 their duties. Based on the declarations received from the Independent Directors, the Board has confirmed that they meet the criteria of independence as laid down in 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, 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 2020-21, none of our Directors acted as Member in more than 10 committees or as Chairperson in more than 5 committees across all listed entities where they serve as Directors.

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

Name of the Director	No of Directorship in other public companies*		No of Board committee positions in other public limited companies~		Attendance at the last AGM held on September 14, 2020	Directorship in other listed entity (Category of Directorship)
	Chairperson	Member	Chairperson	Member		
Non-Executive, Non-Independent Directors						
Mr. T. V. Narendran (Chairperson) DIN: 03083605	3	4	-	-	Yes	a) Tata Steel Limited (Chief Executive Officer and Managing Director) b) Tata Steel BSL Limited (formerly Bhushan Steel Limited) (Non-Executive, Non-Independent Director) c) TRF Limited (Non-Executive, Non-Independent Director)
Mr. Koushik Chatterjee DIN: 00004989	2	3	1	4	Yes	a) Tata Steel Limited (Executive Director and Chief Financial Officer) b) Tata Metaliks Limited (Non-Executive, Non-Independent Director) c) The Tinplate Company of India Limited(Non-Executive, Non-Independent Director) d) Tata Steel BSL Limited (formerly Bhushan Steel Limited) (Non-Executive, Non-Independent Director) e) TRF Limited (Non-Executive, Non-Independent Director)
Mrs. Meena Lall DIN: 05133322	1	4	-	2	Yes	-
Dr. Debashish Bhattacharjee@ DIN: 00060737		1			NA	-
Independent Directors						
Dr. Sougata Ray DIN: 00134136	-	3	1	1	Yes	a) The Tinplate Company of India Limited (Non-Executive, Independent Director)
Dr. Ansuman Das DIN: 02845138	-	2	-	2	Yes	a) TRF Limited (Non-Executive, Independent Director)
Mr. Srikumar Menon DIN:00470254	-	1	-	1	Yes	a) Tata Steel BSL Limited (formerly Bhushan Steel Limited) (Non-Executive, Independent Director)

Name of the Director	No of Directorship in other public companies*		No of Board committee positions in other public limited companies~		Attendance at the last AGM held on September 14, 2020	Directorship in other listed entity (Category of Directorship)
	Chairperson	Member	Chairperson	Member		
Mr. Shashi Kant Maudgal DIN: 00918431	-	2	-	1	Yes	b) Tata Steel BSL Limited (formerly Bhushan Steel Limited) (Non-Executive, Independent Director) c) The Tinplate Company of India Limited (Non-Executive, Independent Director)
Ms. Neeta Karmakar DIN:08730604	-	-	-	-	Yes	-
Mr. P. C. Parakh ^ DIN: 01305775	-	-	-	-	NA	-
Executive Director						
Mr. Ashish Anupam DIN: 08384201	-	2	-	-	Yes	-

**Directorships in Indian Public Companies (listed and unlisted) excluding Tata Steel Long Products Limited and Section 8 Companies.*

@Dr. Debashish Bhattacharjee was appointed as Additional (Non-Executive, Non-Independent) Director(s) effective October 13, 2020.

^Mr. P. C. Parakh ceased to be the Director of the Company effective August 20, 2020, on completion of his tenure.

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

None of the non-executive Directors holds any shares or convertible instruments in the Company, during the year under review.

There are no inter-se relationship between the Directors of the Company.

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

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	*	*	*		*	*	*
Dr. Debashish Bhattacharjee	*	*	*	*		*	*
Mrs. Meena Lall	*	*	*			*	*
Mr. Ashish Anupam	*	*	*	*	*	*	*

~Mr. P.C. Parakh ceased to be the Independent Director of the Company, effective August 20, 2020, on completion of his tenure.

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. Details of orientation given to the existing independent directors during FY'21 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/2021/04/Familiarization-Independent-Directors-2020-21.pdf.

Performance Evaluation Criteria for Independent Directors

The Nomination and Remuneration Committee ("NRC") has formulated a Policy for evaluation of the Board, its Committees and Directors and the same has been approved and adopted by the Board. The details of Board Evaluation forms part of the Boards' Report.

Remuneration Policy for Board and Senior Management

The Board has approved the Remuneration Policy for Directors, Key Managerial Personnel ('KMP') and all other employees of the Company. The same is available on our website www.tatasteellp.com/performance-corporate-governance/. Details of remuneration for Directors in Financial Year 2020-21 are provided in Table 3 below.

Table 3: Shares held and cash compensation paid to Directors for the year ended March 31, 2021

₹ in lakhs

Name	Fixed Salary				Commission[5]	Sitting Fees	Total Compensation	Shares held (Nos.)
	Basic	Perquisite / Allowance	Performance Pay and Long Term Incentive Pay	Total Fixed Salary				
Non-Executive, Non-Independent Directors								
Mr. T.V. Narendran [1]	-	-	-	-	-	-	-	-
Mr. Koushik Chatterjee[1]	-	-	-	-	-	-	-	-
Dr. Debashish Bhattacharjee[1] [2]	-	-	-	-	-	-	-	-
Mrs. Meena Lall[1]	-	-	-	-	-	-	-	-
Independent Directors								
Mr. Srikumar Menon	-	-	-	-	9.00	3.75	12.75	-
Mr. P. C. Parakh[3]	-	-	-	-	10.00	1.10	11.10	-
Dr. Sougata Ray	-	-	-	-	10.00	4.15	14.15	-
Mr. Shashi Kant Maudgal	-	-	-	-	10.00	5.15	15.15	-
Dr. Ansuman Das	-	-	-	-	13.00	4.55	17.55	-
Ms. Neeta Karmakar	-	-	-	-	8.00	3.15	11.15	-
Executive Directors								
Mr. Ashish Anupam[4]	45.61	81.33	88.23	215.17	-	-	215.17	20[6]

Notes:

1. 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 Companies.
2. Dr. Debashish Bhattacharjee was appointed as Additional Non-Executive Non-Independent Director on the Board effective October 13, 2020.
3. Mr. P.C. Parakh ceased to be the Independent Director of the Company, effective August 20, 2020, on completion of his tenure.
4. Mr. Ashish Anupam, Executive Director is eligible for payment of any severance fees and the contracts with Executive Directors may be terminated by either party giving the other party six months' notice or the Company paying six months' remuneration in lieu thereof.
5. Commission relates to the Financial Year ended March 31, 2021, which was approved by the Board on April 20, 2021 and will be paid during the Financial Year 2021-22.
6. Except Mr. Ashish Anupam, Managing Director, who holds 20 shares, none of the Directors held any shares in the Company as on March 31, 2021.
7. The Company does not have any stock options plan. Accordingly, none of our Directors hold stock options as on March 31, 2021.

Board Meetings

Scheduling and selection of agenda items for Board Meetings

Tentative dates for Board Meetings in the ensuing Financial Year are decided in advance and communicated to the members of the Board. The information, as required under Regulation 17(7) read with Schedule II Part A of the SEBI Listing Regulations, is made available to the Board.

The Board meets at least once a quarter to review the quarterly financial results and other agenda items. Additional meetings are held when necessary. Committees of the Board usually meet the day before or on the day of the formal Board meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval.

7 Board meetings were held during the Financial Year ended March 31, 2021. These were held on June 09, 2020, August 01, 2020, October 13, 2020, November 11, 2020, November 13, 2020, January 14, 2021 and March 19, 2021. The gap between any two Board meetings during the year under review did not exceed one hundred and twenty days. The requisite quorum was present for all the meetings.

Table 4: Attendance details of Directors for the year ended March 31, 2021 are given below:

Name of the Director	Category	No. of Meetings held during tenure	No. of Meetings Attended
Mr. T.V. Narendran	NED	7	7
Mr. Srikumar Menon	ID	7	7
Mr. P. C. Parakh[1]	ID	2	2
Dr. Sougata Ray	ID	7	7
Mr. Shashi Kant Maudgal	ID	7	7
Dr. Ansuman Das	ID	7	7
Ms. Neeta Karmakar	ID	7	7
Mr. Koushik Chatterjee	NED	7	6
Dr. Debashish Bhattacharjee[2]	NED	5	5
Mrs. Meena Lall	NED	7	7
Mr. Ashish Anupam	ED	7	7

1. Mr. P.C. Parakh ceased to be the Independent Director of the Company, effective August 20, 2020, on completion of his tenure.
2. Dr. Debashish Bhattacharjee was appointed as Additional Director on the Board effective October 13, 2020.

Meeting of the Independent Directors

Pursuant to the provisions of Section 149(8) read with Schedule IV of the Act and Regulations 25(3) & 25(4) of the SEBI Listing Regulations, a Meeting of the Independent Directors was held on December 3, 2020 and March 16, 2021.

Cessation of Independent Director during the Financial Year 2020-2021

During the year, Mr. P.C. Parakh ceased to be the Independent Director, effective August 20, 2020 on completion of his tenure. The Board places on record its appreciation for his invaluable contribution and guidance during his tenure as Director of the Company.

Board Committees

The Company has in place the following committees as on March 31, 2021:

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.

4.1. 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 Chairperson of the Audit Committee, Mr. Srikumar Menon, was present at the Thirty-seventh Annual General Meeting held on September 14, 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.

6 meetings of the Committee were held during the year ended March 31, 2021. These meetings were held on June 09, 2020; August 01, 2020; October 13, 2020; November 13, 2020; January 14, 2021; and March 18, 2021. The requisite quorum was present for all the meetings. All the decisions at the Audit Committee meetings were taken unanimously.

The composition of the Audit Committee and the details of meetings attended by the members during the Financial Year 2020-2021, are given below in Table –5.

Table-5:

Sl.	Name of the Members	Designation	Category of Director	No. of meetings held during tenure	No. of meetings attended
1.	Mr. Srikumar Menon[1]	Chairperson	Non-executive & Independent	6	6
2	Mr. P. C. Parakh[2]	Chairperson	Non-executive & Independent	2	2
3	Mr. Shashi Kant Maudgal	Member	Non-executive & Independent	6	6
4	Ms. Neeta Karmakar[3]	Member	Non-executive & Non-independent	5	5
5	Mr. Koushik Chatterjee	Member	Non-executive & Non-independent	6	4

[1]Mr. Srikumar Menon was inducted as Chairperson of the Audit Committee effective September 5, 2020.

[2]Mr. P.C. Parakh ceased to be Director of the Company effective August 20, 2020, on completion of his tenure.

[3]Ms. Neeta Karmakar was inducted as a Member of the Audit committee effective June 09, 2020.

Mr. Srikumar Menon, Chairperson of the Audit Committee was present at the 37th AGM of the Company held on September 14, 2020.

4.2 Nomination and Remuneration Committee

The Committee is constituted in compliance with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. 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 plannings. 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 Chairperson. The Committee also undertakes the function as specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee has formulated Remuneration Policy for Directors, KMPs and all other employees of the Company and the same is available on Company's website at https://www.tatasteellp.com/performance-corporate-governance/ .The criteria for making payments to Non-Executive Directors is available on our website at https://www.tatasteellp.com/wp-content/uploads/2020/05/Criteria-for-making-payments-to-NEDs.pdf

3 meetings of the Committee were held during the year ended March 31, 2021. These meetings were held on June 09, 2020; October 13, 2020; and January 14, 2021. The requisite quorum was present for all the meetings.

The composition of the Nomination and Remuneration Committee and the details of meetings attended by the members during the Financial Year 2021, are given below in Table – 6.

Table-6:

Sl.	Name of the Members	Designation	Category of Director	No. of meetings held during tenure	No. of meetings attended
1	Mr. Shashi Kant Maudgal[1]	Chairperson	Non-executive & Independent	2	2
2	Mr. P. C. Parakh[2]	Chairperson	Non-executive & Independent	1	1
3	Dr. Sougata Ray	Member	Non-executive &Independent	3	3
4	Mr. T.V. Narendran	Member	Non-executive & Non-independent	3	3
5	Mr. Koushik Chatterjee	Member	Non-executive & Non-independent	3	2

[1]Mr. Shashi Kant Maudgal was inducted as Chairperson of the Nomination and Remuneration Committee effective September 5, 2020.

[2]Mr. P.C. Parakh ceased to be Director of the Company effective August 20, 2020, on completion of his tenure.

Mr. Shashi Kant Maudgal, Chairperson of the Nomination and Remuneration Committee was present at the 37th AGM of the Company held on September 14, 2020.

4.3 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.

4 meetings of the Committee were held during the year ended March 31, 2021. These meetings were held on May 26, 2020, November 06, 2020, December 28, 2020 and March 26, 2021. The requisite quorum was present for the meetings.

The composition of the Stakeholders' Relationship Committee and the details of meetings attended by the members during the Financial Year 2020-2021, are given below in Table – 7.

Table-7:

Sl. No.	Name of the Members	Designation	Category of Director	No. of meetings held during tenure	No. of meetings attended
1	Dr. Sougata Ray	Chairperson	Non-executive & Independent	4	4
2.	Dr. Ansuman Das	Member	Non-executive & Independent	4	4
3.	Mr. Ashish Anupam	Member	Executive	4	4

Dr. Sougata Ray, Chairperson of the Stakeholders' Relationship Committee was present at the 37th AGM of the Company held on September 14, 2020.

In terms of Regulation 6 and Schedule V of the SEBI Listing Regulations, the Board has appointed Mr. Sankar Bhattacharya, Company Secretary and Compliance Officer of the Company, effective April 9, 2021.

The details of investor complaints received and resolved during the Financial Year ended March 31, 2021 are given in Table 8 below.

Table-8: Report on number of shareholder complaints received and resolved during the year ended March 31, 2021:

No. of complaints pending as on April 01, 2020	0
No. of complaints received during the year	0
No. of Complaints resolved during the year	0
No. of complaints pending as on March 31, 2021	0

4.4 Corporate Social Responsibility ("CSR") Committee

The purpose of CSR Committee 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/

3 meetings of the Committee were held during the year ended March 31, 2021. These meetings were held on May 23, 2020, January 11, 2021 and March 18, 2021. The requisite quorum was present for all the meetings.

The composition of the CSR Committee and the details of meetings attended by the members during the Financial Year 2020-2021, are given below in Table-9.

Table-9:

Sl. No.	Name of the Director	Designation	Category of Director	No. of meetings held during tenure	No. of meetings attended
1.	Mr. Srikumar Menon	Chairperson	Non-executive & Independent	3	2
2	Dr. Ansuman Das	Member	Non-executive & Independent	3	3
3	Mr. Ashish Anupam	Member	Executive	3	3

Mr. Srikumar Menon, Chairperson of the CSR Committee was present at the 37th AGM of the Company held on September 14, 2020.

4.5 Risk Management Committee

Pursuant to Regulation 21 of the SEBI Listing Regulations, 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 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.

3 meetings of the Committee were held during the year ended March 31, 2021. These meetings were held on July 29, 2020; October 30, 2020 and January 07, 2021. The requisite quorum was present for all the meetings.

The composition of the Committee and the details of meetings attended by the members during the Financial Year 2020-2021, are given below in Table–10

Table –10:

Sl.	Name of the Directors	Designation	Category of Director	No. of meetings held during tenure	No. of meetings attended
1	Mr. Shashi Kant Maudgal	Chairperson	Non-executive & Independent	3	3
2.	Dr. Sougata Ray	Member	Non-executive & Independent	3	3
3	Mrs. Meena Lall	Member	Non-executive & Non-independent	3	3
4	Dr. Debashish Bhattacharjee[1]	Member	Non-executive & Non-independent	-	-
5	Mr. Ashish Anupam	Member	Executive	3	3

[1]Dr. Debashish Bhattacharjee was inducted as the member of the Risk Management Committee, effective January 14, 2021.

Mr. Shashi Kant Maudgal, Chairperson of the Risk Management Committee was present at the AGM of the Company held on September 14, 2020.

4.6 Safety, Health and Environment Committee

Safety, Health and Environment Committee ('SHE Committee') was constituted to oversee the Safety, Health and Environment matters.

The objective of the Committee is as follows:

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

(b) 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.

(c) 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.; and

(d) 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.

5 meetings of the Committee were held during the year ended March 31, 2021. These meetings were held on May 23, 2020, July 28, 2020; October 08, 2020; January 07, 2021; and March 18, 2021. The requisite quorum was present for all the meetings.

The composition of the Committee and the details of meetings attended by the members during the Financial Year 2020-2021, are given below in Table–11.

Table-11:

Sl. No.	Name of the Director	Designation	Category of Director	No. of meetings held during tenure	No. of meetings attended
1	Dr. Ansuman Das	Chairperson	Non-executive & Independent	5	5
2.	Mr. Shashi Kant Maudgal	Member	Non-executive & Independent	5	4
3.	Dr. Debashish Bhattaccharjee[1]	Member	Non-executive & Non-independent	1	1
4.	Mr. Ashish Anupam	Member	Executive	5	5

[1]Dr. Debashish Bhattacharjee was inducted as the member of the SHE Committee, effective January 14, 2021.

Mr. Ansuman Das, Chairperson of the SHE Committee was present at the 37th AGM of the Company held on September 14, 2020.

4.7 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.

No meetings of the Committee were held during the year ended March 31, 2021.

The composition of the Committee of Board and the details of meetings attended by the members during the Financial Year 2021, are given below in Table–12.

Table –12:

Sl. No.	Name of the Director	Designation	Category of Director	No. of meetings held during tenure	No. of meetings attended
1	Mr. T.V. Narendran	Chairperson	Non-executive & Non-Independent	Nil	Nil
2	Mr. Srikumar Menon	Member	Non-executive & Independent	Nil	Nil
3	Dr. Sougata Ray	Member	Non-executive & Independent	Nil	Nil
4	Mr. Koushik Chatterjee	Member	Non-executive & Non-independent	Nil	Nil
5	Mr. Ashish Anupam	Member	Executive	Nil	Nil

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, 2021. Four (4) Board meetings of this Company were held during the year ended March 31,2021.

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/.

General Body Meetings

a) Details of last three Annual General Meetings of the Company:

Table 13:

Financial Year Ended	Date & Time	Venue	Special Resolution(s) Passed
2019-20	September 14, 2020 03:00 PM (IST)	Audio-Visual Means	1) Appointment of Managing Director and payment of remuneration / excess remuneration due to inadequate profits or loss; 2) Approval of waiver of recovery of excess remuneration to the former Managing Director.
2018-19	July 15, 2019 11:00 AM (IST)	1) "Lake View Officers' Recreation Centre", Joda, Dist – Keonjhar, Odisha – 758 034,	1) Commission to Non-Executive Directors; 2) Change of name of the Company and amendments in MOA and AOA of the Company 3) Shifting of Registered Office of the Company; 4) Revision in terms of remuneration of Managing Director.
2017-18	July 18, 2018 10:30 AM (IST)	2) "Lake View Officers' Recreation Centre", Joda, Dist – Keonjhar, Odisha – 758 034,	NIL

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

c) None of the businesses proposed to be transacted at the ensuing AGM requires passing of a Special Resolution by way of Postal Ballot. No other special Resolution(s) requiring a Postal Ballot was passed last year.

5. 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.

The half-yearly financial performance of the Company is sent to all the Members whose e-mail IDs are registered with the Company / Depositories. The results are also available on the Company's website tatasteellp.com/quarterly-results/

(ii) Presentation to Institutional Investors or to Analysts:

The process of holding analyst calls or presentation to institutional investors has been integrated with the parent's process to address investors' queries holistically. However, the Company does engage with shareholders from time to time to address the queries and concerns.

(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. 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

6. General Shareholder Information

6.1	Day & Date	Thursday, August 5, 2021
6.2	Time	3:00 P.M (IST)
6.3	Venue	In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, and January 13, 2021 (collectively referred to as 'MCA Circulars') and SEBI Circular dated May 12, 2020 and January 15, 2021 (collectively referred to as 'SEBI Circulars') permitted the holding of the Annual General Meeting through video-conferencing / other audio-visual means ('VC / OAVM'), without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue of the AGM shall be P.O. Joda, Dist. Keonjhar, Odisha 758034
6.4	Financial Year	2020-21 (April to March)
6.5	Date of book closure	Saturday, July 24, 2021 to Thursday, August 5, 2021 (both days inclusive)
6.6	Dividend payment date	On and from, Monday, August 9, 2021 (subject to approval of the Shareholders at the AGM)
6.7	Listing on Stock Exchanges	1] BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai-400 001 2] National Stock Exchange of IndiaLimited Exchange Plaza (5th Floor), Plot No. C/1, G. Block Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051 The annual listing fees for FY 20-21 has been paid to the respective stock exchanges.
6.8	CIN	L27102OR1982PLC001091
6.9	Stock Code- Equity Share ISIN CODE	INE 674A01014 (Electronic form)
	BSE CODE	13010 (Physical form) 513010 (Demat form)
	NSE SCRIP CODE	TATASTLLP
6.10	Correspondence Address	P.O. Joda-758 034 Dist – Keonjhar, Odisha Phone : 06767 284236, Fax : 06767 278159/ 278129, E-mail : investorcell@tatasteellp.com
6.11	Exclusive e-mail address for redressal of investor complaints	investorcell@tatasteellp.com

6.13 Market price data

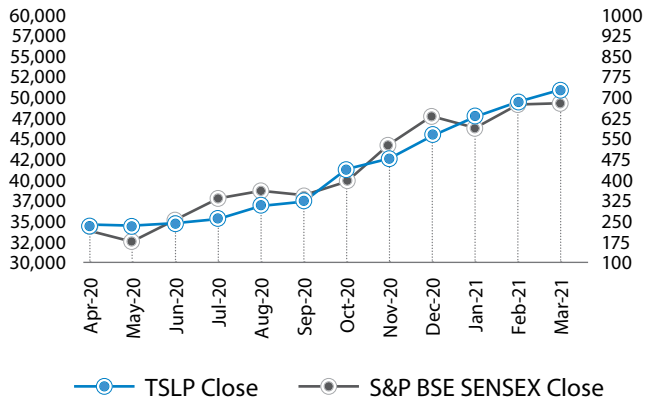
Table 14: Monthly High/Low prices per share during FY 2020-2021:

Months	BSE Ltd.			National Stock Exchange of India Ltd.		
	High (₹)	Low (₹)	Volume (No. of shares traded)	High (₹)	Low (₹)	Volume (No. of shares traded)
April, 2020	260.00	182.90	42,817	230.03	217.30	5,79,122
May, 2020	236.90	213.50	33,971	225.54	217.57	3,37,836
June, 2020	298.00	233.00	1,68,828	268.50	255.58	32,74,66,955
July, 2020	276.75	235.00	1,49,692	262.59	252.52	12,89,453
August, 2020	334.50	248.85	2,01,405	311.15	296.74	16,98,335
September, 2020	345.00	290.00	81,894	321.54	308.29	7,66,246
October, 2020	496.25	319.25	4,09,909	413.54	388.07	42,47,701
November, 2020	533.50	426.25	3,13,596	482.29	459.43	23,27,509
December, 2020	579.20	467.00	4,09,012	542.39	516.68	36,92,582
January, 2021	876.15	562.55	8,35,578	709.01	655.86	1,19,22,479
February, 2021	705.00	610.00	2,59,753	681.89	652.94	31,87,227
March, 2021	739.90	644.30	1,59,498	705.54	680.25	16,55,004

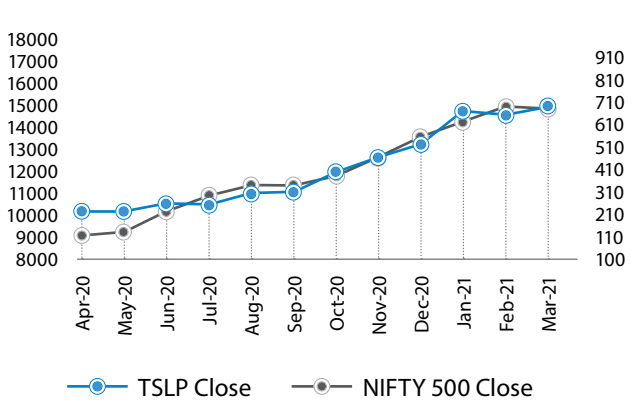
Table – 15: Performance of the share price of the Company in comparison to broad base indices like BSE and Nifty Sensex are given below:

Month	Closing Price of Equity Shares at BSE	BSE SENSEX	Closing Price of Equity Shares at NSE	NIFTY 500
April, 2020	235.10	33,717.62	234.30	8,012.90
May, 2020	232.25	32,424.10	232.30	7,822.40
June, 2020	244.25	34,915.80	244.00	8,474.80
July, 2020	257.95	37,606.89	256.50	9,035.75
August, 2020	304.00	38,628.29	304.15	9,372.05
September, 2020	320.10	38,067.93	319.80	9,341.75
October, 2020	433.20	39,614.07	433.45	9,581.65
November, 2020	478.70	44,149.72	478.25	10,719.05
December, 2020	559.45	47,751.33	559.85	11,518.30
January, 2021	628.65	46,285.77	628.90	11,302.40
February, 2021	686.80	49,099.99	687.75	12,181.40
March, 2021	723.10	49,509.15	722.95	12,313.70

TSLP against BSE SENSEX



TSLP against NSE Nifty 500



6.13 Registrars & Share Transfer Agents:

REGISTERED OFFICE:

TSR Darashaw Consultants Private Limited (formerly TSR Darashaw Limited)
C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083.
Tel.: +91 22 6656 8484; Fax: +91 22 6656 8494
Phone : 022-66568484; Fax : 022 – 66568494 / 66568496
Website : www.tsrdarashaw.com, e-mail : csg-unit@tsrdarashaw.com

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:

Place	Name and Address	Working Days and Timing	Phone / Fax / Email
Mumbai	TSR Darashaw Consultants Private Limited C-101, 1st Floor, 247, Park L.B.S. Marg, Vikhroli (West) Mumbai-400083		Tel: +91-22-66568484 Fax: +91-22-66568494 Email : csg-unit@tcplindia.co.in Website : https://www.tcplindia.co.in
Bangalore	TSR Darashaw Consultants Private Limited C/o. Mr. D. Nagendra Rao "Vaghdevi" 543/A, 7th Main 3rd Cross, Hanumanthnagar Bengaluru-560019		Tel: +91-80-26509004 Email : tsrdlbang@tcplindia.co.in
Kolkata	TSR Darashaw Consultants Private Limited C/o Link Intime India Private Limited Vaishno Chamber, Flat No. 502 & 503 5th Floor, 6, Brabourne Road Kolkata-700001		Tel: +91-33-40081986 Email : tsrdlcal@tcplindia.co.in
New Delhi	TSR Darashaw Consultants Private Limited C/o Link Intime India Private Limited Noble Heights, 1st Floor Plot No NH-2, C-1 Block, LSC Near Savitri Market, Janakpuri New Delhi – 110058	Monday to Friday 10.00 a.m. to 3.30 p m	Tel: +91-11-49411030 Email : tsrdldel@tcplindia.co.in
Jamshedpur	TSR Darashaw Consultants Private Limited Bungalow No. 1, 'E' Road, Northern Town Bistupur, Jamshedpur-831001		Tel: +91-657-2426937 Email : tsrdljsr@tcplindia.co.in
Ahmedabad	TSR Darashaw Consultants Private Limited C/o Link India Intime Private Limited Amarnath Business Centre-1 (ABC-1) Beside Gala Business Centre Nr. St. Xavier's College Corner Off. C.G. Road, Ellisbridge Ahmedabad-380006		Tel: +91-79-26465179 Email : csg-unit@tcplindia.co.in

The Registered Office of the Registrar and share transfer agents has been shifted from Mahalaxmi, Mumbai to Vikhroli, Mumbai as per the new address given above.

Investor grievance and share transfer system:

The Company has a Board-level Stakeholders' Relationship Committee to examine and redress investors' complaints. The status on complaints and share transfers are reported to the entire Board.

