# INDEPENDENT AUDITOR'S REPORT

## To the Members of Tata Steel Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying standalone financial statements of Tata Steel Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and 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 material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for Opinion

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

## Key audit matters

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

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| Business Combination under Common Control<br><br>Amalgamation of Tata Steel Long Products Limited (TSLP), Tata Steel Mining Limited (TSML), Tata Metaliks Limited (TML), The Tinplate Company of India Limited (TCIL) and S&T Mining Company Limited (S&T)<br><br>[Refer to Note 2(d) to the standalone financial statements "Business combination under common control" and Note 43 to the standalone financial statements]<br><br>Pursuant to the National Company Law Tribunal (NCLT) Orders received during the year, subsidiaries of the Company, viz., TSML, TSLP, S&T, TCIL and TML ("Transferor Companies") were merged with the Company. The Appointed Dates as per the Schemes of Amalgamation is April 1, 2022 for TSLP, S&T, TCIL and TML and April 1, 2023 for TSML.<br><br>The Company has accounted for the business combinations using the pooling of interests method in accordance with Appendix C of Ind AS 103, Business Combinations in accordance with the NCLT Orders. The carrying value of the assets and liabilities of the subsidiaries as at April 1, 2022 (being the beginning of the previous period presented), as appearing in the consolidated financial statements of the Company before the merger have been incorporated in the books with merger adjustments, as applicable.<br><br>The Company has allotted fully paid-up equity shares to the eligible shareholders of the erstwhile subsidiaries TSLP, TCIL and TML in accordance with the respective Schemes.<br><br>The Company has recognised capital reserve of ₹791.47 crore in "Other Equity".<br><br>Considering the complex accounting involved, the aforesaid business combinations treatment in the standalone financial statements has been considered to be a key audit matter. | Our audit procedures included the following:<br><br>• We understood from the management, assessed and tested the design and operating effectiveness of the Company's key controls over the accounting for business combinations.<br><br>• We traced the assets and liabilities as at April 1, 2022 and results for the financial year ended March 31, 2023 of TSML, TSLP, S&T, TCIL and TML from the audited standalone Financial Statements / Information of the respective subsidiaries.<br><br>• We recomputed the value of fully paid-up equity shares issued as the consideration with reference to the NCLT Orders.<br><br>• We evaluated the Company's accounting of the business combinations in accordance with the pooling of interests method in Appendix C of Ind AS 103, Business Combinations in accordance with the NCLT Orders.<br><br>• We tested the management's computation of determining the amount recorded in the capital reserve.<br><br>• We assessed the adequacy and appropriateness of the disclosures made in the standalone financial statements.<br><br>Based on the above work performed, no significant exceptions were noted in the accounting for business combinations under common control in respect of the Amalgamation of TSLP, TSML, TML, TCIL and S&T. |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| Assessment of carrying value of investments in T Steel Holdings Pte. Ltd. (TSH), a wholly owned subsidiary and Neelachal Ispat Nigam Limited (NINL), a subsidiary company<br><br>[Refer to Note 2(c) to the standalone financial statements – "Use of estimates and critical accounting judgements – Impairment", Note 2(l) to the standalone financial statements - "Investments in subsidiaries, associates and joint ventures", 2(m)(I) to the standalone financial statements – "Financial Assets", Note 6 to the standalone financial statements –"Investments", Note 6(iii) and 6(iv) to the standalone financial statements]<br><br>The Company's equity investment in its subsidiary T Steel Holdings Pte. Ltd. (TSH) amounts to ₹43,815.17 crore (net of impairment).<br><br>The above equity investment in TSH is carried at cost.<br><br>The Company's investment in 0.01% non-convertible, non-cumulative redeemable preference shares (NCRPS) and equity investment in its subsidiary Neelachal Ispat Nigam Limited (NINL) amounts to ₹5,507.78 crore and ₹8,689.04 crore respectively.<br><br>The Company accounts for investment in NCRPS of NINL initially at fair value and subsequently at amortised cost. Contractual cash flows from the NCRPS represent the principal (₹4,560.54 crore) plus accrued interest (₹947.24 crore) aggregating to ₹5,507.78 crore as on March 31, 2024.<br><br>The above equity investment in NINL is carried at cost.<br><br>Where an indication of impairment exists, the carrying value of investment is assessed for impairment and where applicable an impairment provision is recognised.<br><br>The impairment assessment for such investments have been carried out by the management in accordance with Ind AS 36 and Ind AS 109, as applicable.<br><br>The key inputs and judgements involved in the impairment of unquoted investments include:<br>• Cash flows forecast/incremental cash flows including assumptions on capacity expansion<br>• Discount rates<br>• Terminal growth rate<br>• Economic and entity specific factors incorporated in the impairment assessment models.<br><br>The accounting for above investments is a key audit matter as the determination of recoverable value for impairment assessment involves significant management judgement and estimates. | Our audit procedures included the following:<br>• We obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Company's key controls over the impairment assessment of investments.<br>• We evaluated the appropriateness of the Company's accounting policy in respect of impairment assessment of investments in subsidiaries.<br>• We evaluated the Company's process regarding impairment assessment by involving auditor's valuation experts, where considered necessary, to assist in assessing the appropriateness of the impairment assessment models, underlying assumptions relating to discount rate, terminal value etc.<br>• We evaluated the cash flow forecasts by comparing them to the budgets, as applicable, and our understanding of the internal and external factors.<br>• We checked the mathematical accuracy of the impairment assessment models and agreed the relevant data with the latest budgets, actual past results and other supporting documents, as applicable.<br>• We assessed the sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment.<br>• We have discussed the key assumptions and sensitivities with those charged with governance.<br>• We evaluated the appropriateness of the disclosures made in the standalone financial statements.<br><br>Based on the above procedures performed, no significant exceptions were noted in the management's assessment in relation to the carrying value of investments in aforesaid subsidiaries. |

| Key audit matter | How our audit addressed the key audit matter |
| --- | --- |
| Assessment of litigations and related disclosures of contingent liabilities<br><br>[Refer to Note 2(c) to the standalone financial statements - "Use of estimates and critical accounting judgements – Provisions and contingent liabilities", Note 34(A) to the standalone financial statements "Contingencies" and Note 35 to the standalone financial statements – "Other significant litigations"]<br><br>As at March 31, 2024, the Company has exposures towards litigations relating to various matters as set out in the aforesaid Notes. Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised or a disclosure should be made. The management judgement is also supported with legal advice in certain cases, as considered appropriate. As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered as a key audit matter. | Our audit procedures included the following:<br><br>• We understood from the management, assessed and tested the design and operating effectiveness of the Company's key controls surrounding assessment of litigations relating to the relevant laws and regulations.<br><br>• We have reviewed the legal and other professional expenses and enquired with the management for recent developments and the status of the material litigations which were reviewed.<br><br>• We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/ other significant litigations disclosed in the standalone financial statements.<br><br>• We used auditor's experts/specialists to gain an understanding and to evaluate the disputed tax matters.<br><br>• We considered external legal opinions, where relevant, obtained by management.<br><br>• We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements.<br><br>• We evaluated management's assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered to be remote by the management.<br><br>• We assessed the adequacy of the Company's disclosures.<br><br>Based on the above work performed, no significant exceptions were noted in the assessment in respect of litigations and related disclosures relating to contingent liabilities/other significant litigations in the standalone financial statements. |

## Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises Management Discussion and Analysis and Board's report (but does not include the standalone financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and additional information excluding those referred above that would be included in the Integrated Report (titled as 'Tata Steel Integrated Report & Annual Accounts 2023-24'), which is expected to be made available to us after the date of our report. 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the additional information, as mentioned above, that would be included in the Integrated Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions as applicable under the relevant laws and regulations.

## 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 are also responsible for overseeing the Company's financial reporting process.

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

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

9. As part of an audit in accordance with SAs, we exercise professional judgement 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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (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, 2024, from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 14(b) above on reporting under Section 143(3)(b) and paragraph 14(h)(vi) below on reporting under Rule 11(g) of the Rules.

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

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Rules, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Notes 34(A) and 35 to the standalone financial statements;

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2024.

        iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in Notes 6(viii) and 7(v) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the Notes 6(ix) and 7(vi) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

vi. Based on our examination, which included test checks, the Company has used multiple accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in accounting software, except for modifications, if any, made by certain users with specific access in five applications and for direct database changes for all the accounting software. During the course of performing our procedures, except for the aforesaid instances of audit trail not maintained where the question of our commenting on whether the audit trail has been tampered with does not arise, we did not notice any instance of audit trail feature being tampered with.

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

**Subramanian Vivek**
Partner
Membership Number 100332
UDIN: 24100332BKGFNL1709

Place: Mumbai
Date: May 29, 2024

# ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 14(g) of the Independent Auditor's Report of even date to the members of Tata Steel Limited on the standalone financial statements as of and for the year ended March 31, 2024

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

1. We have audited the internal financial controls with reference to standalone financial statements of Tata Steel Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

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

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

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

### Meaning of Internal Financial Controls with reference to financial statements

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

are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to financial statements

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

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

**Subramanian Vivek**
Partner
Membership Number 100332
UDIN: 24100332BKGFNL1709

Place: Mumbai
Date: May 29, 2024

# 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 Limited on the standalone financial statements as of and for the year ended March 31, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

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

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 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:

| Description of property | Gross carrying value (₹ crore) | Held in the name of | Whether promoter, director or their relative or employee | Period held (i.e. dates of capitalisation provided in range)# | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|
| Freehold Land | 213.83 | Not Applicable | No | March, 1928 to April, 2020 | Title Deeds not available with the Company |
| Buildings | 116.52 | Not Applicable | No | January, 1960 to March, 1990 | Title Deeds not available with the Company |
| Freehold Land | 16.57 | Tata Steel BSL Limited | No | April, 2020 | For certain properties acquired through amalgamation/merger, the name change in the name of the Company is pending |
| Freehold Land | 122.12 | Bhushan Steel Limited (earlier name of Tata Steel BSL Limited) | No | April, 2020 | |
| Freehold Land | 1.92 | Bhushan Steel & Strips Limited (earlier name of Tata Steel BSL Limited) | No | April, 2020 | |
| Freehold Land | 195.16 | Tata Steel Long Products Limited/ Tata Sponge Iron Limited (earlier name of Tata Steel Long Products Limited) | No | April, 2022 | |
| Freehold Land | 10.53 | Tata Steel Mining Limited | No | April, 2023 | |
| Freehold Land | 8.04 | Rohit Ferro Tech Limited | No | April, 2023 | |
| Freehold Land | 0.12 | T S Alloys Limited (earlier name of Tata Steel Mining Limited) | No | April, 2023 | |
| Freehold Land | 0.04 | The Tinplate Company of India Limited | No | April, 2022 | |
| Freehold Land | 4.02 | Tata Metaliks Limited | No | April, 2022 | |
| Freehold Land | 0.45 | Bharat Minex Private Limited | No | April, 2022 | |
| Freehold Land | 0.83 | Usha Martin Limited | No | April, 2022 | |
| Freehold Land | 0.21 | Chandrakali Devi | No | April, 2022 | |
| Freehold Land | 0.08 | Bhagwan Singh | No | April, 2022 | |
| Freehold Land | 0.02 | Premnath Prasad | No | April, 2022 | |
| Freehold Land | 0.07 | Laljahari Devi | No | April, 2022 | |

| Description of property | Gross carrying value (₹ crore) | Held in the name of | Whether promoter, director or their relative or employee | Period held (i.e. dates of capitalisation provided in range)# | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|
| Freehold Land | 0.08 | Gopinath Pradhan | No | April, 2022 | |
| Buildings | 3.08 | Indian Tube Company Limited | No | January, 1960 | |
| Buildings | 15.89 | Tata SSL Limited | No | January, 1989 to January, 1991 | |
| Buildings | 1.17 | Tata Steel Mining Limited | No | April, 2023 | |
| Buildings | 0.71 | Usha Martin Limited | No | April, 2022 | |
| Right-of-use Land | 9.02 | Tata Steel BSL Limited | No | April, 2020 | |
| Right-of-use Land | 179.40 | Bhushan Steel Limited (earlier name of Tata Steel BSL Limited) | No | April, 2020 | |
| Right-of-use Land | 139.93 | Bhushan Steel & Strips Limited (earlier name of Tata Steel BSL Limited) | No | April, 2020 | |
| Right-of-use Land | 3.28 | Jawahar Metal Industries Private Limited (earlier name of Tata Steel BSL Limited) | No | April, 2020 | |
| Right-of-use Land | 23.79 | Tata Metaliks Limited | No | April, 2022 to May, 2023 | |
| Right-of-use Land | 131.85 | Tata Sponge Iron Limited (earlier name of Tata Steel Long Products Limited) | No | April, 2022 | |
| Right-of-use Land | 2.36 | Usha Martin Limited | No | April, 2022 | |
| Right-of-use Land | 19.76 | Tata Steel Mining Limited | No | May, 2023 | |
| Right-of-use Land | 29.46 | Rohit Ferro Tech Limited | No | April, 2023 | |
| Right-of-use Land | 1.13 | Rohit Ferro Tech Private Limited | No | April, 2023 | |
| Right-of-use Land | 6.47 | Rawmet Ferrous Industries Private Limited (earlier name of Tata Steel Mining Limited) | No | April, 2023 | |
| Right-of-use Buildings | 0.74 | The Tinplate Company of India Limited | No | April, 2022 to January, 2023 | |
| Right-of-use Land | 0.15 | Not Applicable | No | Not Available | Lease Deed not available with the Company |

# In case of immovable properties acquired from entities which got merged with the Company have been considered with effect from the merger effect given.

(d) The Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) or intangible assets during the year. Accordingly, the reporting under Clause 3(i)(d) of the Order is not applicable to the Company.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone financial statements does not arise.

ii. (a) The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedures of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. In respect of inventories of stores and spares, the Management has a verification programme designed to cover the items over a period of three years. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the books of account other than those as set out below.

| Name of the Bank | Aggregate working capital limits sanctioned (₹ crore) | Nature of Current Asset offered as Security | Quarter ended | Amount disclosed as per quarterly return/ statement (₹ crore) | Amount as per books of account (₹ crore) | Difference (₹ crore) | Reasons for difference |
|---|---|---|---|---|---|---|---|
| State Bank of India and consortium of banks | 2,000.00 | Refer Note 1 below | June 30, 2023 | 1,559.27 | 1,576.04 | (16.77) | Incorrect amount of Export advance |
| | | | September 30, 2023 | 1,668.58 | 1,682.22 | (13.64) | |
| | | | December 31, 2023 | 1,859.27 | 1,874.57 | (15.30) | |
| State Bank of India and consortium of banks | 2,000.00 | Refer Note 1 below | June 30, 2023 | 4,557.60 | 4,554.09 | 3.51 | Incorrect amount of creditor for Goods under LC |
| | | | September 30, 2023 | 7,990.37 | 7,989.23 | 1.14 | |
| | | | December 31, 2023 | 5,245.20 | 5,250.40 | (5.20) | |
| State Bank of India | 45.00 | Refer Note 2 below | September 30, 2023 | 64.89 | 74.44 | (9.55) | Incorrect amount of Goods-in-transit 0f Inventory of erstwhile Tata Metaliks Limited (merged with the Company) |
| | | | December 31, 2023 | 40.74 | 62.71 | (21.97) | |
| | | | June 30, 2023 | 408.83 | 393.67 | 15.16 | Incorrect amount of creditors for goods of erstwhile Tata Metaliks Limited (merged with the Company) |
| | | | September 30, 2023 | 415.97 | 382.93 | 33.04 | |
| | | | December 31, 2023 | 280.70 | 234.47 | 46.23 | |
| Kotak Mahindra Bank Limited, HDFC Bank Limited, DBS Bank Limited, Bank of Baroda, ICICI Bank Limited | 68.00<br>80.00<br>70.00<br>9.75<br>105.00 | Refer Note 3 below | June 30, 2023 | 370.33 | 393.67 | (23.34) | Incorrect amount of creditor for goods of erstwhile Tata Metaliks Limited (merged with the Company) |

Note 1: Pari-passu charge on the Company's entire current assets namely stock of raw materials, finished goods, stocks-in-process, consumables stores and spares and book debts at its plant sites or anywhere else, in favour of the Bank, by way of hypothecation.

Note 2: Hypothecation first charge over inventory and receivables and other current assets on pari-passu basis with other working capital lenders of erstwhile Tata Metaliks Limited under Multiple Banking Arrangement subject to sharing of pari-passu sharing letters by such Banks.

Note 3

a) Kotak Mahindra Bank Limited: First pari-passu charge on current assets both present and future of erstwhile Tata Metaliks Limited's Kharagpur unit, along with other lenders in multiple banking arrangement.

b) HDFC Bank Limited: First pari-passu charge on current assets of erstwhile Tata Metaliks Limited with other WC lender.

c) DBS Bank Limited: First pari-passu charge on the current assets of erstwhile Tata Metaliks Limited's Kharagpur unit.

d) Bank of Baroda: First pari-passu charge on current assets of erstwhile Tata Metaliks Limited including raw materials, work in progress, finished goods and all the receivables with other working capital lenders.

e) ICICI Bank Limited: First pari-passu charge on book debts, stock and other current assets of erstwhile Tata Metaliks Limited.

Also refer Note 17(iv) to the standalone financial statements.

iii. (a) The Company has, during the year, made investments in six companies and thirty four mutual fund schemes, granted unsecured loans to five companies and six hundred and forty eight employees and stood guarantee for six companies. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans and guarantees to subsidiaries, associates and to parties other than subsidiaries, joint ventures and associates are as per the table given below:

| Particulars | Guarantees (₹ crores) | Loans* (₹ crores) |
|---|---|---|
| Aggregate amount granted/ provided during the year | | |
| Subsidiaries | 462.98 | 8,720.53 |
| Associates | 32.13 | - |
| Others | - | 2.98 |
| Balance outstanding (gross) as at balance sheet date in respect of the above cases | | |
| Subsidiaries | 406.45 | 8,441.10 |
| Associates | 25.87 | - |
| Others | - | 2.27 |

* excluding loans given to erstwhile Tata Metaliks Limited (merged with the Company referred to in Note 43 to the standalone financial statements)

The above amounts are included in Note 7 on Loans and Note 34(B) on Commitments to the standalone financial statements.

(b) In respect of the aforesaid investments, guarantees and loans, the terms and conditions under which such investments were made, guarantees provided and loans were granted are not prejudicial to the Company's interest, based on the information and explanations provided by the Company.