As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting

their holdings to dematerialised form. Share transactions in electronic form can be effected in a much simpler and faster manner. After a confirmation of a sale/purchase transaction from the broker, shareholders should approach the Depository Participant ('DP') with a request to debit or credit the account for the transaction. The DP will immediately arrange to complete the transaction by updating the account. 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.

6.14 Legal proceedings

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

Table 16: Distribution of shareholding as on March 31, 2021:

Share Holding	Total No. of Shareholders as on March 31,		% to total holders as on March 31,		Total No. of Shares as on March 31,		% to total capital as on March 31	
	2021	2020	2021	2020	2021	2020	2021	2020
1 – 500	29,648	24,386	59.07	55.18	6,81,657	59,74,490	1.51	1.32
501 – 1,000	8,883	8,537	17.70	18.97	7,83,924	76,24,540	1.74	1.69
1,001 – 2,000	5,643	5,604	11.24	12.45	9,24,582	91,53,350	2.05	2.03
2,001 – 5,000	3,802	3,873	7.57	8.60	13,22,502	1,33,51,920	2.93	2.96
5,001 – 10,000	1,166	1,205	2.32	2.68	8,80,018	90,48,080	1.95	2.01
10,001 – 20,000	574	551	1.14	1.22	8,52,546	82,59,350	1.89	1.83
20,001 – 30,000	172	156	0.34	0.35	4,31,320	38,41,480	0.96	0.85
30,001 – 40,000	83	70	0.17	0.16	2,96,724	24,41,350	0.66	0.54
40,001 – 50,000	59	47	0.12	0.10	2,72,621	21,79,840	0.60	0.48
50,001 – 1,00,000	87	69	0.17	0.15	6,22,569	47,93,030	1.38	1.06
1,00,001 and above	76	62	0.15	0.14	3,80,31,537	38,43,32,570	84.33	85.23
Total	**50,193**	**45,010**	**100.00**	**100.00**	**4,51,00,000**	**45,10,00,000**	**100.00**	**100.00**

Table 17: Categories of shareholders as on March 31, 2021:

Serial No.	Group Description	Total holdings	% to capital
1	**PROMOTERS**		
i)	TATA STEEL LIMITED	3,37,86,521	74.91
	TOTAL	**3,37,86,521**	**74.91**
2	MUTUAL FUNDS and UTI	24,40,951	5.41
3	BANKS,FINANCIAL INSTITUTIONS,INSURANCE COMPANIES (CENTRAL/ STATE GOVT,INSTITUTIONS/NON-GOVT INSTITUTIONS,ALTERNATE INVESTMENT FUND)	59,932	0.13
4	PRIVATE CORPORATE BODIES	8,76,739	1.94
5	INDIAN PUBLIC	72,12,390	15.99
6	NRIs/OCBs/FIIs	5,14,453	1.14
7	Any other -		
	DIRECTORS & THEIR RELATIVES	0	0.00
	TRUST	0	0.00
	IEPF	2,09,014	0.46
	TOTAL	2,09,014	0.46
	Grand Total	**4,51,00,000**	**100.00**

Table 18: Top Ten Shareholders across all categories as on March 31, 2021:

	Name	No of shares as on 01.04.2020	No of shares as on 31.03.2021	Net Changes	% to Capital
1	Tata Steel Limited	3,42,37,521	3,37,86,521	(4,51,000)	(1.00%)
2	Nippon Life India Trustee Ltd-A/C Nippon India Growth Fund	22,79,216	19,34,190	(3,45,026)	(0.77)
3	Quant Capital Trustee Ltd A/C Quant Mutual Fund-Tax Plan	0	2,76,739	2,76,739	0.61
4	Investor Education And Protection Fund Authority Ministry Of Corporate Affairs	1,96,627	2,09,014	12,387	0.03
5	ICICI Prudential Bharat Consumption Fund-Series 3	0	1,44,377	1,44,377	0.32
6	Sanjeev Vinod Chandra Parekh	99,564	99,564	0	0.00
7	Akanksha Advisor Llp	0	96,375	96,375	0.21
8	Nirankar Advisor Llp	4,676	81,410	76,734	0.17
9	Union Value Discovery Fund	0	79,945	79,945	0.18
10	Emerging Markets Core Equity Portfolio (The Portfolio) Of Dfa Investment Dimensions Group Inc.	1,88,856	66,702	(1,22,154)	(0.27)
11	The Emerging Markets Small Cap Series Of The Dfa Investment Trust Company	1,05,220	63,428	(41,792)	(0.09)
12	Sanjeev Arora	50,468	50,468	0	0.00

6.15 Dematerialisation Shares and Liquidity

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.

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. We have established connectivity with both the depositories, i.e. NSDL and CDSL. The International Securities Identification Number ('ISIN') allotted to the Shares under the Depository System is INE674A01014.

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. We have established connectivity with both the depositories, i.e. NSDL and CDSL. The International Securities Identification Number ('ISIN') allotted to the Shares under the Depository System is INE674A01014.

As on March 31, 2021, 4,4,610,857 number of shares were held in dematerialised form which constitute 98.92% approx. of total number of subscribed shares.

6.16 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).

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

The Company has not issued any ADR/GDR during the year under review.

6.18 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

6.19 Credit Rating

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

Credit Rating Agency	Summary of rating action	
	Instrument	Rating
ICRA Limited	Cash Credit	[ICRA]AA- (Stable) reaffirmed and Withdrawn
	Non-Fund Based Limits	[ICRA]A1+ reaffirmed and Withdrawn
	Commercial Paper	[ICRA]A1+ reaffirmed

During FY'21, there has been no revision in the rating.

The above details are also available on the website of the Company, i.e. https://www.tatasteellp.com/credit-rating/.

7. 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 No. Those holding shares in demat form can register their e-mail address with their concerned DPs.

8. 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 18, 2021.

Table19: 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 2012-2013	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 2013-2014 to 2020-21	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 2019-2020 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
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
2020*	Nil	NA	NA

*No dividend was declared for the Financial Year 2019-2020.

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.

9. KEY DEVELOPMENTS

a) Merger of Tata Metaliks Limited and The Indian Steel and Wire Products Limited with the Company:

The Board at its meeting held on November 13, 2020, had approved the following schemes of amalgamation:

1. Scheme of Amalgamation of Tata Metaliks Limited ("TML") into and with Tata Steel Long Products Limited ("TSLP");
2. Scheme of Amalgamation of The Indian Steel and Wire Products Limited ("ISWP") into and with TSLP.

Subsequent to the Board's approval, the Company had filed the respective schemes of amalgamation with the Stock Exchanges, viz. BSE Limited and National Stock Exchange of India Limited on November 14, 2020. The Company is yet to receive the observation letters from the Stock Exchanges.

b) Creation/Modification/Satisfaction of Charges

During the year under review, the Company has created/ modified/satisfied the following charges, the details of which are given below:

Sr. No.	Charge Holder Name/Charge ID	Date of Creation	Date of modification	Date of satisfaction	Amount (₹ crore)
1	IDBI Trusteeship Services Limited/100403243	December 23, 2020	NIL	NIL	1,297
2.	IDBI Trusteeship Services Limited/100309902	December 17, 2019	June 24,2020	NIL	2,900
3	State Bank Of India/10065389	August 24, 2007	August 28,2020	December 29,2020	572
4	ICICI Bank Limited/100291180	September 3, 2019	NIL	January 11,2021	450
5	Axis Bank Limited/100328601	February 12, 2020	NIL	December 30,2020	200

10. OTHER DISCLOSURES

(a) Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel have 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/ Chairperson 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/ Chairperson of the Audit Committee. During the year under review, no person has been denied access to the Chairman of the Audit Committee. Details of the Vigil Mechanism are given in the Board's Report. The Whistle Blower Policy is displayed on the website of the Company, viz, https://www.tatasteellp.com/performance-corporate-governance/

(b) 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 Regulations.

Chairperson The Board: The Non-Executive Chairperson 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.

(c) 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 at https://www.tatasteellp.com/performance-corporate-governance/

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

The web link is provided under 'Corporate Governance' in 'Investors' Section of the Company's website at https://www.tatasteellp.com/performance-corporate-governance/

(e) Disclosure on commodity price risks and commodity hedging activities – Not applicable

(f) 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, 2021.

(g) Certificate from the Practicing Company Secretary-
As required under Regulation 34(3) and Schedule V, Part E of the SEBI Listing Regulations, the certificate given by M/s. S.M Gupta & Co. (Firm Registration No. P1993WB046600), Practicing Company Secretaries regarding compliance of conditions of corporate governance, is annexed to this report.

As required under Clause 10 (i) of Part C under Schedule V of the SEBI Listing Regulations, the Company has received a certificate from M/s. S.M Gupta & Co. (Firm Registration No. P1993WB046600), Practicing Company Secretaries certifying that none of our Directors have been debarred or disqualified from being appointed or continuing as Directors of the Company by SEBI or MCA or such other statutory authority.

(h) Recommendations of Committee of Board of Directors-

During the year ended, March 31, 2021, 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, Safety, Health and Environment Committee) were accepted by the Board of the Company.

(i) 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 crores)
Services as statutory auditors (including quarterly audits)	1.19
Tax Audit	0.08
Other matters	0.09
Re-imbursement of out of pocket expenses	0.05
Total	**1.41**

(j) 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 2020-2021	1
No. of Complaints disposed off during the Financial Year 2020-2021	1
No. of pending complaints as on March 31, 2021	0

(k) 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, except the following:

A. RULE 19(2) AND RULE 19A OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957

a. The Company issued fully paid equity shares on rights basis in July, 2019. Post issue the equity shareholding of the Parent Company (Tata Steel Limited), had increased from 54.50% to 75.91%. As a consequence, the public shareholding fell below the requirement of minimum public shareholding of 25% under the provisions of Securities Contract (Regulation) Rules, 1957 and Securities and Exchange Board of India (Listing Obligation and disclosure Requirements) Regulations, 2015. The Company was permitted by SEBI to comply with the minimum public shareholding requirement by July 23, 2020, which was subsequently extended till August 31, 2020 pursuant to the general relaxation provided by

SEBI in Circular SEBI/HO/CFD/CMD1/CIR/P/2020/81 dated May 14, 2020.

Thereafter, the Company jointly with Tata Steel Limited, submitted an application to SEBI seeking further extension of relaxation from compliance with the minimum public shareholding requirement. On September 30, 2020 SEBI advised Tata Steel Limited to take necessary steps to comply with the minimum public shareholding requirement.

Thereafter, the Holding Company (Tata Steel Limited) completed the open market sale of 4,51,000 (Four Lakh Fifty-One Thousand) equity shares of this Company, during the period November 23, 2020 to November 27, 2020 and pursuant to the aforementioned sale, Tata Steel Limited now holds 74.91% (3,37,86,521 equity shares) of the equity share capital of this Company and this is now in compliance with the minimum public shareholding requirements.

BSE Limited and National Stock Exchange of India Limited (together referred to as "Stock Exchanges") have imposed a penalty of Rs. 1,77,000/- each on the Company, on December 7, 2020 for non-compliance with requirement of Minimum Public Shareholding ("MPS"). The said amount of penalty was duly paid by the Company to BSE and NSE on December 10, 2020 and December 11, 2020, respectively. Further, notice(s) were received by the company from the Stock Exchanges vide their Notice dated March 24, 2021 imposing a further fine of Rs. 3,36,300/- towards continuous violation of MPS requirement as mentioned above. The said amount of penalty was duly paid by the Company to BSE and NSE on March 25, 2021 and March 30, 2021, respectively.

B. Notice from SEBI to the Company

The Company has received a Show Cause Notice dated February 16, 2021 from SEBI on an alleged non-compliance of SEBI Listing Regulations with respect to non-disclosure of monetary obligation on account of Enforcement Directorate's Investigation against Usha Martin Limited. The Company has submitted its response through its Authorised Legal Representatives vide their reply dated March 25, 2021.

None of the Company's listed securities are suspended from trading.

(l) 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 have been adopted by the Company:

- The Company has moved towards a regime of financial statements with unmodified audit opinion.
- The Internal Auditor functionally reports to the Audit Committee.

(m) 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.

(n) Materially significant related party transactions that may have potential conflict with the interests of the Company at large: None.

(o) Disclosure about related party transactions

During the Financial Year 2020-21, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors apart from paying Director's remuneration. Further, the Directors have not entered into any contracts with the Company or its subsidiaries, which will be in material conflict with the interest of the Company.

The Board has received disclosures from key managerial personnel relating to financial and commercial transactions where they and/or their relatives have personal interest. The details of material related party transactions forms part of Board's Report. The related party transactions have have also been disclosed in the notes to Balance Sheet and Statement of Profit and Loss for the year ended March 31, 2021.

The Company has laid down a policy for dealing with Related Party Transactions. This policy is displayed on the website of the Company, viz., https://www.tatasteellp.com/performance-corporate-governance/

(p) 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.

(q) Board Disclosures – Risk Management

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

(r) 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, except as stated above.

(s) Management Discussion & Analysis Report

The Management Discussion & Analysis Report is a part of this Integrated Report.

(t) 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, 2021.

(u) Half-yearly Certificate on Security Transfer

Half-yearly Certificate on Security Transfer In terms of Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, certificates, on half-yearly basis, have been issued by a Company Secretary in Practice with respect to due compliance of share and security transfer formalities by the Company

(v) 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 submitted to the Stock Exchanges on quarterly basis and is also available on our website at https://www.tatasteellp.com/stock-exchange-filings/reconciliation-of-share-capital-audit-report/

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 2020-21.

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

Place: Kolkata
Date: April 20, 2021

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, 2021 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 Report is being issued under the precautionary measures of work from home due to COVID-19 with limited resources available to us.

(S. M. Gupta)
Partner

S. M. GUPTA & CO.
Company Secretaries
Firm Registration No.: P1993WB046600
Membership No: .FCS – 896
CP No : 2053
Peer Review No: 718/2020
UDIN: F000896C000139683

Place: Kolkata
Date : April 20, 2021

Practising Company Secretaries' Certificate on Directors

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

To,
The Members
Tata Steel Long Products Limited
(Formerly "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 (herein after 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 by way of 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, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the Company 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	Narendran Viswanath Thachat	03083605	12/01/2019
2	Sougata Ray	00134136	12/01/2019
3	Srikumar Menon	00470254	15/07/2019
4	Shashi Kant Maudgal	00918431	15/07/2019
5	Ansuman Das	02845138	15/07/2019
6	Neeta Karmakar	08730604	30/03/2020
7	Koushik Chatterjee	00004989	12/01/2019
8	Debashish Bhattacharjee*	00060737	13/10/2020
9	Meena Lall	05133322	16/08/2014
10	Ashish Anupam	08384201	14/03/2019

* Appointed as an Additional Non-Executive Non-Independent Director effective October 13, 2020.

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 precautionary measures of work from home due to COVID-19 with limited resources available to us.

(S. M. Gupta)
Partner

S. M. GUPTA & CO.
Company Secretaries
Firm Registration No.: P1993WB046600
Membership No: .FCS – 896
CP No : 2053
Peer Review No: 718/2020
UDIN: F000896C000139683

Place: Kolkata
Date : April 20, 2021

ANNEXURE 5

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]

1. Ratio of the remuneration of each Director to the median remuneration of all the employees of the Company for FY 2020-21 and % increase in remuneration of each Director / KMP of the Company are as under:

Name of the Director	% increase in remuneration over previous year	Ratio of remuneration to median remuneration of all employees [2]
Non-Executive Directors[1]		
Mr. T.V. Narendran	NA	NA
Mr. Koushik Chatterjee	NA	NA
Dr. Debashish Bhattacharjee[5]	NA	NA
Mrs. Meena Lall	NA	NA
Independent Directors[9]		
Mr. P.C. Parakh[4]	NA	NA
Dr. Sougata Ray	NA	2.50
Dr. Ansuman Das	NA	2.96
Mr. Srikumar Menon	NA	2.22
Mr. Shashi Kant Maudgal	NA	2.56
Ms. Neeta Karmakar	NA	1.90
Executive Directors/ KMP		
Mr. Ashish Anupam[3]	NA[7]	36.91
Mr. S. K. Mishra	3.16	10.75
Mr. Sanjay Kumar Shrivastav	NA[8]	17.91
Mr. Sanjay Kasture[6]	12.50	5.76

Notes:

(1) In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in full-time employment with any other Tata Company and hence not stated.

(2) The ratio of remuneration to median remuneration is based on remuneration paid during the period April 1, 2020 to March 31, 2021.

(3) Includes the Commission / bonus approved by the Board of Directors for the Managing Director on April 20, 2021 for FY 2020-21 (which will be paid to him on conclusion of the ensuing AGM to be held on August 5, 2021).

(4) Mr. P.C. Parakh ceased to be the Independent Director of the Company, effective August 20, 2020, on completion of his tenure.

(5) Dr. Debashish Bhattacharjee was appointed on the Board effective October 13, 2020.

(6) Mr. Sanjay Kasture resigned as Company Secretary effective April 8, 2021.

(7) Mr. Ashish Anupam was appointed as Managing Director of the Company with effect from November 1, 2019. Since his remuneration for the Financial Year 2019-20 was for part of the year only, the same is not comparable to the remuneration that he was paid for the Financial Year 2020-21. Hence, the % in increase in remuneration is not stated.

(8) Mr. Sanjay Kumar Shrivastav was appointed as Joint CFO of the Company with effect from July 29, 2019. Since his remuneration for the Financial Year 2019-20 was for part of the year only, the same is not comparable to the remuneration that he was paid for the Financial Year 2020-21. Hence, the % in increase in remuneration is not stated.

(9) During FY 2019-20 the Company did not pay commission to Independent Directors (IDs). The Board of Directors at the meeting held on April 20, 2021, approved payment of commission to IDs for FY 2020-21. Given that, the IDs were not paid commission during the previous year, the percentage of increase in remuneration over previous year is not comparable the same is not stated.

2. **The percentage increase/(decrease) in the median remuneration of employees in the Financial Year 2020-21:** (0.003%)
3. **The number of permanent employees on roll of the Company as on March 31, 2021:** 2,395
4. **Comparison of average percentile increase in salary of employees other than the managerial personnel and the percentile increase in the managerial remuneration:** During the Financial Year 2020-21, the average percentage increase / (decrease) in salary of the Company's employees, excluding the Key Managerial Personnel ('KMP') was nil, since no increment was given in FY'21. Since Mr. Ashish Anupam and Mr. Sanjay Kumar Shrivastav were appointed in FY 2019-20, the percentage increase/decrease in salary of KMPs is not comparable and hence not stated.
5. **Affirmations:** It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

On behalf of the Board of Directors

Sd/-
T.V. Narendran
Chairman
DIN: 03083605

Place: Jamshedpur
Date: April 20, 2021

Part B: Statement of Disclosure pursuant to section 197 of Companies Act, 2013

(Read with rule 5(1) of the companies (appointment and remuneration of managerial personnel) rules 2014

Remuneration drawn by top 10 employees of the Company, during the Financial Year 2020-21:

Sl. No	Name of Employee	Designation	Remuneration (₹ in lakh)	Qualification	Experience (in years)	Date of commencement of employment	Age	Previous employment and designation
1.	Mr. Ashish Anupam	Managing Director	215.17	BE (Mechanical Engineering)	30	01/11/2019	52	President & CEO, NatSteel Holdings
2.	Mr. Debasish Mazumdar	Sr. General Manager-Ops & Maint (Steel)	125.49	B.Sc. Engg. (Metallurgy)	34	01/09/2011	57	Electrotherm (India) Ltd, Gujarat
3.	Mr. Sanjay Kumar Shrivastav	Joint Chief Financial Officer	104.40	ICWA, CS	26.6	18/04/2019	49	Deputed from Tata Steel Limited
4	Mr. Partha Chattopadhyay	Sr. General Manager-Ops & Maint. (Sponge)	86.69	B.E.(Electrical Engineering)	38	20/07/2010	59	Executive Incharge (REDI-SBU), Tata Metaliks
5.	Mr. Kishore Tar	Sr. General Manager-Engineering & Projects	77.63	BE (Electrical)	31	08/04/2019	52	Deputed from Tata Steel Limited
6.	Mr. N.P. Venkatesan	Sr. General Manager -Marketing and Sales	76.64	B Sc (Engg), XLRI Prog (Management)	25	08/04/2019	46	Deputed from Tata Steel Limited
7.	Mr. Vilas N. Gaikwad	Sr. General Manager-SHE & Sustainability	74.46	BE (Fire Prevention)	28.7	15/05/2019	52	Dputed from Tata Steel Limited
8.	Mr. Abhijit Avinash Nanoti	Sr. General Manager-SCM, Procurement, IBMD and EPA	73.12	BE (Electronics), XLRI Prog-(Management)	29.7	08/04/2019	50	Deputed from Tata Steel Limited
9.	Mr. S K Mishra	Chief Financial Officer	62.69	I.C.W.A, LLB	33	01/01/1988	59	-
10.	Mr. Manish Kumar Jain	Sr. Divisional Head-WRM	62.52	BE (Mechanical)	31	16/03/2015	51	GM-RUBM, JSPL, Raigarh

1. The remuneration figures are pro-rated, where applicable, for the period of employment during FY 21.
2. The nature of employment in all cases is contractual.
3. None of the employees mentioned above is a relative of any Director of the Company
4. No other employees of the Company other than employee mentioned in Sl. No. 1,2 and 3 in the above table draws remuneration in excess of the limits as prescribed under the Rule 5(2)(i) & (ii). Hence the information provided in Sl. no. 1,2 and 3 in the above table may be considered as disclosure under Rule 5(2)(i) & (ii) of the above Rules.
5. Mr Ashish Anupam joined on 1st Nov-2019.The remuneration figure for FY 20 is for the period he served as MD
6. Mr Sanjay Kumar Shrivastav was appointed as Jt CFO with effect from 29th July 2019. The remuneration figure for FY 20 is for the period he served as Jt CFO

On behalf of the Board of Directors

Sd/-
T.V. Narendran
Chairman
DIN: 03083605

Place: Jamshedpur
Date: April 20, 2021

ANNEXURE-6

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 by the Company with related parties referred to in section 188 (1) of the Companies Act, 2013 including certain arm's length transactions under third 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 during the Financial Year 2020-21.

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 (Holding Company)	Tata International Singapore PTE Ltd. (Group Company)	Tata International Limited (Group Company)	TS Global Procurement Co. Pte. Ltd. (Fellow Subsidiary)	Tata Steel BSL Limited (Group Company)
2	Nature of contract / arrangement / transactions	1. Purchase of Iron ore 2. Coal 3. Rendering service by the Company in nature of conversion of iron ore to pellets. 4. Sale of different grades of steel and alloy steel	Purchase of Coal	1. Sale of Sponge Iron 2. Purchase of Coal	Purchase of Coal	Rendering of service by the Company in nature of conversion of iron ore to pellets.
3	Duration of contract / arrangement / transactions	1. Long term arrangements 2. Spot arrangements 3. Long term arrangements 4. Spot arrangements	Spot arrangements	1. Long term arrangements 2. Spot arrangements	Annual arrangements	Long term arrangements

Sl No	Description	Particulars				
4	Salient terms of the Contract / arrangement / transactions including the value, if any :	1. Purchase of iron ore 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. Purchase of coal from Tata Steel Limited. The current market price that is available for purchase of coal/coke is used to benchmark the price for coal/coke. 3. Receiving supply of iron ore on stock transfer basis and get it converted to pellets. The conversion fee charged by the Company is considered as the cost incurred for rendering service and mark-up for the conversion function. 4. The Company sells different grades of steel and alloy steel based on comparable prices.	Procurement of coal based on API4 index plus a certain amount of commission. Freight & insurance are at prevailing market conditions.	Sale of sponge iron at a similar pricing terms at which it is sold to outside customers. Procurement of coal based on API4 index plus a certain amount of commission. Freight & insurance are at prevailing market conditions.	Procurement of coal from TS Global Procurement Co. Pte. Ltd (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, freight and Insurance. TSGP usually adds a markup for the various functions it performs as a procurement agency.	Tata Steel BSL Ltd will arrange & supply iron ore to TSLP on stock transfer basis and get it converted to pellets. The conversion fee charged by TSLP consider the cost incurred for rendering the service and mark-up for the conversion function.
5	Date(s) of approval by Board, if any	Not applicable, since all contracts were entered into in the ordinary course of business and at arm's length basis				
6	Amount paid as advances, if any	NIL	NIL	NIL	NIL	NIL

Note: All related party transactions are benchmarked for arm's length, approved by Audit Committee and reviewed by Statutory Auditors. The above disclosures on material transactions are based on threshold of 10 percent of consolidated turnover or the net worth of the Company and considering wholly owned subsidiaries are exempt for the purpose of Section 188(1) of the Act.

On behalf of the Board of Directors

Place: Jamshedpur
Date: April 20, 2021

T.V. Narendran
DIN: 03083605

ANNEXURE 7

Business Responsibility Report

[Pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Introduction:

The Company was originally incorporated as Ipitata Sponge Iron Limited on July 31, 1982. Subsequently the name of the Company was changed to Tata Sponge Iron Limited, effective September 24, 1996. The name of the Company was again changed to Tata Steel Long Products Limited ("TSLP"), effective August 20, 2019. Over years, the Company has become one of the leading producers of Sponge Iron in India. It is now also 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, defense 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, 2020 to March 31, 2021
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:** ₹4,749.87 crore
3. **Total profit after taxes:** ₹571.97 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.
5. **List of activities in which expenditure in 4 above has been incurred:** Kindly refer **Annexure B** to the Board's Report for details.

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, 2021.
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 Business Responsibility (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%]

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 engagement forum and ongoing communication capture 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/senior management and ethics counsellor. 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

a. 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.

b. 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

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relate 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, 2021.

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 32 ethics-related concerns were received from stakeholders. Of these, 94% were satisfactorily resolved by March 31, 2021.

Principle 2 Businesses should provide good 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 such as Automotive, Agri equipment, General engineering, Railways, Defense, Oil & gas etc.

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	FY21	FY20
Specific energy consumption	GCal/t-DRI	4.95	4.97
Specific water consumption	KL/t-DRI	2.06	2.11
Carbon dioxide (CO2) emission	T/t-DRI	1.77	1.78

Steel:

Parameters	UOM	FY21	FY20
Specific energy consumption	GCal/t-DRI	5.54	6.07
Specific water consumption	KL/t-DRI	4.69	4.81
Carbon dioxide (CO2) emission	T/t-DRI	4.30	4.52

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

As of now company does not track the reduction and initiatives drive taken by consumers. Company is in process of developing procedure to make extensive use of life cycle assessment to advise its customers in the design of their products made from steel to help minimise energy usage.

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 80% of iron ore was sourced from captive mine last year, which is a sustainable source. 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 procures a significant amount of goods and services from local SMEs, traders, service providers, AA vendors and NGOs. 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 wastes such as fines and iron dust, the Company uses its sinter plant. 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.

The utilisation of by-products is more than 100% (includes usage of old slag) for FY'21 including internal use and external sales. The Company is working towards maintaining its utilisation percentage.

Principle 3 Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees.

2,395 employees (on rolls) as on March 31, 2021.

2. **Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.**

   5,334 employees hired on temporary / contractual / casual basis, as on March 31, 2021.

3. **Please indicate the Number of permanent women employees.**

   56 permanent women employees as on March 31, 2021.

4. **Please indicate the Number of permanent employees with disabilities**

   7 permanent employees with disabilities as on March 31, 2021.

5. **Do you have an employee association that is recognised by management?**

   Yes, the Company has an employee association that is recognised 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?**

   90% permanent employees are members of these recognised employee association, as on March 31, 2021.

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 one case relating to sexual harassment during FY21. There was one pending for FY20. Both the cases are closed during FY21.