(c) In respect of the loans outstanding as on the balance sheet date, the schedule of repayment of principal and payment of interest has been stipulated by the Company except for two loans aggregating ₹9.60 crores (fully provided in books) where no schedule of repayment of principal and payment of interest has been stipulated. Except for the aforesaid instances (where in the absence of stipulation of repayment/payment terms, we are unable to comment on the regularity of repayment of principal and payment of interest) and the following instance, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

| Name of the entity | Amount (₹ crores) | Due Date | Extent of delay (provided in range) | Remarks |
|---|---|---|---|---|
| Tayo Rolls Limited | 81.30 | Multiple Dates | 2,192 days - 2,787 days | The amounts pertain to principal and interest, which are overdue as at March 31, 2024. The entity is under corporate insolvency resolution process. The Company has filed its claim as financial creditor. The amounts are fully provided in books. |

(d) In respect of the following loan, the total amount overdue for more than ninety days as at March 31, 2024 is ₹81.30 crores. Based on the information and explanations given to us, the entity is under corporate insolvency resolution process and accordingly, the Company is not taking any further steps for the recovery of the principal and interest amounts, other than those mentioned in clause (iii)(c) above against Tayo Rolls Limited.

| No. of cases | Principal Amount Overdue (₹ crores) | Interest Overdue (₹ crores) | Total Overdue (₹ crores) | Remarks |
|---|---|---|---|---|
| One | 67.00 | 14.30 | 81.30 | The amounts are fully provided in books |

(e) Following loans were granted to same parties, which has fallen due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.

| Name of the parties * | Aggregate amount of dues renewed or extended (₹ crores) * | Percentage of the aggregate to the total loans granted during the year * |
|---|---|---|
| Tata Steel Downstream Products Limited | 50.00 | 0.57% |

* excluding renewal/ extension of loans to erstwhile Tata Steel Mining Limited (merged with the Company referred to in Note 43 to the standalone financial statements)

The above amounts are included in Note 7 on Loans to the standalone financial statements.

(f) The loans granted during the year, including to related parties had stipulated the scheduled repayment of principal and payment of interest and the same were not repayable on demand. No loans were granted during the year to promoters.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under.

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 and services. 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) In our opinion, except for dues in respect of royalty, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, employees' state insurance, labour welfare fund and electricity duty, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. We are informed that the Company has applied for exemption from operations of Employees' State Insurance Act at some locations. We are also informed that actions taken by the authorities at some locations to bring the employees of the Company under the Employees' State Insurance Scheme has been contested by the Company and payment has not been made of the contribution demanded. The extent of the arrears of statutory dues outstanding as at March 31, 2024, for a period of more than six months from the date they became payable are as follows:

| Name of the statute | Nature of dues | Amount (₹ crores) | Period to which the amount relates | Due date | Date of Payment |
|---|---|---|---|---|---|
| The Mines and Minerals (Development and Regulation) Amendment Act, 2021 | Royalty | 2,471.08 | March, 2021 to September, 2023 | Various dates till September 30, 2023 | Not yet paid |

(b) The particulars of statutory dues referred to in sub-clause (a) as at March 31, 2024 which have not been deposited on account of a dispute, are as follows:

| Name of the statute | Nature of dues | Amount (net of payments) (₹ crores) | Amount paid (₹ crores) | Period to which the amount relates (FY) | Forum where the dispute is pending |
|---|---|---|---|---|---|
| Income Tax Act 1961 | Income Tax | 2,026.96 | 1,132.20 | 1998-99, 2006-07 to 2013-14, 2015-16, 2016-17, 2018-19 | Tribunal |
| | | 402.67 | 125.60 | 2008-09, 2012-13 to 2017-18, 2019-20, 2020-21 | CIT Appeals |
| | | 1.51 | - | 2017-18, 2019-20 | Deputy Commissioner/ Assistant Commissioner of Income Tax |
| Customs Act, 1962 | Customs duty | 4.06 | 0.18 | 2017-18 to 2020-21 | Commissioner |
| | | 15.98 | 2.30 | 1984-85, 1993-94, 2002-03, 2017-18 | High Court |
| | | 6.59 | 3.77 | 2005-06 to 2008-09, 2013-14 | Supreme Court |
| | | 107.49 | 14.11 | 2010-11 to 2015-16, 2017-18, 2018-19 | Tribunal |
| Bihar Electricity Duty Act, 1948 | Electricity Duty | 21.32 | - | 2007-08 to 2010-11, 2012-13 | Deputy Commissioner |
| | | 6.33 | - | 2011-12 to 2015-16 | High Court |
| | | 0.30 | - | 2004-05 to 2007-08 | Tribunal |
| Employee State Insurance Act, 1948 | Employee State Insurance | 25.20 | - | 1996-97, 2005-06 to 2009-10, 2017-18 to 2021-22 | High Court |
| Entry Tax Laws | Entry Tax | 0.35 | 0.29 | 2007-08 to 2010-11, 2014-15 | Additional Commissioner |
| | | 6.02 | - | 2008-09, 2011-12, 2014-15 | Assessing Officer |
| | | 0.37 | - | 2015-16 to 2020-21 | Assistant Commissioner |
| | | 0.65 | 0.56 | 2001-02, 2005-06, 2006-07 | Deputy Commissioner |
| | | 9.16 | 4.33 | 2000-01 to 2002-03, 2005-06 to 2012-13, 2014-15, 2016-17 | High Court |
| | | 0.11 | 0.24 | 2008-09 to 2011-12 | Joint Commissioner |
| | | 1.19 | 1.21 | 2007-08 to 2010-11 | Tribunal |
| Mines and Mineral (Development and Regulation) Act, 1957 | Excess Mining / Common Cause | 132.91 | - | 1998-99 to 2010-11 | Additional Chief Secretary, Steel & Mines |
| | | 2,994.49 | 573.83 | 2011-12 to 2014-15 | High Court |
| Central Excise Act, 1944 | Excise Duty | 10.54 | 0.92 | 2017-18 | Additional Commissioner |
| | | 0.09 | - | 2010-11, 2011-12 | Assistant Commissioner |
| | | 48.28 | 6.04 | 1988-89, 2006-07 to 2009-10, 2011-12, 2013-14 to 2017-18 | Commissioner |
| | | 38.39 | 0.10 | 1989-90, 2003-04 to 2008-09, 2017-18 | High Court |
| | | 2.24 | 1.07 | 2010-11, 2016-17 | Joint Commissioner |
| | | 597.82 | 40.44 | 2002-03 to 2019-20 | Tribunal |

| Name of the statute | Nature of dues | Amount (net of payments) (₹ crores) | Amount paid (₹ crores) | Period to which the amount relates (FY) | Forum where the dispute is pending |
|---|---|---|---|---|---|
| Goods & Services Tax Act, 2017 | Goods & Services Tax | 1.16 | - | 2018-19, 2019-20 | Additional Commissioner |
| | | 8.32 | 0.05 | 2017-18 to 2019-20 | Assistant Commissioner |
| | | 170.82 | 0.21 | 2017-18, 2019-20 to 2021-22 | Commissioner |
| | | 32.85 | - | 2017-18 to 2022-23 | Deputy Commissioner |
| Jharkhand Mineral Area Development Authority Act, 2000 | Mineral Area Development Fee | 58.51 | 18.00 | 2005-06, 2006-07, 2008-09, 2009-10, 2011-12 to 2013-14, 2016-17 | High Court |
| | | 8.23 | - | 1992-93 to 1994-95, 2005-06 | Supreme Court |
| Employees Provident Fund & Miscellaneous Provisions Act, 1952 | Provident Fund | - | 1.02 | 1997-98 | High Court |
| Mineral Concession Rules, 1960 | Royalty on Minerals | 408.48 | 2.60 | 2009-10 to 2014-15 | Mines Tribunal |
| | | 1,366.78 | 1,211.92 | 2000-01 to 2007-08 | Supreme Court |
| Minerals (Other than Atomic and Hydro Carbons Energy Mineral) Concession Rules - 2016 | Royalty on Minerals | 597.70 | 218.50 | 2020-21, 2021-22 | High Court |
| Sales Tax Laws | Sales Tax | 362.04 | 2.36 | 1983-84, 2002-03, 2012-13, 2016-2017, 2017-18 | Additional Commissioner |
| | | 30.23 | 2.85 | 1973-74, 1980-81 to 1991-92, 1994-95 to 1996-97, 2004-05, 2015-16 to 2017-18 | Assistant Commissioner |
| | | 215.37 | 4.56 | 1988-89, 1989-90, 1991-92, 1993-94, 1994-95, 2001-02 to 2003-04, 2013-14 | Commissioner |
| | | 5.83 | 0.55 | 1975-76, 1985-86 to 1887-88, 1997-98 to 2001-02, 2008-09, 2011-12, 2013-14, 2016-17, 2017-18 | Deputy Commissioner |
| | | 10.01 | 1.23 | 1977-78, 1978-79, 1983-84, 1991-92, 1992-93, 1995-96, 1996-97, 2000-01, 2008-09 | High Court |
| | | 62.64 | 0.54 | 1979-80, 2012-13, 2014-15, 2016-17, 2017-18 | Joint Commissioner |
| | | 0.41 | 0.19 | 1983-84, 1988-89, 1990-91, 1992-93, 1994-95, 1995-96 | Sales Tax Officer |
| | | 14.36 | 5.94 | 1977-78, 1984-85, 1987-88, 1989-90 to 1998-99, 2001-02, 2003-04 to 2009-10, 2013-14 to 2015-16 | Tribunal |

| Name of the statute | Nature of dues | Amount (net of payments) (₹ crores) | Amount paid (₹ crores) | Period to which the amount relates (FY) | Forum where the dispute is pending |
|---|---|---|---|---|---|
| Sales Tax Laws | Sales Tax (VAT) | 44.15 | 0.46 | 2005-06, 2012-13 to 2016-17 | Additional Commissioner |
| | | 0.68 | 0.12 | 2005-06, 2006-07, 2016-2017, 2017-18 | Assistant Commissioner |
| | | 16.28 | 0.08 | 2006-07 to 2011-12, 2014-15 | Commissioner |
| | | 34.68 | 0.17 | 2006-07, 2010-11 to 2011-12, 2013-14, 2015-16, 2016-17 | Deputy Commissioner |
| | | 265.50 | 1.07 | 2001-02, 2003-04, 2007-08, 2010-11, 2012-13 to 2015-16 | High Court |
| | | 4.17 | - | 2015-16 to 2017-18 | Joint Commissioner |
| | | 4.14 | 4.55 | 2005-06 to 2009-10, 2013-14 to 2015-16, 2017-18 | Tribunal |
| Service Tax Laws | Service tax | 0.88 | - | 2005-06 to 2010-11 | Additional Commissioner |
| | | 1.55 | 0.03 | 2010-11 to 2017-18 | Assistant Commissioner |
| | | 3.54 | 0.13 | 2004-05 to 2007-08, 2012-13 to 2016-17 | Commissioner |
| | | 0.30 | - | 2010-11 | High Court |
| | | 3.18 | 0.12 | 2016-17, 2017-18 | Joint Commissioner |
| | | 211.07 | 7.97 | 2001-02 to 2016-17 | Tribunal |
| Indian Stamp Act, 1899 | Stamp Duty | 5,165.00 | 414.00 | 2013-14 | High Court |
| State Water Tax Laws | Water Tax | 1,371.81 | 511.37 | 1980-81 to 1993-94, 1995-96 to 2022-23 | High Court |

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

| Name of the statute | Nature of dues | Amount (net of payments) (₹ crore) | Period to which the amount relates (FY) | Forum where the dispute is pending |
|---|---|---|---|---|
| Customs Act, 1962 | Customs Duty | 248.24 | 2006-07 to 2008-09 | Supreme Court |
| Central Excise Act, 1944 | Excise Duty | 235.48 | 2004-05 | Supreme Court |
| | | 16.34 | 2009-10 | Tribunal |
| | | 26.84 | 2006-07 to 2008-09 | Commissioner |

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

ix. (a) Except as described below, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

| Nature of borrowing | Name of lender | Amount not paid on due date (₹ crores) | Whether principal or interest | No. of days delay |
|---|---|---|---|---|
| Domestic term loan | Central Bank of India | 5.00 | Principal | 7 days |

Also refer Note 17(ii) on Borrowings to the standalone financial statements.

(b) On the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, the term loans have been applied, on an overall basis, for the purposes for which they were obtained. Also refer Note 17(x) to the standalone financial statements regarding the unutilised amount lying temporarily as at March 31, 2024 in fixed deposits out of the proceeds from the issuance of non-convertible debentures in March 2024.

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) A report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed (subsequent to the balance sheet date) by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government of India (Refer Note 46 to the standalone financial statements).

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause. As explained by the management, there were certain complaints in respect of which investigations are ongoing as on the date of our report and our consideration of the complaints having any bearing on our audit is based on the information furnished to us by the management.

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

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

xiv. (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

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

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group has seven CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable to the Company.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. The Company has during the year spent the amount of Corporate Social Responsibility as required under sub-section (5) of Section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

**Subramanian Vivek**
Partner
Membership Number 100332
UDIN: 24100332BKGFNL1709

Place: Mumbai
Date: May 29, 2024

# BALANCE SHEET

as at March 31, 2024

(₹ crore)

| | | Note | Page | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| **I** | **Non-current assets** | | | | |
| | (a) Property, plant and equipment | 3 | F44 | 90,806.74 | 90,276.86 |
| | (b) Capital work-in-progress | 3 | F44 | 27,196.47 | 21,653.81 |
| | (c) Right-of-use assets | 4 | F49 | 5,648.94 | 5,900.23 |
| | (d) Goodwill | | | 12.66 | 12.66 |
| | (e) Other Intangible assets | 5 | F52 | 967.80 | 1,233.10 |
| | (f) Intangible assets under development | 5 | F52 | 532.59 | 514.96 |
| | (g) Financial assets | | | | |
| | (i) Investments | 6 | F54 | 65,498.27 | 39,467.38 |
| | (ii) Loans | 7 | F64 | 8,604.38 | 32,574.10 |
| | (iii) Derivative assets | | | 265.81 | 403.40 |
| | (iv) Other financial assets | 8 | F66 | 1,633.61 | 2,299.51 |
| | (h) Non-current tax assets (net) | | | 4,684.71 | 4,291.02 |
| | (i) Other assets | 10 | F69 | 3,016.94 | 3,487.76 |
| | **Total non-current assets** | | | **2,08,868.92** | **2,02,114.79** |
| **II** | **Current assets** | | | | |
| | (a) Inventories | 11 | F70 | 24,547.20 | 25,420.36 |
| | (b) Financial assets | | | | |
| | (i) Investments | 6 | F54 | 500.35 | 2,968.25 |
| | (ii) Trade receivables | 12 | F70 | 1,606.14 | 2,561.79 |
| | (iii) Cash and cash equivalents | 13 | F72 | 4,541.47 | 1,185.60 |
| | (iv) Other balances with banks | 14 | F72 | 1,413.21 | 1,664.35 |
| | (v) Loans | 7 | F64 | 140.82 | 1,925.71 |
| | (vi) Derivative assets | | | 83.41 | 84.13 |
| | (vii) Other financial assets | 8 | F66 | 892.74 | 958.78 |
| | (c) Other assets | 10 | F69 | 3,039.80 | 3,746.59 |
| | **Total current assets** | | | **36,765.14** | **40,515.56** |
| **III** | **Assets held for sale** | | | - | 65.38 |
| **Total assets** | | | | **2,45,634.06** | **2,42,695.73** |
| **Equity and liabilities** | | | | | |
| **IV** | **Equity** | | | | |
| | (a) Equity share capital | 15 | F73 | 1,248.60 | 1,222.40 |
| | (b) Other equity | 16 | F77 | 1,36,445.05 | 1,35,386.48 |
| | **Total equity** | | | **1,37,693.65** | **1,36,608.88** |
| **V** | **Non-current liabilities** | | | | |
| | (a) Financial liabilities | | | | |
| | (i) Borrowings | 17 | F81 | 36,715.91 | 31,568.81 |
| | (ii) Lease liabilities | | | 3,353.82 | 3,871.86 |
| | (iii) Other financial liabilities | 18 | F88 | 1,363.32 | 1,757.01 |
| | (b) Provisions | 19 | F89 | 2,704.59 | 2,658.95 |
| | (c) Retirement benefit obligations | 20 | F90 | 2,389.69 | 2,051.61 |
| | (d) Deferred income | 21 | F90 | 279.11 | 0.35 |
| | (e) Deferred tax liabilities (net) | 9 | F67 | 8,016.77 | 8,508.33 |
| | (f) Other liabilities | 22 | F91 | 2,476.80 | 3,878.50 |
| | **Total non-current liabilities** | | | **57,300.01** | **54,295.42** |
| **VI** | **Current liabilities** | | | | |
| | (a) Financial liabilities | | | | |
| | (i) Borrowings | 17 | F81 | 3,841.52 | 7,298.12 |
| | (ii) Lease liabilities | | | 667.85 | 565.57 |
| | (iii) Trade payables | 23 | F92 | | |
| | (a) Total outstanding dues of micro and small enterprises | | | 935.84 | 911.16 |
| | (b) Total outstanding dues of creditors other than micro and small enterprises | | | 21,126.62 | 19,444.60 |
| | (iv) Derivative liabilities | | | 10.22 | 68.51 |
| | (v) Other financial liabilities | 18 | F88 | 6,670.06 | 6,149.20 |
| | (b) Provisions | 19 | F89 | 1,146.42 | 1,968.15 |
| | (c) Retirement benefit obligations | 20 | F90 | 115.74 | 145.82 |
| | (d) Deferred income | 21 | F90 | 55.44 | 84.61 |
| | (e) Current tax liabilities (net) | | | 1,928.13 | 1,703.91 |
| | (f) Other liabilities | 22 | F91 | 14,142.56 | 13,451.78 |
| | **Total current liabilities** | | | **50,640.40** | **51,791.43** |
| **Total equity and liabilities** | | | | **2,45,634.06** | **2,42,695.73** |
| **Notes forming part of the standalone financial statements** | | 1 - 50 | | | |

In terms of our report attached

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

sd/-
**Subramanian Vivek**
Partner
Membership Number 100332

Mumbai, May 29, 2024

For and on behalf of the Board of Directors

sd/-
**N. Chandrasekaran**
Chairman
DIN: 00121863

sd/-
**Noel Naval Tata**
Vice-Chairman
DIN: 00024713

sd/-
**Deepak Kapoor**
Independent Director
DIN: 00162957

sd/-
**Farida Khambata**
Independent Director
DIN: 06954123

sd/-
**V. K. Sharma**
Independent Director
DIN: 02449088

sd/-
**Bharti Gupta Ramola**
Independent Director
DIN: 00356188

sd/-
**Shekhar C. Mande**
Independent Director
DIN: 10083454

sd/-
**T. V. Narendran**
Chief Executive Officer & Managing Director
DIN: 03083605

sd/-
**Koushik Chatterjee**
Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
**Parvatheesam Kanchinadham**
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921

# STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2024

(₹ crore)

| | | Note | Page | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|---|---|
| I | Revenue from operations | 24 | F93 | 1,40,987.43 | 1,42,913.32 |
| II | Other income | 25 | F94 | 3,122.91 | 2,530.44 |
| III | **Total income** | | | **1,44,110.34** | **1,45,443.76** |
| IV | **Expenses:** | | | | |
| | (a) Cost of materials consumed | | | 48,018.48 | 59,948.72 |
| | (b) Purchases of stock-in-trade | | | 9,702.30 | 7,424.21 |
| | (c) Changes in inventories of finished and semi-finished goods, stock-in-trade and work- in-progress | 26 | F94 | 369.85 | (1,329.69) |
| | (d) Employee benefits expense | 27 | F95 | 7,402.31 | 7,220.74 |
| | (e) Finance costs | 28 | F95 | 4,178.61 | 3,974.63 |
| | (f) Depreciation and amortisation expense | 29 | F95 | 5,969.79 | 5,956.32 |
| | (g) Other expenses | 30 | F96 | 46,648.71 | 42,463.89 |
| | | | | **1,22,290.05** | **1,25,658.82** |
| | Less: Expenditure (other than finance cost) transferred to capital account | | | 987.54 | 1,085.23 |
| | **Total expenses** | | | **1,21,302.51** | **1,24,573.59** |
| V | **Profit before exceptional items and tax (III-IV)** | | | **22,807.83** | **20,870.17** |
| VI | **Exceptional items:** | 31 | F97 | | |
| | (a) Profit/(loss) on sale of non-current investments | | | - | 338.56 |
| | (b) Provision for impairment of investments/doubtful loans and advances/ other financial assets (net) | | | (12,971.36) | (1,056.39) |
| | (c) Provision for impairment of non-current assets (net) | | | (178.91) | - |
| | (d) Employee separation compensation | | | (98.83) | (91.94) |
| | (e) Restructuring and other provisions | | | (404.67) | (1.69) |
| | (f) Gain/(loss) on non-current investments classified as fair value through profit and loss (net) | | | 18.09 | 30.99 |
| | **Total exceptional items** | | | **(13,635.68)** | **(780.47)** |
| VII | **Profit before tax (V+VI)** | | | **9,172.15** | **20,089.70** |
| VIII | **Tax expense:** | 9 | F67 | | |
| | (a) Current tax | | | 4,954.21 | 4,918.39 |
| | (b) Deferred tax | | | (589.46) | 486.06 |
| | **Total tax expense** | | | **4,364.75** | **5,404.45** |
| IX | **Profit for the year(VII-VIII)** | | | **4,807.40** | **14,685.25** |
| X | **Other comprehensive income** | | | | |
| | **A (i) Items that will not be reclassified subsequently to profit and loss** | | | | |
| | (a) Remeasurement gain/(loss) on post-employment defined benefit plans | | | (210.12) | 266.82 |
| | (b) Fair value changes of investments in equity shares | | | 1,005.34 | (193.59) |
| | **(ii) Income tax on items that will not be reclassified subsequently to profit and loss** | | | (60.16) | (44.31) |
| | **B (i) Items that will be reclassified subsequently to profit and loss** | | | | |
| | (a) Fair value changes of cash flow hedges | | | (58.83) | 79.78 |
| | **(ii) Income tax on items that will be reclassified subsequently to profit and loss** | | | 15.14 | (20.12) |
| | **Total other comprehensive income for the year** | | | **691.37** | **88.58** |
| XI | **Total comprehensive income for the year (IX+X)** | | | **5,498.77** | **14,773.83** |
| XII | **Earnings per share** | 32 | F98 | | |
| | Basic (₹) | | | 3.85 | 11.76 |
| | Diluted (₹) | | | 3.85 | 11.76 |
| | **Notes forming part of the standalone financial statements** | 1 - 50 | | | |

In terms of our report attached

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

sd/-
**Subramanian Vivek**
Partner
Membership Number 100332

Mumbai, May 29, 2024

For and on behalf of the Board of Directors

sd/-
**N. Chandrasekaran**
Chairman
DIN: 00121863

sd/-
**Noel Naval Tata**
Vice-Chairman
DIN: 00024713

sd/-
**Deepak Kapoor**
Independent Director
DIN: 00162957

sd/-
**Farida Khambata**
Independent Director
DIN: 06954123

sd/-
**V. K. Sharma**
Independent Director
DIN: 02449088

sd/-
**Bharti Gupta Ramola**
Independent Director
DIN: 00356188

sd/-
**Shekhar C. Mande**
Independent Director
DIN: 10083454

sd/-
**T. V. Narendran**
Chief Executive Officer & Managing Director
DIN: 03083605

sd/-
**Koushik Chatterjee**
Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
**Parvatheesam Kanchinadham**
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921

# STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2024

## A. Equity share capital

(₹ crore)

| Balance as at April 1, 2023 | Changes during the year | Balance as at March 31, 2024 |
|---|---|---|
| **1,222.40** | 26.20 | **1,248.60** |

| Balance as at April 1, 2022 | Changes during the year | Balance as at April 1, 2023 |
|---|---|---|
| **1,222.37** | 0.03 | **1,222.40** |

## B. Other equity

(₹ crore)

| | Retained earnings (refer note 16A, page F77) | Items of other comprehensive income (refer note 16B, page F77) | Other reserves (refer note 16C, page F78) | Shares pending issue (refer note 16D, page F80) | Share application money pending allotment (refer note 16E, page F80) | Total |
|---|---|---|---|---|---|---|
| **Balance as at April 1, 2023** | **86,491.20** | **803.62** | **48,065.46** | **26.20** | **-** | **1,35,386.48** |
| Profit for the year | 4,807.40 | - | - | - | - | 4,807.40 |
| Other comprehensive income for the year | (157.24) | 848.61 | - | - | - | 691.37 |
| **Total comprehensive income for the year** | **4,650.16** | **848.61** | **-** | **-** | **-** | **5,498.77** |
| Shares pendig issue - issued/alloted during the year | - | - | - | (26.20) | - | (26.20) |
| Dividend[(i)] | (4,414.00) | - | - | - | - | (4,414.00) |
| **Balance as at March 31, 2024** | **86,727.36** | **1,652.23** | **48,065.46** | **-** | **-** | **1,36,445.05** |

# STATEMENT OF CHANGES IN EQUITY (CONTD.)
for the year ended March 31, 2024

(₹ crore)

| | Retained earnings (refer note 16A, page F77) | Items of other comprehensive income (refer note 16B, page F77) | Other reserves (refer note 16C, page F78) | Shares pending issue (refer note 16D, page F80) | Share application money pending allotment (refer note 16E, page F80) | Total |
|---|---|---|---|---|---|---|
| **Balance as at April 1, 2022** | **77,873.96** | **914.87** | **48,064.11** | **26.20** | **-** | **1,26,879.14** |
| Profit for the year | 14,685.25 | - | - | - | - | 14,685.25 |
| Other comprehensive income for the year | 199.83 | (111.25) | - | - | - | 88.58 |
| **Total comprehensive income for the year** | **14,885.08** | **(111.25)** | **-** | **-** | **-** | **14,773.83** |
| Received during the year | - | - | - | - | 1.46 | 1.46 |
| Subscription to final call on equity shares | - | - | 1.44 | - | (1.46) | (0.02) |
| Equity issue expenses written (off)/back | - | - | (0.09) | - | - | (0.09) |
| Dividend[(i)] | (6,267.84) | - | - | - | - | (6,267.84) |
| **Balance as at March 31, 2023** | **86,491.20** | **803.62** | **48,065.46** | **26.20** | **-** | **1,35,386.48** |

(i) Dividend paid during the year ended March 31, 2024 is ₹**3.60** per Ordinary share (face value ₹1 each, fully paid up) (March 31, 2023: ₹51.00 per Ordinary share of face value ₹10 each, fully paid up and ₹12.75 per Ordinary Share of face value ₹10 each, partly paid up ₹2.504 per share).

Dividend paid during the year includes payment of dividend by erstwhile Tata Steel Long Products Limited (TSLP), Tinplate Company of India Limited (TCIL) and Tata Metaliks Limited (TML) merged into the Company to the public shareholders amounting to ₹**14.25** crore. (2022-23: ₹34.73 crore).

Further, during the year ended March 31, 2023, dividend amounting to ₹4.16 crore pertaining to those shares allotted pursuant to composite scheme of amalgamation of Bamnipal Steel Limited and Tata BSL Limited into and with the Company but pending legal proceedings or rejected during corporate actions has been paid subsequently without depositing the amount to a separate bank account.

## C. Notes forming part of the standalone financial statements — Note 1-50

In terms of our report attached

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

sd/-
**Subramanian Vivek**
Partner
Membership Number 100332

Mumbai, May 29, 2024

For and on behalf of the Board of Directors

sd/-
**N. Chandrasekaran**
Chairman
DIN: 00121863

sd/-
**Noel Naval Tata**
Vice-Chairman
DIN: 00024713

sd/-
**Deepak Kapoor**
Independent Director
DIN: 00162957

sd/-
**Farida Khambata**
Independent Director
DIN: 06954123

sd/-
**V. K. Sharma**
Independent Director
DIN: 02449088

sd/-
**Bharti Gupta Ramola**
Independent Director
DIN: 00356188

sd/-
**Shekhar C. Mande**
Independent Director
DIN: 10083454

sd/-
**T. V. Narendran**
Chief Executive Officer & Managing Director
DIN: 03083605

sd/-
**Koushik Chatterjee**
Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
**Parvatheesam Kanchinadham**
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921

# STATEMENT OF CASH FLOWS

for the year ended March 31, 2024

(₹ crore)

| | | Year ended March 31, 2024 | | Year ended March 31, 2023 | |
|---|---|---|---|---|---|
| **(A)** | **Cash flows from operating activities:** | | | | |
| | **Profit before tax** | | **9,172.15** | | **20,089.70** |
| | Adjustments for: | | | | |
| | Depreciation and amortisation expense | 5,969.79 | | 5,956.32 | |
| | Dividend Income | (313.21) | | (201.93) | |
| | (Gain)/loss on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off) | (850.90) | | 66.16 | |
| | Exceptional (income)/expenses | 13,635.68 | | 780.47 | |
| | (Gain)/loss on cancellation of forwards, swaps and options | (151.34) | | (13.63) | |
| | Interest income and income from current investments | (1,951.81) | | (2,048.20) | |
| | Finance costs | 4,178.61 | | 3,974.63 | |
| | Foreign exchange (gain)/loss | (348.03) | | (2,544.78) | |
| | Other non-cash items | 59.36 | | (55.36) | |
| | | | **20,228.15** | | **5,913.68** |
| | **Operating profit before changes in non-current/current assets and liabilities** | | **29,400.30** | | **26,003.38** |
| | Adjustments for: | | | | |
| | Non-current/current financial and other assets | 1,947.37 | | (672.19) | |
| | Inventories | 901.07 | | (1,972.02) | |
| | Non-current/current financial and other liabilities/provisions | 124.90 | | (4,845.28) | |
| | | | 2,973.34 | | (7,489.49) |
| | **Cash generated from operations** | | **32,373.64** | | **18,513.89** |
| | Income taxes paid (net of refund) | | (5,045.37) | | (5,008.14) |
| | **Net cash from/(used in) operating activities** | | **27,328.27** | | **13,505.75** |
| | | | | | |
| **(B)** | **Cash flows from investing activities:** | | | | |
| | Purchase of capital assets | (10,426.00) | | (9,067.96) | |
| | Sale of capital assets | 220.95 | | 31.82 | |
| | Purchase of investments in subsidiaries | (684.41) | | (12,686.82) | |
| | Purchase of other non-current investments | (0.01) | | (314.00) | |
| | Purchase of Business Undertaking | - | | (130.00) | |
| | Sale of investments in subsidiaries | - | | 1,112.42 | |
| | (Purchase)/sale of current investments (net) | 2,667.49 | | 5,761.42 | |
| | Loans given | (8,765.53) | | (560.15) | |
| | Repayment of loans given | 754.73 | | 714.65 | |
| | Principal receipts under sublease | 0.48 | | - | |
| | Fixed/restricted deposits with banks (placed)/realised (net) | 148.29 | | (139.49) | |
| | Interest received | 212.91 | | 281.98 | |
| | Dividend received from subsidiaries | 116.05 | | 146.15 | |
| | Dividend received from associates and joint ventures | 163.27 | | 32.16 | |
| | Dividend received from others | 33.89 | | 23.62 | |
| | **Net cash from/(used in) investing activities** | | **(15,557.89)** | | **(14,794.20)** |

# STATEMENT OF CASH FLOWS (CONTD.)

for the year ended March 31, 2024

(₹ crore)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **(C) Cash flows from financing activities:** | | |
| Proceeds from issue of equity shares (net of issue expenses) | - | 1.37 |
| Proceeds from long term borrowings (net of issue expenses) | 9,696.09 | 16,628.55 |
| Repayment of long term borrowings | (7,143.01) | (2,904.30) |
| Proceeds/(repayments) of short term borrowings (net) | (1,003.50) | (8,109.16) |
| Payment of lease obligations | (602.98) | (514.31) |
| Amount received/(paid) on utilisation/cancellation of derivatives | 151.34 | 1.18 |
| Interest paid | (5,098.45) | (4,028.27) |
| Dividend paid | (4,414.00) | (6,267.84) |
| **Net cash from/(used in) financing activities** | **(8,414.51)** | **(5,192.78)** |
| **Net increase/(decrease) in cash and cash equivalents** | **3,355.87** | **(6,481.23)** |
| **Opening cash and cash equivalents (refer note 13, page F72)** | **1,185.60** | **7,666.83** |
| **Closing cash and cash equivalents (refer note 13, page F72)** | **4,541.47** | **1,185.60** |

(i) Significant non-cash movements in borrowings and advances during the year include:

(a) amortisation/effective interest rate adjustments of upfront fees and other adjustments ₹**89.94** crore (2022-23: ₹30.19 crore).

(b) exchange loss on borrowings ₹**50.93** crore (2022-23: ₹277.74 crore).

(c) adjustments to lease obligations, increase ₹**121.33** crore (2022-23: ₹452.65 crore).

(d) conversion of loan given to a subsidiary into equity investment ₹**34,168.90** crore (2022-23: Nil).

(ii) (Gain)/loss on sale of property, plant and equipment includes a non-cash gain of ₹**903.40** crore (2022-23: Nil) on de-recognition of assets pursuant to a long-term arrangement.

## C. Notes forming part of the standalone financial statements — Note 1-50

In terms of our report attached

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

sd/-
**Subramanian Vivek**
Partner
Membership Number 100332

Mumbai, May 29, 2024

For and on behalf of the Board of Directors

sd/-
**N. Chandrasekaran**
Chairman
DIN: 00121863

sd/-
**Noel Naval Tata**
Vice-Chairman
DIN: 00024713

sd/-
**Deepak Kapoor**
Independent Director
DIN: 00162957

sd/-
**Farida Khambata**
Independent Director
DIN: 06954123

sd/-
**V. K. Sharma**
Independent Director
DIN: 02449088

sd/-
**Bharti Gupta Ramola**
Independent Director
DIN: 00356188

sd/-
**Shekhar C. Mande**
Independent Director
DIN: 10083454

sd/-
**T. V. Narendran**
Chief Executive Officer & Managing Director
DIN: 03083605

sd/-
**Koushik Chatterjee**
Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
**Parvatheesam Kanchinadham**
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921

# NOTES

forming part of the standalone financial statements

## 1. Company Information

Tata Steel Limited ("the Company") is a public limited Company incorporated in India with its registered office in Bombay House 24, Homi Modi Street Fort, Mumbai-400 001, Maharashtra, India. The Company is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

The Company has presence across the entire value chain of steel manufacturing from mining and processing iron ore and coal to producing and distributing finished products. The Company offers a broad range of steel products including a portfolio of high value added downstream products such as hot rolled, cold rolled, coated steel, rebars, wire rods, tubes and wires.

The functional and presentation currency of the Company is Indian Rupee ("₹") which is the currency of the primary economic environment in which the Company operates.

As on March 31, 2024, Tata Sons Private Limited owns 31.76% of the Ordinary Shares of the Company and has the ability to influence the Company's operations.

The financial statements for the year ended March 31, 2024 were approved by the Board of Directors and authorised for issue on May 29, 2024.

## 2. Material accounting policies

The material accounting policies applied by the Company in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

### (a) Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, as amended from time to time and other relevant provisions of the Act.

### (b) Basis of preparation

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair value by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle which is based on the nature of businesses and the time elapsed between deployment of resources and the realisation of cash and cash equivalents. The Company has considered an operating cycle of 12 months.

### (c) Use of estimates and critical accounting judgements

In the preparation of the financial statements, the Company makes judgements in the application of accounting policies; and estimates and assumptions which affects carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The Company uses the following critical accounting estimates and judgements in preparation of its financial statements.

#### Impairment

The Company estimates the recoverable value 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 and the impact of climate change which may result in a change of current production process given the decarbonisation plan of the Group. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate in order to calculate the present value. Further details of the Company's impairment review and key assumptions are set out in note 3, page F44, note 4, page F49, note 5, page F52 and note 6, page F54.

## 2. Material accounting policies (Contd.)

**Impairment of financial assets (other than subsequent measurement at fair value)**

Measurement of impairment of financial assets require use of estimates and judgements, which have been explained in the note on financial instruments under impairment of financial assets. (refer note 2(m), page F38).

**Useful lives of property, plant and equipment, right-of-use assets and intangible assets**

The Company reviews the useful life of property, plant and equipment, right-of-use assets and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods. The policy has been detailed in note 2(e), page F34, note 2(j), page F36 and note 2(k), page F36.

**Provisions and contingent liabilities**

A provision is recognised when the Company has a present obligation, legal or constructive, 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. They include provisions on decommissioning, site restoration and environmental provisions as well which may change where changes in estimated reserves affect expectations about the timing or cost of these activities. All provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

The Company uses significant judgements to assess contingent liabilities. Contingent liabilities are disclosed 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 event where it is either not probable that an outflow of resources will be utilised to settle the obligation or a reliable estimate of the amount cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements. Further details are set out in note 19, page F89 and note 34(A), page F105.

**Fair value measurements of financial instruments**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Further details are set out in note 37, page F113.

**Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 "Leases". Identification of a lease requires significant judgement in assessing the lease term including anticipated renewals and the applicable discount rate.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

**Retirement benefit obligations**

The Company's retirement benefit obligations are subject to a number of assumptions including discount rates, inflation, salary growth and mortality rate. Significant assumptions are required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Company's balance sheet and the statement of profit and loss. The Company sets these assumptions based on previous experience and third party actuarial advice. The assumptions are reviewed annually and adjusted following actuarial and experience changes. Further details on the Company's retirement benefit obligations, including key assumptions are set out in note 33, page F98.

### (d) Business combination under common control

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities or businesses are reflected at their carrying amounts after making adjustments necessary to harmonise the accounting policies. The financial information in the financial statements in respect of prior

# NOTES

forming part of the standalone financial statements

## 2. Material accounting policies (Contd.)

periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. The identity of the reserves is preserved in the same form in which they appeared in the financial statements of the transferor and the difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

### (e) Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost applied on transition to Ind AS, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset.

Depreciation is provided so as to write off, on a straight line basis, the cost / deemed cost of property, plant and equipment to their residual value. These charges are commenced from the dates the assets are available for their intended use and are spread over their estimated useful economic lives. The estimated useful lives of assets, residual values and depreciation method are reviewed regularly and revised when necessary.

Depreciation on assets under construction commences only when the assets are ready for their intended use.

The estimated useful lives for the main categories of property, plant and equipment are:

| | Estimated useful life (years) |
|---|---|
| Freehold and long leasehold buildings | upto 60 years* |
| Roads | 5 to 10 years |
| Plant and machinery | upto 40 years* |
| Furniture, fixture and office equipments | 3 to 10 years |
| Vehicles and aircraft | 5 to 20 years |
| Railway sidings | upto 35 years* |
| Assets covered under the Electricity Act (life as prescribed under the Electricity Act) | 3 to 38 years |

Property, plant and equipment are evaluated for recoverability wherever there is any indication that their carrying value may not be recoverable. If any such indication exists, the recoverable amount is higher of fair value less costs to sell and value in use is determined on an individual asset basis under the asset that does not generate cash flow that are largely independent from the assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. In assessing value in use, the estimated future cash flows are discounted to their present value using a tax free discount rate that reflects current market assessment of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable value of an asset (CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) is reduced to its recoverable value. An impairment loss is recognised in the statement of profit and loss.

Mining assets are amortised over the useful life of the mine or lease period whichever is lower. For certain mining assets, where unit of production is considered to be more reflective of the pattern of use, amortisation is done based on unit of production method.

Major furnace relining expenses are depreciated over a period of 10 years (average expected life).

Freehold land is not depreciated.

* For these class of assets, based on internal assessment and independent technical evaluation carried out by chartered engineers, the Company and some of its subsidiaries believe that the useful lives as given above best represent the period over which such Company expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

### (f) Exploration for and evaluation of mineral resources

Expenditures associated with search for specific mineral resources are recognised as exploration and evaluation assets. The following expenditure comprises cost of exploration and evaluation assets:

- obtaining of the rights to explore and evaluate mineral reserves and resources including costs directly related to this acquisition
- researching and analysing existing exploration data

## 2. Material accounting policies (Contd.)

- conducting geological studies, exploratory drilling and sampling
- examining and testing extraction and treatment methods
- compiling pre-feasibility and feasibility studies
- activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

Administration and other overhead costs are charged to the cost of exploration and evaluation assets only if directly related to an exploration and evaluation project.

If a project does not prove viable, all irrecoverable exploration and evaluation expenditure associated with the project net of any related impairment allowances is written off to the statement of profit and loss.

The Company measures its exploration and evaluation assets at cost and classifies as property, plant and equipment or intangible assets according to the nature of the assets acquired and applies the classification consistently. To the extent that a tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

As the capitalised exploration asset is not available for use, it is not depreciated. All exploration and evaluation assets are monitored for indications of impairment. An exploration and evaluation asset is no longer classified as such when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable and the development of the deposit is sanctioned by the management. The carrying value of such exploration and evaluation asset is reclassified to mining assets.

### (g) Development expenditure for mineral reserves

Development is the establishment of access to mineral reserves and other preparations for commercial production. Development activities often continue during production and include:

- sinking shafts and underground drifts (often called mine development)
- making permanent excavations
- developing passageways and rooms or galleries
- building roads and tunnels and
- advance removal of overburden and waste rock.

Development (or construction) also includes the installation of infrastructure (e.g., roads, utilities and housing), machinery, equipment and facilities.

Development expenditure is capitalised and presented as part of mining assets. No depreciation is charged on the development expenditure before the start of commercial production.

### (h) Provision for restoration and environmental costs

The Company has liabilities related to restoration of soil and other related works, which are due upon the closure of certain of its mining sites.

Such liabilities are estimated case-by-case based on available information, considering applicable local legal requirements. The estimation is made using existing technology, at current prices, and discounted using an appropriate discount rate where the effect of time value of money is material. Future restoration and environmental costs, discounted to net present value, are capitalised and the corresponding restoration liability is raised as soon as the obligation to incur such costs arises. Future restoration and environmental costs are capitalised in property, plant and equipment or mining assets as appropriate and are depreciated over the life of the related asset. The effect of time value of money on the restoration and environmental costs liability is recognised in the statement of profit and loss.

### (i) Stripping Costs

The Company separates two different types of stripping costs that are incurred in surface mining activity:

- developmental stripping costs and
- production stripping costs

Developmental stripping costs which are incurred in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets.

Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins. A mine can operate several open pits that are

# NOTES

forming part of the standalone financial statements

## 2. Material accounting policies (Contd.)

regarded as separate operations for the purpose of mine planning and production. In this case, stripping costs are accounted for separately, by reference to the ore extracted from each separate pit. If, however, the pits are highly integrated for the purpose of mine planning and production, stripping costs are aggregated too.

The determination of whether multiple pit mines are considered separate or integrated operations depends on each mine's specific circumstances. The following factors normally point towards the stripping costs for the individual pits being accounted for separately:

- mining of the second and subsequent pits is conducted consecutively with that of the first pit, rather than concurrently
- separate investment decisions are made to develop each pit, rather than a single investment decision being made at the outset
- the pits are operated as separate units in terms of mine planning and the sequencing of overburden and ore mining, rather than as an integrated unit
- expenditures for additional infrastructure to support the second and subsequent pits are relatively large
- the pits extract ore from separate and distinct ore bodies, rather than from a single ore body.

The relative importance of each factor is considered by the management to determine whether, the stripping costs should be attributed to the individual pit or to the combined output from the several pits.

Production stripping costs are incurred to extract the ore in the form of inventories and/or to improve access to an additional component of an ore body or deeper levels of material. Production stripping costs are accounted for as inventories to the extent the benefit from production stripping activity is realised in the form of inventories.

The Company recognises a stripping activity asset in the production phase if, and only if, all of the following are met:

- it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the Company
- the Company can identify the component of the ore body for which access has been improved and
- the costs relating to the improved access to that component can be measured reliably.

Such costs are presented within mining assets. After initial recognition, stripping activity assets are carried at cost/deemed cost, less accumulated amortisation and impairment. The expected useful life of the identified component of the ore body is used to depreciate or amortise the stripping asset.

### (j) Intangible assets

Software costs and other intangible assets are included in the balance sheet as intangible assets when it is probable that associated future economic benefits would flow to the Company. In this case they are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives.

| | Estimated useful life (years) |
|---|---|
| Computer software | 3 to 5 years |

Subsequent to initial recognition, intangible assets with definite useful lives are reported at cost or deemed cost applied on transition to Ind AS, less accumulated amortisation and accumulated impairment losses.

Intangible assets are evaluated for recoverability wherever there is any indication that their carrying value may not be recoverable. If any such indication exists, the recoverable amount is higher of fair value less costs to sell and value in use is determined on an individual asset basis under the asset that does not generate cash flow that are largely independent from the assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable value of an asset (CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (CGU) is reduced to its recoverable value. An impairment loss is recognised in the statement of profit and loss.

### (k) Leases

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific

## 2. Material accounting policies (Contd.)

asset and whether the transaction conveys the right to control the use of that asset to the Company in return for payment.

**The Company as lessee**

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception comprises of the amount of initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date.

Certain lease arrangements include options to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that such options would be exercised.

The right-of-use assets are subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any, and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease liability is measured at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in the statement of profit and loss.

Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of profit and loss in the period in which the events or conditions which trigger those payments occur.

Payment made towards leases for which non-cancellable term is 12 months or lesser (short-term leases) and low value leases are recognised in the statement of Profit and Loss as rental expenses over the tenor of such leases.

**The Company as lessor**

(i) **Operating lease** – Rental income from operating leases is recognised in the statement of profit and loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight-line basis over the lease term.

(ii) **Finance lease** – When assets are leased out under a finance lease, the present value of minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return. Such rate is the interest rate which is implicit in the lease contract.

### (l) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint ventures are carried at cost/deemed cost applied on transition to Ind AS, less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of investment is assessed and an impairment provision is recognised, if required immediately to its recoverable

# NOTES

forming part of the standalone financial statements

## 2. Material accounting policies (Contd.)

amount, being the higher of value in use or fair value less costs to sell. On disposal of such investments, difference between the net disposal proceeds and carrying amount is recognised in the statement of profit and loss.

### (m) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss. Trade receivables that do not contain a significant financing component are measured at transaction price.

**(I) Financial assets**

**Cash and bank balances**

Cash and bank balances consist of:

(i) **Cash and cash equivalents -** which includes cash on hand, deposits held at call with banks and other short-term deposits which are readily convertible into known amounts of cash, are subject to an insignificant risk of change in value and have original maturities of less than three months. These balances with banks are unrestricted for withdrawal and usage.

(ii) **Other balances with bank -** which also include balances and deposits with banks that are restricted for withdrawal and usage.

**Financial assets at amortised cost**

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets measured at fair value**

Financial assets are measured at fair value through other comprehensive income if such financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and to sell such financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of certain equity investments (other than in associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments. These investments are held for medium or long-term strategic purpose. The Company has chosen to designate these investments in equity instruments as fair value through other comprehensive income as the management believes this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in the statement of profit and loss.

Financial assets not measured at amortised cost or at fair value through other comprehensive income are carried at fair value through profit and loss.

**Interest income**

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable and is recognised in the statement of profit or loss.

**Dividend income**

Dividend income from investments is recognised in the statement of profit or loss when the right to receive payment has been established.

**Impairment of financial assets**

Loss allowance for expected credit losses is recognised for financial assets measured at

## 2. Material accounting policies (Contd.)

amortised cost and fair value through other comprehensive income.

The Company recognises life time expected credit losses for all trade receivables that do not constitute a financing transaction.

For financial assets (apart from trade receivables that do not constitute of financing transaction) whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk of the financial asset has significantly increased since initial recognition.

**De-recognition of financial assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a borrowing for the proceeds received.

**(II) Financial liabilities and equity instruments**

**Classification as debt or equity**

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

**Equity instruments**

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

**Financial liabilities**

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

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

**De-recognition of financial liabilities**

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

**Derivative financial instruments and hedge accounting**

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange, base metal prices and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts, forward rate agreements, cross currency swaps, interest rate swaps and collars. The instruments are employed as hedges of transactions included in the financial statements or for highly probable forecast transactions/firm contractual commitments. These derivatives contracts do not generally extend beyond six months, except for certain currency swaps and interest rate derivatives.

Derivatives are initially accounted for and measured at fair value on the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period.

The Company adopts hedge accounting for forward foreign exchange, interest rate and commodity contracts, wherever possible. At the inception of each hedge, there is a formal, documented

# NOTES

forming part of the standalone financial statements

## 2. Material accounting policies (Contd.)

designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item and transaction and nature of the risk being hedged. At inception each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

When hedge accounting is applied:

- for fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognised in the statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.
- for cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and the ineffective portion is recognised in the statement of profit and loss. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the statement of profit and loss in the same period in which the hedged item affects the statement of profit and loss.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the statement of profit and loss as and when they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of profit and loss for the period.

Further details on the Company's financial instruments are set out in note 37, page F113.

### (n) Employee benefits

#### Defined contribution plans

Contributions under defined contribution plans are recognised as expense for the period in which the employee has rendered service. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

#### Defined benefit plans

For defined benefit retirement schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each year-end balance sheet date. Remeasurement gains and losses of the net defined benefit liability/(asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/(asset) are recognised as an expense within employee costs.

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligations recognised in the balance sheet represents the present value of the defined benefit obligations as reduced by the fair value of plan assets.

## 2. Material accounting policies (Contd.)

**Compensated absences**

Liabilities recognised in respect of other long-term employee benefits such as annual leave and sick leave are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date using the projected unit credit method with actuarial valuation being carried out at each year-end balance sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the period in which they arise.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation.

### (o) Inventories

Inventories comprise the followings:

a) Raw materials,

b) Work-in-progress,

c) Finished and semi-finished goods

d) Stock-in-trade, and

e) Stores and spares.

Inventories are recorded at the lower of cost and net realisable value. Cost is ascertained on a weighted average basis. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the cost of conversion from their existing state to a finished condition and for the cost of marketing, selling and distribution.

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

### (p) Provisions

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. They also include provisions on decommissioning, site restoration and environmental provisions as well. Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the time value of money is material, provisions are measured on a discounted basis.

Constructive obligation is an obligation that derives from an entity's actions where:

(i) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and

(ii) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge such responsibilities.

### (q) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

### (r) Government grants

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

Government grants related to expenditure on property, plant and equipment are credited to the statement of profit and loss over the useful lives of qualifying assets or other systematic basis representative of the pattern of fulfilment of obligations associated with the grant received. Grants received less amounts credited to the statement of profit and loss at the reporting date are included in the balance sheet as deferred income.

# NOTES

forming part of the standalone financial statements

## 2. Material accounting policies (Contd.)

### (s) Income taxes

Tax expense for the year comprises of current and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of profit and loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. In contrast, deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

### (t) Revenue

The Company manufactures and sells a range of steel and other products.

**Sale of products**

Revenue from sale of products is recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, the risks of loss has been transferred, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied. Sale of products include related ancillary services, if any.

Goods are often sold with volume and price discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume and price discounts. Accumulated experience is used to estimate and provide for the discounts, using the most likely method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are generally made with a credit term of 30-90 days, which is consistent with market practice. Any obligation to provide a refund is recognised as a provision. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Company does not adjust the transaction prices for any time value of money in case of contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer does not exceed one year.

## 2. Material accounting policies (Contd.)

**Sale of power**

Revenue from sale of power is recognised when the services are provided to the customer based on approved tariff rates established by the respective regulatory authorities. The Company doesn't recognise revenue and an asset for cost incurred in the past that will be recovered.

### (u) Foreign currency transactions and translations

The financial statements of the Company are presented in Indian Rupee ("₹"), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the re-translation or settlement of other monetary items are included in the statement of profit and loss for the period.

### (v) Recent Accounting Pronouncements

No new amendments to Ind AS has been notified by the Ministry of Corporate Affairs ("MCA") during the current financial year.

# NOTES

forming part of the standalone financial statements

## 3. Property, plant and equipment

[Item No. I(a) and I(b), Page F26]

(₹ crore)

| | Land including roads | Buildings | Plant and machinery | Furniture, fixtures and office equipments | Vehicles | Railway sidings | Total |
|---|---|---|---|---|---|---|---|
| Cost/deemed cost as at April 1, 2023 | 15,194.81 | 17,572.78 | 90,774.69 | 857.22 | 411.20 | 1,282.88 | 1,26,093.58 |
| Additions | 32.98 | 1,102.28 | 4,739.49 | 100.82 | 3.58 | 15.25 | 5,994.40 |
| Disposals | - | (0.15) | (302.50) | (6.98) | (13.53) | - | (323.16) |
| Other re-classifications | 5.10 | (5.02) | (3.33) | 4.95 | - | 7.26 | 8.96 |
| **Cost/deemed cost as at March 31, 2024** | **15,232.89** | **18,669.89** | **95,208.35** | **956.01** | **401.25** | **1,305.39** | **1,31,773.78** |
| Impairment as at April 1, 2023 | - | 1.21 | - | - | - | - | 1.21 |
| Charge for the period | - | 7.53 | 18.77 | - | 0.25 | - | 26.55 |
| **Accumulated impairment as at March 31, 2024** | **-** | **8.74** | **18.77** | **-** | **0.25** | **-** | **27.76** |
| Accumulated depreciation as at April 1, 2023 | 960.24 | 3,453.99 | 30,114.70 | 678.17 | 245.82 | 362.59 | 35,815.51 |
| Charge for the year | 44.04 | 604.02 | 4,461.80 | 86.31 | 20.96 | 52.94 | 5,270.07 |
| Disposals | - | (0.06) | (134.18) | (6.82) | (12.37) | - | (153.43) |
| Other re-classifications | 3.84 | (4.16) | (3.20) | 3.11 | 0.25 | 7.29 | 7.13 |
| **Accumulated depreciation as at March 31, 2024** | **1,008.12** | **4,053.79** | **34,439.12** | **760.77** | **254.66** | **422.82** | **40,939.28** |
| **Total accumulated depreciation and impairment as at March 31, 2024** | **1,008.12** | **4,062.53** | **34,457.89** | **760.77** | **254.91** | **422.82** | **40,967.04** |
| Net carrying value as at April 1, 2023 | 14,234.57 | 14,117.58 | 60,659.99 | 179.05 | 165.38 | 920.29 | 90,276.86 |
| **Net carrying value as at March 31, 2024** | **14,224.77** | **14,607.36** | **60,750.46** | **195.24** | **146.34** | **882.57** | **90,806.74** |

(₹ crore)

| | Land including roads | Buildings | Plant and machinery | Furniture, fixtures and office equipments | Vehicles | Railway sidings | Total |
|---|---|---|---|---|---|---|---|
| Cost/deemed cost as at April 1, 2022 | 15,155.03 | 17,070.20 | 88,920.20 | 765.10 | 423.49 | 1,283.83 | 1,23,617.85 |
| Additions | 28.39 | 423.46 | 1,720.26 | 102.69 | 3.76 | (0.91) | 2,277.65 |
| Additions relating to acquistions | 50.01 | 93.32 | 245.39 | 0.55 | 0.30 | - | 389.57 |
| Disposals | (38.62) | (14.21) | (98.04) | (11.12) | (16.35) | (0.04) | (178.38) |
| Classified as held for sale | - | - | (13.11) | - | - | - | (13.11) |
| **Cost/deemed cost as at March 31, 2023** | **15,194.81** | **17,572.77** | **90,774.70** | **857.22** | **411.20** | **1,282.88** | **1,26,093.58** |
| Impairment as at April 1, 2022 | - | 1.21 | - | - | - | - | 1.21 |
| **Accumulated impairment as at March 31, 2023** | **-** | **1.21** | **-** | **-** | **-** | **-** | **1.21** |
| Accumulated depreciation as at April 1, 2022 | 906.90 | 2,869.19 | 25,674.02 | 607.70 | 235.21 | 307.66 | 30,600.68 |
| Charge for the year | 53.34 | 588.29 | 4,491.12 | 82.35 | 25.72 | 54.95 | 5,295.77 |
| Disposals | - | (3.49) | (45.56) | (11.88) | (15.11) | (0.02) | (76.06) |
| Classified as held for sale | - | - | (4.88) | - | - | - | (4.88) |
| **Accumulated depreciation as at March 31, 2023** | **960.24** | **3,453.99** | **30,114.70** | **678.17** | **245.82** | **362.59** | **35,815.51** |
| **Total accumulated depreciation and impairment as at March 31, 2023** | **960.24** | **3,455.20** | **30,114.70** | **678.17** | **245.82** | **362.59** | **35,816.72** |
| Net carrying value as at April 1, 2022 | 14,248.13 | 14,199.80 | 63,246.18 | 157.41 | 188.28 | 976.16 | 93,015.96 |
| **Net carrying value as at March 31, 2023** | **14,234.57** | **14,117.57** | **60,660.00** | **179.05** | **165.38** | **920.29** | **90,276.86** |

## 3. Property, plant and equipment (Contd.)

[Item No. I(a) and I(b), Page F26]

(i) Buildings include **₹123.81** crore (March 31, 2023: ₹123.81 crore) being held through shares in co-operative housing societies and limited companies.