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

   92% 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 marginalised.

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, kindly 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 2020-21.

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) last 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 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 CO2 footprint of the Company is being shared under CDP (Carbon disclosure Project) since FY20. 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 FY21 reduction in fossil fuel usage was done through process improvement, use of alternate fuel and use of by product fuels viz. Blast Furnace ("BF") gas & DRI Char. Reduction of Auxiliary power consumption, reduction of coke rate at blast furnace, reduction of BF gas flaring, reduction of coal consumption in DRI and pellet plant, reduction of fuel consumption in Mill's by replacing FO with LDO, increase WHRB generation, increased Char utilisation in Captive Power Plant (CPP) are some important levers in reduction of non-renewable energy in process. Several energy conservations measure viz. replacement of defective motors with Energy efficient motors class IE-3, installation of Capacitor Bank in power system, installation of VFDs and replacement of conventional light fitting with LED light were initiated. Through consistent efforts, energy consumption has been reduced from 5.404 GigaCal/T to 5.190 GigaCal/T during FY'21.

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 Central Pollution Control Board (CPCB)/State Pollution Control Board (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 2020-21.

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. 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 out, the Company conducts a rural satisfaction survey of its interventions in Joda in which it collect feedback from the senior persons of the local villages, the Gram Panchayat members and ex-members, local teachers and decision makers, apart from a section 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. A formal impact assessment has been planned at Joda during the current Financial Year (FY22). The other two areas are quite new to conduct any such assessment currently. However, the Company is contemplating to conduct dip stick survey here to know about the perception of locals on the endeavors undertaken so far.

4. What is your company's direct contribution to community development projects- Amount in INR lakh and the details of the projects undertaken?

The Company has spent a sum of ₹88.18 lakh during the last Financial Year (FY21).

Details of Projects:

(1)	(2)	(3)	(4)	(6)
Sl. No.	CSR projects or activities identified	Sector in which the project is covered	Location of project	Amount spent on the projects or programmes during current reporting period
1	• **Swabhiman**-Construction of Toilets & bathrooms • **Jaldhara** – Organise drinking water • **Upachar** – General health camps, cataract camps	Health & Sanitation	**Local area:** Joda	22.07
			Gamharia, Joda & Vijay-II Mines	2.51
2	• **PMC & PLC :** Remedial classes • **Residential Bridge Course :** Mainstream destitute children • **Protsahan**- Scholarship to meritorious students • **Prarambh :** Assistance to Anganwadis	Education	**Local area:** Gamharia, Joda & Vijay-II Mines	17.01
3	• Nurture SHGs • **Saksham –** helping locals on gainful engagement • **Sahyog-**Facilitating Govt. grants & subsidies to local beneficiaries	Livelihood Enhancement	**Local area:** Gamharia, Joda & Vijay-II Mines	7.08
4	• Engage with youth clubs • **Krida-**Sports competitions • Promote local culture	Youth Engagement	**Local area:** Gamharia, Joda & Vijay-II Mines	2.22
5	• Help during natural calamity • Infrastructural support • Volunteering	Essential Services	**Local area:** Gamharia, Joda & Vijay-II Mines	8.69
6	COVID help	Essential Services	**Local area:** Gamharia, Joda & Vijay-II Mines	28.72
			TOTAL	**88.18**
Less, deployment of Swatch Bharat Mission subsidy received from Government of Odisha on account of construction of toilets during earlier years				32.40
			Amount spent by the Company during the year	**55.78**

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 based on 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.**

   1% Customer complaints/consumer cases are pending as on March 31, 2021.

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, all steel based long products have aluminum tags attached with the name of the Company and product information. Pellets are tagged with the name of the Company in paper stickers.

   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 as on end of Financial Year 2020-21.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   Yes, the Company carried out customer satisfaction survey in FY21.

ANNEXURE-8

Form AOC-1

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

Pursuant to Section 129 (3) of the Companies Act, 2013 [Read with Rule 5 of the Companies (Accounts) Rules, 2014]

Part "A": – Summary of Financial Information of Subsidiary Companies

(₹ in lakh)

Sl. No.	Particulars	Details
1.	Date of becoming Subsidiary	November 20, 2012
2.	Name of the subsidiary	TSIL Energy Limited
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	INR (Indian Rupees)
5.	Share capital	106.01
6.	Reserves & surplus	23.78
7.	Total assets	130.83
8.	Total Liabilities	1.04
9.	Total Investments	128.29
10.	Turnover	-
11.	Profit before taxation	3.79
12.	Provision for taxation	0.03
13.	Profit after taxation	3.76
14.	Proposed Dividend	NA
15.	% of shareholding	100%

1. **Name of the subsidiaries which have been liquidated / sold / merged during the year:** N.A
2. **Name of the subsidiaries liquidated with no assets, liabilities and transactions during the year:** N.A
3. **Name of the subsidiaries under liquidation / strike-off with no assets, liabilities and transactions during the year:** N.A
4. **Names of subsidiaries which are yet to commence operations:** TSIL Energy Limited

Part "B" – Joint Ventures and Associate

Statement Pursuant to Section 129(3) of the Companies Act,2013 related to Associate Companies and Joint Ventures

The Company has no associate and joint venture as at March 31, 2021.

For and on behalf of the Board of Directors

sd/- **T.V. Narendran** Chairman DIN: 03083605	sd/- **Sougata Ray** Independent Director DIN: 00134136	sd/- **Srikumar Menon** Independent Director DIN: 00470254	sd/- **Ansuman Das** Independent Director DIN: 02845138	sd/- **Shashi Kant Maudgal** Independent Director DIN: 00918431	sd/- **Neeta Karmakar** Independent Director DIN: 08730604	sd/- **Koushik Chatterjee** Non-Executive Director DIN: 00004989
sd/- **Debashish Bhattacharjee** Non-Executive Director DIN: 00060737	sd/- **Meena Lall** Non-Executive Director DIN: 05133322	sd/- **Ashish Anupam** Managing Director DIN: 08384201	sd/- **S.K. Mishra** Chief Financial Officer	sd/- **S.K. Shrivastav** Joint Chief Financial Officer	sd/- **Sankar Bhattacharya** Company Secretary and Compliance Officer ACS: 11438	

Kolkata, April 20, 2021

ANNEXURE-9

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended – 31.03.2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
TATA STEEL 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 authorized 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, 2021 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, 2021 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.**

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 ₹15.62 lakh and the amount actually spent during the year under report was ₹55.78 lakh.

5. We further report that, as informed to us, during the audit period the Company has had the following specific events/updates:

A. RADHIKAPUR (EAST) COAL BLOCK

a. In November 2012, Ministry of Coal ("MoC") issued notices to the Company for invocation of bank guarantee of ₹32.50 crore 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, as no communication was received from MoC. Subsequently, MoC issued a notice dated December 28, 2015, stating that the bank guarantee be invoked and the aforesaid amount be deposited. Consequent to MoC's notice, the Company moved to the Hon'ble High Court of Delhi contesting, amongst other matters, that the delay was not attributable to the Company and that since the allocation has been declared illegal by the

Hon'ble Supreme Court, the bank guarantee cannot be encashed by the MoC. The Hon'ble High Court of Delhi vide its Order dated May 27, 2020 remanded the matter to MoC to consider afresh on the aspect whether the delay in achieving the milestones was attributable to the Company. Further, the Company was required to furnish a bank guarantee and the Hon'ble High Court also directed the MoC to render a final decision within six months from September 2, 2020. Pursuant to Hon'ble High Court of Delhi directives, the Company has submitted the bank guarantee of ₹32.50 crore. The Inter-Ministerial Group of the MoC (IMG) issued a notice to the Company seeking details including the reasons for delay in achievement of the performance of conditions and the agencies responsible, to which the Company has responded. Further, in accordance with the directives from the Hon'ble High Court of Delhi, the Company has extended the validity of the bank guarantee up to April 15, 2021 and MoC has been directed to take a decision by then, which is pending. Pending finalisation of the matter and based on legal opinion obtained by the Company, the amount continues to be treated as a contingent liability.

b. Pursuant to the judgment of Hon'ble Supreme Court of India, the Government of India had promulgated the Coal Mines (Special Provision) Rules, 2014 and subsequent amendments ("Rules"), for allocation of the coal mines through auction and matters related thereto. In terms of the said Rules, the prior allottee (i.e. the Company) shall be compensated for the expenses incurred towards land and mine infrastructure. As part of 11th tranche of auction under The Coal Mines Act 2015, the Ministry of Coal (MoC) has carried out an auction of the coal block in November 2020 and EMIL Mines and Mineral Resources Limited (EMMRL) was declared as the successful bidder by the Nominated Authority on December 24, 2020. The MoC issued the vesting order dated March 3, 2021 in favour of EMMRL and directed the Company to hand over all the rights/ licenses/ approvals and documents to EMMRL. The Company has handed over the documents in respect of title deeds of land and possession of buildings and other required details on April 6, 2021 to EMMRL in compliance with the vesting order. The Company is awaiting directions from MoC on the determination of the just, fair & adequate compensation in respect of the aforesaid amounts incurred by the Company. Based on assessment of the matter by the Company including evidence supporting the expenditure and claim and an external legal opinion obtained by the Company in respect of the recoverability of the amount, no provision is considered necessary.

B. PAYOUT OF BANK GUARANTEE IN CONNECTION WITH BRINDA SESAI COAL BLOCK

The Steel business acquired by the Company in FY 2019 included a Coal Block under development, which carried a performance obligation by way of a bank guarantee to the Nominated Authority i.e. MoC, towards development of the said coal block. Post acquisition, the Company assessed the social and environmental challenges for the development of the coal block and was of the view that the performance obligations of developing the coal block looked challenging to fulfil. Accordingly, the Company, as a matter of prudence, had taken provision related to the aforesaid bank guarantee during the year ended March 31, 2020. Subsequently, the Company made an application to MoC seeking cancellation of the vesting of the coal block. Pursuant to such application, on November 11, 2020, the Company received a letter from MoC confirming cancellation of the vesting rights of the coal block and directed State Bank of India for the encashment of aforesaid bank guarantee associated with the performance obligation. Accordingly, the Company had made a payment of ₹133.72 crore on December 2, 2020. With the aforesaid provision already recorded during the year ended March 31, 2020, there is no further financial impact expected by the Company.

C. 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, on the basis of 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. Hence, the registered office of the Company will continue to be at Joda, Odisha.

D. OPEN MARKET SALE OF EQUITY SHARES BY TATA STEEL LIMITED TO MEET THE MINIMUM PUBLIC SHAREHOLDING (MPS) REQUIREMENTS.

The Company issued fully paid equity shares on rights basis in July, 2019. Post issue the equity shareholding of the Parent Company (Tata Steel Limited), had increased from 54.50% to 75.91%. As a consequence, the public shareholding fell below the requirement of minimum public shareholding of 25% under the provisions of Securities Contract (Regulation) Rules, 1957 and Securities and Exchange Board of India (Listing Obligation and disclosure Requirements) Regulations, 2015. The Company was permitted by SEBI to comply with the minimum public shareholding requirement by July 23, 2020, which was subsequently extended till August 31, 2020 pursuant to the general relaxation provided by SEBI in Circular SEBI/HO/CFD/CMD1/CIR/P/2020/81 dated May 14, 2020.

Thereafter the Company jointly with Tata Steel Limited, submitted an application to SEBI seeking further extension of relaxation from compliance with the minimum public shareholding requirement. On September 30, 2020 SEBI has advised Tata Steel Limited to take necessary steps to comply with the minimum public shareholding requirement.

Thereafter, the Holding Company (Tata Steel Limited) completed the open market sale of 4,51,000 (Four Lakh Fifty-One Thousand) equity shares of this Company, during the period November 23, 2020 to November 27, 2020 and pursuant to the aforementioned sale, Tata Steel Limited now holds 74.91% (3,37,86,521 equity shares) of the equity share capital of this Company and this is now in compliance with the minimum public shareholding requirements.

E. PROPOSED SCHEME OF AMALGAMATION

The Board of Directors of the Company, at its meeting held on November 13, 2020, has approved the following scheme(s) of amalgamation subject to necessary statutory approvals:

1. Scheme of Amalgamation of Tata Metaliks Limited ("TML") into and with Tata Steel Long Products Limited ("TSLP");
2. Scheme of Amalgamation of The Indian Steel and Wire Products Limited ("ISWP") into and with Tata Steel Long Products Limited ("TSLP").

Subsequent to the Board's approval at its meeting held on November 13, 2020, the Company has submitted the Scheme of Amalgamation of TML into and with TSLP and the Scheme of Amalgamation of ISWP into and with TSLP, to the Stock Exchanges, viz. BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on November 14, 2020.

The Board has recommended exchange ratio of 12 fully paid-up equity shares of ₹10 each of the Company for every 10 fully paid-up equity shares of ₹10 each held in the Tata Metaliks Limited (TML) and 10 fully paid-up equity shares of ₹10 each of the Company for every 16 fully paid-up equity shares of ₹10 each held in the Indian Steel and Wire Products (ISWP) Limited.

F. RULE 19(2) AND RULE 19A OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957

We write to report that BSE Limited and National Stock Exchange of India Limited (together referred to as "Stock Exchanges") have imposed a penalty of Rs. 1,77,000/- each on the Company, on December 7, 2020 for non-compliance with requirement of Minimum Public Shareholding ("MPS"). The no. of days of non-compliance for which penalty was levied was 30 days i.e., from September 1, 2020 to September 30, 2020. The said amount of penalty was duly paid by the Company to BSE and NSE on December 10, 2020 and December 11, 2020, respectively. Further, notice(s) were received by the company from the Stock Exchanges vide their Notice dated March 24, 2021 imposing a further fine of Rs. 3,36,300/- towards continuous violation of MPS requirement as mentioned above. The no. of days of noncompliance for which penalty was levied was 57 days i.e., from October 1, 2020 to November 27, 2020. The said amount of penalty was duly paid by the Company to BSE and NSE on March 25, 2021 and March 30, 2021, respectively. However, on November 27, 2020, Tata Steel Limited, Promoter, completed the open market sale of 4,51,000 (Four Lakh Fifty-One Thousand) equity shares of the Company, pursuant to which, Tata Steel's holding in the Company decreased from 75.91% to 74.91% of the paid-up equity share capital of the Company. Therefore, effective November 27, 2020, the Company was fully compliant with the requirement of MPS.

G. NOTICE FROM SEBI TO TSLP AND USHA MARTIN LIMITED

The Company has received a Show Cause Notice dated February 16, 2021 from SEBI on an alleged non-compliance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to non-disclosure of monetary obligation on account of ED Investigation against Usha Martin Limited. We understand from the management that the Company has submitted a response through its Authorised Legal Representatives, M/s. Cyril Amarchand Mangaldas vide their reply dated March 25, 2021.

6. In this Certificate, we have not taken into consideration the events which are already in public domain and also not those events which have not come to our knowledge while conducting this audit.

7. This Certificate is being issued under the precautionary measures of work from home due to COVID-19 with limited resources available to us.

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

S. M. GUPTA & CO.
Company Secretaries
Firm Registration No.: P1993WB046600
Membership No: .FCS – 896
CP No : 2053
Peer Review No: 718/2020
UDIN: F000896C000139683

Place: Kolkata
Date : April 20, 2021
Encl.: **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.

(S. M. Gupta)
Partner

S. M. GUPTA & CO.
Company Secretaries
Firm Registration No.: P1993WB046600
Membership No: .FCS – 896
CP No : 2053
Peer Review No: 718/2020
UDIN: F000896C000139683

Place: Kolkata
Date : April 20, 2021

ANNEXURE-10

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"), Captive Power Plant("CPP"), Sinter, Pellet, Mill's area: -

- Power saving of 28000 Kilo Volt Ampere Hours ("KVAH") per/day at BF-1, DRI & Steel Melting Shop-3 ("SMS-3") by Installation and Commissioning of 0.440 Kilovolt("KV"), 7300 Kilo Volt-Ampere Reactive("KVAR") rated Capacitor bank.
- Power saving of 5640 Kilo Volt Ampere Hours ("KVAH") per/day at Sinter by restoration and re-commissioning of 0.44 KV, 575 KVAR rated Capacitor bank and Reduction of Idle Run of R series and T series Conveyor belt by Introducing the Programmable Logic Controller ("PLC") Logic.
- Power saving of 2160 Kilo Watt Hours ("KWH") per/day at Pellet by Installation and commissioning of 250 Kilo Watt ("KW") Value Frequency Drive ("VFD") drive in Drier Induced draught ("ID") fan.
- Power saving of 48 Kilo Volt Ampere Hours ("KVAH") per/day at Wire Rod Mill ("WRM") by replacing Furnace Oil ("FO") with Light Diesel Oil ("LDO").
- Power saving of 10950 KWH per/day at coke oven gas based 30MW CPP by Improvement of condenser Vacuum and Turbine cylinder efficiency.

2. ~2.13 % reduction in fuel rate at Blast Furnace from FY 19-20 achieved through following major activities:

- Increasing PCI average rate (Pulverised Coal Injection) from 114 kg/THM to 134 kg/THM.
- Increase in hot blast temperature from 1036°C to 1067°C.
- Oxygen Enrichment increase from 3.3% to 4.59%.
- Increase in sinter Use from 67.4% to 69.8%.

3. ~4% reduction in coal consumption at DRI plant from FY 19-20 achieved through following major activities:

- Reduction of unborn carbon through Control burning of coal and arresting of air leakages.
- Discarding of -3mm Coal before charging by Screening which improve effective volume of DRI kiln.

4. ~15% reduction in coal consumption at Pellet plant from FY 19-20 achieved through following major activities:

- Nitrogen purging sequence changing in PCI Mill helps to reduce leakages.
- Roller gap has been adjusted in Mill.
- Hydraulic cylinder and gearbox replacement helps to improve mill efficiency.

5. Reduction In Fuel Consumption from Fy'19-20 By replacing Furnace oil (FO) by Light Diesel Oil (LDO):

- Reduction of LDO Consumption in Blooming Mill from 29 L/t to 24 L/t by replacing the LDO by BF gas consumption @ 2000 Nm3/Hr.
- Reduction in LDO Consumption in Bar Mill from 55 L/t to 45L/t by replacing FO by LDO.
- Reduction in LDO consumption in Vacuum Degassing ("VD") 02 by 33% in FY 20-21 by replacing the LDO with BF gas@ 6500 Nm3/Hr.

6. ~17kT Low GCV Coal reduction in Coal blend at CPP from FY 19-20 achieved through following major activities:

- Increase of Char utilisation in boiler from 1.3% to 15 %.
- Use of 2PR Coal.
- Use of Middling coal

7. ~11% reduction in BF gas flaring from FY 19-20 achieved through following major activities:

- Use of BF gas in Place of LDO at SMS VD-02 boiler
- Damaged and jammed Pipeline Change in Sinter and WRM furnace area which improved gas utilisation by ~8%.

- Installation of new burner with Valve in soaking zone at Blooming Mill improved gas utilisation by ~ 10%.

ii. Steps taken by the Company for utilising alternate sources of energy:

- Maximisation of waste heat recovery boiler (WHRB) power Generation in Coke Oven based WHRB from 16 Mega Watt ("MW") in FY19-20 to 22MW in FY 20-21 by arresting leakage in inlet gas DUCT and Steam Line, cleaning of boiler tube, installation of New Boiler Feed Pump ("BFP"), Quick Closing Non-Return Valve ("QC NRV") by changing QC NRV in Turbine & Reduction in Raw steam in Deaerator.
- Maximisation of WHRB power Generation in DRI based WHRB from 15 MW in FY 19-20 to 20 MW in FY 20-21 by arresting the flue gas leakage in inlet duct, insulation of steam Line, boiler furnace, Elbow duct inspection & cleaning to avoid the cleaners formation and maintaining the boiler input temperature & Draft.

iii. Capital investment on energy conservation equipment:

During FY20-21, a capital investment of about 1.72 Cr for installation of Capacitor bank in SMS-3, Straight Bar Mill ("SBM"), BF 01 & DRI to improve Power Factor from 0.76 (avg.) to more than 0.95 (avg.)

B) Technology absorption:

i) Efforts made towards technology absorption:

- Installation of VFD drives.
- Installation of Capacitor Banks
- 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 benefits derived through taking steps for Energy Conservation are as follows:

- Fuel consumption has been reduced by 17% from FY 19-20 at Blooming Mill & 18% in SBM which resulted in reduction of Production cost.
- Electrical Energy consumption has been reduced by ~6% from FY 19-20 at Blast Furnace, which resulted in reduction of hot metal Production cost.
- Electrical Energy consumption has been reduced by ~12% from FY 19-20 at DRI, which resulted in reduction of DRI Production cost.
- Electrical Energy consumption has been reduced by ~15% from FY 19-20 at WRM, which resulted in reduction of WRM Production cost.
- Electrical Energy consumption has been reduced by ~16% from FY 19-20 at SMS, which resulted in reduction of SMS crude steel Production cost.
- Low Gross Calorific Value ("LGCV") Coal Consumption Cost has been reduced by ~6% due to optimisation in Coal blending from FY 19-20 at CPP, which resulted in reduction of CPP Power generation Cost.

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 there for and the plan of action: NA

iv) Expenditure incurred on Research and Development: NIL

C) Foreign Exchange Earnings and Outgo:

The details of foreign exchange earnings and outgo are as follows:

Foreign exchange earnings: ₹414.91 crs

Outgo: ₹789.37 crs

On behalf of the Board of Directors

Sd/-
T.V. Narendran
Chairman
DIN:03083605

Jamshedpur
April 20, 2021

ANNEXURE-11

Particulars of Loans, Guarantees or Investments

[Pursuant to Section 186 of the Companies Act, 2013]

Amount outstanding as on March 31, 2021

(₹ crore)

Particulars	Amount
Loans given	Nil
Guarantees given	Nil
Investments made	20.66

Loans, Guarantees given or Investments made during the Financial Year 2020-21

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	

On behalf of the Board of Directors

Sd/-
T.V. Narendran
Chairman
DIN:03083605

Jamshedpur
April 20, 2021

Financial Statements

Standalone	150
Consolidated	224
Notice	298

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying Standalone Financial Statements of Tata Steel Long Products Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and Notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its total comprehensive income (comprising profit and other comprehensive income), its changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Key audit matters

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

Key Audit Matter	How our audit addressed the key audit matter
Recovery of expenses and related disclosures of contingent liabilities for Radhikapur (East) Coal Block [Refer to Note 33(d) to the Standalone Financial Statements] As at March 31, 2021, the Company has financial exposure in books aggregating ₹178.81 Crores incurred in earlier years on the Radhikapur (East) Coal Block, which was deallocated pursuant to the Order of the Hon'ble Supreme Court of India in 2014. The Coal Mines (Special Provisions) Rules, 2014 and subsequent amendments thereto, promulgated pursuant to the aforesaid Order, prescribes that the prior allottee (i.e., the Company), shall be compensated for the expenses incurred towards land and mine infrastructure. During the year, the Ministry of Coal (MoC) has carried out an auction of the coal block and the coal block has been re-allotted to a successful bidder. The Company is awaiting directions from MoC on the determination of just, fair and adequate compensation in respect of the aforesaid amounts incurred. The Company expects to recover such expenses in due course.	Our audit procedures included the following: • Evaluation of the design and testing of operating effectiveness of the controls implemented by the management to assess the recoverability of expenses incurred towards Radhikapur (East) Coal Block and related disclosures in the Standalone Financial Statements. • Obtained an updated understanding of the basis of the management's judgement including discussion with the Company's inhouse and external legal counsel. • Tested a sample of expenses incurred on the coal block. • Considered the external legal opinion obtained by the management to understand the status and the management's assessment of the likely outcome of the on-going litigation. • Obtained evidence supporting the on-going discussions of the Company with the MoC/ Nominated Authority of MoC and the allotment to the successful bidder.

Key Audit Matter	How our audit addressed the key audit matter
Further, as stated in Note 33(d)(ii), the MoC had also issued notice for invocation of the bank guarantee of ₹32.50 Crores towards delay in achieving the milestones towards the development of the coal block. The Company is contesting the matter that the delay is not attributable to the Company. Pending finalisation of the matter, the amount of bank guarantee has been disclosed as contingent liability. This is considered to be a key audit matter as significant judgements are involved regarding recoverability of the aforesaid amounts incurred and possible obligation related to bank guarantee that is subject to decision/approvals of the regulatory authorities.	Based on the above work performed, we found the management's judgement on assessment of recoverability of the related expenses incurred and the disclosure of the contingent liability in respect of performance guarantee for coal block allocation, to be reasonable.

Other Information

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

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

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

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

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

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

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

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

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

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

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

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the

Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2021 on its financial position in its Standalone Financial Statements – Refer Note 33 to the Standalone Financial Statements;

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

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021, except for amounts aggregating to ₹0.06 crores, which according to the information and explanations provided by the management is held in abeyance due to pending legal cases. Refer Note 47 to the Standalone Financial Statements.

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

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

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

Pinaki Chowdhury
Partner
Membership Number: 057572
UDIN: 21057572AAAAAM7193

Kolkata
April 20, 2021

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

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

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

1. We have audited the internal financial controls with reference to Standalone Financial Statements of Tata Steel Long Products Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to the financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Pinaki Chowdhury
Partner
Membership Number: 057572
UDIN: 21057572AAAAAM7193

Kolkata
April 20, 2021

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

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

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

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

(c) The title deeds of immovable properties, as disclosed in Note 3 on Property, Plant and Equipment and Note 4 on Right-of-use assets to the standalone financial statements, are held in the name of the Company, except for the following immovable properties acquired pursuant to the business acquisition as stated in Notes 3.01 and 4 (e) respectively to the standalone financial statements, whose title deeds are not held in the Company's name:

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

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

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

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

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund (also refer remarks below), though there has been a slight delay in a case, and is regular in depositing undisputed statutory dues, including income taxes, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 37.03 to the financial statements regarding management's assessment on certain matters relating to provident fund.

Further, for the period April 1, 2020 to April 30, 2020, the Company has paid Goods and Service Tax and filed Form GSTR 3B after the due date for one registration, but within the timelines allowed by the Central Board of Indirect Taxes and Customs under the Notification Number 31/2020 dated April 3, 2020 on fulfilment of conditions specified therein.

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

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

**Amount below rounding off norm adopted in report.

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

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

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

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

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

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

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

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

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

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

Pinaki Chowdhury
Partner
Membership Number: 057572
UDIN: 21057572AAAAAM7193

Kolkata
April 20, 2021

STANDALONE BALANCE SHEET

as at March 31, 2021

₹ in crores

		Notes	As at March 31, 2021	As at March 31, 2020
I	**Assets**			
	Non-current assets			
	(a) Property, plant and equipment	03	3,822.62	4,071.46
	(b) Right-of-use assets	04	223.90	239.52
	(c) Capital work-in-progress	03	23.89	36.69
	(d) Goodwill	39	5.66	5.66
	(e) Other intangible assets	05	289.37	298.21
	(f) Financial assets			
	(i) Investments	06	20.66	17.46
	(ii) Loans	07	1.28	0.99
	(iii) Other financial assets	08	1.01	0.94
	(g) Income tax assets (net)	21 (ii)	43.15	36.70
	(h) Other non-current assets	09	20.46	195.38
	Total non-current assets		**4,452.00**	**4,903.01**
	Current assets			
	(a) Inventories	10	812.71	796.97
	(b) Financial assets			
	(i) Trade receivables	11	75.15	155.88
	(ii) Cash and cash equivalents	12 (i)	279.37	58.03
	(iii) Bank balances other than (ii) above	12 (ii)	2.41	103.58
	(iv) Loans	07	2.67	5.61
	(v) Derivative assets		0.51	8.20
	(vi) Other financial assets	08	182.42	14.93
	(c) Other current assets	09	81.96	121.82
	Total current assets		**1,437.20**	**1,265.02**
	Assets classified as held for sale	40	**19.27**	**8.39**
	Total assets		**5,908.47**	**6,176.42**
II	**Equity and liabilities**			
	Equity			
	(a) Equity share capital	13	45.10	45.10
	(b) Other equity	14	2,548.79	1,971.51
	Total equity		**2,593.89**	**2,016.61**
	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	1,320.15	2,644.07
	(ii) Lease liabilities	04	87.25	89.04
	(b) Provisions	16	35.63	70.20
	(c) Deferred tax liabilities (net)	17	44.53	-
	Total non-current liabilities		**1,487.56**	**2,803.31**
	Current liabilities			
	(a) Financial liabilities			
	(i) Lease liabilities	04	16.82	21.84
	(ii) Derivative liabilities		5.46	-
	(iii) Trade payables	18		
	- total outstanding dues of micro and small enterprises		63.86	10.85
	- total outstanding dues of creditors other than micro and small enterprises		1,165.38	800.71
	(iv) Other financial liabilities	20	147.74	150.72
	(b) Provisions	16	80.88	217.04
	(c) Other current liabilities	19	292.98	101.44
	(d) Current tax liabilities (net)	21 (i)	53.90	53.90
	Total current liabilities		**1,827.02**	**1,356.50**
	Total liabilities		**3,314.58**	**4,159.81**
	Total equity and liabilities		**5,908.47**	**6,176.42**
Notes forming an integral part of the standalone financial statements		**1 to 49**		

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

Sd/-
Pinaki Chowdhury
Partner
Membership No. 057572

Place: Kolkata
Date: April 20, 2021

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/-
Sankar Bhattacharya
Company Secretary

Place: Jamshedpur
Date: April 20, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

₹ in crores

		Notes	Year ended March 31, 2021	Year ended March 31, 2020
I	Revenue from operations	22	4,749.87	3,489.99
II	Other income	23	78.23	81.26
III	**Total income (I + II)**		**4,828.10**	**3,571.25**
IV	**Expenses:**			
	Cost of materials consumed	24	2,181.96	2,392.29
	Changes in inventories of finished and semi finished goods	25	56.49	(209.65)
	Employee benefits expense	26	214.81	192.11
	Finance costs	27	234.63	292.84
	Depreciation and amortisation expense	28	327.19	310.79
	Other expenses	29	1,198.19	961.97
	Total expenses (IV)		**4,213.27**	**3,940.35**
V	**Profit / (loss) before exceptional items (III - IV)**		**614.83**	**(369.10)**
VI	Exceptional items			
	Acquisition related expenditure	35 (i)	-	27.42
	Provision for coal block performance obligation	35 (ii)	-	133.72
	Total exceptional items (VI)		**-**	**161.14**
VII	**Profit / (loss) before tax (V-VI)**		**614.83**	**(530.24)**
VIII	**Tax expense:**			
	(1) Current tax	17 (ii)	-	-
	(2) Deferred tax	17 (i)	42.86	(13.96)
	Total tax expense (VIII)		**42.86**	**(13.96)**
IX	**Profit / (loss) for the year (VII- VIII)**		**571.97**	**(516.28)**
X	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurement gain / (loss) of the defined benefit plans		3.78	(14.43)
	(b) Income tax relating to above		(0.95)	4.95
	(c) Changes in fair value of FVOCI equity instruments		3.20	3.12
	(d) Income tax relating to above		(0.72)	(0.71)
	Total other comprehensive income (X)		**5.31**	**(7.07)**
XI	**Total comprehensive income for the year (IX + X)** (Comprising profit / (loss) and other comprehensive income for the year)		**577.28**	**(523.35)**
XII	**Earnings / (loss) per equity share (face value of ₹10 each):**	32		
	(1) Basic (in ₹)		126.82	(142.82)
	(2) Diluted (in ₹)		126.82	(142.82)
Notes forming an integral part of the standalone financial statements		**1 to 49**		

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

Sd/-
Pinaki Chowdhury
Partner
Membership No. 057572

Place: Kolkata
Date: April 20, 2021

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/-
Sankar Bhattacharya
Company Secretary

Place: Jamshedpur
Date: April 20, 2021

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

(A) Equity share capital

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

(*) The Company issued 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 crores

Particulars	Notes	Reserves and surplus				Other reserves	Total
		General reserves	Securities premium	Retained earnings	Remeasurement gain / (loss) on defined benefit plans	Equity instruments through other comprehensive income	
As at April 1, 2019	14	900.00	-	159.54	(1.37)	9.91	1,068.08
Loss for the year		-	-	(516.28)	-	-	(516.28)
Received on issue of ordinary shares through right issue during the year		-	1,449.99	-	-	-	1,449.99
Changes in fair value of FVOCI equity instruments		-	-	-	-	3.12	3.12
Remeasurement gain / (loss) on defined benefit plans		-	-	-	(14.43)	-	(14.43)
Tax impact on items of other comprehensive income (OCI)		-	-	-	4.95	(0.71)	4.24
Transactions with the owners in their capacity as owners							
Dividend paid during the year	30(b)	-	-	(19.25)	-	-	(19.25)
Tax on dividend	30(b)	-	-	(3.96)	-	-	(3.96)
Balance as at March 31, 2020	14	**900.00**	**1,449.99**	**(379.95)**	**(10.85)**	**12.32**	**1,971.51**
Profit for the year		-	-	571.97	-	-	571.97
Received on issue of ordinary shares through right issue during the year		-	-	-	-	-	-
Changes in fair value of FVOCI equity instruments		-	-	-	-	3.20	3.20
Remeasurement gain / (loss) on defined benefit plans		-	-	-	3.78	-	3.78
Tax impact on items of other comprehensive income (OCI)		-	-	-	(0.95)	(0.72)	(1.67)
Transactions with the owners in their capacity as owners							
Dividend paid during the year	30(b)	-	-	-	-	-	-
Tax on dividend	30(b)	-	-	-	-	-	-
Balance as at March 31, 2021	14	**900.00**	**1,449.99**	**192.02**	**(8.02)**	**14.80**	**2,548.79**
Notes forming an integral part of the standalone financial statements	1 to 49						

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

Sd/-
Pinaki Chowdhury
Partner
Membership No. 057572

Place: Kolkata
Date: April 20, 2021

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/-
Sankar Bhattacharya
Company Secretary

Place: Jamshedpur
Date: April 20, 2021

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2021

₹ in crores

	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flows from operating activities		
Profit / (loss) before tax	614.83	(530.24)
Adjustments for:		
Depreciation and amortisation expense	327.19	310.79
Changes in fair value of financial assets / liabilities at fair value through profit or loss	13.15	(8.19)
Gain on cancellation of forward contracts	(9.86)	-
Dividend received from equity investments	(2.44)	(0.84)
Dividend from current investments	-	(4.46)
Gain on sale of current investments	(3.89)	(0.77)
Gain on sale of non-current investments	-	(2.01)
Loss on disposal of property, plant and equipment	9.59	2.07
Interest income	(18.50)	(45.53)
Finance costs	234.63	292.84
(Reversal) / Allowance for expected credit losses	(3.19)	3.47
Unrealised foreign exchange (gain) / loss	(21.42)	10.61
Provision for coal block performance obligation	-	133.72
Liabilities no longer required written back	(32.96)	(6.87)
Operating profit before working capital changes	**1,107.13**	**154.59**
Changes in operating assets and liabilities*		
(Increase) in Inventories	(15.74)	(435.95)
Decrease / (Increase) in Non-current/current financial and non-financial assets	126.64	(26.76)
Increase / (Decrease) in Non-current/current financial and non-financial liabilities/provisions	478.15	(20.56)
Cash generated / (used in) from operations	**1,696.18**	**(328.68)**
Income taxes (paid)	(6.45)	(6.97)
Net cash generated / (used in) from operating activities	**1,689.73**	**(335.65)**
B. Cash flows from investing activities		
Payments for purchases of property, plant and equipment (including capital advances)	(42.47)	(38.13)
Proceeds from disposal of property, plant and equipment	1.62	0.22
Payments for business combination	-	(3,906.12)
Proceeds from disposal of current investments (net)	3.89	121.74
Proceeds from disposal of Non- current investments	-	110.28
Fixed deposits matured (net)	100.90	80.61
Interest received	24.65	51.70
Dividend received from equity investments	2.44	0.84
Dividend received from current investments	-	4.46
Net cash generated from / (used in) investing activities	**91.03**	**(3,574.40)**

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2021

₹ in crores

		Year ended March 31, 2021	Year ended March 31, 2020
C. Cash flows from financing activities			
(Repayment of) / Proceeds from borrowings (net)		(1,325.00)	2,643.68
Proceeds from issue of equity share (net of issue expenses)		-	1,479.69
Finance costs paid (excluding interest towards lease liabilities)		(227.88)	(273.75)
Payment of lease liabilities		(9.00)	(11.12)
Interest paid on lease liabilities		(7.40)	(10.40)
Gain on cancellation of forward contracts		9.86	-
Dividend paid		-	(19.25)
Tax on dividend paid		-	(3.96)
Net cash (used in) / generated from financing activities		**(1,559.42)**	**3,804.89**
Net increase / (decrease) in cash or cash equivalents		221.34	(105.16)
Cash and cash equivalents at the beginning of the year (Refer Note 12(i))		58.03	163.19
Cash and cash equivalents at the end of the year (Refer Note 12(i))		**279.37**	**58.03**
Notes forming an integral part of the standalone financial statements	**1 to 49**		

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

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

Sd/-
Pinaki Chowdhury
Partner
Membership No. 057572

Place: Kolkata
Date: April 20, 2021

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/-
Sankar Bhattacharya
Company Secretary

Place: Jamshedpur
Date: April 20, 2021

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

01 Corporate information

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

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

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

02 Significant accounting policies

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

02.01 Basis of accounting and preparation of financial statements

(i) Compliance with Ind AS

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

(ii) Historical cost convention

The standalone financial statements have been prepared on the historical cost basis except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- assets held for sale — measured at fair value less cost to sell;
- defined benefit plans — plan assets measured at fair value.

(iii) Current versus Non-current classification

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

An asset is classified as current when it is:

i. expected to be realised or intended to be sold or consumed in the normal operating cycle,

ii. held primarily for the purpose of trading,

iii. expected to be realised within twelve months after the reporting period, or

iv. cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

i. it is expected to be settled in the normal operating cycle,

ii. it is incurred primarily for the purpose of trading,

iii. it is due to be settled within twelve months after the reporting period, or

iv. there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

02.02 Use of estimates and critical accounting judgments

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

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

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each impacted line item in the standalone financial statements.

The areas involving critical estimates or judgements are:

(i) Employee benefits (estimation of defined benefit obligation) - Refer Notes 02.16 and 37

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

(ii) Estimation of expected useful lives and residual values of property, plants and equipment - Refer Notes 02.03 and 03

Management reviews its estimate of useful life of property, plant & equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolesce that may change the utility of property, plant and equipment.

(iii) Provision and contingent liabilities - Refer Notes 02.19, 02.20, 16 and 33

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities, as disclosed in Note 33 and Note 34, are not recognised in the financial statements. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcomes. In the normal course of business, the Company consults with legal counsel and certain other experts on matters related to litigations. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

(iv) Deferred taxes - Refer Notes 02.17 and 17

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned 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 and Comparable Company Method. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(vi) Impairment - Refer Notes 02.07, 03.05, 05.03 and 39

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(vii) Leases (determination of lease term) - Refer Notes 02.04 and 04

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

(viii) Allocation of purchase consideration over the fair value of assets and liabilities acquired in a business combination - Refer Notes 02.08 and 38

Assets and liabilities acquired pursuant to business combination are stated at the fair values determined as of the date of acquisition. The carrying values of assets acquired are determined based on estimate of a valuation carried out by an independent expert appointed by the Company. The values have been assessed based on the technical estimates of useful lives of tangible assets and benefits expected from the use of intangible assets. Other assets and liabilities were recorded at values these were expected to be realised or settled respectively.

02.03 Property, plant and equipment

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

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, 2021

02.07 Impairment of non-financial assets

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

02.08 Business combinations

The acquisition method of accounting is used to account for all business combinations related to acquisitions, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition is measured at

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- fair value of any asset or liability resulting from a contingent consideration arrangement.

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

Acquisition-related costs are expensed as incurred.

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

02.09 Investment in subsidiaries

Investments in subsidiaries are stated at cost less provision for impairment loss, if any. Investments are tested for impairment wherever event or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

02.10 Financial instruments

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

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

(i) Classification

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

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

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

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

For investments in equity instruments, this depends on whether the Company has made an irrevocable election

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies the debt investments when and only when the business model for managing those assets changes.

(ii) Measurement

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

Debt Instruments

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

Equity Instruments

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

(iii) Impairment of financial assets

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

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

(iv) Derecognition of financial assets

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

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

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

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

(v) Interest income

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

(vi) Dividend income

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

(vii) Fair value of financial instruments

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

(viii) Offsetting financial instruments

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

02.12 Financial liabilities and equity instruments

(i) Classification as debt or equity

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

(ii) Measurement

Equity instruments

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

Financial liabilities

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

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

(iii) De-recognition of financial liabilities

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

02.13 Derivatives and hedging activities

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

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

02.14 Trade receivables

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

02.15 Trade payables

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

02.16 Employee benefits

(i) Short-term employee benefits

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

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for the year ended March 31, 2021

(ii) Post-employment benefits

(a) Defined benefit plans

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

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

(b) Defined contribution plans

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

(iii) Other long–term employee benefits

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

02.17 Income tax

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

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

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

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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.

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

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for the year ended March 31, 2021

assets as appropriate and are depreciated over the life of the related asset. The effect of time value of money on the restoration and environmental costs liability is recognised in the Statement of Profit and Loss.

02.21 Revenue recognition

(i) Sale of goods and product scrap

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

(ii) Sale of Power

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

(iii) Income from services

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

02.22 Government grants

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

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

02.23 Foreign currency transactions and translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in the Statement of Profit and Loss.

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

02.24 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell. An impairment loss is recognised

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for the year ended March 31, 2021

for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

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

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

02.25 Borrowings costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

02.26 Earnings per share

(i) Basic Earnings per Share

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

(ii) Diluted Earnings per Share

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

02.27 Cash and cash equivalents

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

02.28 Segment reporting

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

02.29 New and amended standards adopted by the Company

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- Definition of a Business – amendments to Ind AS 103
- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

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

02.30 Rounding of amounts

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

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

₹ in crores

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

₹ in crores

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

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for the year ended March 31, 2021

Notes:

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

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

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

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

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

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

04 Leases

(a) The Company as a lessee

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

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

₹ in crores

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

₹ in crores

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

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

₹ in crores

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

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

₹ in crores

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

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

₹ in crores

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

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

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

₹ in crores

	Year ended March 31, 2021	Year ended March 31, 2020
Fixed payments	-	-
Variable payments	6.96	1.01
Total payments	**6.96**	**1.01**

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

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

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

05 Other intangible assets

₹ in crores

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

₹ in crores

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

Notes

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

06 Investments

₹ in crores

	As at March 31, 2021	As at March 31, 2020
Non-current investments (unquoted)		
(A) Investment in equity instruments		
Investment in subsidiary company		
TSIL Energy Limited (Refer note 06.2 below)	1.06	1.06
10,60,060 (March 31, 2020: 10,60,060) equity shares of ₹10 each fully paid up		
Investment in other body corporates @		
Jamipol Limited	19.60	16.40
8,00,000 (March 31, 2020: 8,00,000) equity shares of ₹10 each fully paid up		
Total Non - current investments	**20.66**	**17.46**
Aggregate amount of unquoted investments	**20.66**	**17.46**
@ Investments carried at fair value through other comprehensive income [Refer Note 31(b)(i)]	**19.60**	**16.40**

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

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

07 Loans
(Unsecured, considered good unless stated otherwise)

₹ in crores

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

08 Other financial assets
(Unsecured, considered good unless stated otherwise)

₹ in crores

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

09 Other assets
(Unsecured, considered good unless stated otherwise)

₹ in crores

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

10 Inventories
(lower of cost and net realisable value)

₹ in crores

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

Note:

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

11 Trade receivables

₹ in crores

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

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

₹ in crores

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

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

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

₹ in crores

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

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

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

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

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

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

12 (i) Cash and cash equivalents

₹ in crores

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

(ii) Bank balances other than (i) above

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

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

13 Equity share capital

₹ in crores

		As at March 31, 2021	As at March 31, 2020
(a)	**Authorised share capital:**		
	7,50,00,000 fully paid equity shares of ₹10 each	75.00	75.00
	(As at March 31, 2020: 7,50,00,000 fully paid equity shares of ₹10 each)		
		75.00	**75.00**
(b)	**Issued, subscribed and fully paid up:**		
	4,51,00,000 equity shares of ₹10 each	45.10	45.10
	(As at March 31, 2020: 4,51,00,000 fully paid equity shares of ₹10 each)		
		45.10	**45.10**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

(c) Fully paid equity shares

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

The Company issued 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).

(d) Shares held by holding company

₹ in crores

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

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

₹ in crores

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

(f) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹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 crores

		As at March 31, 2021	As at March 31, 2020
(a)	**Authorised Share Capital:**		
	20,00,00,000 Non-Convertible Redeemable Preference Shares of ₹100 each	2,000.00	2,000.00
	(As at March 31, 2020: 20,00,00,000 Non-Convertible Redeemable Preference Shares of ₹100 each)		
		2,000.00	**2,000.00**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

(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 crores

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

₹ in crores

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(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 crores

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

(c) Retained Earnings

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

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

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

(e) Equity instruments through other comprehensive income

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

15 Borrowings

₹ in crores

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

Notes

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

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

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

(c) Maturity profile of borrowings is as below:

₹ in crores

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

(d) The term loan facility arrangements include financial covenants, which require compliance to certain debt-equity and debt coverage ratios. Additionally, certain negative covenants may limit the Company's ability to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach. The Company has complied with these debt covenants.

(e) Debt reconciliation

₹ in crores

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

16 Provisions

₹ in crores

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

17 Deferred tax liabilities (net)

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

₹ in crores

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

The balances comprises temporary differences attributable to:

₹ in crores

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

₹ in crores

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

Note:

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

(ii) Reconciliation of income tax recognised in the Standalone Statement of Profit and Loss

₹ in crores

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

The income tax expense for the year can be reconciled to the accounting profit as follows:

₹ in crores

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(iii) The Company has not recognised deferred tax assets on unabsorbed depreciation aggregating to ₹Nil as at March 31, 2021 (March 31, 2020: ₹326.46 crores).

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

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

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

18 Trade payables

₹ in crores

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

* includes payable to Tata Sponge Iron Limited Superannuation Fund

Note:

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

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

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₹ in crores

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

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

19 Other current liabilities

₹ in crores

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

Note:

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

20 Other financial liabilities

₹ in crores

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

21 (i) Current tax liabilities (net)

₹ in crores

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

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

₹ in crores

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

22 Revenue from operations

₹ in crores

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

Note:

(a) Reconciliation of revenue recognised with contract price

₹ in crores

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

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

₹ in crores

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

Figures in brackets represents amount for the previous year

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

₹ in crores

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

(d) Contract balances

₹ in crores

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

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

23 Other income

₹ in crores

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Interest income		
(i) Interest income earned on financial assets that are not designated at FVTPL		
- Bank deposits carried at amortised cost	10.02	17.13
- Other financial assets carried at amortised cost	8.48	13.68
(ii) Interest income on tax refund	-	14.71
(b) Dividend income		
(i) From equity investments *	2.44	0.84
(ii) From investments in mutual funds (Current)	-	4.46

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

₹ in crores

	Year ended March 31, 2021	Year ended March 31, 2020
(c) Net gains / (losses) on fair value changes		
(i) Net gain / (loss) on fair value changes of financial assets carried at FVTPL (Current)	-	8.20
(ii) Net gain on sale of current investments	3.89	0.77
(iii) Net gain on sale of non-current investments	-	2.01
(d) Gain on cancellation of forward contracts	9.86	-
(e) Allowance for expected credit losses written back	3.19	-
(f) Liabilities no longer required written back	32.96	6.87
(g) Other non-operating income	7.39	12.59
Total other income	**78.23**	**81.26**

Note:

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

24 Cost of materials consumed

₹ in crores

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

25 Changes in inventories of finished and semi-finished goods

₹ in crores

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

26 Employee benefits expense

₹ in crores

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

27 Finance costs

₹ in crores

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

28 Depreciation and amortisation expense

₹ in crores

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

29 Other expenses

₹ in crores

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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29.01 Payments to auditors

₹ in crores

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

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

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

30 Capital management

(a) Risk management

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

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

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

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

₹ in crores

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

Notes:

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
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(b) Dividend on equity shares

₹ in crores

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

31 Disclosures on financial instruments

(a) Financial risk management

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

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

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

(i) Credit risk management

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

Trade receivables and contract assets

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

Outstanding customer receivables are regularly monitored and the shipments to customers are generally covered by letters of credit or other forms of credit assurance.

Other Financial Assets

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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

b. Maturities of financial liabilities

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company's derivative and non-derivative financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period. Cash flows in foreign currencies are translated using the period end spot rates.

₹ in crores

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

₹ in crores

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

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(iii) Market risk

a. Foreign currency risk

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

USD in crores

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

Foreign currency sensitivity

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

₹ in crores

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

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

b. Interest rate risk

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

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

₹ in crores

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

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The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

(iv) Commodity Price risk

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

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

(b) Financial Instruments by Category

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

(i) Financial assets and liabilities

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

₹ in crores

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

₹ in crores

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

* Derivative instruments designated as not in hedging relationship.

(ii) Fair value measurement

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

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

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

Fair value hierarchy

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

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

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

₹ in crores

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

₹ in crores

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

Reconciliation of Level 3 fair value measurement is as below:

₹ in crores

	As at March 31, 2021	As at March 31, 2020
Opening as on April 1, 2020	16.40	13.28
Changes in fair value recognised in Other Comprehensive Income	3.20	3.12
Closing as on March 31, 2021	**19.60**	**16.40**

Valuation technique used for Level 3 investments

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

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

(iii) Derivative financial instruments

Derivative instruments used by the Company are forward exchange contracts. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" wherever possible. The Company does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

All derivative instruments are designated as not in hedging relationships.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

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

₹ in crores

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

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

USD in crores

	As at March 31, 2021	As at March 31, 2020
Foreign currency forwards	7.02	4.64

32 Earnings / (loss) per equity share

₹ in crores

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

Note:

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

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

₹ in crores

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

Note:

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

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

₹ in crores

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

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

(c) Cross subsidy surcharge payable to power distribution companies

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

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

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

35 Exceptional items

(i) Acquisition related expenditure

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

(ii) Provision for coal block performance obligation

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

36 Related party disclosures

A List of related parties

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

B Particulars of transactions during the year

₹ in crores

Name of the related party	Nature of relationship	As at March 31, 2021	As at March 31, 2020
Tata Steel Limited	Holding Company	182.95	243.93
Tata International Limited	Subsidiary of Tata Sons Private Limited	167.70	99.26
The Siam Industrial Wire Company Ltd.	Fellow subsidiary	109.55	0.57
The Indian Steel and Wire Products Limited	Fellow subsidiary	0.01	0.34
Tata Steel BSL Limited	Fellow subsidiary	2.10	-
Tata Metaliks Limited	Fellow subsidiary	68.46	-
Total - Sale of goods		**530.77**	**344.10**
Tata Steel Limited	Holding Company	47.38	51.88
Total - Sale of power		**47.38**	**51.88**
Tata Steel Limited	Holding Company	221.81	55.41
Tata Steel BSL Limited	Fellow subsidiary	5.89	-
Total - Services rendered		**227.70**	**55.41**
Tata Steel Limited	Holding Company	548.80	469.60
T S Global Procurement Company Pte. Ltd.	Fellow subsidiary	942.23	495.86
The Indian Steel and Wire Products Limited	Fellow subsidiary	2.49	1.24
Tata International Singapore PTE Limited	Subsidiary of Tata Sons Private Limited	-	136.08
Tata International Limited	Subsidiary of Tata Sons Private Limited	-	4.63
Tata BlueScope Steel Private Limited	Joint venture of Tata Steel	1.39	4.43
Tata Steel BSL Limited	Fellow subsidiary	0.56	-
Tata Steel Mining Limited	Fellow subsidiary	9.62	-
Jamipol Limited	Joint venture of Tata Steel	1.19	1.50
Total - Purchase of goods		**1,506.28**	**1,113.34**
Tata Steel Limited	Holding Company	16.15	-
T S Global Procurement Company Pte. Ltd.	Fellow subsidiary	7.63	1.47
Tata International Limited	Subsidiary of Tata Sons Private Limited	-	3.66
Tata International Singapore PTE Limited	Subsidiary of Tata Sons Private Limited	-	7.64
TM International Logistics Limited	Joint venture of Tata Steel	6.79	15.31
Total - Reimbursement of expenses		**30.57**	**28.08**
Tata Steel Limited	Holding Company	0.06	-
Tata Steel Utilities and Infrastructure Services Limited	Fellow subsidiary	0.19	-
Total - Purchase of property, plant and equipment		**0.25**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

₹ in crores

Name of the related party	Nature of relationship	As at March 31, 2021	As at March 31, 2020
Tata Steel Limited	Holding Company	26.04	14.66
Tata Steel Utilities and Infrastructure Services Limited	Fellow subsidiary	0.88	0.32
Tata Pigments Limited	Fellow subsidiary	0.45	0.10
The Tinplate Company of India Limited	Fellow subsidiary	-	- *
Tata Sons Private Limited	Company having significant influence	10.32	0.03
Tata Consultancy Services Limited	Subsidiary of Tata Sons Private Limited	0.95	0.88
Tata AIG General Insurance Company Limited	Subsidiary of Tata Sons Private Limited	4.13	0.04
Tata Communications Limited	Subsidiary of Tata Sons Private Limited	0.10	-
TM International Logistics Limited	Joint venture of Tata Steel	50.15	18.48
TKM Global Logistics Limited	Joint venture of Tata Steel	5.72	0.90
mjunction Services Limited	Joint venture of Tata Steel	1.05	0.57
Tata NYK Shipping PTE limited	Joint venture of Tata Steel	3.14	-
Total - Services received		**102.93**	**35.98**
Jamipol Limited	Joint venture of Tata Steel	2.44	0.84
Total - Dividend income		**2.44**	**0.84**
Tata Steel Limited	Holding Company	-	10.49
Total - Dividend paid		**-**	**10.49**
Mr. Ashish Anupam	MD	2.18	0.84
Mr. Sanjay Kumar Pattnaik	MD	-	1.71
Total - Short term employee benefits		**2.18**	**2.55**
Mr. Ashish Anupam	MD	0.15	0.06
Mr. Sanjay Kumar Pattnaik	MD	-	0.10
Total - Post employment benefits		**0.15**	**0.16**
Mr. P C Parakh	NED	0.01	0.04
Mr. D K Banerjee	NED	-	0.01
Mr. Manoj T Thomas	NED	-	0.01
Dr. Omkar N Mohanty	NED	-	0.01
Dr. Sougata Ray	NED	0.04	0.03
Mr. Ansuman Das	NED	0.05	0.02
Mr. Srikumar Menon	NED	0.04	0.02
Mr. Shashi Kant Maudgal	NED	0.05	0.02
Mrs. Neeta Karmakar	NED	0.03	-
Total - Sitting fees		**0.22**	**0.16**
Tata Sponge Iron Limited Employee Provident Fund Trust	PEBP	4.37	4.34
Tata Sponge Iron Limited Superannuation Fund	PEBP	4.27	1.09
Tata Sponge Iron Limited Gratuity Fund	PEBP	6.01	0.94
Total - Contribution made		**14.65**	**6.37**

* Amount below rounding off norm adopted by the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

C Balances outstanding

₹ in crores

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

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₹ in crores

Name of the related party	Nature of relationship	As at March 31, 2021	As at March 31, 2020
Mr. P C Parakh	NED	-	0.01
Dr. Sougata Ray	NED	-	- *
Mr. Ansuman Das	NED	-	- *
Mr. Srikumar Menon	NED	-	- *
Mr. Shashi Kant Maudgal	NED	-	- *
Total - Payable to KMP		**-**	**0.01**

* Amount below rounding off norm adopted by the Company.