(ii) Net carrying value of furniture, fixtures and office equipment comprises of:

(₹ crore)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Furniture and fixtures:** | | |
| Cost/deemed cost | 186.00 | 174.33 |
| Accumulated depreciation and impairment | 159.63 | 150.79 |
| | **26.37** | **23.54** |
| **Office equipments:** | | |
| Cost/deemed cost | 770.01 | 682.89 |
| Accumulated depreciation and impairment | 601.14 | 527.38 |
| | **168.87** | **155.51** |
| | **195.24** | **179.05** |

(iii) Borrowing costs has been capitalised during the year against qualifying assets under construction using a capitalisation rate of **8.34%** (2022-23: 2.47%).

(iv) Property, plant and equipment (including capital work-in-progress) were tested for impairment during the year where indicators of impairment existed. During the year ended March 31, 2024, the Company has recognised an impairment of ₹**26.55** crore (2022-23: ₹22.77 crore, impairment reversal) in respect of surrender of Sukinda Chromite Block.

(v) Details of property, plant and equipment pledged against borrowings is presented in note 17, page F81.

(vi) Additions to CWIP during the year is ₹**11,662.81** crore (2022-23: ₹9,262.25 crore).

# NOTES

forming part of the standalone financial statements

## 3. Property, plant and equipment (Contd.)

[Item No. I(a) and I(b), Page F26]

(vii) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company, except for the following:

| Description of property | Gross carrying value (₹ crore) | Held in the name of | Whether promoter, director or their relative or employee | Period held (i.e. dates of capitalisation provided in range)# | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|
| Freehold Land | **213.83**<br>*279.85* | Not Applicable | No | March, 1928 to April, 2020 | Title Deeds not available with the Company |
| Buildings | **116.52**<br>*55.13* | Not Applicable | No | January, 1960 to March, 1990 | |
| Freehold Land | **16.57**<br>*224.66* | Tata Steel BSL Limited | No | April, 2020 | For certain properties acquired through amalgamation/merger, the name change in the name of the Company is pending |
| | **8.04**<br>- | Rohit Ferro Tech Limited | No | April, 2023 | |
| | **0.12**<br>- | T S Alloys Limited (earlier name of Tata Steel Mining Limited) | No | April, 2023 | |
| | **195.16**<br>*198.81* | Tata Steel Long Products Limited/ Tata Sponge Iron Limited (earlier name of Tata Steel Long Products Limited) | No | April, 2022 | |
| | **0.04**<br>*0.04* | The Tinplate Company of India Limited | No | April, 2022 | |
| | **10.53**<br>- | Tata Steel Mining Limited | No | April, 2023 | |
| | **4.02**<br>*4.02* | Tata Metaliks Limited | No | April, 2022 | |
| | **0.45**<br>*0.45* | Bharat Minex Private Limited | No | April, 2022 | |
| | **0.83**<br>*0.83* | Usha Martin Limited | No | April, 2022 | |
| | **0.21**<br>*0.21* | Chandrakali Devi | No | April, 2022 | |
| | **0.08**<br>*0.08* | Bhagwan Singh | No | April, 2022 | |
| | **0.02**<br>*0.02* | Premnath Prasad | No | April, 2022 | |
| | **0.07**<br>*0.07* | Laljahari Devi | No | April, 2022 | |
| | **0.08**<br>*0.08* | Gopinath Pradhan | No | April, 2022 | |
| | **122.12**<br>*147.19* | Bhushan Steel Limited (earlier name of Tata Steel BSL Limited) | No | April, 2020 | |
| | **1.92**<br>*1.92* | Bhushan Steel & Strips Limited (earlier name of Tata Steel BSL Limited) | No | April, 2020 | |

## 3. Property, plant and equipment (Contd.)

[Item No. I(a) and I(b), Page F26]

| Description of property | Gross carrying value (₹ crore) | Held in the name of | Whether promoter, director or their relative or employee | Period held (i.e. dates of capitalisation provided in range)# | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|
| Buildings | **15.89** | Tata SSL Limited | No | January, 1989 to January, 1991 | For certain properties acquired through amalgamation/merger, the name change in the name of the Company is pending |
| | *24.70* | | | | |
| | **0.71** | Usha Martin Limited | No | April, 2022 | |
| | *0.71* | | | | |
| | **1.17** | Tata Steel Mining Limited | No | April, 2023 | |
| | *-* | | | | |
| | **3.08** | Indian Tube Company Limited | No | January, 1960 | |
| | *3.08* | | | | |

Figures in italics represents comparative figures of previous year.

# In case of immovable properties acquired from TSML, TSLP, TCIL and TML which got merged with the company pursuant to separate scheme of amalgamation, dates have been considered with effect from merger set out in Note 43, page F124 to the financial statements.

(viii) Ageing of capital work-in-progress is as below:

### As at March 31, 2024

(₹ crore)

| | Amount in capital work-in-progress for period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Project in progress | 12,923.76 | 6,579.41 | 2,749.78 | 4,943.53 | 27,196.48 |
| **Total** | **12,923.76** | **6,579.41** | **2,749.78** | **4,943.53** | **27,196.48** |

### As at March 31, 2023

(₹ crore)

| | Amount in capital work-in-progress for period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Project in progress | 10,510.34 | 4,038.55 | 2,495.56 | 4,609.36 | 21,653.81 |
| **Total** | **10,510.34** | **4,038.55** | **2,495.56** | **4,609.36** | **21,653.81** |

# NOTES

forming part of the standalone financial statements

## 3. Property, plant and equipment (Contd.)

[Item No. I(a) and I(b), Page F26]

(ix) The expected completion of the amounts lying in capital work in progress which are delayed are as below.

### As at March 31, 2024

(₹ crore)

| | Amount in Capital work in progress to be completed in | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| **Project in progress :** | | | | |
| Growth projects | 17,200.63 | 2,521.58 | 9.08 | - |
| Raw material augmentation | 2,929.72 | - | - | - |
| Environment, safety and compliance | 733.06 | 124.09 | 3.52 | 1.20 |
| Sustenance projects | 2,508.56 | 122.25 | - | 441.19 |
| **Total** | **23,371.97** | **2,767.92** | **12.60** | **442.39** |

### As at March 31, 2023

(₹ crore)

| | Amount in Capital work in progress to be completed in | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| **Project in progress:** | | | | |
| Growth projects | 9,568.65 | 7,322.65 | 97.75 | 67.81 |
| Raw material augmentation | 489.92 | 1,153.85 | - | - |
| Environment, safety and compliance | 311.36 | 404.82 | - | - |
| Sustenance projects | 1,389.18 | 63.85 | 1.66 | 24.03 |
| **Total** | **11,759.11** | **8,945.17** | **99.41** | **91.84** |

The Company in the earlier years had priortised its strategic objective of deleveraging balance sheet over the planned investments in organic growth projects which resulted in lower capital expenditure on projects as compared to the original plan as approved by the Board of Directors of the Company.

Following the rebalancing of capital structure and the Company attaining an investment grade credit rating, the capital allocation for organic growth projects has been increased and the Company expects to commission these facilities in line with revised completion schedules.

# NOTES

forming part of the standalone financial statements

## 3. Property, plant and equipment (Contd.)

[Item No. I(a) and I(b), Page F26]

(x) Property, plant and equipment include capital cost of in-house research facilities as below:

(₹ crore)

| | Land including roads | Buildings | Plant and machinery | Furniture, fixtures and office equipments | Vehicles | Total |
|---|---|---|---|---|---|---|
| Cost/deemed cost as at April 1, 2023 | **1.88** | **7.06** | **100.27** | **8.65** | **0.09** | **117.95** |
| | *1.88* | *7.02* | *97.05* | *8.26* | *0.09* | *114.30* |
| Additions | **-** | **-** | **-** | **0.72** | **-** | **0.72** |
| | - | *0.04* | *3.22* | *0.41* | - | *3.67* |
| Deductions | **-** | **-** | **-** | **(0.01)** | **-** | **(0.01)** |
| | - | - | - | *(0.02)* | - | *(0.02)* |
| Cost/deemed cost as at March 31, 2024 | **1.88** | **7.06** | **100.27** | **9.36** | **0.09** | **118.66** |
| | *1.88* | *7.06* | *100.27* | *8.65* | *0.09* | *117.95* |
| Capital work-in-progress | **-** | **-** | **-** | **-** | **-** | **13.94** |
| | - | - | - | - | - | *2.18* |

Figures in italics represent comparative figures for previous year.

## 4. Right-of-use assets

[Item No. I(c), Page F26]

(₹ crore)

| | Right-of-use land | Right-of-use buildings | Right-of-use plant and machinery | Right-of-use vehicles | Right-of-use railway sidings | Total |
|---|---|---|---|---|---|---|
| Cost as at April 1, 2023 | 2,138.27 | 167.57 | 7,287.35 | 84.69 | - | 9,677.88 |
| Additions | 189.15 | 26.10 | 119.42 | 51.29 | - | 385.96 |
| Disposals | (2.75) | (19.08) | (58.31) | (3.34) | - | (83.48) |
| Other re-classifications | 2.32 | (2.32) | - | - | - | - |
| **Cost as at March 31, 2024** | **2,326.99** | **172.27** | **7,348.46** | **132.64** | **-** | **9,980.36** |
| **Accumulated impairment as at March 31, 2024** | - | - | - | - | - | - |
| Accumulated depreciation as at April 1, 2023 | 264.01 | 78.35 | 3,414.41 | 20.88 | - | 3,777.65 |
| Charge for the year | 39.25 | 32.29 | 488.37 | 22.31 | - | 582.22 |
| Disposals | (2.71) | (12.14) | (12.40) | (1.20) | - | (28.45) |
| **Accumulated depreciation as at March 31, 2024** | **300.55** | **98.50** | **3,890.38** | **41.99** | **-** | **4,331.42** |
| **Total accumulated depreciation and impairment as at March 31, 2024** | **300.55** | **98.50** | **3,890.38** | **41.99** | **-** | **4,331.42** |
| Net carrying value as at April 1, 2023 | 1,874.26 | 89.22 | 3,872.94 | 63.81 | - | 5,900.23 |
| **Net carrying value as at March 31, 2024** | **2,026.44** | **73.77** | **3,458.08** | **90.65** | **-** | **5,648.94** |

# NOTES

forming part of the standalone financial statements

## 4. Right-of-use assets (Contd.)

[Item No. I(c), Page F26]

(₹ crore)

| | Right-of-use land | Right-of-use buildings | Right-of-use plant and machinery | Right-of-use vehicles | Right-of-use railway sidings | Total |
|---|---|---|---|---|---|---|
| Cost as at April 1, 2022 | 2,118.02 | 132.02 | 7,016.80 | 41.06 | 5.27 | 9,313.17 |
| Additions | 2.31 | 58.94 | 345.09 | 46.31 | - | 452.65 |
| Additions relating to acquisitions | 17.94 | - | - | - | - | 17.94 |
| Disposals | - | (23.39) | (74.54) | (2.68) | (5.27) | (105.88) |
| **Cost as at March 31, 2023** | **2,138.27** | **167.57** | **7,287.35** | **84.69** | **-** | **9,677.88** |
| **Accumulated impairment as at March 31, 2023** | - | - | - | - | - | - |
| Accumulated depreciation as at April 1, 2022 | 224.59 | 63.82 | 3,034.22 | 9.19 | 5.09 | 3,336.91 |
| Charge for the year | 39.42 | 34.65 | 454.74 | 12.64 | 0.18 | 541.63 |
| Disposals | - | (20.12) | (74.55) | (0.95) | (5.27) | (100.89) |
| **Accumulated depreciation as at March 31, 2023** | **264.01** | **78.35** | **3,414.41** | **20.88** | **-** | **3,777.65** |
| **Total accumulated depreciation and impairment as at March 31, 2023** | **264.01** | **78.35** | **3,414.41** | **20.88** | **-** | **3,777.65** |
| Net carrying value as at April 1, 2022 | 1,893.43 | 68.20 | 3,982.58 | 31.87 | 0.18 | 5,976.26 |
| **Net carrying value as at March 31, 2023** | **1,874.26** | **89.22** | **3,872.94** | **63.81** | **-** | **5,900.23** |

(i) Vehicle cost used for in-house research and development included within right-of-use vehicles is ₹**4.01** crore (March 31, 2023: ₹2.36 crore).

(ii) The Company's significant leasing arrangements include assets dedicated for use under long-term arrangements, lease of land, office space, equipment, vehicles and some IT equipment.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Extension and termination options are included in some property and equipment leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. Majority of the extension and termination options held are exercisable based on mutual agreement of the Company and the lessors.

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right of- use asset and a lease liability. Payments made for short term leases and leases of low value are expensed on a straight-line basis over the lease term.

Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of sales) are excluded from the initial measurement of the lease liability and asset.

For leases recognised under long-term arrangements involving use of a dedicated asset, non-lease components are excluded based on the underlying contractual terms and conditions. A change in the allocation assumptions may have an impact on the measurement of lease liabilities and the related right-of-use assets.

During the year ended March 31, 2024, the Company has recognised the following in the statement of profit and loss:

a) expense in respect of short-term leases and leases of low-value assets ₹**28.66** crore (2022-23: ₹25.85 crore) and ₹**1.41** crore (2022-23: ₹1.42 crore) respectively.

## 4. Right-of-use assets (Contd.)

[Item No. I(c), Page F26]

b) expense in respect of variable lease payments not included in the measurement of lease liabilities ₹**66.84** crore (2022-23: ₹81.03 crore).

c) income in respect of sub-leases of right-of-use assets ₹**0.19** crore (2022-23: ₹0.31 crore).

During the year ended March 31, 2024, total cash outflow in respect of leases amounted to ₹**1,127.71** crore (March 31, 2023: ₹1,052.32 crore).

(iii) Lease deeds of all right-of-use assets are held in the name of the Company, except for the following:

| Description of property | Gross carrying value (₹ crore) | Held in the name of | Whether promoter, director or their relative or employee | Period held (i.e. dates of capitalisation provided in range)[#] | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|
| Right-of-use Land | **9.02**<br>*523.65* | Tata Steel BSL Limited | No | April, 2020 | For certain properties acquired through amalgamation/merger, the name change in the name of the Company is pending |
| | **179.40**<br>*179.40* | Bhushan Steel Limited (earlier name of Tata Steel BSL Limited) | No | | |
| | **139.93**<br>*139.93* | Bhushan Steel & Strips Limited (earlier name of Tata Steel BSL Limited) | No | | |
| | **3.28**<br>*3.28* | Jawahar Metal Industries Private Limited (earlier name of Tata Steel BSL Limited) | No | | |
| | **131.85**<br>*132.25* | Tata Sponge Iron Limited (earlier name of Tata Steel Long Products Limited) | No | April, 2022 | |
| | **2.36**<br>*2.36* | Usha Martin Limited | No | April, 2022 | |
| | **6.47**<br>- | Rawmet Ferrous Industries Private Limited (earlier name of Tata Steel Mining Limited) | No | April, 2023 | |
| | **29.46**<br>- | Rohit Ferro Tech Limited | No | April, 2023 | |
| | **1.13**<br>- | Rohit Ferro Tech Private Limited | No | April, 2023 | |
| | **19.76**<br>- | Tata Steel Mining Limited | No | May, 2023 | |
| | **23.79**<br>*21.89* | Tata Metaliks Limited | No | April, 2022 to May, 2023 | |
| Right-of-use Building | **0.74**<br>*0.74* | The Tinplate Company of India Limited | No | April, 2022 to January, 2023 | |
| | **-**<br>*13.34* | Tata Steel BSL Limited | No | April, 2020 to October, 2021 | |
| Right-of-use Land | **0.15**<br>*0.15* | Not Applicable | No | Not Available | Lease Deed not available with the Company |

Figures in italics represents comparative figures of previous year.

[#] In case of immovable properties acquired from TSML, TSLP, TCIL and TML which got merged with the company pursuant to separate scheme of amalgamation, dates have been considered with effect from merger set out in Note 43, page F124 to the financial statements.