37 Employee benefits

37.01 - Post employment defined contribution plans

₹ in crores

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

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

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

37.02 - Post employment defined benefit plans

(a) Description of plan characteristics

(i) Gratuity

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

(ii) Long term service award

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

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

The Board of Directors of the Company grants approval for provisions of special retirement benefits to Managing Directors. The retirement benefit incudes indexed monthly pension which is reviewed in every three years and medical benefits. The benefits in short are called as Ex-MD pension and Post Retirement Medical Benefit (PRMB). Both the benefit schemes are available to the spouses of concern MDs. The said benefits are not contractual obligation of the Company. The provisions of the above benefits can only be given after signing the agreement containing the no-compete clause. The liabilities are not funded by the Company and disclosed as defined benefit plan.

(b) Risk analysis

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

(i) Interest risk

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

(ii) Salary risk

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

(iii) Investment risk

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

(iv) Longevity risk

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

(c) Details of defined benefit obligations and plan assets

A. Gratuity (Funded)

₹ in crores

		As at March 31, 2021	As at March 31, 2020
(i)	**Reconciliation of opening and closing balances of obligation**		
	a. Opening defined benefit obligation	56.49	18.52
	b. Acquired through business combination (Refer Note 38(a))	-	23.51
	c. Current service cost	4.35	2.84
	d. Interest cost	3.52	2.90
	e. Remeasurement (gains)/losses	(1.18)	12.22
	f. Benefits paid	(5.00)	(4.05)
	g. Acquisitions (credit)/cost	-	0.55
	Closing defined benefit obligation	**58.18**	**56.49**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

₹ in crores

		As at March 31, 2021	As at March 31, 2020
(ii)	**Movements in the fair value of the plan assets are as follows**		
	a. Opening fair value of plan assets	18.71	18.52
	b. Interest income	1.86	1.33
	c. Remeasurement gains/(losses)	0.13	0.56
	d. Contributions from the employer	40.62	0.03
	e. Benefits paid	(2.72)	(2.28)
	f. Acquisitions (credit)/cost	-	0.55
	Closing fair value of plan assets	**58.60**	**18.71**
(iii)	**Reconciliation of fair value of assets and obligations**		
	a. Fair value of plan assets	58.60	18.71
	b. Present value of obligation	58.18	56.49
		(0.42)	**37.78**
	c. Amount recognised in the Balance Sheet		
	- Retirement benefit obligations - Non-current	-	34.52
	- Retirement benefit obligations - Current	-	3.26
	- Prepaid Gratuity - Other non-financial current assets	0.42	-
		0.42	**37.78**

₹ in crores

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

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

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

	As at March 31, 2021	As at March 31, 2020
a. Discount rate (per annum)	6.00% / 6.75%	6.20% / 6.70%
b. Expected rate of salary increase (per annum)	8.00%	8.00%
c. Mortality rate	Indian Assured Lives Mortality (2006-08) ult.	Indian Assured Lives Mortality (2006-08) ult.
d. Withdrawal rate		
- Ages from 20-25	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

₹ in crores

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

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

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

(ix) Sensitivity analysis

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

₹ in crores

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

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

B. Long term service award (Unfunded)

(i) Reconciliation of opening and closing balances of obligation

₹ in crores

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

(ii) Reconciliation of fair value of assets and obligations

₹ in crores

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

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

₹ in crores

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

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

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

(v) Maturity profile of defined benefit obligation

₹ in crores

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

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

(vi) Sensitivity analysis

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

₹ in crores

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

C. Ex-MD Pension (Unfunded)

(i) Reconciliation of opening and closing balances of obligation

₹ in crores

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

(ii) Reconciliation of fair value of assets and obligations

₹ in crores

	As at March 31, 2021	As at March 31, 2020
a. Fair value of plan assets	-	-
b. Present value of obligation	12.20	14.47
	12.20	**14.47**
c. Amount recognised in the Balance Sheet		
- Retirement benefit obligations - Non-current	11.54	13.73
- Retirement benefit obligations - Current	0.66	0.74
	12.20	**14.47**

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

₹ in crores

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

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

	As at March 31, 2021	As at March 31, 2020
a. Discount rate (per annum)	6.75%	6.20%
b. Expected rate of salary increase (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.		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

(v) Maturity profile of defined benefit obligation

₹ in crores

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

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

(vi) Sensitivity analysis

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

₹ in crores

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

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

D. PRMB (Unfunded)

(i) Reconciliation of opening and closing balances of obligation

₹ in crores

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

(ii) Reconciliation of fair value of assets and obligations

₹ in crores

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

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

₹ in crores

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

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

	As at March 31, 2021	As at March 31, 2020
a. Discount rate (per annum)	6.50%	6.20%
b. Expected rate of salary increase (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

₹ in crores

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

(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 crores

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

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

E. Provident fund

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

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

₹ in crores

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

37.04 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

38 Business combinations

(a) Acquisition of steel business of Usha Martin Limited

Pursuant to the Business Transfer Agreement ('BTA') entered into between Tata Steel Limited (holding company of the Company) and Usha Martin Limited ('UML') on September 22, 2018, its subsequent novation in favour of the Company and approval by the Company's shareholders, the Company acquired the steel business of UML on April 9, 2019 and the related iron ore and coal mines on July 3, 2019, under a going concern and on slump sale basis. In terms of the BTA, a purchase consideration of ₹4,525.00 crores was determined for transfer of the acquired business from UML. The consideration is based on the transfer of business undertaking on a debt-free, cash-free and nil net working capital.

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

39 Goodwill

A. Movement in goodwill during the year

₹ in crores

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

B. Impairment tests for goodwill

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

40 Assets classified as held for sale

(a) Pursuant to the BTA (set out in Note 38(a)), the Company has acquired certain assets ('the Assets') at Chennai and Ranchi locations from UML. The Company acquired 'the Assets' with intention of subsequent sale, therefore the Company recorded 'the Assets' as held for sale in accordance with Ind AS 105: Non-current Assets Held for Sale and Discontinued Operations. The Company is currently negotiating with potential buyer and anticipates the sale to be completed within next twelve months. The Company has measured 'the Assets' at lower of carrying value and fair value less costs to sell amounting to ₹8.39 crores (March 31, 2020: ₹8.39 crores). No impairment loss has been recognised, as the fair value less costs to sell is higher than carrying amount of 'the Assets' as at March 31, 2021. The fair value of 'the Assets' were determined as fair value of other assets to be received against 'the Assets'. This is a level 3 measurement as per the hierarchy set out in fair value measurement disclosures (Refer Note 31(b)(ii)).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

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

41 Segment reporting

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

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

₹ in crores

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

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

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

	VAT, entry tax and sales tax	Cross subsidy surcharge	Interest on income tax	Mines restoration and other activities	Coal block performance obligation	Contingent liability recognised on business combination	Others
Carrying amount as at beginning of the year	**25.25**	**6.01**	**20.68**	**14.19**	**133.72**	**6.39**	**10.88**
	(26.06)	(6.01)	(20.68)	(-)	(-)	(-)	(-)
Add: Acquired under business combination (Refer Note 38(a))	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	(-)	(-)	(-)	(14.19)	(-)	(6.39)	(6.85)
Add: Provision made during the year	**-**	**-**	**-**	**15.64**	**-**	**-**	**0.79**
	(0.30)	(-)	(-)	(-)	(133.72)	(-)	(4.03)
Less: Amount paid during the year	**-**	**-**	**-**	**-**	**133.72**	**-**	**-**
	(0.12)	(-)	(-)	(-)	(-)	(-)	(-)
Less: Amount reversed during the year	**22.62**	**-**	**-**	**1.94**	**-**	**6.10**	**-**
	(0.99)	(-)	(-)	(-)	(-)	(-)	(-)
Carrying amount as at the end of the year (Refer Note (16(b))	**2.63**	**6.01**	**20.68**	**27.89**	**-**	**0.29**	**11.67**
	(25.25)	(6.01)	(20.68)	(14.19)	(133.72)	(6.39)	(10.88)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

	VAT, entry tax and sales tax	Cross subsidy surcharge	Interest on income tax	Mines restoration and other activities	Coal block performance obligation	Contingent liability recognised on business combination	Others
Nature of obligation	VAT, entry tax and sales tax including interest thereon	Cross subsidy surcharge payable to power distribution companies	Interest on income tax	Activities to be performed at the time of final mine closure or during the mining	Activities to be performed for developing the coal block (Refer Note 35(ii))	Demand for electricity charges and labour related matters on acquired steel business (Refer Note 38)	Demand charges of DMFT and NMET on royalty payment and other matters
Expected timing of resultant outflow	On decision by competent authority			Upon closure of mines or during the mining	The Company has paid this amount during current year. (Refer Note 35(ii)).	On decision by competent authority	
Indication of uncertainty about those outflows	The above matters are under dispute with authorities			None	None	The above matters are under dispute with authorities	
Major assumptions concerning future events	The matter is with higher authorities for adjudication. Provision has been made on the grounds of prudence.			None	None	The matter is with higher authorities for adjudication. Provision has been made on the grounds of prudence.	
Amount of any expected reimbursement, i.e., amount of any asset that has been recognised for that expected reimbursement	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(figures in brackets represents amount for the previous year)

43 Expenditure on corporate social responsibility

₹ in crores

Sr. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a.	Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities	0.16	3.20
b.	Amount spent during the year		
	(i) Construction / acquisition of any asset	-	-
	(ii) On purposes other than (i) above	0.56	3.21
	Revenue expenditure charged to the Statement of Profit and Loss in respect of CSR activities undertaken during the year is ₹0.56 crore, (₹0.49 crore has been paid in cash and ₹0.07 crore is yet to be paid in cash) as compared to ₹3.21 crores for the year ended March 31, 2020, (₹2.03 crores was paid in cash and ₹1.18 crore was unpaid).		
c.	CSR expenditure incurred through related parties of the Company for the year ended March 31, 2021 is ₹Nil. (March 31, 2020: ₹Nil.)		
d.	There are no ongoing CSR projects and no expenditure was incurred during the year on any ongoing project. The Company does not propose to carry forward any amount spent beyond the statutory requirement.		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS
for the year ended March 31, 2021

44 Assets hypothecated as security

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

₹ in crores

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

45 On account of the Covid 19 outbreak globally and in India, the Company had on April 1, 2020 made an intimation to Stock Exchanges in terms of Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Company is in the business of manufacturing steel / steel products, which support activities that are fundamental to the Indian economy. The Government imposed nation-wide lock down / restrictions due to the Covid-19 pandemic had impacted the Company's production, sales and other operations and the Company's operations have gradually come back to pre-Covid-19 level. In view of recent surge in Covid-19 cases, few states reintroduced some restrictions, and the Company continues to be vigilant and cautious, which currently is not expected to have any significant impact on the Company's operations / performance. Considering the current internal and external factors, the Company has made detailed assessment of its liquidity position / cash flows for the next one year and carrying amounts / values of Property, Plant and Equipment, Intangible assets (including goodwill), Right of use of assets, trade receivables, inventories, investments and other assets as at March 31, 2021, and has concluded that there are no material adjustments required in the standalone financial statements.

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2021

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

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

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

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

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: April 20, 2021

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/-
Sankar Bhattacharya
Company Secretary

Place: Jamshedpur
Date: April 20, 2021

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"), (Refer note 1 to the Consolidated Financial Statements) which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated 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, 2021, of consolidated total comprehensive income (comprising profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group 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.

Key Audit Matters

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

Key Audit Matter	How our audit addressed the key audit matter
Recovery of expenses and related disclosures of contingent liabilities for Radhikapur (East) Coal Block [Refer to Note 33(d) to the Consolidated Financial Statements] As at March 31, 2021, the Holding Company has financial exposure in books aggregating ₹178.81 Crores incurred in earlier years on the Radhikapur (East) Coal Block, which was deallocated pursuant to the Order of the Hon'ble Supreme Court of India in 2014. The Coal Mines (Special Provisions) Rules, 2014 and subsequent amendments thereto, promulgated pursuant to the aforesaid Order, prescribes that the prior allottee (i.e. the Holding Company), shall be compensated for the expenses incurred towards land and mine infrastructure. During the year, the Ministry of Coal (MoC) has carried out an auction of the coal block and the coal block has been re-allotted to a successful bidder. The Holding Company is awaiting directions from MoC on the determination of just, fair and adequate compensation in respect of the aforesaid amounts incurred. The Holding Company expects to recover such expenses in due course.	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 and external legal counsel. • Tested a sample of expenses incurred on the coal block. • Considered the external legal opinion obtained by the management to understand the status and the management's assessment of the likely outcome of the on-going litigation. • Obtained evidence supporting the on-going discussions of the Holding Company with the MoC/ Nominated Authority of MoC and the allotment to the successful bidder.

Key Audit Matter	How our audit addressed the key audit matter
Further, as stated in Note 33(d)(ii), the MoC had also issued notice for invocation of the bank guarantee of ₹32.50 Crores towards delay in achieving the milestones towards the development of the coal block. The Holding Company is contesting the matter that the delay is not attributable to the Holding Company. Pending finalisation of the matter, the amount of bank guarantee has been disclosed as contingent liability. This is considered to be a key audit matter as significant judgements are involved regarding recoverability of the aforesaid amounts incurred and possible obligation related to bank guarantee that is subject to decision/approvals of the regulatory authorities.	Based on the above work performed, we found the management's judgement on assessment of recoverability of the related expenses incurred and the disclosure of the contingent liability in respect of performance guarantee for coal block allocation, to be reasonable.

Other Information

5. The 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 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 2020-21), but does not include the financial statements and our auditor's report thereon.

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

7. 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

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group 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.

9. 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.

10. 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

11. 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.

12. 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 entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

13. 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.

14. 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.

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

Report on Other Legal and Regulatory Requirements

16. 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 and subsidiary company taken on record by the Board of Directors of the Holding Company and its subsidiary company respectively, none of the directors of the Group is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Consolidated Financial Statements disclose the impact, 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 as at March 31, 2021 for which there were no material foreseeable losses. The Group did not have long term derivative contracts. 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, 2021 except for amounts aggregating to ₹0.06 crores relating to the Holding Company, which according to the information and explanations provided by the management is held in abeyance due to pending legal cases. Refer Note 47 to the 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, 2021.

17. The Holding Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Further, in respect of the subsidiary company incorporated in India, no managerial remuneration has been paid/payable 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: 21057572AAAAAN2274

Kolkata
April 20, 2021

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 16(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, 2021

Report on the Internal Financial Controls with 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, 2021, 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 is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Pinaki Chowdhury
Partner
Membership Number: 057572
UDIN: 21057572AAAAAN2274

Kolkata
April 20, 2021

CONSOLIDATED BALANCE SHEET

as at March 31, 2021

₹ in crores

		Notes	As at March 31, 2021	As at March 31, 2020
I	**Assets**			
	Non-current assets			
	(a) Property, plant and equipment	03	3,822.62	4,071.46
	(b) Right-of-use assets	04	223.90	239.52
	(c) Capital work-in-progress	03	23.89	36.69
	(d) Goodwill	39	5.66	5.66
	(e) Other intangible assets	05	289.37	298.21
	(f) Financial assets			
	(i) Investments	06	19.60	16.40
	(ii) Loans	07	1.28	0.99
	(iii) Other financial assets	08	1.01	0.94
	(g) Income tax assets (net)	21 (ii)	43.15	36.70
	(h) Other non-current assets	09	20.46	195.38
	Total non-current assets		**4,450.94**	**4,901.95**
	Current assets			
	(a) Inventories	10	812.71	796.97
	(b) Financial assets			
	(i) Investments	06	1.28	1.27
	(ii) Trade receivables	11	75.15	155.88
	(iii) Cash and cash equivalents	12 (i)	279.40	58.03
	(iv) Bank balances other than (iii) above	12 (ii)	2.41	103.58
	(v) Loans	07	2.67	5.61
	(vi) Derivative assets		0.51	8.20
	(vii) Other financial assets	08	182.42	14.93
	(c) Other current assets	09	81.96	121.82
	Total current assets		**1,438.51**	**1,266.29**
	Assets classified as held for sale	40	**19.27**	**8.39**
	Total assets		**5,908.72**	**6,176.63**
II	**Equity and liabilities**			
	Equity			
	(a) Equity share capital	13	45.10	45.10
	(b) Other equity	14	2,549.03	1,971.71
	Total equity		**2,594.13**	**2,016.81**
	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	1,320.15	2,644.07
	(ii) Lease liabilities	04	87.25	89.04
	(b) Provisions	16	35.63	70.20
	(c) Deferred tax liabilities (net)	17	44.53	-
	Total non-current liabilities		**1,487.56**	**2,803.31**
	Current liabilities			
	(a) Financial liabilities			
	(i) Lease liabilities	04	16.82	21.84
	(ii) Derivative liabilities		5.46	-
	(iii) Trade payables	18		
	- total outstanding dues of micro and small enterprises		63.86	10.85
	- total outstanding dues of creditors other than micro and small enterprises		1,165.39	800.72
	(iv) Other financial liabilities	20	147.74	150.72
	(b) Provisions	16	80.88	217.04
	(c) Other current liabilities	19	292.98	101.44
	(d) Current tax liabilities (net)	21 (i)	53.90	53.90
	Total current liabilities		**1,827.03**	**1,356.51**
	Total liabilities		**3,314.59**	**4,159.82**
	Total equity and liabilities		**5,908.72**	**6,176.63**
	Notes forming an integral part of the consolidated financial statements	**1 to 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: April 20, 2021

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/-
Sankar Bhattacharya
Company Secretary

Place: Jamshedpur
Date: April 20, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2021

₹ in crores

		Notes	Year ended March 31, 2021	Year ended March 31, 2020
I	Revenue from operations	22	4,749.87	3,489.99
II	Other income	23	78.28	81.32
III	**Total income (I + II)**		**4,828.15**	**3,571.31**
IV	**Expenses:**			
	Cost of materials consumed	24	2,181.96	2,392.29
	Changes in inventories of finished and semi finished goods	25	56.49	(209.65)
	Employee benefits expense	26	214.81	192.11
	Finance costs	27	234.63	292.84
	Depreciation and amortisation expense	28	327.19	310.79
	Other expenses	29	1,198.20	961.98
	Total expenses (IV)		**4,213.28**	**3,940.36**
V	**Profit / (loss) before exceptional items (III - IV)**		**614.87**	**(369.05)**
VI	**Exceptional items**			
	Acquisition related expenditure	35 (i)	-	27.42
	Provision for coal block performance obligation	35 (ii)	-	133.72
	Total exceptional items (VI)		**-**	**161.14**
VII	Profit / (loss) before tax (V-VI)		**614.87**	**(530.19)**
VIII	Tax expense:			
	(1) Current tax	17 (ii)	-	-
	(2) Deferred tax	17 (i)	42.86	(13.96)
	Total tax expense (VIII)		**42.86**	**(13.96)**
IX	**Profit / (loss) for the year (VII- VIII)**		**572.01**	**(516.23)**
X	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurement gain / (loss) of the defined benefit plans		3.78	(14.43)
	(b) Income tax relating to above		(0.95)	4.95
	(c) Changes in fair value of FVOCI equity instruments		3.20	3.12
	(d) Income tax relating to above		(0.72)	(0.71)
	Total other comprehensive income (X)		**5.31**	**(7.07)**
XI	**Total comprehensive income for the year (IX + X) (Comprising profit / (loss) and other comprehensive income for the year)**		**577.32**	**(523.30)**
XII	**Earnings / (loss) per equity share (face value of ₹10 each):**	32		
	(1) Basic (in ₹)		126.83	(142.81)
	(2) Diluted (in ₹)		126.83	(142.81)
Notes forming an integral part of the consolidated 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: April 20, 2021

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/-
Sankar Bhattacharya
Company Secretary

Place: Jamshedpur
Date: April 20, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2021

(A) Equity share capital

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

(*) The 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 Holding 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 crores

Particulars	Notes	Reserves and surplus				Other reserves	Total
		General reserves	Securities premium	Retained earnings	Remeasurement gain / (loss) on defined benefit plans	Equity instruments through other comprehensive income	
As at April 1, 2019	14	900.00	-	159.69	(1.37)	9.91	1,068.23
Loss for the year		-	-	(516.23)	-	-	(516.23)
Received on issue of ordinary shares through right issue during the year		-	1,449.99	-	-	-	1,449.99
Changes in fair value of FVOCI equity instruments		-	-	-	-	3.12	3.12
Remeasurement gain / (loss) on defined benefit plans		-	-	-	(14.43)	-	(14.43)
Tax impact on items of other comprehensive income (OCI)		-	-	-	4.95	(0.71)	4.24
Transactions with the owners in their capacity as owners							
Dividend paid during the year	30(b)	-	-	(19.25)	-	-	(19.25)
Tax on dividend	30(b)	-	-	(3.96)	-	-	(3.96)
Balance as at March 31, 2020	14	**900.00**	**1,449.99**	**(379.75)**	**(10.85)**	**12.32**	**1,971.71**
Profit for the year		-	-	572.01	-	-	572.01
Received on issue of ordinary shares through right issue during the year		-	-	-	-	-	-
Changes in fair value of FVOCI equity instruments		-	-	-	-	3.20	3.20
Remeasurement gain / (loss) on defined benefit plans		-	-	-	3.78	-	3.78
Tax impact on items of other comprehensive income (OCI)		-	-	-	(0.95)	(0.72)	(1.67)
Transactions with the owners in their capacity as owners							
Dividend paid during the year	30(b)	-	-	-	-	-	-
Tax on dividend	30(b)	-	-	-	-	-	-
Balance as at March 31, 2021	14	**900.00**	**1,449.99**	**192.26**	**(8.02)**	**14.80**	**2,549.03**
Notes forming an integral part of the consolidated financial statements	1 to 50						

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

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

Sd/-
Pinaki Chowdhury
Partner
Membership No. 057572

Place: Kolkata
Date: April 20, 2021

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/-
Sankar Bhattacharya
Company Secretary

Place: Jamshedpur
Date: April 20, 2021

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2021

₹ in crores

	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flows from operating activities		
Profit / (loss) before tax	614.87	(530.19)
Adjustments for:		
Depreciation and amortisation expense	327.19	310.79
Changes in fair value of financial assets / liabilities at fair value through profit or loss	13.10	(8.21)
Gain on cancellation of forward contracts	(9.86)	-
Dividend received from equity investments	(2.44)	(0.84)
Dividend from current investments	-	(4.50)
Gain on sale of current investments	(3.89)	(0.77)
Gain on sale of non-current investments	-	(2.01)
Loss on disposal of property, plant and equipment	9.59	2.07
Interest income	(18.50)	(45.53)
Finance costs	234.63	292.84
(Reversal) / Allowance for expected credit losses	(3.19)	3.47
Unrealised foreign exchange (gain) / loss	(21.42)	10.61
Provision for coal block performance obligation	-	133.72
Liabilities no longer required written back	(32.96)	(6.87)
Operating profit before working capital changes	**1,107.12**	**154.58**
Changes in operating assets and liabilities*		
(Increase) in Inventories	(15.74)	(435.95)
Decrease / (Increase) in Non-current/current financial and non-financial assets	126.64	(26.76)
Increase / (Decrease) in Non-current/current financial and non-financial liabilities/provisions	478.15	(20.56)
Cash generated / (used in) from operations	**1,696.17**	**(328.69)**
Income taxes (paid)	(6.45)	(6.97)
Net cash generated / (used in) from operating activities	**1,689.72**	**(335.66)**
B. Cash flows from investing activities		
Payments for purchases of property, plant and equipment (including capital advances)	(42.47)	(38.13)
Proceeds from disposal of property, plant and equipment	1.62	0.22
Payments for business combination	-	(3,906.12)
Proceeds from disposal of current investments (net)	3.93	121.69
Proceeds from disposal of Non- current investments	-	110.28
Fixed deposits matured (net)	100.90	80.61
Interest received	24.65	51.70
Dividend received from equity investments	2.44	0.84
Dividend received from current investments	-	4.50
Net cash generated from / (used in) investing activities	**91.07**	**(3,574.41)**

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2021

₹ in crores

	Year ended March 31, 2021	Year ended March 31, 2020
C. Cash flows from financing activities		
(Repayment of) / Proceeds from borrowings (net)	(1,325.00)	2,643.68
Proceeds from issue of equity share (net of issue expenses)	-	1,479.69
Finance costs paid (excluding interest towards lease liabilities)	(227.88)	(273.75)
Payment of lease liabilities	(9.00)	(11.12)
Interest paid on lease liabilities	(7.40)	(10.40)
Gain on cancellation of forward contracts	9.86	-
Dividend paid	-	(19.25)
Tax on dividend paid	-	(3.96)
Net cash (used in) / generated from financing activities	**(1,559.42)**	**3,804.89**
Net increase / (decrease) in cash or cash equivalents	**221.37**	**(105.18)**
Cash and cash equivalents at the beginning of the year (Refer Note 12(i))	**58.03**	**163.21**
Cash and cash equivalents at the end of the year (Refer Note 12(i))	**279.40**	**58.03**
Notes forming an integral part of the consolidated financial statements 1 to 50		

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

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

Sd/-
Pinaki Chowdhury
Partner
Membership No. 057572

Place: Kolkata
Date: April 20, 2021

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/-
Sankar Bhattacharya
Company Secretary

Place: Jamshedpur
Date: April 20, 2021

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

01 Group background

Tata Steel Long Products Limited ('TSLPL' or 'the Holding Company') is a public limited Company incorporated in India with its registered office at Joda, Odisha, India. The Holding Company is a subsidiary of Tata Steel Limited. The Holding Company has a subsidiary TSIL Energy Limited (Refer Note 48). The equity shares of the Holding 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 Holding Company has been changed from Tata Sponge Iron Limited to Tata Steel Long Products Limited with effect from August 20, 2019.

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

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

02 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these 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

The Boards of the Holding Company and TSIL Energy Limited, a 100% subsidiary of the Holding Company, in their meeting dated January 14, 2021 and April 19, 2021 respectively, discussed management's proposal of striking off/ liquidation of inoperative Subsidiary Company TSIL Energy Limited. Both the Boards have advised the management to suggest the modalities of liquidation at a subsequent meeting. Accordingly, the financial results of the Subsidiary Company, which is not material, included in these consolidated financial statements have been prepared on the basis that the fundamental accounting assumption of going concern is no longer appropriate. Consequently, for the Subsidiary Company, all assets have been valued at net realisable value or carrying value, whichever is low, and all liabilities have been reflected at the values at which they are expected to be discharged.

(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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

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 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.

02.03 Use of estimates and critical accounting judgments

The 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

future benefit cost over the employees' approximate service period, based on the terms of plans and the investment and funding decisions made. The accounting requires the Group to make assumptions regarding variables such as discount rate and rate of compensation increase. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

(ii) Estimation of expected useful lives and residual values of property, 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 and Comparable Company Method. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(vi) Impairment - Refer Notes 02.08, 03.05, 05.03 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

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.

02.04 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

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:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

- 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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

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.

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.

02.10 Financial instruments

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

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

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

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

(ii) Measurement

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

Debt instruments

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

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.

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for the year ended March 31, 2021

Financial liabilities

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

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

(iii) De-recognition of financial liabilities

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

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 (except certain employees 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

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 Statement of Profit and Loss under employee benefits expense.