# NOTES

forming part of the standalone financial statements

## 5. Other Intangible assets

[Item No. I(e) and I(f), Page F26]

(₹ crore)

| | Software costs | Mining assets | Others | Total |
|---|---|---|---|---|
| Cost/deemed cost as at April 1, 2023 | 343.79 | 2,615.74 | 7.26 | 2,966.79 |
| Additions | 17.31 | (12.72) | - | 4.59 |
| Disposals | (0.09) | - | - | (0.09) |
| Other re-classifications | (0.04) | 0.25 | (7.26) | (7.05) |
| **Cost/deemed cost as at March 31, 2024** | **360.97** | **2,603.27** | **-** | **2,964.24** |
| Charge for the year | - | 152.35 | - | 152.35 |
| **Accumulated impairment as at March 31, 2024** | **-** | **152.35** | **-** | **152.35** |
| Accumulated amortisation as at April 1, 2023 | 308.30 | 1,418.13 | 7.26 | 1,733.69 |
| Charge for the year | 20.75 | 96.75 | - | 117.50 |
| Disposals | (0.09) | - | - | (0.09) |
| Other re-classifications | (17.55) | 17.80 | (7.26) | (7.01) |
| **Accumulated amortisation as at March 31, 2024** | **311.41** | **1,532.68** | **-** | **1,844.09** |
| **Total accumulated amortisation and impairment as at March 31, 2024** | **311.41** | **1,685.03** | **-** | **1,996.44** |
| Net carrying value as at April 1, 2023 | 35.49 | 1,197.61 | - | 1,233.10 |
| **Net carrying value as at March 31, 2024** | **49.56** | **918.24** | **-** | **967.80** |

(₹ crore)

| | Software costs | Mining assets | Others | Total |
|---|---|---|---|---|
| Cost/deemed cost as at April 1, 2022 | 328.86 | 2,579.97 | 7.26 | 2,916.09 |
| Additions | 14.93 | 29.14 | - | 44.07 |
| Additions relating to acquistions | | 6.63 | | 6.63 |
| **Cost/deemed cost as at March 31, 2023** | **343.79** | **2,615.74** | **7.26** | **2,966.79** |
| **Accumulated impairment as at March 31, 2023** | **-** | **-** | **-** | **-** |
| Accumulated amortisation as at April 1, 2022 | 285.92 | 1,321.59 | 7.26 | 1,614.77 |
| Charge for the year | 22.38 | 96.54 | - | 118.92 |
| **Accumulated amortisation as at March 31, 2023** | **308.30** | **1,418.13** | **7.26** | **1,733.69** |
| **Total accumulated amortisation and impairment as at March 31, 2023** | **308.30** | **1,418.13** | **7.26** | **1,733.69** |
| Net carrying value as at April 1, 2022 | 42.94 | 1,258.38 | - | 1,301.32 |
| **Net carrying value as at March 31, 2023** | **35.49** | **1,197.61** | **-** | **1,233.10** |

(i) Mining assets represent expenditure incurred in relation to acquisition of mines, mine development expenditure post establishment of technical and commercial feasibility and restoration obligations as per applicable regulations.

(ii) Software costs related to in-house research and development included within software costs is ₹**0.15** crore (2022-23: ₹0.15 crore).

(iii) Other intangible assets were tested for impairment during the year where indicators of impairment existed. During the year ended March 31, 2024, the Company has recognised an impairment of ₹**152.35** crore (2022-23: Nil) in respect of surrender of Sukinda Chromite Block.

# NOTES
forming part of the standalone financial statements

## 5. Other Intangible assets (Contd.)
[Item No. I(e) and I(f), Page F26]

(iv) Ageing of intangible assets under development is as below:

**As at March 31, 2024**

(₹ crore)

| | Amount in intangibles under development for period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Project in progress | 62.38 | 131.13 | 238.14 | 100.94 | 532.59 |
| **Total** | **62.38** | **131.13** | **238.14** | **100.94** | **532.59** |

**As at March 31, 2023**

(₹ crore)

| | Amount in intangibles under development for period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Project in progress | 132.66 | 239.22 | 19.20 | 123.88 | 514.96 |
| **Total** | **132.66** | **239.22** | **19.20** | **123.88** | **514.96** |

(v) The expected completion of the amounts lying in intangible assets under development which are delayed are as below:

**As at March 31, 2024**

(₹ crore)

| | Amount in intangible assets under development to be completed in | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| **Project in progress :** | | | | |
| Sustenance projects | 108.13 | 8.37 | - | - |
| **Total** | **108.13** | **8.37** | **-** | **-** |

**As at March 31, 2023**

(₹ crore)

| | Amount in intangible assets under development to be completed in | | | |
|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| **Project in progress:** | | | | |
| Sustenance projects | 103.51 | 33.07 | 7.32 | 3.34 |
| **Total** | **103.51** | **33.07** | **7.32** | **3.34** |

# NOTES
forming part of the standalone financial statements

## 6. Investments

[Item No. I(g)(i) and II(b)(i), Page F26]

### A. Non-Current

(₹ crore)

| | No. of shares as at March 31, 2024 (face value of ₹10 each fully paid-up unless otherwise specified) | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **A. Investments carried at cost/deemed cost** | | | |
| **(a) Equity investments in subsidiary companies** | | | |
| **(i) Quoted** | | | |
| (1) Tayo Rolls Limited [(ii)] | 55,87,372 | - | - |
| | | - | - |
| **(ii) Unquoted** | | | |
| (1) ABJA Investment Co. Pte Ltd. (Face value of USD 1 each) | 2,00,000 | 1.08 | 1.08 |
| (2) Angul Energy Limited (formerly Bhushan Energy Limited) | 99,99,904 | 10.00 | 10.00 |
| (3) Bhubaneshwar Power Private Limited | 25,32,51,187 | 337.88 | 337.88 |
| (4) Bhushan Steel (Australia) Pty Limited) (Face value of AUD 1 each) | 4,73,69,796 | 244.45 | 244.45 |
| (5) Bhushan Steel (South) Limited | 13,00,000 | 1.30 | 1.30 |
| (6) Creative Port Development Private Limited | 1,27,500 | 91.88 | 91.88 |
| (7) Jamshedpur Football and Sporting Private Limited | 4,08,00,000 | 40.80 | 40.80 |
| (8) Medica TS Hospital Private Limited | 7,70,200 | 0.77 | 0.77 |
| (9) Mohar Export Services Pvt Ltd * | 3,352 | - | - |
| (10) Neelachal Ispat Nigam Limited (2,39,28,347 shares acquired during the period) | 1,35,41,31,574 | 8,641.22 | 8,488.34 |
| (11) Neelachal Ispat Nigam Limited (1,38,52,000 partly paid shares of ₹5 each) | 1,38,52,000 | 47.82 | 47.82 |
| (12) Rujuvalika Investments Limited | 13,28,800 | 60.40 | 60.40 |
| (13) Subarnarekha Port Private Limited | 4,24,183 | 17.01 | 17.01 |
| (14) T Steel Holdings Pte. Ltd. (Face value of USD 1.31 each) | 7,31,21,21,292 | 12,724.26 | 12,724.26 |
| (15) T Steel Holdings Pte. Ltd. (Face value of USD 1.02 each) | 1,25,80,00,000 | 8,990.63 | 8,990.63 |
| (16) T Steel Holdings Pte. Ltd. (Face value of USD 0.16 each) (26,21,01,91,083 shares issued on conversion of loan) | 26,21,01,91,083 | 34,168.90 | - |
| (17) Tata Korf Engineering Services Ltd * | 3,99,986 | - | - |
| (18) Tata Steel Advanced Materials Limited (formerly Tata Steel Odisha Limited) (1,83,21,708 shares acquired during the year) | 7,45,44,874 | 95.51 | 72.02 |
| (19) Tata Steel Downstream Products Limited | 24,30,39,683 | 2,530.06 | 2,530.06 |
| (20) Tata Steel Foundation | 10,00,000 | 1.00 | 1.00 |
| (21) Tata Steel Support Services Limited (formerly Bhushan Steel (Orissa) Limited) | 49,990 | 0.05 | 0.05 |
| (22) Tata Steel Technical Services Limited (formerly Bhushan Steel Madhya Bharat Limited) | 49,990 | 0.05 | 0.05 |
| (23) Tata Steel Utilities and Infrastructure Services Limited | 6,32,16,337 | 853.10 | 853.10 |

## 6. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page F26]

(₹ crore)

| | No. of shares as at March 31, 2024 (face value of ₹10 each fully paid-up unless otherwise specified) | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (24) The Indian Steel & Wire Products Ltd (1,18,96,680 shares acquired during the year) | 1,75,89,331 | 511.08 | 3.08 |
| | | **69,369.25** | **34,515.98** |
| Aggregate provision for impairment in value of investments | | (12,463.54) | (2,315.26) |
| | | **56,905.71** | **32,200.72** |
| | | **56,905.71** | **32,200.72** |
| **(b) Investment in preference shares of subsidiary companies** | | | |
| **(i) Unquoted** | | | |
| (1) Creative Port Development Private Limited 0.01% non-cumulative optionally convertible redeemable preference shares (Face value of ₹100 each) | 2,22,10,830 | 222.11 | 222.11 |
| (2) Medica TS Hospital Private Limited 0.01% non-cumulative optionally convertible redeemable preference shares | 4,92,29,800 | 49.23 | 49.23 |
| | | **271.34** | **271.34** |
| Aggregate provision for impairment in value of investments | | (271.34) | - |
| | | **-** | **271.34** |
| **(c) Equity investments in associate companies** | | | |
| **(i) Quoted** | | | |
| (1) TRF Limited.@ | 37,53,275 | 204.02 | 204.02 |
| Aggregate provision for impairment in value of investments | | (118.18) | (118.18) |
| | | **85.84** | **85.84** |
| **(ii) Unquoted** | | | |
| (1) Bhushan Capital & Credit Services Private Limited | 86,43,742 | 9.40 | 9.40 |
| (2) Jawahar Credit & Holdings Private Limited | 86,43,742 | 9.40 | 9.40 |
| (3) Kalinga Aquatic Ltd* | 10,49,920 | - | - |
| (4) Kumardhubi Fireclay and Silica Works Ltd.*# | 1,50,001 | - | - |
| (5) Kumardhubi Metal Casting and Engineering Ltd.*# | 10,70,000 | - | - |
| (6) Malusha Travels Pvt Ltd, ₹33,520 (March 31, 2023: ₹33,520) | 3,352 | - | - |
| (7) Strategic Energy Technology Systems Private Limited | 2,56,14,500 | 0.91 | 0.91 |
| (8) TP Vardhaman Surya Limited (13,000 shares acquired during the year) | 13,000 | 0.01 | - |
| (9) Tata Construction Projects Limited*# | 11,97,699 | - | - |
| | | **19.72** | **19.71** |
| Aggregate provision for impairment in value of investments | | (19.71) | (19.71) |
| | | **0.01** | **-** |

# NOTES

forming part of the standalone financial statements

## 6. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page F26]

(₹ crore)

| | No. of shares as at March 31, 2024 (face value of ₹10 each fully paid-up unless otherwise specified) | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **(d) Preference investments in associate companies** | | | |
| **(i) Unquoted** | | | |
| (1) TRF Limited. 11.25% Non-cumulative optionally convertible redeemable preference shares | 2,50,00,000 | 25.00 | 25.00 |
| | | **25.00** | **25.00** |
| **(e) Equity investments in joint ventures** | | | |
| **(i) Unquoted** | | | |
| (1) Andal East Coal Company Private Limited# | 3,30,000 | 1.46 | 1.46 |
| (2) Industrial Energy Limited | 17,31,60,000 | 173.16 | 173.16 |
| (3) Jamipol Limited | 8,00,000 | 0.80 | 0.80 |
| (4) mjunction services limited | 40,00,000.00 | 4.00 | 4.00 |
| (5) Nicco Jubilee Park Limited | 20,000.00 | - | - |
| (6) Tata NYK Shipping Pte Ltd. (Face value of USD 1 each) | 6,51,67,500 | 350.14 | 350.14 |
| (7) TM International Logistics Limited | 91,80,000 | 9.18 | 9.18 |
| | | **538.74** | **538.74** |
| Aggregate provision for impairment in value of investments | | (1.46) | (1.46) |
| | | **537.28** | **537.28** |
| **B. Investments carried at fair value through other comprehensive income:** | | | |
| **Investments in equity shares** | | | |
| **(i) Quoted** | | | |
| (1) CARE Ratings Limited | 3,54,000.00 | 39.63 | 22.76 |
| (2) HDFC Bank Limited (Face value of ₹1 each) (formerly Housing Development Finance Corporation Ltd., shares allotted in the ratio 42:25 during the year on merger) | 13,272.00 | 1.93 | 2.07 |
| (3) Steel Strips Wheels Limited (Face value of ₹1 each) | 1,08,69,720.00 | 240.12 | 160.82 |
| (4) Tata Consultancy Services Limited (Face Value of ₹1 each) | 46,798.00 | 18.14 | 15.00 |
| (5) Tata Investment Corporation Limited | 2,28,015.00 | 142.37 | 39.78 |
| (6) Tata Motors Ltd. (Face value of ₹2 each) | 1,00,000.00 | 9.92 | 4.20 |
| (7) The Tata Power Company Limited (Face value of ₹1 each) | 3,91,22,725.00 | 1,542.22 | 744.31 |
| (8) Timken India Ltd. ₹2859.50 (March 31, 2023: ₹2755.45) | 1 | - | - |
| | | **1,994.33** | **988.94** |

## 6. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page F26]

(₹ crore)

| | No. of shares as at March 31, 2024 (face value of ₹10 each fully paid-up unless otherwise specified) | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **(ii) Unquoted$** | | | |
| (1) Bhushan Buildwell Private Limited | 4,900 | 0.25 | 0.25 |
| (2) Bhushan Steel Bengal Limited | 50,000 | 0.05 | 0.05 |
| (3) IFCI Venture Capital Funds Ltd. | 1,00,000 | 0.10 | 0.10 |
| (4) Panatone Finvest Ltd. | 45,000 | 0.05 | 0.05 |
| (5) Saraswat Co-operative Bank Limited | 2,500 | 0.01 | 0.01 |
| (6) Steelscape Consultancy Pvt. Ltd. | 50,000 | - | - |
| (7) Taj Air Limited | 42,00,000 | - | - |
| (8) Tarapur Environment Protection Society | 82,776 | 0.89 | 0.89 |
| (9) Tata Industries Ltd. (Face value of ₹100 each) | 99,80,436 | 202.19 | 202.19 |
| (10) Tata International Ltd. (Face value of ₹1,000 each) | 42,294 | 54.80 | 54.80 |
| (11) Tata Services Ltd. (Face value of ₹1,000 each) | 1,621 | 0.16 | 0.16 |
| (12) Tata Sons Private Ltd. (Face value of ₹1,000 each) | 12,375 | 68.75 | 68.75 |
| (13) Others(vii) | | 0.02 | 0.02 |
| | | **327.27** | **327.27** |
| | | **2,321.60** | **1,316.21** |
| **C. Investments carried at amortised cost:** | | | |
| **Investments in preference shares** | | | |
| **(a) Subsidiary companies** | | | |
| **(i) Unquoted** | | | |
| Neelachal Ispat Nigam Limited<br>0.01% non-cumulative redeemable preference shares<br>(Face value of ₹100 each) | 45,60,54,252 | 5,507.78 | 4,945.51 |
| | | **5,507.78** | **4,945.51** |
| **D. Investments carried at fair value through profit and loss:** | | | |
| **Investments in preference shares** | | | |
| **(a) Subsidiary companies** | | | |
| **(i) Unquoted** | | | |
| (1) Tayo Rolls Limited<br>7.00% non-cumulative redeemable preference shares<br>(Face value of ₹100 each) | 43,30,000 | - | - |
| (2) Tayo Rolls Limited<br>7.17% non-cumulative redeemable preference shares<br>(Face value of ₹100 each) | 64,00,000 | - | - |
| (3) Tayo Rolls Limited<br>8% non-cumulative redeemable preference shares<br>(Face value of ₹100 each) | 3,00,000 | - | - |

# NOTES

forming part of the standalone financial statements

## 6. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page F26]

(₹ crore)

| | No. of shares as at March 31, 2024 (face value of ₹10 each fully paid-up unless otherwise specified) | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (4) Tayo Rolls Limited<br>8.50% non-cumulative redeemable preference shares<br>(Face value of ₹100 each) | 2,31,00,000 | - | - |
| | | - | - |
| **(b) Associate companies** | | | |
| **(i) Unquoted** | | | |
| (1) TRF Limited.<br>12.50% non-cumulative redeemable preference shares | 25,00,00,000 | 39.76 | 33.09 |
| | | | |
| (2) TRF Limited.<br>Non-cumulative non convertible redeemable preference shares (Face value of ₹10 each) | 23,90,00,000 | 46.01 | 38.51 |
| | | **85.77** | **71.60** |
| **(c) Investments in others** | | | |
| **(i) Unquoted** | | | |
| (1) Angul Sukinda Railway Limited<br>Non-convertible redeemable preference shares (5,00,00,000 shares purchased during the year) | 10,50,00,000 | 29.28 | 13.88 |
| | | **29.28** | **13.88** |
| | | **65,498.27** | **39,467.38** |

* These investments are carried at a book value of ₹1.00

\# As on March 31, 2024, Kumardhubi Fireclay and Silica Works Ltd., Kumardhubi Metal Casting and Engineering Ltd., Tata Construction and Projects Limited and Andal East Coal Company Private Limited are under liquidation.

@ Equity investment in TRF Limited includes ₹5.79 Crore for 37,53,275 equity shares and deemed equity component in respect of NCRPS issued by TRF.

$ Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

(i) The Company holds more than 50% of the equity share capital in TM International Logistics Limited. However, decisions in respect of activities which significantly affect the risks and rewards of these businesses, require unanimous consent of all the shareho lders. This entity has therefore been considered as joint venture.

(ii) The Hon'ble National Company Law Tribunal (NCLT), Kolkata vide order dated April 5, 2019 has admitted the initiation of Corporate Insolvency Resolution Process (CIRP) in respect of Tayo Rolls Limited, a subsidiary of the Company.

(iii) Tata Steel Europe Limited ("TSE"), a wholly owned step-down subsidiary of the Company, is exposed to certain climate related risks which could affect the estimates of its future cash flow projections. The cashflow projections include the impact of decarbonisation given that both the UK and Tata Steel Netherlands (TSN) businesses within TSE have stated their plans to move away from the current production process and to transition to electric arc based production. Decarbonisation as a whole is likely to provide significant opportunities to TSE as it is likely to increase the demand for steel as it is crucial as an infrastructure enabler for all technological transition within the wider economy (e.g. wind power, hydrogen, electric vehicles, nuclear plants etc.) and compares favourably to other materials when considering the life cycle emissions of the

## 6. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page F26]

material. The technology transition and investments are dependent on national and international policies and would also be driven by the government decisions in the country of operation. Management's assessment is that generally, these potential carbon reduction-related costs would be borne by the society, either through higher steel prices or through public spending/subsidies.

On September 15, 2023, Tata Steel UK Limited ("TSUK") which forms the main part of the UK Business, announced a joint agreement with the UK Government on a proposal to invest in state-of-the-art electric arc furnace ('EAF') steel making at the Port Talbot site with a capital cost of £1.25 billion inclusive of a grant from the UK Government of up to £500 million, subject to relevant regulatory approvals, information and consultation processes, and the finalisation of detailed terms and conditions. The proposal also includes a wider restructuring of other locations and functions across TSUK.

As per local regulations in the UK, the National Consultation between TSUK and the UK multi trade union representative body (UK Steel Committee) on the asset closure plan has now been concluded. Under the proposed re-structuring programme, Port Talbot's two blast furnaces (No.5 and No.4) would get closed by end of June 2024 and latest by the end of September 2024 respectively. Following the closure of Blast Furnace No. 4, the remaining heavy end assets would wind down and the Continuous Annealing Processing Line (CAPL) would close in March 2025. TSUK has also agreed that it would continue to operate the hot strip mill through the proposed transition period and in future.

Given the risks, challenges and uncertainties associated with the underlying market and business conditions including higher inflation, higher interest rates and supply chain disruption caused by the war in Ukraine, the uncommitted nature of available financing options and pending the finalisation of funding support from the UK Government for the proposed EAF investment, there exists a material uncertainty surrounding the impact of such adversities on the financial situation of TSUK.

With respect to Tata Steel Netherland operations (TSN) which forms main part of the Mainland Europe (MLE) business, discussions with the government on the proposed decarbonisation roadmap have been initiated. The transition plan considers that the policy environment in the Netherlands and EU is supportive to the European steel industry and a level playing field would be achieved by, either one or a combination of: a) Dutch Policy developments, b) Convergence with EU on (fiscal) climate measures, enabling EU steel players to pass on costs and c) tailor made support mechanisms. In relation to the likely investments required for the de-carbonisation of TSN operations driven by regulatory changes in Europe and Netherlands, inter alia, the scenarios consider that the Dutch Government will provide a certain level of financial support to execute the decarbonisation strategy, which are being discussed between the Company/TSN and Dutch Government.

Based on the above and other available measures, MLE business is expected to have adequate liquidity to meet its future business requirements.

The recoverable value of investments held in T Steel Holdings Pte. Ltd. (TSH), a wholly owned subsidiary of the Company is dependent on the operational and financial performance of TSE, Tata Steel Minerals Canada (TSMC) and net assets of the other underlying businesses.

The recoverable value of TSE is based on fair value less cost to sell (FVLCTS) for TSUK and TSN, which inter -alia considers impact of switching the heavy end and other relevant assets to a more "Green Steel" capex base. The fair value computation uses cash flow forecasts based on most recent financial budgets, strategic forecasts and future projections taking the analysis out into perpetuity based on a steady state, sustainable cash flow reflecting average steel industry conditions between successive peaks and troughs of profitability.

Key assumptions for the fair value less cost to sell model relate to expected changes to selling prices and raw material & conversion costs, EU steel demand, energy costs, exchange rates, the amount of capital expenditure needed for decarbonisation, changes to EBITDA resulting from producing and selling steel with low embedded $CO_2$ emissions, levels

# NOTES

forming part of the standalone financial statements

## 6. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page F26]

of government support for decarbonisation, phasing of decommissioning of legacy assets as well as the commissioning of new low $CO_2$ production facilities, tariff regimes and discount rates. The projections are based on the both past performance and the expectations of future performance assumptions therein. The Company estimates discount rates using post-tax rates that reflect the current market rates adjusted to reflect the way the European Union steel market would assess the specific risk. The weighted average post-tax discount rates used for discounting the cash flows projections is in the range of **8.20% - 9.11%** (March 31, 2023: 7.90% to 8.80%). Beyond the specifically forecasted period, a growth rate in the range of **Nil - 2.00%** (March 31, 2023:1.70% - 2.00%) is used to extrapolate the cash flow projections. This rate does not exceed the average long-term growth rate for the relevant markets.

The Company has conducted sensitivity analysis on the impairment tests including sensitivity in respect of discount rates. If any of the key assumptions change, there is a risk that the headroom in the model would reduce and that the reduction in the headroom could lead to impairments of carrying amount of investments in TSH. However, the Company believes that key assumptions represent the most likely impact from decarbonisation at this point in time. Going forward, the key assumptions would be kept under review for changes, if any, based on the progress of the discussions with the government and regulators on the decarbonisation plan.

Based on above, the Company carried out an impairment assessment of its investments held in TSH, which in turn holds investments in TSE, and recognised an impairment loss of ₹**10,038.00** crore during the year in the standalone financial statements.

(iv) The Company, through erstwhile Tata Steel Long Products Limited ("TSLP") now merged with the Company, on July 4, 2022, completed the acquisition of Neelachal Ispat Nigam Limited ("NINL"). As on March 31, 2024, the total investment of the Company in NINL is ₹14,196.82 crore.

The recoverable value of such exposure in NINL has been assessed at fair value less costs to sell using cash flow forecasts based on the most recently approved business plan for financial year 2024-25. Beyond financial year 2024-25, the cash flow forecasts is based on strategic forecasts which cover a period of eight years and future projections taking the analysis out to perpetuity. It also includes capital expenditure for capacity expansion of steel making facilities from the current 1.1 MTPA to 4.95 MTPA by financial year 2029-30 as well as estimated EBITDA changes due to implementation of the expansion strategy and operating the assets.

Key assumptions to the fair value less costs to sell model are changes to selling prices and raw material costs, steel demand, amount of capital expenditure needed for expansion of the existing facilities, EBITDA and post-tax discount rate of **10.10%** (March 31, 2023: 10.10%). The estimates are based on management's best estimate of implementing the expansion strategy.

For the fair value less costs to sell model, a terminal growth rate of **4.00%** (March 31, 2023: 4.00%) has been used to extrapolate the cash flows beyond the specifically forecasted period.

The outcome of the impairment assessment as on March 31, 2024 for investments held in NINL has not resulted in any impairment of investments.

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

## 6. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page F26]

### B. Current

(₹ crore)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Investments carried at fair value through profit and loss:** | | |
| **Investments in mutual funds - Quoted** | | |
| (1) Nippon India Mutual Fund ETF Liquid Bees | 0.09 | 0.09 |
| | **0.09** | **0.09** |
| **Investments in mutual funds - Unquoted** | | |
| (1) ABSL Liquid Fund - Direct - Growth | - | 40.13 |
| (2) ABSL Money Manager Fund - Dir - Growth | 100.05 | - |
| (3) Axis Money Market Fund - Dir - Growth | 100.05 | - |
| (4) Axis Liquid Fund - Growth | - | 72.19 |
| (5) Bandhan Liquid Fund-Direct Plan-Growth (erstwhile IDFC Cash Fund-Growth-Direct Plan) | - | 70.40 |
| (6) Baroda PNB Paribas Liquid Fund | - | 10.96 |
| (7) DSP Liquidity Fund - Direct - Growth | - | 37.18 |
| (8) HDFC Liquid Fund - Direct - Growth | - | 82.14 |
| (10) HSBC Liquid Fund - Direct - Growth | - | 18.94 |
| (11) ICICI Liquid Fund | - | 27.21 |
| (12) ICICI Prudential Liquid Fund - Direct - Growth | - | 56.62 |
| (13) ICICI Pru Money Market Fund - Direct - Growth | 100.06 | - |
| (15) Kotak Liquid - Direct - Growth | - | 75.35 |
| (18) Nippon India Liquid Fund - Growth | - | 69.73 |
| (19) Nippon India Money Market Fund - Dir - Growth | 100.05 | - |
| (19) SBI Liquid Fund -Direct - Growth | - | 96.77 |
| (20) SBI Overnight Fund - Direct - Growth | - | 1,035.23 |
| (21) Tata Money Market Fund - Direct - Growth | 100.05 | - |
| (22) Tata Liquid Fund - Direct - Growth | - | 115.12 |
| (23) Tata Overnight Fund - Direct - Growth | - | 1,100.35 |
| (24) UTI Liquid Cash Plan - Growth | - | 59.84 |
| | **500.26** | **2,968.16** |
| | **500.35** | **2,968.25** |

# NOTES

forming part of the standalone financial statements

## 6. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page F26]

(v) Carrying value and market value of quoted and unquoted investments are as below:

(₹ crore)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **(a) Investments in subsidiary companies:** | | |
| Aggregate carrying value of quoted investments | - | - |
| Aggregate market value of quoted investments | 50.03 | 28.53 |
| Aggregate carrying value of unquoted investments | 62,413.49 | 37,417.57 |
| **(b) Investments in associate companies:** | | |
| Aggregate carrying value of quoted investments | 85.84 | 85.84 |
| Aggregate market value of quoted investments | 151.41 | 60.11 |
| Aggregate carrying value of unquoted investments | 110.78 | 96.60 |
| **(c) Investments in joint ventures:** | | |
| Aggregate carrying value of unquoted investments | 537.28 | 537.28 |
| **(d) Investments in others:** | | |
| Aggregate carrying value of quoted investments | 1,994.42 | 989.03 |
| Aggregate market value of quoted investments | 1,994.42 | 989.03 |
| Aggregate carrying value of unquoted investments | 856.81 | 3,309.31 |

(vi) Details of other unquoted investments carried at fair value through other comprehensive income is as below:

(₹)

| | No. of shares as at March 31, 2024 (face value of ₹10 each fully paid-up unless otherwise specified) | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) Barajamda Iron Ore Mine Workers' Central Co-operative Stores Ltd. (Face value of ₹25 each) | 200 | 5,000.00 | 5,000.00 |
| (b) Bihar State Financial Corporation (Face value of ₹100 each) | 250 | 25,000.00 | 25,000.00 |
| (c) Bokaro and Ramgarh Ltd. | 100 | 16,225.00 | 16,225.00 |
| (d) Eastern Synpacks Limited (Face value of ₹25 each) | 1,50,000 | 1.00 | 1.00 |
| (e) Ferro Manganese Plant Employees' Consumer Co-operative Society Ltd. (Face value of ₹25 each) | 100 | 2,500.00 | 2,500.00 |
| (f) Investech Advisory Services (India) Limited (Face value of ₹100 each) | 1,680 | 1.00 | 1.00 |
| (g) Jamshedpur Co-operative House Building Society Ltd. (Face value of ₹100 each) | 10 | 1,000.00 | 1,000.00 |
| (h) Jamshedpur Co-operative Stores Ltd. (Face value of ₹5 each) | 50 | 250.00 | 250.00 |
| (i) Jamshedpur Educational and Culture Co-operative Society Ltd. (Face value of ₹100 each) | 50 | 5,000.00 | 5,000.00 |

## 6. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page F26]

(₹)

| | | No. of shares as at March 31, 2024 (face value of ₹10 each fully paid-up unless otherwise specified) | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| (j) | Joda East Iron Mine Employees' Consumer Co-operative Society Ltd. (Face value of ₹25 each) | 100 | 2,500.00 | 2,500.00 |
| (k) | Namtech Electronic Devices Limited | 48,026 | 1.00 | 1.00 |
| (l) | Reliance Firebrick and Pottery Company Ltd. (Partly paid-up) | 16,800 | 1.00 | 1.00 |
| (m) | Reliance Firebrick and Pottery Company Ltd. | 2,400 | 1.00 | 1.00 |
| (n) | Sanderson Industries Ltd. | 3,33,876 | 2.00 | 2.00 |
| (o) | Standard Chrome Ltd. | 11,16,000 | 2.00 | 2.00 |
| (p) | Sijua (Jherriah) Electric Supply Co. Ltd. | 4,144 | 40,260.00 | 40,260.00 |
| (q) | TBW Publishing and Media Pvt. Limited | 100 | 1.00 | 1.00 |
| (r) | Unit Trust of India - Mastershares | 2,229 | 55,401.00 | 55,401.00 |
| (s) | Wellman Incandescent India Ltd. | 15,21,234 | 2.00 | 2.00 |
| (t) | Woodland Multispeciality Hospital Ltd. | 800 | 8,000.00 | 8,000.00 |
| | | | **1,61,148.00** | **1,61,148.00** |

(vii) Tata Steel BSL Limited (TSBSL) (formerly known as Bhushan Steel Limited) was being shown as promoter of Jawahar Credit & Holdings Private Limited ("JCHPL") and M/s Bhushan Capital & Credit Services Private Limited ("BCCSPL"). These entities were connected to the previous management of Bhushan Steel Limited. The Company has written to JCHPL, BCCSPL and the Registrar of Companies (National Capital Territory of Delhi & Haryana) intimating that TSBSL should not be identified as promoter of these companies. In view of the same, the Company currently does not exercise significant influence on these entities, and hence, these have not been considered as associates.

(viii) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person or entity, including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons / entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries, other than investments made by the Company aggregating ₹**23.50** crore during the year ended March 31, 2024 in Tata Steel Advanced Materials Limited, a subsidiary (2022-23: ₹10.00 crore in Tata Steel Downstream Products Limited, ₹54.69 crore in Tata Steel Advanced Materials Limited and ₹68.00 crore in Tata Steel Utilities and Infrastructure Services Limited) and as set out in note 7(v), page F64 in the ordinary course of business and in keeping with the applicable regulatory requirements for onward funding to certain subsidiaries of the Company towards meeting their business requirements and / or loan repayments. Accordingly, no further disclosure, in this regard, is required.

(ix) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Party") with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

# NOTES

forming part of the standalone financial statements

## 7. Loans

[Item No. I(g)(ii) and II(b)(v), Page F26]

### A. Non-current

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **(a)** | **Loans to related parties** | | |
| | Considered good - Unsecured | 8,601.65 | 32,570.29 |
| | | | |
| **(b)** | **Other loans** | | |
| | Considered good - Unsecured | 2.73 | 3.81 |
| | Credit impaired | 5.84 | 5.75 |
| | Less: Allowance for credit losses | 5.84 | 5.75 |
| | | **2.73** | **3.81** |
| | | **8,604.38** | **32,574.10** |

### B. Current

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **(a)** | **Loans to related parties** | | |
| | Considered good - Unsecured | 139.22 | 1,923.87 |
| | Credit impaired | 97.67 | 67.67 |
| | Less: Allowance for credit losses | 97.67 | 67.67 |
| | | **139.22** | **1,923.87** |
| **(b)** | **Other loans** | | |
| | Considered good - Unsecured | 1.60 | 1.84 |
| | Credit impaired | 9.60 | 9.60 |
| | Less: Allowance for credit losses | 9.60 | 9.60 |
| | | **1.60** | **1.84** |
| | | **140.82** | **1,925.71** |

(i) Non-current loans to related parties represents loan given to subsidiaries ₹**8,601.65** crore (March 31, 2023: ₹32,570.29 crore).

(ii) Current loans to related parties represent loans/advances given to subsidiaries ₹**236.89** crore (March 31, 2023: ₹1,991.54 crore) out of which ₹**97.67** crore (2022-23: ₹67.67 crore) is impaired respectively.

(iii) During the year, loan amounting to ₹**34,168.90** crore provided to a subsidiary has been converted into equity based on the fair value of the shares of the issuer.

(iv) Other loans primarily represent loans given to employees.

(v) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other so urces or kind of funds) to any other person or entity, including foreign entities ("Intermediaries") with the understanding (whether recorded in writing or otherwise) that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons / entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any

## 7. Loans (Contd.)

[Item No. I(g)(ii) and II(b)(v), Page F26]

guarantee, security or the like on behalf of the Ultimate Beneficiaries, other than loans aggregating ₹**3,665.91** crore given during the year (2022-23: roll over of loan of ₹1,643.45 crore) to T Steel Holdings Pte Ltd, a subsidiary and an investment holding company of the Company and as set out in note 6(viii), page F63 in the ordinary course of business and in keeping with the applicable regulatory requirements for onward funding to certain overseas subsidiaries of the Company towards meeting their business requirements and /or loan repayments. Accordingly, no further disclosure, in this regard, is required.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Party") with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) Disclosure as per Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186(4) of the Companies Act, 2013.

(a) Loans/advances in the nature of loan outstanding from subsidiaries, associates and joint venture as on March 31, 2024:

(₹ crore)

| | | Debts outstanding as at March 31, 2024 | Maximum balance oustanding during the year |
|---|---|---|---|
| **Subsidiaries** | | | |
| (1) | ABJA Investment Co. Pte Ltd.[ii] | **4,641.50** | **4,641.50** |
| | (interest rate SOFR + 4.90% ; Tenure 96 Months) | - | - |
| (2) | Angul Energy Limited | **-** | **43.00** |
| | (interest rate 8.00% to 8.65%) | 30.00 | 126.00 |
| (3) | Bhubaneswar Power Private Limited | **228.11** | **327.87** |
| | (interest rate 7.03% ; Tenure 79 Months) | 327.87 | 387.63 |
| (4) | Subarnarekha Port Private Limited | **30.00** | **30.00** |
| | (interest rate 10.83% to 11.15%, Tenure 6 to 12 Months) | - | - |
| (5) | T Steel Holdings Pte. Ltd.[ii] | **3,669.60** | **34,168.90** |
| | (interest rate LIBOR + 2.99 to 6.75% and SOFR + 1.65% to 3.90% ; Tenure 96 Months) | 33,813.98 | 34,057.80 |
| (6) | Tata Steel Downstream Products Limited | **201.65** | **342.30** |
| | (interest rate 7.42% to 8.38%; Tenure 12 to 60 Months)) | 322.30 | 528.70 |
| (7) | Tayo Rolls Limited[iii] | **67.00** | **67.00** |
| | (interest rate 7.00% to 13.07%, Tenure 4 to 15 Months) | 67.00 | 67.00 |

Figures in italics represents comparative figures of previous year.

Tenure means original tenure from the date of disbursement of loan.

(i) The above loans have been given for business purpose.

(ii) Includes inter-company loan of ₹8,232.53 crore extended during the year for a period of 8 years including moratorium of interest for two and a half years.

(iii) As at March 31, 2024, loans given to Tayo Rolls Limited have been fully impaired.

(b) Details of investments made and guarantees provided are given in note 6, page F54 and note 34B, page F109.

(viii) There are no outstanding loans/advances in nature of loan from promoters, key management personnel or other officers of the Company.