(b) Defined contribution plans

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

(iii) Other long–term employee benefits

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

02.17 Income tax

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

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 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 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

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

02.22 Government grants

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

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

02.23 Foreign currency transactions and translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('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 the Statement of Profit and Loss.

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

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 New and amended standards adopted by the Group

The Group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- Definition of a Business – amendments to Ind AS 103
- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

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

02.30 Rounding of amounts

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

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

₹ in crores

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

₹ in crores

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

Notes:

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

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

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

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

04 Leases

(a) The 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 year. Generally, the Group is restricted from assigning or subleasing the leased assets. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may be used as security for borrowing purposes.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

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

₹ in crores

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

₹ in crores

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

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

₹ in crores

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

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

₹ in crores

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

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

₹ in crores

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

(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 crores

	Year ended March 31, 2021	Year ended March 31, 2020
Fixed payments	-	-
Variable payments	6.96	1.01
Total payments	**6.96**	**1.01**

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

05 Other intangible assets

₹ in crores

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

₹ in crores

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

Notes

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

06 Investments

₹ in crores

	As at March 31, 2021	As at March 31, 2020
Non-current investments (unquoted)		
(A) Investment in equity instruments		
Investment in other body corporates @		
Jamipol Limited	19.60	16.40
800,000 (March 31, 2020: 800,000) equity shares of ₹10 each fully paid up		
Total Non - current Investments	**19.60**	**16.40**
Current investments (unquoted)		
Investment in liquid mutual funds #		
(i) Nippon India Liquid Fund - Direct Plan Growth Plan - Growth Option	1.28	1.27
Total current investments	**1.28**	**1.27**
Aggregate amount of unquoted investments	**20.88**	**17.67**
# Investments carried at fair value through profit or loss (FVTPL)	1.28	1.27
@ Investments carried at fair value through other comprehensive income [Refer Note 31(b)(i)]	19.60	16.40

06.01 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 crores

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

08 Other financial assets
(Unsecured, considered good unless stated otherwise)

₹in crores

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

09 Other assets

(Unsecured, considered good unless stated otherwise)

₹ in crores

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

10 Inventories

(lower of cost and net realisable value)

₹ in crores

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

Note:

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

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

11 Trade receivables

₹ in crores

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

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

₹ in crores

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

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

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

₹ in crores

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

12 (i) Cash and cash equivalents

₹ in crores

	As at March 31, 2021	As at March 31, 2020
(a) Balances with scheduled banks		
(1) In current accounts	124.64	33.03
(2) In fixed deposit accounts having original maturity of three months or less	154.75	24.99
(b) Cash on hand	0.01	0.01
Total Cash and cash equivalents as per Statement of Cash Flows	**279.40**	**58.03**

(ii) Bank balances other than (i) above

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

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

13 Equity share capital

₹ in crores

	As at March 31, 2021	As at March 31, 2020
(a) Authorised share capital:		
7,50,00,000 fully paid equity shares of ₹10 each	75.00	75.00
(As at March 31, 2020: 7,50,00,000 fully paid equity shares of ₹10 each)		
	75.00	**75.00**
(b) Issued, subscribed and fully paid up:		
4,51,00,000 equity shares of ₹10 each	45.10	45.10
(As at March 31, 2020: 4,51,00,000 fully paid equity shares of ₹10 each)		
	45.10	**45.10**

(c) Fully paid equity shares

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

The 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 Holding 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

(d) Shares held by holding company

₹ in crores

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

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

₹ in crores

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

(f) Rights, preferences and restrictions attached to shares

The Holding 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 crores

		As at March 31, 2021	As at March 31, 2020
(a)	**Authorised Share Capital:**		
	20,00,00,000 Non-Convertible Redeemable Preference Shares of ₹100 each	2,000.00	2,000.00
	(As at March 31, 2020: 20,00,00,000 Non-Convertible Redeemable Preference Shares of ₹100 each)		
		2,000.00	**2,000.00**

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

Such shares shall rank for capital and dividend (including all dividend undeclared upto the commencement of winding up) and for repayment of capital in a winding up, pari passu inter se and in priority to the Equity Shares of the Holding 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 Holding 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

14 Other equity

₹ in crores

	As at March 31, 2021	As at March 31, 2020
General reserves	900.00	900.00
Securities premium	1,449.99	1,449.99
Retained earnings	192.26	(379.75)
Remeasurement gain / (loss) on defined benefit plans	(8.02)	(10.85)
Equity instruments through other comprehensive income	14.80	12.32
Total	**2,549.03**	**1,971.71**

₹ in crores

Particulars	Reserves and surplus				Other Reserves	
	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]	Total
Balance as at April 1, 2019	900.00	-	159.69	(1.37)	9.91	1,068.23
Loss for the year	-	-	(516.23)	-	-	(516.23)
Received on issue of ordinary shares through right issue during the year	-	1,449.99	-	-	-	1,449.99
Changes in fair value of FVOCI equity instruments	-	-	-	-	3.12	3.12
Remeasurement gain / (loss) on defined benefit plans	-	-	-	(14.43)	-	(14.43)
Tax impact on items of other comprehensive income (OCI)	-	-	-	4.95	(0.71)	4.24
Transactions with the owners in their capacity as owners					-	
Dividend paid during the year [Refer note 30(b)]	-	-	(19.25)	-	-	(19.25)
Tax on dividend [Refer note 30(b)]	-	-	(3.96)	-	-	(3.96)
Balance as at March 31, 2020	**900.00**	**1,449.99**	**(379.75)**	**(10.85)**	**12.32**	**1,971.71**
Profit for the year	-	-	572.01	-	-	572.01
Received on issue of ordinary shares through right issue during the year	-	-	-	-	-	-
Changes in fair value of FVOCI equity instruments	-	-	-	-	3.20	3.20
Remeasurement gain / (loss) on defined benefit plans	-	-	-	3.78	-	3.78
Tax impact on items of other comprehensive income (OCI)	-	-	-	(0.95)	(0.72)	(1.67)
Transactions with the owners in their capacity as owners						
Dividend paid during the year [Refer note 30(b)]	-	-	-	-	-	-
Tax on dividend [Refer note 30(b)]	-	-	-	-	-	-
Balance as at March 31, 2021	**900.00**	**1,449.99**	**192.26**	**(8.02)**	**14.80**	**2,549.03**

(a) General reserves

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn though the Group may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

(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 crores

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

(c) Retained Earnings

Retained Earnings are the profits and gains that the Group 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 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 investments in equity instruments (Other body corporates) in Other Comprehensive Income. These changes are accumulated within the "Equity instruments through other comprehensive income" reserve within equity. The Group transfers amounts from this reserve to Retained Earnings when the relevant equity shares are derecognised.

15 Borrowings

₹ in crores

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

Notes

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

(c) Maturity profile of borrowings is as below:

₹ in crores

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

(d) The term loan facility arrangements include financial covenants, which require compliance to certain debt-equity and debt coverage ratios. Additionally, certain negative covenants may limit the 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 crores

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

16 Provisions

₹ in crores

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

17 Deferred tax liabilities (net)

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

₹ in crores

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

The balances comprises temporary differences attributable to:

₹ in crores

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

₹ in crores

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

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 the Consolidated Statement of Profit and Loss

₹ in crores

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

The income tax expense for the year can be reconciled to the accounting profit as follows:

₹ in crores

	Year ended March 31, 2021	Year ended March 31, 2020
Profit / (loss) before tax	614.87	(530.19)
Income tax expense calculated at enacted Income tax rate of 25.168% (March 31, 2020: 34.944%)	154.75	(185.27)
Effect of income that is exempt from taxation	-	(1.94)
Effect of expenses that are not deductible in determining taxable profit	1.41	59.20
Impact of change in statutory tax rates (Refer note (iv) below)	0.92	-
Deferred tax assets not recognised on unabsorbed depreciation	-	114.08
Deferred tax assets recognised on previous year's unrecognised portion of unabsorbed depreciation	(82.16)	-
Adjustments to taxes in respect of prior periods	(32.95)	-
Others	0.89	(0.03)
Income tax expense recognised in Consolidated Statement of Profit and Loss	**42.86**	**(13.96)**

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

18 Trade payables

₹ in crores

	As at March 31, 2021	As at March 31, 2020
Current		
(i) Total outstanding dues of micro and small enterprises (Refer Note below)	63.86	10.85
(ii) Total outstanding dues of creditors other than micro and small enterprises		
(a) Trade payables for supplies and services	1,125.79	754.98
(b) Trade payables for accrued wages and salaries	39.60	45.74
Total Trade Payables	**1,229.25**	**811.57**
Trade payable to related parties (Refer Note 36)*	757.86	389.96
Trade payable other than related parties	471.39	421.61
Total Trade Payables	**1,229.25**	**811.57**

* 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 crores

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

19 Other current liabilities

₹ in crores

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

Note:

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

20 Other financial liabilities

₹ in crores

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

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

21 (i) Current tax liabilities (net)

₹ in crores

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

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

₹ in crores

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

22 Revenue from operations

₹ in crores

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

Note:

(a) Reconciliation of revenue recognised with contract price

₹ in crores

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

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

₹ in crores

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

Figures in brackets represents amount for the previous year

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

₹ in crores

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

(d) Contract balances

₹ in crores

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

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

23 Other income

₹ in crores

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Interest income		
(i) Interest income earned on financial assets that are not designated at FVTPL		
- Bank deposits carried at amortised cost	10.02	17.13
- Other financial assets carried at amortised cost	8.48	13.68
(ii) Interest income on tax refund	-	14.71
(b) Dividend income		
(i) From equity investments *	2.44	0.84
(ii) From investments in mutual funds (Current)	-	4.51
(c) Net gains / (losses) on fair value changes		
(i) Net gain / (loss) on fair value changes of financial assets carried at FVTPL (Current)	0.05	8.21
(ii) Net gain on sale of current investments	3.89	0.77
(iii) Net gain on sale of non-current investments	-	2.01
(d) Gain on cancellation of forward contracts	9.86	-
(e) Allowance for expected credit losses written back	3.19	-
(f) Liabilities no longer required written back	32.96	6.87
(g) Other non-operating income	7.39	12.59
Total other income	**78.28**	**81.32**

Note:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

24 Cost of materials consumed

₹ in crores

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

25 Changes in inventories of finished and semi-finished goods

₹ in crores

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

26 Employee benefits expense

₹ in crores

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

27 Finance costs

₹ in crores

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

28 Depreciation and amortisation expense

₹ in crores

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

29 Other expenses

₹ in crores

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Consumption of stores and spare parts	275.05	275.67
(b) Fuel oil consumed	93.56	85.25
(c) Purchase of power	55.44	51.00
(d) Rent	5.14	3.92
(e) Repairs to buildings	11.17	8.98
(f) Repairs to machinery	122.12	103.47
(g) Insurance	11.24	7.20
(h) Rates and taxes	28.68	14.16
(i) Freight and handling charges	331.51	236.49
(j) Commission, discounts and rebates	1.50	0.79
(k) Packing and forwarding	7.71	7.50
(l) Royalty	152.28	75.28
(m) Other expenses		
(1) Legal and professional fees (Refer Note 29.01)	10.85	16.83
(2) Advertisement, promotion and selling expenses	0.17	0.31
(3) Travelling expenses	3.93	8.44
(4) Net Loss on foreign currency transactions	2.80	15.65
(5) Corporate social responsibility expenses (Refer Note 43)	0.56	3.21
(6) Allowance for expected credit losses	-	3.47
(7) Loss on disposal of property plant and equipment	9.59	2.07
(8) Net loss on fair value changes of financial assets /liabilities carried at FVTPL	13.15	-
(9) Other general expenses (Refer Note 29.02)	61.75	42.29
Total other expenses	**1,198.20**	**961.98**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

29.01 Payments to auditors

₹ in crores

	Year ended March 31, 2021	Year ended March 31, 2020
(1) Auditors remuneration and out-of-pocket expenses		
(i) As auditors - statutory audit	0.86	0.63
(ii) As auditors - quarterly audits	0.33	0.30
(iii) As auditors - tax audit	0.08	0.06
(iv) For other services (*)	0.09	0.32
(v) Auditors out-of-pocket expenses	0.05	0.02
	1.41	**1.33**

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

29.02 Includes R&D expenses amounting to ₹Nil. (March 31, 2020: ₹0.15 crore - 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.

₹ in crores

	As at March 31, 2021	As at March 31, 2020
Equity share capital	45.10	45.10
Other equity	2,549.03	1,971.71
Total equity (A)	**2,594.13**	**2,016.81**
Non-current borrowings	1,320.15	2,644.07
Lease liabilities	104.07	110.88
Gross debt (B)	**1,424.22**	**2,754.95**
Total capital (A+B)	**4,018.35**	**4,771.76**
Gross debt as above	1,424.22	2,754.95
Less: Current investments	1.28	1.27
Less: Cash and cash equivalents	279.40	58.03
Less: Other balance with banks (including non-current earmarked balances)	3.26	104.42
Net debt (C)	**1,140.28**	**2,591.23**
Net debt to equity ratio [1]	**0.49**	**1.67**

Notes:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

(b) Dividend on equity shares

₹ in crores

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

31 Disclosures on financial instruments

(a) Financial risk management

The 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:

(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 mainly relate to unbilled work in progress and have substantially the same characteristics as the trade receivables for the same type of contracts.

Outstanding customer receivables are regularly monitored and the shipments to customers are generally covered by letters of credit or other forms of credit assurance.

Other Financial Assets

Credit risk from balances with banks, term deposits, loans and investments is managed by 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

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 ₹695.51 crores (March 31, 2020: ₹270.00 crores). The Group has also Non-Fund based facilities with banks for ₹308.47 crores (March 31, 2020: ₹193.00 crores) which may be utilised at any time.

b. Maturities of financial liabilities

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the 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.

₹ in crores

Balances as at March 31, 2021	Carrying value	Contractual cash flows	less than one year	between one to five years	More than five years
Financial liabilities					
Borrowings including interest obligations	1,320.15	2,153.46	100.70	402.80	1,649.96
Lease liabilities	104.07	160.54	25.23	53.64	81.67
Trade payables	1,229.25	1,229.25	1,229.25	-	-
Derivative liabilities	5.46	5.46	5.46	-	-
Other financial liabilities	147.74	147.74	147.74	-	-
	2,806.67	**3,696.45**	**1,508.38**	**456.44**	**1,731.63**

₹ in crores

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

(iii) Market risk

a. Foreign currency risk

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

USD in crores

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

Foreign currency sensitivity

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

₹ in crores

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

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 tax and profit / (loss) after tax is affected through the impact on floating rate borrowings, as follows

₹ in crores

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

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

(iv) 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).

USD in crores

	Impact on profit / (loss) before tax		Impact on profit / (loss) after tax	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
NAV - Increase by 1%*	0.01	1.27	0.01	1.27
NAV - Decrease by 1%*	(0.01)	(1.27)	(0.01)	(1.27)

* Holding all other variables constant

(v) Commodity Price risk

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(i) Financial assets and liabilities

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

₹ in crores

Balances as at March 31, 2021	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value	Total fair value
Financial assets					
Investments in Mutual fund	1.28	-	-	1.28	1.28
Investment in body corporates	-	19.60	-	19.60	19.60
Trade receivables	-	-	75.15	75.15	75.15
Loans	-	-	3.95	3.95	3.95
Cash and cash equivalents	-	-	279.40	279.40	279.40
Other bank balances	-	-	2.41	2.41	2.41
Derivative assets*	0.51	-	-	0.51	0.51
Other financial assets	-	-	183.43	183.43	183.43
Total	**1.79**	**19.60**	**544.34**	**565.73**	**565.73**
Financial liabilities					
Borrowings	-	-	1,320.15	1,320.15	1,320.15
Lease liabilities	-	-	104.07	104.07	104.07
Trade payables	-	-	1,229.25	1,229.25	1,229.25
Derivative liabilities*	5.46	-	-	5.46	5.46
Other financial liabilities	-	-	147.74	147.74	147.74
Total	**5.46**	**-**	**2,801.21**	**2,806.67**	**2,806.67**

₹ in crores

Balances 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	1.27	-	-	1.27	1.27
Investment in body corporates	-	16.40	-	16.40	16.40
Trade receivables	-	-	155.88	155.88	155.88
Loans	-	-	6.60	6.60	6.60
Cash and cash equivalents	-	-	58.03	58.03	58.03
Other bank balances	-	-	103.58	103.58	103.58
Derivative assets*	8.20	-	-	8.20	8.20
Other financial assets	-	-	15.87	15.87	15.87
Total	**9.47**	**16.40**	**339.96**	**365.83**	**365.83**
Financial liabilities					
Borrowings	-	-	2,644.07	2,644.07	2,644.07
Lease liabilities	-	-	110.88	110.88	110.88
Trade payables	-	-	811.57	811.57	811.57
Derivative liabilities*	-	-	-	-	-
Other financial liabilities	-	-	150.72	150.72	150.72
Total	**-**	**-**	**3,717.24**	**3,717.24**	**3,717.24**

* Derivative instruments designated as not in hedging relationship.

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(ii) Fair value measurement

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

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

(a) 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 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. This is the case for derivative instruments.

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

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

₹ in crores

Balances as at March 31, 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in mutual funds	1.28	-	-	1.28
Derivative assets	-	0.51	-	0.51
Investment in equity instruments at FVTOCI (Unquoted)	-	-	19.60	19.60
Total	**1.28**	**0.51**	**19.60**	**21.39**
Financial liabilities				
Derivative liabilities	**-**	**5.46**	**-**	**5.46**

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₹ in crores

Balances as at March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Investment in mutual funds	1.27	-	-	1.27
Derivative assets	-	8.20	-	8.20
Investment in equity instruments at FVTOCI (Unquoted)	-	-	16.40	16.40
Total	**1.27**	**8.20**	**16.40**	**25.87**
Financial liabilities				
Derivative liabilities	**-**	**-**	**-**	**-**

Reconciliation of Level 3 fair value measurement is as below:

₹ in crores

	As at March 31, 2021	As at March 31, 2020
Opening as on April 1, 2020	16.40	13.28
Changes in fair value recognised in Other Comprehensive Income	3.20	3.12
Closing as on March 31, 2021	**19.60**	**16.40**

Valuation technique used for Level 3 investments

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

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

(iii) Derivative financial instruments

Derivative instruments used by the Group are forward exchange contracts. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" wherever possible. The Group does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

All derivative instruments are designated as not in hedging relationships.

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

₹ in crores

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

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

USD in crores

	As at March 31, 2021	As at March 31, 2020
Foreign currency forwards	7.02	4.64

32 Earnings / (loss) per equity share

₹ in crores

	Year ended March 31, 2021	Year ended March 31, 2020
Net profit / (loss) for the year (₹ in crores)	572.01	(516.23)
Weighted average number of equity shares outstanding during the year (Nos.)	4,51,00,000	3,61,48,129
Nominal value per equity share (₹)	10	10
Basic and diluted earnings / (loss) per equity share (₹)	126.83	(142.81)

Note:

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

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

₹ in crores

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

Note:

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

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

₹ in crores

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(c) Cross subsidy surcharge payable to power distribution companies

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

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

(ii) **Contingent liability:** In November 2012, MoC issued notices to the Holding Company for invocation of bank guarantee of ₹32.50 crores 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 moved to the Hon'ble High Court of Delhi contesting, amongst other matters, that the delay was not attributable to the Holding Company and that since the allocation has been declared illegal by the Hon'ble Supreme Court, the bank guarantee cannot be encashed by the MoC. The Hon'ble High Court of Delhi vide its Order dated May 27, 2020 remanded the matter to MoC to consider afresh on the aspect whether the delay in achieving the milestones was attributable to the Holding Company. Further, the Holding Company was required to furnish a bank guarantee and the Hon'ble High Court of Delhi also directed the MoC to render a final decision within six months from September 2, 2020. Pursuant to Hon'ble High Court of Delhi directives, the Holding Company has submitted the bank guarantee of ₹32.50 crores. The Inter- Ministerial Group of the MoC (IMG) issued a notice to the Holding Company seeking details including the reasons for delay in achievement of the performance of conditions and the agencies responsible, to which the Holding Company has responded. Further, in accordance with the directives from the Hon'ble High Court of Delhi, the Holding Company has extended the validity of the bank guarantee up to April 15, 2021 and MoC has been directed to take a decision by then, which is pending. Pending finalisation of the matter and based on legal opinion obtained by the Holding Company, the amount continues to be treated as a contingent liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

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

35 Exceptional items

(i) Acquisition related expenditure

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

(ii) Provision for coal block performance obligation

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

36 Related party disclosures

A List of related parties

Name of the related Party	Relationship
Tata Sons Private Limited	Company having significant Influence
Where control exists	
Tata Steel Limited	Holding Company
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	
Tata Steel Utilities and Infrastructure Services Limited	
The Siam Industrial Wire Company Ltd.	
T S Global Procurement Company Pte. Ltd.	
Tata Steel Mining Limited	
Tata Steel BSL Limited	
TM International Logistics Limited	Joint venture with Tata Steel Limited
mjunction Services Limited	
Jamipol Limited	
Tata BlueScope Steel Private Limited	
Tata NYK Shipping PTE Limited	
TKM Global Logistics Limited	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

Name of the related Party	Relationship
Tata International Limited Tata Communications Limited Tata International Singapore PTE Limited Tata Consultancy Services Limited Tata AIG General Insurance Company Limited	Subsidiary of Tata Sons Private Limited
Mr. Ashish Anupam (from November 1, 2019) Mr. Sanjay Kumar Pattnaik (up to October 31, 2019)	Key Management personnel - Managing Director (MD)
Mr. T V Narendran Mr. Koushik Chatterjee Mrs. Meena Lall Mr. Debashish Bhattacharjee (from October 13, 2020) Dr. Sougata Ray Mr. Ansuman Das (from July 15, 2019) Mr. Srikumar Menon (from July 15, 2019) Mr. Shashi Kant Maudgal (from July 15, 2019) Mrs. Neeta Karmakar(from March 30, 2020) Mr. P C Parakh (up to August 20, 2020) Mr. D K Banerjee (up to July 14, 2019) Mr. Manoj T Thomas (up to July 14, 2019) Dr. Omkar N Mohanty (up to July 15, 2019)	Key Management personnel - Non- Executive Director (NED)
Tata Sponge Iron Limited Employee Provident Fund Trust Tata Sponge Iron Limited Superannuation Fund Tata Sponge Iron Limited Gratuity Fund	Post Employment Benefit Plans (PEBP) as per Ind AS 24

B Particulars of transactions during the year

₹ in crores

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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₹ in crores

Name of the related party	Nature of relationship	As at March 31, 2021	As at March 31, 2020
Tata Steel Limited	Holding Company	548.80	469.60
T S Global Procurement Company Pte. Ltd.	Fellow subsidiary	942.23	495.86
The Indian Steel and Wire Products Limited	Fellow subsidiary	2.49	1.24
Tata International Singapore PTE Limited	Subsidiary of Tata Sons Private Limited	-	136.08
Tata International Limited	Subsidiary of Tata Sons Private Limited	-	4.63
Tata BlueScope Steel Private Limited	Joint venture of Tata Steel	1.39	4.43
Tata Steel BSL Limited	Fellow subsidiary	0.56	-
Tata Steel Mining Limited	Fellow subsidiary	9.62	-
Jamipol Limited	Joint venture of Tata Steel	1.19	1.50
Total - Purchase of goods		**1,506.28**	**1,113.34**
Tata Steel Limited	Holding Company	16.15	-
T S Global Procurement Company Pte. Ltd.	Fellow subsidiary	7.63	1.47
Tata International Limited	Subsidiary of Tata Sons Private Limited	-	3.66
Tata International Singapore PTE Limited	Subsidiary of Tata Sons Private Limited	-	7.64
TM International Logistics Limited	Joint venture of Tata Steel	6.79	15.31
Total - Reimbursement of expenses		**30.57**	**28.08**
Tata Steel Limited	Holding Company	0.06	-
Tata Steel Utilities and Infrastructure Services Limited	Fellow subsidiary	0.19	-
Total - Purchase of property, plant and equipment		**0.25**	**-**
Tata Steel Limited	Holding Company	26.04	14.66
Tata Steel Utilities and Infrastructure Services Limited	Fellow subsidiary	0.88	0.32
Tata Pigments Limited	Fellow subsidiary	0.45	0.10
The Tinplate Company of India Limited	Fellow subsidiary	-	- *
Tata Sons Private Limited	Company having significant influence	10.32	0.03
Tata Consultancy Services Limited	Subsidiary of Tata Sons Private Limited	0.95	0.88
Tata AIG General Insurance Company Limited	Subsidiary of Tata Sons Private Limited	4.13	0.04
Tata Communications Limited	Subsidiary of Tata Sons Private Limited	0.10	-
TM International Logistics Limited	Joint venture of Tata Steel	50.15	18.48
TKM Global Logistics Limited	Joint venture of Tata Steel	5.72	0.90
mjunction Services Limited	Joint venture of Tata Steel	1.05	0.57
Tata NYK Shipping PTE limited	Joint venture of Tata Steel	3.14	-
Total - Services received		**102.93**	**35.98**
Jamipol Limited	Joint venture of Tata Steel	2.44	0.84
Total - Dividend income		**2.44**	**0.84**
Tata Steel Limited	Holding Company	-	10.49
Total - Dividend paid		**-**	**10.49**
Mr. Ashish Anupam	MD	2.18	0.84
Mr. Sanjay Kumar Pattnaik	MD	-	1.71
Total - Short term employee benefits		**2.18**	**2.55**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

₹ in crores

Name of the related party	Nature of relationship	As at March 31, 2021	As at March 31, 2020
Mr. Ashish Anupam	MD	0.15	0.06
Mr. Sanjay Kumar Pattnaik	MD	-	0.10
Total - Post employment benefits		**0.15**	**0.16**
Mr. P C Parakh	NED	0.01	0.04
Mr. D K Banerjee	NED	-	0.01
Mr. Manoj T Thomas	NED	-	0.01
Dr. Omkar N Mohanty	NED	-	0.01
Dr. Sougata Ray	NED	0.04	0.03
Mr. Ansuman Das	NED	0.05	0.02
Mr. Srikumar Menon	NED	0.04	0.02
Mr. Shashi Kant Maudgal	NED	0.05	0.02
Mrs. Neeta Karmakar	NED	0.03	-
Total - Sitting fees		**0.22**	**0.16**
Tata Sponge Iron Limited Employee Provident Fund Trust	PEBP	4.37	4.34
Tata Sponge Iron Limited Superannuation Fund	PEBP	4.27	1.09
Tata Sponge Iron Limited Gratuity Fund	PEBP	6.01	0.94
Total - Contribution made		**14.65**	**6.37**

* Amount below rounding off norm adopted by the Company.

C Balances outstanding

₹ in crores

Name of the related party	Nature of relationship	As at March 31, 2021	As at March 31, 2020
Tata Steel Limited	Holding company	48.51	75.49
The Indian Steel and Wire Products Limited	Fellow subsidiary	-	0.15
Tata Steel BSL Limited	Fellow subsidiary	4.76	-
Total - Trade receivables		**53.27**	**75.64**
Tata Steel Limited	Holding company	137.41	34.55
T S Global Procurement Company Pte. Ltd.	Fellow subsidiary	597.41	350.42
Tata Steel Utilities and Infrastructure Services Limited	Fellow subsidiary	0.79	0.05
The Indian Steel and Wire Products Limited	Fellow subsidiary	0.96	0.03
Tata Pigments Limited	Fellow subsidiary	0.03	0.10
Tata Sons Private Limited	Company having significant influence	10.32	-
Tata International Singapore PTE Limited	Subsidiary of Tata Sons Private Limited	-	1.64
Tata Communications Limited	Subsidiary of Tata Sons Private Limited	0.06	-
Tata BlueScope Steel Private Limited	Joint venture of Tata Steel	1.02	0.22
mjunction Services Limited	Joint venture of Tata Steel	-	0.59
Tata Steel Mining Limited	Fellow subsidiary	5.45	-
Jamipol Limited	Joint venture of Tata Steel	0.02	0.30
TM International Logistics Limited	Joint venture of Tata Steel	0.53	-
Tata Consultancy Services Limited	Subsidiary of Tata Sons Private Limited	0.47	-
Tata Steel BSL Limited	Fellow subsidiary	0.56	-
TKM Global Logistics Limited	Joint venture of Tata Steel	0.25	0.28
Total - Trade payables for supplies and services		**755.28**	**388.18**

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₹ in crores

Name of the related party	Nature of relationship	As at March 31, 2021	As at March 31, 2020
Tata Sponge Iron Limited Employee Provident Fund Trust	PEBP	1.26	1.22
Tata Sponge Iron Limited Superannuation Fund	PEBP	0.27	0.09
Tata Sponge Iron Limited Gratuity Fund	PEBP	(0.42)	1.95
Total - Payable / (Contribution in advance) to PEBP		**1.11**	**3.26**
Tata Steel Limited	Holding company	-	0.04
Tata International Limited	Subsidiary of Tata Sons Private Limited	0.10	0.10
TM International Logistics Limited	Joint venture of Tata Steel	-	2.96
mjunction Services Limited	Joint venture of Tata Steel	0.66	-
Total - Advance paid		**0.76**	**3.10**
The Siam Industrial Wire Company Ltd.	Fellow subsidiary	11.92	-
Total - Advance received		**11.92**	**-**
Jamipol Limited (At cost)	Joint venture of Tata Steel	0.80	0.80
Total - Investments		**0.80**	**0.80**
Mr. Ashish Anupam	MD	1.29	0.47
Mr. Sanjay Kumar Pattnaik	MD	1.02	1.22
Total-Trade payables for accrued wages and salaries		**2.31**	**1.69**
Mr. P C Parakh	NED	-	0.01
Dr. Sougata Ray	NED	-	- *
Mr. Ansuman Das	NED	-	- *
Mr. Srikumar Menon	NED	-	- *
Mr. Shashi Kant Maudgal	NED	-	- *
Total - Payable to KMP		**-**	**0.01**

* Amount below rounding off norm adopted by the Group.

37 Employee benefits

37.01 - Post employment defined contribution plans

₹ in crores

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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37.02 - Post employment defined benefit plans

(a) Description of plan characteristics

(i) Gratuity

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

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

The Scheme is funded by way of a separate irrevocable Trust and the Group is expected to make regular contributions to the Trust. The fund is managed by an insurance 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 services for more than twenty years will receive long service award on all causes of exit as per the Group's policy. The cost of providing benefits under this plan is determined by actuarial valuation using the projected unit credit method by independent qualified actuaries at the year end.

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

The Board of Directors of the Holding 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

(iv) Longevity risk

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

(c) Details of defined benefit obligations and plan assets

A. Gratuity (Funded)

₹ in crores

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

₹ in crores

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

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

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

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

	As at March 31, 2021	As at March 31, 2020
a. Discount rate (per annum)	6.00% / 6.75%	6.20% / 6.70%
b. Expected rate of salary increase (per annum)	8.00%	8.00%
c. Mortality rate	Indian Assured Lives Mortality (2006-08) ult.	Indian Assured Lives Mortality (2006-08) ult.
d. Withdrawal rate		
- Ages from 20-25	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		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

(vii) Maturity profile of defined benefit obligation

₹ in crores

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

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

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

(ix) Sensitivity analysis

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

₹ in crores

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

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

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

B. Long term service award (Unfunded)

(i) Reconciliation of opening and closing balances of obligation

₹ in crores

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(ii) Reconciliation of fair value of assets and obligations

₹ in crores

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

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

₹ in crores

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

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

	As at March 31, 2021	As at March 31, 2020
a. Discount rate (per annum)	6.75%	6.70%
b. Expected rate of salary increase (per annum)	Not applicable	Not applicable
c. Mortality rate	Indian Assured Lives Mortality (2006 - 2008) Ult.	Indian Assured Lives Mortality (2006 - 2008) Ult.
d. Withdrawal rate		
- Ages from 20-25	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		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

(v) Maturity profile of defined benefit obligation

₹ in crores

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

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

(vi) Sensitivity analysis

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

₹ in crores

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

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

C. Ex-MD Pension (Unfunded)

(i) Reconciliation of opening and closing balances of obligation

₹ in crores

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

(ii) Reconciliation of fair value of assets and obligations

₹ in crores

	As at March 31, 2021	As at March 31, 2020
a. Fair value of plan assets	-	-
b. Present value of obligation	12.20	14.47
	12.20	**14.47**
c. Amount recognised in the Balance Sheet		
- Retirement benefit obligations - Non-current	11.54	13.73
- Retirement benefit obligations - Current	0.66	0.74
	12.20	**14.47**

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

₹ in crores

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

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

	As at March 31, 2021	As at March 31, 2020
a. Discount rate (per annum)	6.75%	6.20%
b. Expected rate of salary increase (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

₹ in crores

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

(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.

₹ in crores

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

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

D. PRMB (Unfunded)

(i) Reconciliation of opening and closing balances of obligation

₹ in crores

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

(ii) Reconciliation of fair value of assets and obligations

₹ in crores

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

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for the year ended March 31, 2021

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

₹ in crores

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

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

	As at March 31, 2021	As at March 31, 2020
a. Discount rate (per annum)	6.50%	6.20%
b. Expected rate of salary increase (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

₹ in crores

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

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

(vi) Sensitivity analysis

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

₹ in crores

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

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

E. Provident fund

Eligible employees (except certain employees covered under Note 37.01) of the 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 amounting to ₹15.39 crores (March 31, 2020: ₹1.29 crore) in the Statement of Profit and Loss. Further during the year, the Group's contribution of ₹4.37 crores (March 31, 2020: ₹4.34 crores) to the Provident Fund Trust has been expensed under the 'Contribution to Provident and Other Funds' in Note 26. Disclosures given hereunder are restricted to the information available as per the Actuary's Report.

₹ in crores

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

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

37.04 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

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 Holding Company and approval by the Holding Company's shareholders, the Holding Company acquired the steel business of UML on April 9, 2019 and the related iron ore and coal mines on July 3, 2019, under a going concern and on slump sale basis.

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

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

39 Goodwill

A. Movement in goodwill during the year

₹ in crores

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

B. Impairment tests for goodwill

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

40 Assets classified as held for sale

(a) Pursuant to the BTA (set out in Note 38(a)), the Group has acquired certain assets ('the Assets') at Chennai and Ranchi locations from UML. The Group acquired 'the Assets' with intention of 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 within next twelve months. The Group has measured 'the Assets' at lower of carrying value and fair value less costs to sell amounting to ₹8.39 crores (March 31, 2020: ₹8.39 crores). No impairment loss has been recognised, as the fair value less costs to sell is higher than carrying amount of 'the Assets' as at March 31, 2021. The fair value of 'the Assets' were determined as fair value of other assets to be received against 'the Assets'. This is a level 3 measurement as per the hierarchy set out in fair value measurement disclosures (Refer Note 31(b)(ii)).

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

41 Segment reporting

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

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

₹ in crores

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

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

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

	VAT, entry tax and sales tax	Cross subsidy surcharge	Interest on income tax	Mines restoration and other activities	Coal block performance obligation	Contingent liability recognised on business combination	Others
Carrying amount as at beginning of the year	**25.25**	**6.01**	**20.68**	**14.19**	**133.72**	**6.39**	**10.88**
	(26.06)	(6.01)	(20.68)	(-)	(-)	(-)	(-)
Add: Acquired under business combination (Refer Note 38(a))	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	(-)	(-)	(-)	(14.19)	(-)	(6.39)	(6.85)
Add: Provision made during the year	**-**	**-**	**-**	**15.64**	**-**	**-**	**0.79**
	(0.30)	(-)	(-)	(-)	(133.72)	(-)	(4.03)
Less: Amount paid during the year	**-**	**-**	**-**	**-**	**133.72**	**-**	**-**
	(0.12)	(-)	(-)	(-)	(-)	(-)	(-)
Less: Amount reversed during the year	**22.62**	**-**	**-**	**1.94**	**-**	**6.10**	**-**
	(0.99)	(-)	(-)	(-)	(-)	(-)	(-)
Carrying amount as at the end of the year (Refer Note (16(b))	**2.63**	**6.01**	**20.68**	**27.89**	**-**	**0.29**	**11.67**
	(25.25)	(6.01)	(20.68)	(14.19)	(133.72)	(6.39)	(10.88)

	VAT, entry tax and sales tax	Cross subsidy surcharge	Interest on income tax	Mines restoration and other activities	Coal block performance obligation	Contingent liability recognised on business combination	Others
Nature of obligation	VAT, entry tax and sales tax including interest thereon	Cross subsidy surcharge payable to power distribution companies	Interest on income tax	Activities to be performed at the time of final mine closure or during the mining	Activities to be performed for developing the coal block (Refer Note 35(ii))	Demand for electricity charges and labour related matters on acquired steel business (Refer Note 38)	Demand charges of DMFT and NMET on royalty payment and other matters

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

	VAT, entry tax and sales tax	Cross subsidy surcharge	Interest on income tax	Mines restoration and other activities	Coal block performance obligation	Contingent liability recognised on business combination	Others
Expected timing of resultant outflow	On decision by competent authority			Upon closure of mines or during the mining	The Company has paid this amount during current year. (Refer Note 35(ii)).	On decision by competent authority	
Indication of uncertainty about those outflows	The above matters are under dispute with authorities			None	None	The above matters are under dispute with authorities	
Major assumptions concerning future events	The matter is with higher authorities for adjudication. Provision has been made on the grounds of prudence.			None	None	The matter is with higher authorities for adjudication. Provision has been made on the grounds of prudence.	
Amount of any expected reimbursement, i.e., amount of any asset that has been recognised for that expected reimbursement	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(figures in brackets represents amount for the previous year)

43 Expenditure on corporate social responsibility

₹ in crores

Sr. No.	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a.	Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities	0.16	3.20
b.	Amount spent during the year		
	(i) Construction / acquisition of any asset	-	-
	(ii) On purposes other than (i) above	0.56	3.21
	Revenue expenditure charged to the Statement of Profit and Loss in respect of CSR activities undertaken during the year is ₹0.56 crore, (₹0.49 crore has been paid in cash and ₹0.07 crore is yet to be paid in cash) as compared to ₹3.21 crores for the year ended March 31, 2020, (₹2.03 crores was paid in cash and ₹1.18 crore was unpaid).		
c.	CSR expenditure incurred through related parties of the Company for the year ended March 31, 2021 is ₹Nil. (March 31, 2020: ₹Nil.)		
d.	There are no ongoing CSR projects and no expenditure was incurred during the year on any ongoing project. The Holding Company does not propose to carry forward any amount spent beyond the statutory requirement.		

44 Assets hypothecated as security

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

₹ in crores

Assumption	As at March 31, 2021	As at March 31, 2020
Non-current assets		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended March 31, 2021

₹ in crores

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

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

The Group is in the business of manufacturing steel / steel products, which support activities that are fundamental to the Indian economy. The Government imposed nation-wide lock down / restrictions due to the Covid-19 pandemic had impacted the Group's production, sales and other operations and the Group's operations have gradually come back to pre-Covid-19 level. In view of recent surge in Covid-19 cases, few states reintroduced some restrictions, and the Group continues to be vigilant and cautious, which currently is not expected to have any significant impact on the Group's operations / performance. 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 March 31, 2021, and has concluded that there are no material adjustments required in the consolidated financial statements.

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2021

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 crores	As % of consolidated net assets	Amount ₹ in crores
Tata Steel Long Products Limited (Parent)	2020-2021	99.95%	2,592.83	99.99%	571.97
TSIL Energy Limited (Subsidiary)	2020-2021	0.05%	1.30	0.01%	0.04
Total		**100%**	**2,594.13**	**100%**	**572.01**
Tata Steel Long Products Limited (Parent)	2019-2020	99.94%	2,015.55	100.01%	(516.28)
TSIL Energy Limited (Subsidiary)	2019-2020	0.06%	1.26	(0.01)%	0.05
Total		**100%**	**2,016.81**	**100%**	**(516.23)**

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 crores	As % of consolidated net assets	Amount ₹ in crores
Tata Steel Long Products Limited (Parent)	2020-2021	100.00%	5.31	99.99%	577.28
TSIL Energy Limited (Subsidiary)	2020-2021	0.00%	-	0.01%	0.04
Total		**100%**	**5.31**	**100%**	**577.32**
Tata Steel Long Products Limited (Parent)	2019-2020	100.00%	(7.07)	100.01%	(523.35)
TSIL Energy Limited (Subsidiary)	2019-2020	0.00%	-	(0.01)%	0.05
Total		**100%**	**(7.07)**	**100%**	**(523.30)**

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

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: April 20, 2021

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/-
Sankar Bhattacharya
Company Secretary

Place: Jamshedpur
Date: April 20, 2021

NOTICE

Notice is hereby given that the 38th Annual General Meeting (AGM) of the Members of Tata Steel Long Products Limited (Formerly Tata Sponge Iron Limited) ('Company') will be held through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") on Thursday, August 5, 2021 at 3:00 p.m. (IST) to transact the following business:

ORDINARY BUSINESS

1. Adoption of Audited Standalone Financial Statements

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021 together with the Reports of the Board of Directors and the Auditors thereon.

2. Adoption of Audited Consolidated Financial Statements

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 together with the Report of the Auditors thereon.

3. Declaration of Dividend

To declare dividend of ₹5.00 per Equity Share of face value ₹10/- each for the FY 2020-21.

4. Re-appointment of a Director

To appoint a Director in place of Mrs. Meena Lall (DIN:05133322) who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and, being eligible, seeks re-appointment.

SPECIAL BUSINESS

5. Appointment of Dr. Debashish Bhattacharjee as a Director

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** Dr. Debashish Bhattacharjee (DIN: 00060737), who was appointed by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, as an Additional Director of the Company effective October 13, 2020 and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 ("Act") 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 in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing Dr. Bhattacharjee's candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. 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 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 (hereinafter referred to as **'Board'**), to enter into contract(s)/ arrangement(s)/ transaction(s) with T S Global Procurement Company Pte Ltd., a related party within the meaning of Section 2(76) of the Companies Act, 2013 ("Act") 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 FY 2021-22 and FY 2022-23, provided that the said contract(s)/ arrangement(s)/transaction(s) shall be carried out at arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents, including contracts, schemes, agreements and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental authorities in this regard and deal with any matters, take necessary steps, as the Board may in its absolute discretion deem necessary, desirable or expedient, to give effect to this Resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director(s), Chief Financial Officer, Company Secretary or any other Officer(s) / Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

7. 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 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 (hereinafter referred to as **'Board'**), 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 ("Act") 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 ₹1,000 crore per annum for each of the FY 2021-22 and FY 2022-23, provided that the said contract(s)/ arrangement(s)/transaction(s) shall be carried out at arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents, including contracts, schemes, agreements and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental authorities in this regard and deal with any matters, take necessary steps, as the Board may in its absolute discretion deem necessary, desirable or expedient, to give effect to this Resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director(s), Chief Financial Officer, Company Secretary or any other Officer(s) / Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

8. 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 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 (hereinafter referred to as **'Board'**), 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 ("Act") 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 ₹1,000 crore per annum for each of the FY 2021-22 and FY 2022-23, provided that the said contract(s)/ arrangement(s)/transaction(s) shall be carried out at arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents, including contracts, schemes, agreements and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental authorities in this regard and deal with any matters, take necessary steps, as the Board may in its absolute discretion deem necessary, desirable or expedient, to give effect to this Resolution and to settle any question that may arise in this regard and incidental thereto, without being required

to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director(s), Chief Financial Officer, Company Secretary or any other Officer(s) / Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

9. 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 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 (hereinafter referred to as 'Board'), 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 ("Act") 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 per annum for each of the FY 2021-22 and FY 2022-23, provided that the said contract(s)/ arrangement(s)/transaction(s) shall be carried out at arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents, including contracts, schemes, agreements and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental authorities in this regard and deal with any matters, take necessary steps, as the Board may in its absolute discretion deem necessary, desirable or expedient, to give effect to this Resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director(s), Chief Financial Officer, Company Secretary or any other Officer(s) / Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

10. Approval of Material Related Party Transactions – Sale of Sponge Iron to Tata International Limited

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the 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 (hereinafter referred to as **'Board'**), 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 ("Act") 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 per annum for each of the FY 2021-22 and FY 2022-23, provided that the said contract(s)/ arrangement(s)/transaction(s) shall be carried out at arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents, including contracts, schemes, agreements and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental authorities in this regard and deal with any matters, take necessary steps, as the Board may in its absolute discretion deem necessary, desirable or expedient, to give effect to this Resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be

deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director(s), Chief Financial Officer, Company Secretary or any other Officer(s) / Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions, be and are hereby approved, ratified and confirmed in all respects."

11. 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(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹6 lakh plus applicable taxes and reimbursement of out-of-pocket expenses payable to Messrs Shome & Banerjee, Cost Accountants (Firm Registration Number – 000001), who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as the Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company, for the Financial Year ending March 31, 2022."

Notes:

1) The Statement, pursuant to Section 102 of the Companies Act, 2013, as amended ('Act') setting out material facts concerning the business with respect to Item No. 5 to 11 forms part of this Notice. Additional information, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') and Secretarial Standard – 2 on General Meetings issued by The Institute of Company Secretaries of India, in respect of Director retiring by rotation seeking re-appointment at this Annual General Meeting ('Meeting' or 'AGM') is furnished as an annexure to the Notice.

2) In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') vide its Circular Nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, read with Circular Nos. 20/2020 dated May 5, 2020 and 02/2021 dated January 13, 2021 (collectively referred to as 'MCA Circulars'), and Securities and Exchange Board of India ('SEBI') vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, and SEBI/HO/CFD/ CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred to as 'SEBI Circulars'), have permitted the holding of Annual General Meeting through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue. In accordance with the MCA Circulars and SEBI Circulars, the 38th AGM of the Company is being held through VC / OAVM on Thursday, August 5, 2021 at 3:00 p.m. (IST). The deemed venue for the 38th AGM will be P.O. Joda, Dist. Keonjhar, Orissa-758 034;

3) **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS AND SEBI CIRCULARS THROUGH VC / OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**

4) The Members can join the AGM in the VC / OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the National Securities Depository Limited's ('NSDL') e-Voting website at www.evoting.nsdl.com. The facility of participation at the AGM through VC / OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars.

5) Institutional / corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of their respective Board or governing body Resolution / Authorisation etc., authorising their representative to attend the AGM through VC / OAVM on their behalf and to vote through remote e-Voting. The said Resolution / Authorisation shall be sent by e-mail on Scrutiniser's e-mail address at Kothari.navin@yahoo.com with a copy marked to evoting@nsdl.co.in;

6) The Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

7) 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.

8) In accordance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Integrated Report & Annual Accounts 2020-21 are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. The Notice convening the 38th AGM along with the Integrated Report & Annual Accounts 2020-21 will also be available on the website of the Company at www.tatasteellp.com, websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the website of NSDL at www.evoting.nsdl.com

9) **Book Closure and Dividend:**

The Register of Members and Share Transfer Books of the Company will be closed from Saturday, July 24, 2021 to Thursday, August 5, 2021 (both days inclusive) for the purpose of payment of dividend and AGM for FY 2020-21. The dividend of ₹5/- per equity Share of ₹10/- each, if approved by the Members at the AGM, will be paid subject to deduction of income-tax at source ('TDS') on and from Monday, August 9, 2021 as under:

- In respect of Ordinary Shares held in physical form: To all the Members, after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company as on close of business hours of Friday, July 23, 2021.
- In respect of Ordinary Shares held in electronic form: To all beneficial owners of the shares, as on the close of business hours on Friday, July 23, 2021, as per details furnished by the Depositories for this purpose.

Pursuant to Finance Act, 2020, dividend income is taxable in the hands of shareholders effective April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the Members at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and the amendments thereof. In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential status, PAN, Category with their depository participants ('DPs') or in case shares are held in physical form, with the Company / Registrars and Transfer Agents ('RTA') by sending documents through e-mail on or before Wednesday, July 7, 2021.

For the detailed process, please click here: 'Communication on Tax Deduction on Dividend'.

Updation of mandate for receiving dividend directly in bank account through Electronic Clearing System or any other means in a timely manner:

Shares held in physical form: Members are requested to send hard copies of the following details / documents to the Company's Registrars and Transfer Agent, viz. TSR Darashaw Consultants Private Limited, (formerly TSR Darashaw Limited) at C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083, latest by July 20, 2021:

A) a signed request letter mentioning your name, folio number(s), complete address and following details relating to bank account, in which the dividend is to be received:
   a. Name & Branch of Bank and Bank Account type;
   b. Bank Account Number & Type allotted by your Bank after implementation of Core Banking Solutions;
   c. 11 digit IFSC Code.

B) Cancelled cheque in original, bearing the name of the Member or first holder, in case shares are held jointly;

C) self-attested copy of the PAN Card; and

D) self-attested copy of any document (such as Aadhaar Card, Driving License, Election Identity Card, Passport) in support of the address of the Member as registered with the Company.

Shares held in electronic form: Members may please note that their bank details as furnished by the respective DPs to the Company will be considered for remittance of dividend as per the applicable regulations of the DPs and the Company will not entertain any direct request from such Members for change / addition / deletion in such bank details. Accordingly, the Members holding shares in demat form are requested to update their Electronic Bank Mandate with their respective DPs.

Further, please note that instructions, if any, already given by Members in respect of shares held in physical form, will not be automatically applicable to the dividend paid on shares held in electronic form.

The Members who are unable to receive the dividend directly in their bank account through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the warrant / Bankers' cheque / demand draft to such Members, upon normalisation of postal services and other activities.

10) **Nomination facility:** As per the provisions of Section 72 of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form SH-14. The said forms can be downloaded from the Company's website at www.tatasteellp.com Members are requested to submit the said form to their DPs in case the shares are held in electronic form and to the RTA at csg-unit@tcplindia.co.in in case the shares are held in physical form, quoting their folio no(s).

11) **Consolidation of Physical Share Certificates:** Members holding shares in physical form, in identical order of names, in more than one folio, are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

12) Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members / Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in. The attention of Members is particularly drawn to the Corporate Governance Report forming part of the Board's Report in respect of unclaimed dividends and transfer of dividends / shares to the IEPF.

13) Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs in case the shares are held in electronic form and to the RTA at csg-unit@tcplindia.co.in in case the shares are held in physical form, quoting their folio no(s). Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.

14) As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of the listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition and re-lodged transfers of securities. Further, SEBI vide its circular no. SEB I/ H O/M IR SD/ R TA M B/CIR / P/2020/236 date d December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members may contact the Company's RTA, TSR Darashaw Consultants Private Limited at csg-unit@tcplindia.co.in for assistance in this regard. Members may also refer to Frequently Asked Questions ('FAQs') on the Company's website. For details click here: FAQs

15) To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

PROCESS FOR REGISTERING E-MAIL ADDRESS:

(i) One time registration of e-mail address with RTA for receiving the Integrated Report & Annual Accounts 2020-21 and to cast votes electronically: The Company has made special arrangements with RTA for registration of e-mail address of those Members (holding shares either in electronic or physical form) who wish to receive the Integrated Report & Annual Accounts for FY 2020-21 and cast votes electronically. Eligible Members whose e-mail addresses are not registered with the Company / DPs are required to provide the same to RTA on or before 5:00 p.m. (IST) on Thursday, July 29, 2021.

Process to be followed for one time registration of e-mail address (for shares held in physical form or in electronic form) is as follows:

a) Visit the link: https://tcpl.linkintime.co.in/EmailReg/Email_Register.html

b) Select the name of the Company from drop-down

c) Enter details in respective fields such as DP ID and Client ID (if shares held in electronic form) / Folio no. and Certificate no. (if shares held in physical form), Shareholder name, PAN, mobile number and e-mail id

d) System will send OTP on mobile no. and e-mail id

e) Enter OTP received on mobile no. and e-mail id and submit.

After successful submission of the e-mail address, NSDL will e-mail a copy of this AGM Notice and Integrated Report & Annual Accounts FY 2020-21 along with the e-Voting user ID and password. In case of any queries, Members may write to csg-unit@tcplindia.co.in or evoting@nsdl.co.in

(ii) Registration of e-mail address permanently with Company / DP: Members are requested to register the email address with their concerned DPs, in respect of electronic holding and with RTA, in respect of physical holding, by writing to them at csg-unit@tcplindia.co.in Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated / updated with their DPs / RTA to enable servicing of notices / documents / Integrated Reports and other communications electronically to their e-mail address in future.

INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM ARE AS FOLLOWS:

A. PROCESS AND MANNER FOR VOTING THROUGH ELECTRONIC MEANS:

1. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the SEBI Listing Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by NSDL.

2. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of Thursday, July 29, 2021 may cast their vote by remote e-Voting. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as remote e-Voting during the AGM.

   Any shareholder(s) holding shares in physical form or non-individual shareholders who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Thursday, July 29, 2021, may obtain the User ID and Password by sending a request at evoting@nsdl.co.in However, if a person is already registered with NSDL for remote e-Voting then he / she can use his / her existing User ID and password for casting the vote.

   In case of Individual Shareholder who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holds shares in demat mode as on the cut-off date may follow the steps mentioned under **'Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode.'**

3. The remote e-Voting period commences on Monday, August 2, 2021 at 9.00 a.m. (IST) and ends on Wednesday, August 4, 2021 at 5.00 p.m. (IST). The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e. Thursday, July 29, 2021.

4. Members will be provided with the facility for voting through electronic voting system during the VC / OAVM proceedings at the AGM and Members participating at the AGM, who have not already cast their vote on the resolution(s) by remote e-Voting, will be eligible to exercise their right to vote on such resolution(s) upon announcement by the Chairman. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC / OAVM but shall not be entitled to cast their vote on such resolution(s) again. The remote e-Voting module on the day of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM AND REMOTE E-VOTING (BEFORE AND DURING THE AGM) ARE AS UNDER:

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at https://www.evoting.nsdl.com by following the steps mentioned under 'Access NSDL e-Voting system'. After successful login, Member(s) can click on link of VC / OAVM placed under "Join General Meeting" menu against Company name. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of the Company will be displayed. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID / Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice.

2. Members are encouraged to submit their questions in advance with respect to the accounts or the business to be transacted at the AGM. These queries may be submitted

from their registered e-mail address, mentioning their name, DP ID and Client ID / folio number and mobile number, to reach the Company's e-mail address at investorcell@tatasteellp.com before 3.00 p.m. (IST) on Thursday, July 29, 2021.

3. The Register of Directors and Key Managerial Personnel and their Shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an e-mail to 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 e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at investorcell@tatasteellp.com between July 29, 2021 (9:00 a.m. IST) to July 31, 2021 (5:00 p.m. IST). The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

5. Members who need assistance before or during the AGM, can contact NSDL on Toll Free Nos.:1800 1020 990/1800 224 430 or contact Ms. Pallavi Mhatre, Manager – NSDL at evoting@nsdl.co.in.

THE INSTRUCTIONS FOR REMOTE E-VOTING BEFORE/ DURING THE AGM

The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Access NSDL e-Voting system

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

Details on Step 1 are mentioned below:

A. Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode

In order to increase the efficiency of the voting process and in pursuance of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, e-Voting facility is being provided to all the demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / Depository Participants. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider ('ESP') thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

Shareholders are advised to update their mobile number and e-mail-id with their DPs in order to access e-Voting facility.

Login method for individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	A. NSDL IDeAS facility If you are already registered, follow the below steps: 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ 2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. 4. Click on "Access to e-Voting" appearing on left hand side under e-Voting services and you will be able to see e-Voting page. 5. Click on options available against company name or e-Voting service provider – NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting and remote e-Voting during the meeting. If you are not registered, follow the below steps: 1. Option to register is available at https://eservices.nsdl.com 2. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Please follow steps given in points 1-5. B. Visit the e-Voting website of NSDL 1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider – NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and remote e-Voting during the meeting.
Individual Shareholders holding securities in demat mode with Central Depository Services Limited ('CDSL')	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will see the e-Voting Menu. The Menu will have links of ESP i.e. NSDL Portal. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/ Registration/ EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and E-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) logging through their depository participants	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. 2. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on options available against company name or e-Voting service provider – NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and remote voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at respective website.

Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depositories i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B. Login Method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/
2. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder / Member' section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL e-services i.e. IDeAS, you can log-in at https://eservices.nsdl.com/ with your existing IDeAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is S1******** and EVEN is 116163 then user ID is 116163*******

5. Your password details are given below:
   (a) If you are already registered for e-Voting, then you can use your existing password to log-in and cast your vote.
   (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   (c) How to retrieve your 'initial password'?
      i. If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Open the e-mail sent to you by NSDL and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      ii. If your e-mail ID is not registered, please follow steps mentioned in process for those shareholders whose e-mail ids are not registered.
6. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
   a. Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com
   b. Click on 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on www.evoting.nsdl.com
   c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
   d. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.
8. Now, you will have to click on 'Login' button.
9. After you click on the 'Login' button, Home page of e-Voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see "EVEN" of all the companies in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of the Company, Company i.e., 116163, for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting"
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
5. Upon confirmation, the message 'Vote cast successfully' will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

The instructions for e-Voting during the AGM are as under:

1. The procedure for remote e-Voting during the AGM is same as the instructions mentioned above for remote e-Voting since the Meeting is being held through VC/ OAVM.
2. Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote on such resolution(s) through remote e-Voting system at the AGM.

General Guidelines for Shareholders:

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.
2. In case of any queries/grievances pertaining to remote e-Voting (before the AGM and during the AGM), you may refer to the Frequently Asked Questions ('FAQs') for Shareholders and e-Voting user manual for Shareholders available in the 'Download' section of www.evoting.nsdl.com or call on the toll-free number: 1800 1020 990/1800 224 430 or send a request to Ms. Pallavi Mhatre, Manager, NSDL at evoting@nsdl.co.in.

Other Instructions:

i. The Board of Directors has appointed Mr. Navin Kothari (FCS No. 5935, CP No. 3725) of M/s. N.K & Associates, Practising Company Secretaries, as the Scrutiniser to scrutinise the remote e-Voting process as well as voting during the AGM in a fair and transparent manner.

ii. The Scrutiniser shall immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast prior to the AGM) and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

iii. The results declared along with the Scrutiniser's Report shall be placed on the website of the Company www.tatasteellp.com and on the website of NSDL www.evoting.nsdl.com immediately. The Company shall simultaneously communicate the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

By Order of the Board of Directors

sd/-
Sankar Bhattacharya
Company Secretary and Compliance Officer
(ACS:11438)

Kolkata
April 20, 2021

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

Statement pursuant to Section 102 of the Companies Act, 2013 ("Act")

The following Statement sets out all material facts relating to Item Nos. 5 to 11 mentioned in the accompanying Notice.

Item No 5

Appointment of Dr. Debashish Bhattacharjee as a Director

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors ("Board"), appointed Dr. Debashish Bhattacharjee as an Additional (Non-Executive Non-Independent) Director on October 13, 2020. Pursuant to the provisions of Section 161 of the Act and Article 109 of the Articles of Association of the Company, Dr. Bhattacharjee will hold office upto the date of 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. Bhattacharjee for the office of Director. Dr. Bhattacharjee once appointed will be liable to retire by rotation and will be subject to the Company's policy on Retirement of Directors.

The Company has received from Dr. Bhattacharjee (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) 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.

The profile and specific areas of expertise of Dr. Bhattacharjee are provided as an annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Dr. Bhattacharjee, to whom the resolution relates, is concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

The Board recommends the resolution set forth in Item No. 5 for the approval of the Members.

Item No 6

Approval of Material Related Party Transactions – Purchase of coal from T S Global Procurement Company Pte Ltd. ("T S Global")

Context

A resolution for related party transaction for the value of ₹2,000 crore per annum for purchase of Coal from T S Global was approved by the shareholders at the 37th AGM held on September 14, 2020 for FY 2020-21 and FY 2021-22.

The estimated value of the contract(s)/ arrangement(s)/ transaction(s) exceeds the threshold limit of 10% of the annual turnover i.e. ₹475 crore as per the last audited financial statements of the Company for FY 2020-21, resulting in a material related party transaction in terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

To ensure uninterrupted operation, approval of the shareholders is being sought, for entering into related party transaction(s) with T S Global to purchase Coal for a maximum aggregate value of ₹2,000 crore for each of the FY 2021-22 and FY 2022-23.

Background and details of the transaction

The Company has acquired the steel division of Usha Martin Limited on April 09, 2019. Coal is the key raw material for manufacture of coke for use in iron making in blast furnaces. T S Global is a subsidiary of Tata Steel having its base in Singapore. It supplies the requirement of coal to Group Companies by procuring in bulk from international coal suppliers.

Benefits of purchasing coal from T S Global Procurement Company Pte Ltd. ("T S Global")

T S 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, the Company derives significant value in leveraging T S Global expertise in the following ways:

a) **Sourcing Cost –** T S 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, T S Global is having better freight negotiating power with freight parties due to their bulk purchase. This improves the overall landed cost for the Company.

c) **Flexibility –** Under this arrangement, T S Global provides value added services to the Company, such as change in scheduling/ lay cans, shipment sizes to meet the dynamic requirements.

d) **Professional Services –** Being a fellow subsidiary, T S Global offers professional and transparent business services to secure coal supply. T S Global will charge a nominal fee for the services including port documentation, commercial formalities, and their establishment cost, etc.

Approval is being sought for FY 2021-22 and FY 2022-23

The Company had sought approval of the Shareholders for purchase of coal from T S Global at its AGM held on September 14, 2020, for an amount of ₹2,000 crore per annum for two

financial years i.e. FY 2020-21 and FY 2021-22. Since, the approval would expire on March 31, 2022, it is necessary to obtain approval of the Shareholders to ensure uninterrupted operations of the Company, post March 31, 2022.

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 ₹4,749.87 crore for the FY 2020-21 and 10% of which is equal to ₹475 crore. Hence, it is proposed to secure shareholders' approval for the following related party contracts/ arrangements to be entered each for the FY 2021-22 and FY 2022-23.

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

T S Global Procurement Co. Pte Ltd. ("T S Global")

Name of the Director or Key Managerial Personnel who is related, if any

Mr. Koushik Chatterjee, Non-Executive Director of Tata Steel Long Products Limited is the Director of T S Global Procurement Company PTE Ltd.

Nature of relationship

Fellow subsidiary

Nature, material terms, monetary value and particulars of the contract or arrangement

The Company intends to procure coal from T S Global Procurement Pte Ltd. The purchase price for the Company will be the negotiated price by T S 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 the 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 transaction with T S Global

The rationale behind sourcing coal through T S Global is given below.

A. **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 T S Global helps in controlling the cost of operation for manufacturing hot metal in blast furnaces, thereby increasing the profitability of the Company.

Detail(s) about Arm's Length Pricing/Ordinary Course of Business

The related party transaction(s)/contract(s)/arrangement(s) mentioned in this proposal has been evaluated by a reputed external independent accounting/ consulting firm and the firm has confirmed that the pricing mechanism meets the arm's length testing criteria. The related party transaction(s)/ contract(s)/ arrangement(s) also qualifies as contract under ordinary course of business.

The said transaction(s)/contract(s)/arrangement(s) have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members.

It is pertinent to note that no related party shall vote to approve this Resolution whether the entity is a related party to the particular transaction or not.

Mr. Koushik Chatterjee, Non-Executive Director of the Company is also the Director of T S Global. His and his relatives' interest or concern, if any, is limited to the extent of them holding directorship position in both, Tata Steel Long Products Limited and T S Global.

Except the above, none of the Directors or Key Managerial Personnel of the Company or their respective relatives are, in anyway, concerned or interested either directly or indirectly in passing of the said Resolution mentioned at Item no. 6 of the Notice.

The Board recommends the resolution set forth in Item no. 6 for approval of the Members.

Item No. 7

Approval of Material Related Party Transactions – Purchase of coal from Tata International Limited (TIL):

Context

A resolution for related party transaction for the value of ₹2,000 crore per annum for purchase of Coal from TIL was approved by the shareholders at the 37th AGM held on September 14, 2020 for FY 2020-21 and FY 2021-22.

The estimated value of the contract(s)/ arrangement(s)/ transaction(s) exceeds the threshold limit of 10% of the annual turnover i.e. ₹475 crore as per the last audited financial statements of the Company for FY 2020-21, resulting in a material related party transaction in terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

To ensure uninterrupted operation, approval of the shareholders is being sought, for entering into related party transaction(s) with TIL to purchase Coal for a maximum aggregate value of ₹1,000 crore for each of the FY 2021-22 and FY 2022-23.

Background and details of transactions

Coal is one of the prime raw materials of the Company for manufacturing hot metal and sponge iron. Consistent, cost effective and assured supply of coal of desired quality are the most important requirements for continuous plant operations and better productivity. The company has established procurement of coal from T S Global Procurement Pte Ltd. (TSGP) as mentioned in Item No. 6 above. This will be the prime route for procurement of coal. However, to ensure uninterrupted supply of coal from other sources / routes, in case of an adverse situation faced through the TSGP route, the company has two more established routes; procurement through TIL and Tata International Singapore PTE Ltd. These alternate routes will be availed only in case the company faces difficulty in sourcing coal through TSGP.

The details of the proposed transactions are as follows:

Coal would be purchased from TIL for the value of ₹1,000 crore for each of the FY 2021-22 and FY 2022-23.

Benefits of purchasing Coal from Tata International Limited ("TIL")

TIL 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, the Company 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 the Company benefits from lower freight. This improves the overall landed cost economics for the Company.

c. **Flexibility –** Under this arrangement, TIL provides value added services to the Company, such as change in scheduling/ lay cans, shipment sizes to meet dynamic requirements.

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 FY 2021-22 and FY 2022-23

The Company had sought approval of the Shareholders for purchase of coal from TIL at its AGM held on September 14, 2020, for an amount of ₹2,000 crore per annum for two financial years, i.e., FY 2020-21 and FY 2021-22. Since, the approval would expire on March 31, 2022, it is necessary to obtain approval of the Shareholders to ensure uninterrupted operations of the Company, post March 31, 2022. Considering the business requirement, the value has been estimated to ₹1,000 crore for each of the FY 2021-22 and FY 2022-23.

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 ₹4,749.87 crore for the FY 2020-21 and 10% of which is equal to ₹475 crore. Hence, it is proposed to secure shareholders' approval for the following related party contracts/ arrangements to be entered during each of FY 2021-22 and FY 2022-23.

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 intends to procure coal from TIL as an alternative to sourcing from the TSGP. The purchase price for the Company will be the negotiated price based on the market published data, i.e. API index & Freight and other charges as applicable. However, TSLP may also place order on L1 basis through competitive bidding process.

The maximum value of transactions shall be ₹1,000 crore each for the FY 2021-22 and FY 2022-23.

Any other information relevant or important for the 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 TIL 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 TIL will help in controlling the operating parameters thereby increasing the productivity and profitability of the Company.

Detail(s) about Arm's Length Pricing/Ordinary Course of Business

The related party transaction(s)/contract(s)/arrangement(s) mentioned in this proposal has been evaluated by a reputed external independent accounting/ consulting firm and the firm has confirmed that the pricing mechanism meets the arm's length testing criteria. The related party transaction(s)/ contract(s)/ arrangement(s) also qualifies as contract under ordinary course of business.

The said transaction(s)/contract(s)/arrangement(s) have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members.

It is pertinent to note that no related party shall vote to approve this Resolution whether the entity is a related party to the particular transaction or not.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are in anyway, concerned or interested either directly or indirectly in passing of the said Resolution mentioned at Item no. 7 of the Notice.

The Board recommends the resolution set forth in Item no. 7 for approval of the Members.

Item No. 8

Approval of Material Related Party Transactions – Purchase of coal from Tata International Singapore PTE Ltd. (TISPL)

Context

A resolution for related party transaction for the value of ₹2,000 crore per annum for purchase of Coal from TISPL was approved by the shareholders at the 37th AGM held on September 14, 2020 for FY 2020-21 and FY 2021-22.

The estimated value of the contract(s)/ arrangement(s)/ transaction(s) exceeds the threshold limit of 10% of the annual turnover i.e. ₹475 crore as per the last audited financial statements of the Company for FY 2020-21, resulting in a material related party transaction in terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

To ensure uninterrupted operation, approval of the shareholders is being sought, for entering into related party transaction(s) with TISPL to purchase Coal for a maximum aggregate value of ₹1,000 crore for each of the FY 2021-22 and FY 2022-23.

Background and details of transactions:

As already explained in Item No. 6 above, the company will procure coal from alternate sources, i.e., from TIL and TISPL in case it faces difficulty in sourcing coal through the prime route of TSGP. It is extremely important to de-risk procurement of coal so that plant operations do not suffer.

Benefits of purchasing Coal from Tata International Singapore PTE Ltd ("TISPL")

TISPL also 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, the Company 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 the Company benefits from lower freight. This improves the overall landed cost economics for the Company.

c. **Flexibility –** Under this arrangement, TISPL provides value added services to the Company, such as change in scheduling/ lay cans, shipment sizes to dynamic requirements.

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 FY 2021-22 and FY 2022-23

The Company had sought approval of the Shareholders for purchase of coal from TISPL at its AGM held on September 14, 2020, for an amount of ₹2,000 crore per annum for two financial years i.e. FY 2020-21 and FY 2021-22. Since, the approval would expire on March 31, 2022, it is necessary to obtain approval of the Shareholders in order to ensure uninterrupted operations of the Company, post March 31, 2022. Considering the business requirement, the value has been estimated to ₹1,000 crore for each of the FY 2021-22 and FY 2022-23.

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 ₹4,749.87 crore for the FY 2020-21 and 10% of which is equal to ₹475 crore. Hence, it is proposed to secure shareholders' approval for the following related party contracts/ arrangements to be entered during each of FY 2021-22 and FY 2022-23.

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 intends to procure coal from TISPL as an alternative to sourcing from the TSGP. The purchase price for the Company will be the negotiated price based on the market published data, i.e. API index & Freight and other charges as applicable. However, TSLP may also place order on L1 basis through competitive bidding process.

The maximum value of transactions shall be ₹1,000 crore each for the FY 2021-22 and FY 2022-23.

Any other information relevant or important for the 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 TISPL 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 TISPL helps in controlling the operating parameters thereby increasing the productivity and profitability of the Company.

Detail(s) about Arm's Length Pricing/Ordinary Course of Business

The related party transaction(s)/contract(s)/arrangement(s) mentioned in this proposal has been evaluated by a reputed external independent accounting/ consulting firm and the firm has confirmed that the pricing mechanism meets the arm's length testing criteria. The related party transaction(s)/ contract(s)/ arrangement(s) also qualifies as contract under ordinary course of business.

The said transaction(s)/contract(s)/arrangement(s) have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members.

It is pertinent to note that no related party shall vote to approve this Resolution whether the entity is a related party to the particular transaction or not.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are in anyway, concerned or interested either directly or indirectly in passing of the said Resolution mentioned at Item no. 8 of the Notice.

The Board recommends the resolution set forth in Item no. 8 for approval of the Members.

Item No 9

Approval of Material Related Party Transactions – Purchase of Iron Ore from Tata Steel Limited ("Tata Steel")

Context

A resolution for related party transaction for the value of ₹1,400 crore per annum for purchase of iron ore from Tata Steel was approved by the shareholders at the 37th AGM held on September 14, 2020 for FY 2020-21 and FY 2021-22.

The estimated value of the contract(s)/ arrangement(s)/ transaction(s) exceeds the threshold limit of 10% of the annual turnover i.e. ₹475 crore as per the last audited financial statements of the Company for FY 2020-21, resulting in a material related party transaction in terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

To ensure uninterrupted operation, approval of the shareholders is being sought, for entering into related party transaction(s) with Tata Steel to purchase iron ore for a maximum aggregate value of ₹1,400 crore for each of the FY 2021-22 and FY 2022-23.

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 each of FY 2021-22 and FY 2022-23. It may be noted that the Company has been primarily purchasing iron-ore from Tata Steel to meet its total requirement after maximising the supplies from its captive iron ore mines.

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 by 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 the Company 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 minimal. As such, the landed cost of iron-ore at the Company's plant by purchasing from Tata Steel is most advantageous to the Company.
- 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 the Company.

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 shareholders is sought for an amount of ₹1,400 crore per annum for the FY 2021-22 and FY 2022-23.

Approval being sought for each of the FY 2021-22 and FY 2022-23

The Company had sought approval of the Shareholders for purchase of coal from Tata Steel at its AGM held on September 14, 2020, for an amount of ₹1,400 crore per annum for two financial years i.e. FY 2020-21 and FY 2021-22. Since, the approval would expire on March 31, 2022, it is necessary to obtain approval of the Shareholders in order to ensure uninterrupted operations of the Company, post March 31, 2022.

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 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 ₹4,749.87 crore for the FY 2020-21 and 10% of which is equal to ₹475 crore. Hence, it is proposed to secure shareholders' approval for the following related party contracts/ arrangements to be entered during each of FY 2021-22 and FY-2022-23. 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, Non-Executive Director of Tata Steel Long Products Limited is the Director of Tata Steel

b. Mr. Koushik Chatterjee, Non-Executive Director of Tata Steel Long Products Limited is the Director of Tata Steel.

Nature of relationship

Tata Steel is a holding Company having 74.91% 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 use 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. The maximum value of such transactions will be capped at ₹1,400 crore for iron ore purchase for each of the FY 2021-22 and FY 2022-23.

Any other information relevant or important for the 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 proximity with Tata Steel Mines

The Company has been purchasing iron ore from the nearby mines of Tata Steel, since inception of the Company 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 the Company's sponge plant at Joda and around 150 kms from the Company's 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 productivity and profitability of the Company.

Detail(s) about Arm's Length Pricing/Ordinary Course of Business

The related party transaction(s)/contract(s)/arrangement(s) mentioned in this proposal has been evaluated by a reputed external independent accounting/ consulting firm and the firm has confirmed that the pricing mechanism meets the arm's length testing criteria. The related party transaction(s)/ contract(s)/ arrangement(s) also qualifies as contract under ordinary course of business.

The said transaction(s)/contract(s)/arrangement(s) have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members.

It is pertinent to note that no related party shall vote to approve this Resolution whether the entity is a related party to the particular transaction or not.

Mr. T.V. Narendran and Mr. Koushik Chatterjee, Non-Executive Director(s) of the Company are also the Director(s) of Tata Steel. Their and their relatives' interest or concern, if any, is limited to the extent of them holding directorship position in both, Tata Steel Long Products Limited and Tata Steel.

Except the above, none of the Directors or Key Managerial Personnel of the Company or their respective relatives are in anyway, concerned or interested either directly or indirectly in passing of the said resolution mentioned at Item no. 9 of the Notice.

The Board recommends the resolution set forth in Item no. 9 for approval of the Members.

Item No 10

Approval of Material Related Party Transactions – Sale of Sponge Iron to Tata International Ltd ("Tata International")

Context

A resolution for related party transaction for the value of ₹500 crore per annum for sale of Sponge Iron to Tata International was approved by the shareholders at the 37th AGM held on September 14, 2020 for FY 2020-21 and FY 2021-22.

The estimated value of the contract(s)/ arrangement(s)/ transaction(s) exceeds the threshold limit of 10% of the annual turnover i.e. ₹475 crore as per the last audited financial statements of the Company for FY 2020-21, resulting in a material related party transaction in terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations').

To ensure uninterrupted operation, approval of the shareholders is being sought, for entering into related party transaction(s) with Tata International to sale sponge iron for a maximum aggregate value of ₹500 crore for each of the FY 2021-22 and FY 2022-23.

Background and Details of the transaction

Until your Company acquired the steel business undertaking of Usha Martin Limited, Sponge Iron was 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 is expected to double during FY 2021-22. 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 the Company in catering to a wider market.

Benefits of selling sponge iron through 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 footprint 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 FY 2021-22 and FY 2022-23

The Company had sought approval of the Shareholders for sale of sponge iron to Tata International Limited at its AGM held on September 14, 2020, for an amount of ₹500 crore per annum for two financial years i.e. FY 2020-21 and FY 2021-22. Since, the approval would expire on March 31, 2022, it is necessary to obtain approval of the Shareholders in order to ensure uninterrupted operations of the Company, post March 31, 2022.

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 ₹4,749.87 crore for the FY 2020-21 and 10% of which is equal to ₹475 crore. Hence, it is proposed to secure shareholders' approval for the following related party contracts/ arrangements to be entered each for the FY 2021-22 and FY 2022-23. 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. The maximum value of transactions will be capped at ₹500 crore each in FY 2021-22 and FY 2022-23.

Any other information relevant or important for the 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

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 deep expertise in International markets and having worked closely with the Company for the last 15 years, is able to fulfill this objective.

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.

Detail(s) about Arm's Length Pricing/Ordinary Course of Business

The related party transaction(s)/contract(s)/arrangement(s) mentioned in this proposal has been evaluated by a reputed external independent accounting/ consulting firm and the firm has confirmed that the pricing mechanism meets the arm's length testing criteria. The related party transaction(s)/ contract(s)/ arrangement(s) also qualifies as contract under ordinary course of business.

The said transaction(s)/contract(s)/arrangement(s) have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members.

It is pertinent to note that no related party shall vote to approve this Resolution whether the entity is a related party to the particular transaction or not.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are in anyway, concerned or interested either directly or indirectly in passing of the said Resolution mentioned at Item no. 10 of the Notice.

The Board recommends the resolution set forth in Item no. 10 for approval of the Members.

Item No 11

Based on the recommendation of the Audit Committee, the Board at its meeting held on April 20, 2021, appointed Messrs. Shome & Banerjee, Cost Accountants, (Firm Registration No.: 000001) to conduct the Cost Audit for the financial year ending March 31, 2021 at a remuneration of ₹6,00,000/- (excluding applicable taxes, etc.), plus out of pocket expenses.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) 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 has fixed the remuneration payable to Cost Auditors for FY 2021-22 at ₹6 lakh plus applicable taxes and reimbursement of out of pocket expenses, to cover the cost audit of Steel and DRI divisions of the Company. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 11 of the Notice for ratification of the remuneration payable to the Cost Auditor of the Company for the Financial Year ending March 31, 2022.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are in anyway, concerned or interested either directly or indirectly in passing of the said 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.

By Order of the Board of Directors

sd/-
Sankar Bhattacharya
Company Secretary and Compliance Officer
(ACS:11438)

Kolkata
April 20, 2021

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Odisha – 758 034
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CIN- L27102OR1982PLC001091
Website: www.tatasteellp.com
Email: investorcell@tatasteellp.com

Annexure to AGM Notice

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT IN THE THIRTY-EIGHTH 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)]

Name of the Director	Mrs. Meena Lall	Dr. Debashish Bhattacharjee
Director Identification Number	05133322	00060737
Date of Birth	August 14, 1964	September 03, 1968
Date of appointment / re-appointment	July 15, 2019	October 13, 2020
Qualifications	Mrs. Meena Lall is a Gold Medalist in LLB from Jabalpur University	Dr. Debashish Bhattacharjee completed B.E. in Metallurgical Engineering from Jadavpur University in 1986, M. Tech in Metallurgy from IIT Kanpur in 1989 and PhD in Materials Science & Metallurgy from University of Cambridge, UK in 1993.
Designation	Non-independent, Non- Executive Director	Non-independent, Non- Executive Director
Terms and Conditions of appointment / re-appointment	Being a non-executive Director of the Company, she is liable to retire by rotation.	Being a non-executive Director of the Company, he is liable to retire by rotation.
Profile and expertise in specific functional areas	Mrs Meena Lall started her career as a practising Advocate in the High Court of Madhya Pradesh at its Principal Bench at Jabalpur. Later she joined Tata Steel Ltd as in-house counsel. In Tata Steel, Mrs. Meena Lall rose through the levels and has been heading the Legal function of Tata Steel since 2008 in her current designation as Chief-Legal Officer (Industrial & Litigation). Mrs. Lall has dealt with litigation in diverse fields of law, such as criminal, land, mining, environment, forest, labour to name a few. She has the experience in the field of contracts of several kinds and dispute resolution. Mrs. Lall has been a Director on Boards of multiple companies of Tata Steel Group. Mrs. Lall is a keen learner and a passionate professional. She has contributed in to Volume-8 of a book series written by Mr. Samaraditya Pal titled 'Constitution of India-Its Origins and Evolution'. Continuing her learning streak, during the academic year 2019-20, she enrolled for the Post-Graduate Diploma in Cyber Law and Cyber Forensic, which she has cleared recently. She has been recognised by BW Legal, as one of the top 100 General Counsels of India for the year 2020-21. She has held several awareness sessions on diverse streams of law.	Dr. Bhattacharjee joined Tata Steel in the R&D function in 1996 and headed the function as Chief Research & Development and Scientific Services between 2002 and 2009. In 2009, he was seconded to Tata Steel Europe as Group Director Research, Development & Technology for Tata Steel Group. Dr. Bhattacharjee is an expert in development of materials and associated technologies. He has more than 50 international peer reviewed journal publications and 20 patents. Dr. Bhattacharjee is a Fellow of the Indian National Academy of Engineering and of the Indian Institute of Metals. He is Visiting Professor at the Imperial College London, at the University of Warwick, UK, and at the University of Science and Technology, Beijing, China. Currently he is Vice President Technology & New Materials Business, Tata Steel based in Kolkata.
Details of Remuneration sought to be paid	Nil	Nil
Remuneration last drawn	Nil	Nil
Directorships held in other Companies	1. Tata Steel Mining Limited 2. Tata Steel Downstream Products Limited 3. Angul Energy Limited 4. TSIL Energy Limited 5. Tata Steel Utilities and Infrastructure Services Limited	Tata Advanced Materials Limited
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	There is no inter-se relationship between Mrs. Meena Lall, other members of the Board and Key Managerial Personnel of the Company.	There is no inter-se relationship between Dr. Debashish Bhattacharjee, other members of the Board and Key Managerial Personnel of the Company.
Number of Meetings of the Board attended during FY 2020-21	7 (Seven)	5 (Five)

Name of the Director	Mrs. Meena Lall	Dr. Debashish Bhattacharjee
Chairpersonships / Memberships of statutory committees across companies	**Tata Steel Utilities & Infrastructure Services Ltd.:** Audit Committee (Member) Corporate Social Responsibility Committee (Chairperson) **Angul Energy Ltd:** Nomination and Remuneration Committee (Member) **Tata Steel Downstream Products Ltd:** Audit Committee (Member) Safety, Health and Environment Committee (Member) **Tata Steel Long Products Limited:** Risk Management Committee (Member)	Tata Steel Long Products Limited: SHE Committee (Member) Risk Management Committee (Member)
Details of shareholding (both own or held by/for other persons on a beneficial basis), if any, in the Company	NIL	NIL

TATA STEEL LONG PRODUCTS LIMITED
(Formerly Tata Sponge Iron Limited)
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