# NOTES
forming part of the standalone financial statements

## 8. Other financial assets
[Item No. I(g)(iv) and II(b)(vii), Page F26]

### A. Non-current

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **(a)** | **Security deposits** | | |
| | Considered good - Unsecured | 264.01 | 245.24 |
| | Credit impaired | 97.81 | 98.64 |
| | Less: Allowance for credit losses | 97.81 | 98.64 |
| | | **264.01** | **245.24** |
| **(b)** | **Interest accrued on deposits and loans** | | |
| | Considered good - Unsecured | 242.34 | 1,925.43 |
| | Credit impaired | 2,521.38 | 0.27 |
| | Less: Allowance for credit losses | 2,521.38 | 0.27 |
| | | **242.34** | **1,925.43** |
| | | | |
| **(c)** | **Earmarked balances with banks** | 100.11 | 76.95 |
| | | | |
| **(d)** | **Others** | | |
| | Considered good - Unsecured | 1,027.15 | 51.89 |
| | | **1,633.61** | **2,299.51** |

### B. Current

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **(a)** | **Security deposits** | | |
| | Considered good - Unsecured | 50.75 | 14.81 |
| | Considered doubtful - Unsecured | 0.23 | 0.23 |
| | Less: Allowance for credit losses | 0.23 | 0.23 |
| | | **50.75** | **14.81** |
| **(b)** | **Interest accrued on deposits and loans** | | |
| | Considered good - Unsecured | 81.43 | 24.07 |
| | Credit impaired | 14.66 | 14.30 |
| | Less: Allowance for credit losses | 14.66 | 14.30 |
| | | **81.43** | **24.07** |
| **(c)** | **Others** | | |
| | Considered good - Unsecured | 760.56 | 919.90 |
| | Unsecured, considered doubtful | 144.25 | 206.37 |
| | Less: Allowance for credit losses | 144.25 | 206.37 |
| | | **760.56** | **919.90** |
| | | **892.74** | **958.78** |

(i) Security deposits are primarily in relation to public utility services and rental agreements. It includes deposit with a subsidiary ₹**14.00** crore (March 31, 2023: ₹14.00 crore) and deposits with Tata Sons Private Limited ₹**11.25** crore (March 31, 2023: ₹11.25 crore).

# NOTES

forming part of the standalone financial statements

## 8. Other financial assets (Contd.)

[Item No. I(g)(iv) and II(b)(vii), Page F26]

(ii) Non-current earmarked balances with banks represent deposits and balances in escrow account not due for realisation within 12 months from the balance sheet date. These are primarily placed as security with government bodies, margin money against issue of bank guarantees, etc.

(iii) Current other financial assets include amount receivable from post-employment benefit funds ₹**74.08** crore (March 31, 2023: ₹137.98 crore) on account of retirement benefit obligations paid by the Company directly.

(iv) Non-current other financial assets include lease receivable of ₹**1,027.06** crore (March 31, 2023: Nil) recognised during the year ended March 31, 2024 on entering into a long-term arrangement with a joint venture to dedicate a class of its downstream assets for production of certain value added products to drive synergies at market place resulting in a gain of ₹**903.40** crore (2022-23: Nil) included in other income (refer note 25(iii), page F94) with corresponding tax expenses of ₹**227.37** crore for the year.

## 9. Income tax

[Item No. V(e), Page F26]

### A. Income tax expense/(benefit)

The Company is subject to income tax in India on the basis of its financial statements. The Company can claim tax exemptions/ deductions under specific sections of the Income Tax Act, 1961 subject to fulfilment of prescribed conditions, as may be applicable. The Company during the year ended March 31, 2020 has opted for the new tax regime under Section 115BAA of the Act, which provides a domestic company with an option to pay tax at a rate of 22% (effective rate of 25.168%). The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions.

As per the tax laws, business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

The reconciliation of estimated income tax to income tax expense is as below:

(₹ crore)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Profit/(loss) before tax** | **9,172.15** | **20,089.70** |
| Expected income tax expense at statutory income tax rate of 25.168% (2022-23: 25.168%) | 2,308.45 | 5,056.18 |
| (a) Disallowances in respect of impairment of investments and allowance | 2,463.50 | 265.87 |
| (b) Income exempt from tax/ Items not deductible/ adjustments in respect of prior periods | (111.52) | 82.40 |
| (c) Expenses allowable for tax purposes when paid/written off | (295.68) | - |
| **Tax expense as reported** | **4,364.75** | **5,404.45** |

# NOTES

forming part of the standalone financial statements

## 9. Income tax (Contd.)

[Item No. V(e), Page F26]

### B. Deferred tax assets/(liabilities)

(i) Components of deferred tax assets and liabilities as at March 31, 2024 is as below:

(₹ crore)

| | Balance as at April 1, 2023 | Recognised/ (reversed) in profit and loss during the year | Recognised in other comprehensive income during the year | Balance as at March 31, 2024 |
|---|---|---|---|---|
| **Deferred tax assets:** | | | | |
| Investments | 2,898.42 | (75.05) | - | 2,823.37 |
| Retirement benefit obligations | 134.09 | - | - | 134.09 |
| Expenses allowable for tax purposes when paid/written off | 3,509.32 | 86.41 | - | 3,595.73 |
| Others | 22.97 | 72.11 | (97.90) | (2.82) |
| | **6,564.80** | **83.47** | **(97.90)** | **6,550.37** |
| **Deferred tax liabilities:** | | | | |
| Property, plant and equipment and intangible assets | 14,598.78 | (83.60) | - | 14,515.18 |
| Loans | 474.35 | (422.39) | - | 51.96 |
| | **15,073.13** | **(505.99)** | **-** | **14,567.14** |
| **Net deferred tax assets/(liabilities)** | **(8,508.33)** | **589.46** | **(97.90)** | **(8,016.77)** |
| **Disclosed as:** | | | | |
| **Deferred tax liabilities (net)** | **(8,508.33)** | | | **(8,016.77)** |

Components of deferred tax assets and liabilities as at March 31, 2023 is as below:

(₹ crore)

| | Balance as at April 1, 2022 | Recognised/ (reversed) in profit and loss during the year | Recognised in other comprehensive income during the year | Balance as at March 31, 2023 |
|---|---|---|---|---|
| **Deferred tax assets:** | | | | |
| Investments | 2,986.50 | (88.08) | - | 2,898.42 |
| Retirement benefit obligations | 134.09 | - | - | 134.09 |
| Expenses allowable for tax purposes when paid/written off | 3,591.37 | (82.05) | - | 3,509.32 |
| Others | 110.22 | (89.82) | 2.57 | 22.97 |
| | **6,822.18** | **(259.95)** | **2.57** | **6,564.80** |
| **Deferred tax liabilities:** | | | | |
| Property, plant and equipment and intangible assets | 14,649.52 | (50.74) | - | 14,598.78 |
| Loans | 197.50 | 276.85 | - | 474.35 |
| | **14,847.02** | **226.11** | **-** | **15,073.13** |
| **Net deferred tax assets/(liabilities)** | **(8,024.84)** | **(486.06)** | **2.57** | **(8,508.33)** |
| **Disclosed as:** | | | | |
| **Deferred tax liabilities (net)** | **(8,024.84)** | | | **(8,508.33)** |

(ii) Deferred tax assets amounting to ₹**7,967.37** crore as at March 31, 2024 (March 31, 2023: ₹7,967.37 crore) on fair value adjustment recognised in respect of investments held in a subsidiary on transition to Ind AS has not been recognised due to uncertainty surrounding availability of future taxable income against which such loss can be offset.

## 10. Other assets

[Item No. I(i) and II(c), Page F26]

### A. Non-current

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **(a)** | **Capital advances** | | |
| | Considered good - Unsecured | 844.43 | 1,255.87 |
| | Considered doubtful - Unsecured | 90.78 | 94.82 |
| | Less: Provision for doubtful advances | 90.78 | 94.82 |
| | | **844.43** | **1,255.87** |
| **(b)** | **Advance with public bodies** | | |
| | Considered good - Unsecured | 1,962.84 | 2,028.73 |
| | Considered doubtful - Unsecured | 309.28 | 309.32 |
| | Less: Provision for doubtful advances | 309.28 | 309.32 |
| | | **1,962.84** | **2,028.73** |
| **(c)** | **Capital advances to related parties** | | |
| | Considered good - Unsecured | 106.15 | 111.41 |
| **(d)** | **Others** | | |
| | Considered good - Unsecured | 103.52 | 91.75 |
| | | **3,016.94** | **3,487.76** |

### B. Current

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **(a)** | **Advance with public bodies** | | |
| | Considered good - Unsecured | 2,276.26 | 2,864.68 |
| | Considered doubtful - Unsecured | 3.63 | 15.96 |
| | Less: Provision for doubtful advances | 3.63 | 15.96 |
| | | **2,276.26** | **2,864.68** |
| **(b)** | **Advances to related parties** | | |
| | Considered good - Unsecured | 273.85 | 196.87 |
| **(c)** | **Others** | | |
| | Considered good - Unsecured | 489.69 | 685.04 |
| | Considered doubtful - Unsecured | 185.55 | 184.85 |
| | Less: Provision for doubtful advances | 185.55 | 184.85 |
| | | **489.69** | **685.04** |
| | | **3,039.80** | **3,746.59** |

(i) Advance with public bodies primarily relate to input credit entitlements and amounts paid under protest in respect of demands and claims from regulatory authorities.

(ii) Others include advances against supply of goods/services and advances paid to employees.

# NOTES

forming part of the standalone financial statements

## 11. Inventories

[Item No. II(a), Page F26]

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) | Raw materials | 11,537.11 | 12,158.49 |
| (b) | Work-in-progress | 0.20 | - |
| (c) | Finished and semi-finished goods | 8,161.24 | 8,518.22 |
| (d) | Stock-in-trade | 41.26 | 54.33 |
| (e) | Stores and spares | 4,807.39 | 4,689.32 |
| | | **24,547.20** | **25,420.36** |
| **Included above, goods-in-transit:^** | | | |
| (i) | Raw materials | 1,461.31 | 2,429.16 |
| (ii) | Finished and semi-finished goods | 7.79 | 142.08 |
| (iii) | Stock-in-trade | 2.01 | 0.69 |
| (iv) | Stores and spares | 89.70 | 121.46 |
| | | **1,560.81** | **2,693.39** |

^ Goods-in-transit represent amount of purchased material which are in transit as on date.

(i) Value of inventories above is stated after provisions (net of reversal) ₹**154.78** crore (March 31, 2023: ₹653.34 crore) for write-downs to net realisable value and provision for slow-moving and obsolete items.

(ii) The cost of inventories recognised as an expense includes reversal of ₹**243.15** crore (March 31, 2023: charge ₹65.86 crore) in respect of write-down of inventory to net realisable value.

## 12. Trade receivables

[Item No. II(b)(ii), Page F26]

(₹ crore)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (a) Considered good - Unsecured | 1,660.14 | 2,649.08 |
| (b) Credit impaired | 205.21 | 586.23 |
| | **1,865.35** | **3,235.31** |
| Less: Allowance for credit losses | 259.21 | 673.52 |
| | **1,606.14** | **2,561.79** |

In determining allowance for credit losses of trade receivables, the Company has used the practical expedient by computing the expected credit loss allowance based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on ageing of receivables and the rates used in provision matrix.

## 12. Trade receivables (Contd.)

[Item No. II(b)(ii), Page F26]

(i) Movement in allowance for credit losses of receivables is as below:

(₹ crore)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Balance at the beginning of the year | 673.52 | 172.59 |
| Charge/(release) during the year | 49.01 | 500.93 |
| Utilised during the year | (463.32) | - |
| **Balance at the end of the year** | **259.21** | **673.52** |

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

### As at March 31, 2024

(₹ crore)

| | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed – considered good | 1,237.05 | 264.17 | 36.74 | 66.92 | 10.32 | 44.94 | 1,660.14 |
| Undisputed – credit impaired | 0.87 | 3.30 | 11.99 | 73.99 | 3.31 | 21.92 | 115.38 |
| Disputed - considered good | - | - | - | - | - | - | - |
| Disputed - credit impaired | - | - | - | - | - | 89.83 | 89.83 |
| | **1,237.92** | **267.47** | **48.73** | **140.91** | **13.63** | **156.69** | **1,865.35** |
| Expected loss rate | 0.80% | 10.39% | 10.45% | 10.40% | 10.08% | 10.71% | |
| Less: Allowance for credit losses | 10.76 | 30.76 | 15.83 | 80.95 | 4.35 | 116.56 | 259.21 |
| **Total trade receivables** | **1,227.16** | **236.71** | **32.90** | **59.96** | **9.28** | **40.13** | **1,606.14** |

### As at March 31, 2023

(₹ crore)

| | Not Due | Outstanding for following periods from due date of payment | | | | | Total |
|---|---|---|---|---|---|---|---|
| | | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed – considered good | 2,178.72 | 316.66 | 77.37 | 28.13 | 7.06 | 41.14 | 2,649.08 |
| Undisputed – credit impaired | - | 0.46 | 0.04 | 0.51 | 0.98 | 492.17 | 494.16 |
| Disputed - considered good | - | - | - | - | - | - | - |
| Disputed - credit impaired | - | - | - | - | - | 92.07 | 92.07 |
| | **2,178.72** | **317.12** | **77.41** | **28.64** | **8.04** | **625.38** | **3,235.31** |
| Expected loss rate | 0.41% | 16.26% | 19.35% | 15.92% | 14.87% | 15.41% | |
| Less: Allowance for credit losses | 8.95 | 51.96 | 15.01 | 4.99 | 2.03 | 590.58 | 673.52 |
| **Total trade receivables** | **2,169.77** | **265.16** | **62.40** | **23.65** | **6.01** | **34.80** | **2,561.79** |

(iii) The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2024 to be ₹**1,606.14** crore (March 31, 2023: ₹2,561.79 crore), which is the carrying value of trade receivables after allowance for credit losses.

The Company's exposure to customers is diversified and no single customer contributes more than 10% of the outstanding receivables as at March 31, 2024 and March 31, 2023.

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

# NOTES
forming part of the standalone financial statements

## 13. Cash and cash equivalents
[Item No. II(b)(iii), Page F26]

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) | Cash on hand | 0.59 | 1.65 |
| (b) | Cheques, drafts on hand | 0.35 | - |
| (c) | Remittances-in-transit | 0.02 | 13.49 |
| (d) | Unrestricted balances with banks | 4,540.51 | 1,170.46 |
| | | **4,541.47** | **1,185.60** |

(i) Cash and bank balances are denominated and held in Indian Rupees.

## 14. Other balances with banks
[Item No. II(b)(iv), Page F26]

(₹ crore)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Other balances with banks | 1,413.21 | 1,664.35 |
| | **1,413.21** | **1,664.35** |

(i) Earmarked balances with banks of ₹**1,017.78** crore (March 31, 2023: ₹1,052.96 crore) primarily includes balances held for unpaid dividends ₹**96.92** crore (March 31, 2023: ₹90.78 crore), amount held back against the consideration payable for acquisition of a subsidiary ₹**828.21** crore (March 31, 2023: ₹911.17 crore), bank guarantee and margin money ₹**92.65** crore (March 31, 2023: ₹51.01 crore).

(ii) Balances with banks are denominated and held in Indian Rupees.

## 15. Equity share capital

[Item No. IV(a), Page F26]

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Authorised:** | | | |
| **255,16,50,00,000#** | Ordinary Shares of ₹1 each | 25,516.50 | 1,750.00 |
| | (March 31, 2023: 17,50,00,00,000 Ordinary Shares of ₹1 each) | | |
| **35,00,00,000** | 'A' Ordinary Shares of ₹10 each* | 350.00 | 350.00 |
| | (March 31, 2023: 35,00,00,000 'A' Ordinary Shares of ₹10 each) | | |
| **2,50,00,000** | Cumulative Redeemable Preference Shares of ₹100 each* | 250.00 | 250.00 |
| | (March 31, 2023: 2,50,00,000 Shares of ₹100 each) | | |
| **60,00,00,000** | Cumulative Convertible Preference Shares of ₹100 each* | 6,000.00 | 6,000.00 |
| | (March 31, 2023: 60,00,00,000 Shares of ₹100 each) | | |
| | | **32,116.50** | **8,350.00** |
| **Issued:** | | | |
| **12,49,64,11,091** | Ordinary Shares of ₹1 each | 1,249.64 | 1,223.44 |
| | (March 31, 2023: 12,23,44,16,550 Ordinary Shares of ₹1 each) | | |
| | | **1,249.64** | **1,223.44** |
| **Subscribed and paid up:** | | | |
| **12,48,35,31,541**** | Ordinary Shares of ₹1 each fully paid up | 1,248.35 | 1,222.15 |
| | (March 31, 2023: 12,22,15,37,000 Ordinary Shares of ₹1 each) | | |
| | Amount paid up on 58,11,460 Ordinary Shares of ₹1 each forfeited | 0.25 | 0.25 |
| | (March 31, 2023: 58,11,460 Ordinary Shares of ₹1 each) | | |
| | | **1,248.60** | **1,222.40** |

#During the year ended March 31, 2024, the Company's authorised share capital has increased, with requisite regulatory approvals, because of the mergers given effect as referred to in note 43, page F124.

* 'A' Ordinary Shares and Preference Shares included within the authorised share capital are for disclosure purposes and have not yet been issued by the Company as on March 31, 2024.

** Includes 4,370 equity shares of ₹1 each, on which first and final call money has been received and the equity shares have been converted to fully paid-up equity shares but, are pending final listing and trading approval under the ISIN INE081A01020 (for fully paid shares), and hence, continue to be listed under the ISIN IN9081A01010 (for partly paid shares) as on March 31, 2024.

(i) Subscribed and paid-up capital includes **1,16,83,930** (March 31, 2023: 1,16,83,930) Ordinary Shares of ₹1 each fully paid-up, held by Rujuvalika Investments Limited, wholly-owned subsidiary of the Company.

# NOTES

forming part of the standalone financial statements

## 15. Equity share capital (Contd.)

[Item No. IV(a), Page F26]

(ii) Details of movement in subscribed and paid up share capital is as below:

| | Year ended March 31, 2024 | | Year ended March 31, 2023 | |
|---|---|---|---|---|
| | No. of shares of ₹1 each unless otherwise stated | ₹ crore | No. of shares of ₹1 each unless otherwise stated | ₹ crore |
| **Ordinary Shares** | | | | |
| Balance at the beginning of the year | 12,22,15,37,000 | 1,222.15 | 1,22,23,45,330# | 1,222.17 |
| Sub-division of 1 share of face value ₹10/- each into 10 share of face value ₹1/- each effective July 29, 2022[b] | - | - | 11,00,11,07,970 | - |
| Fully paid shares allotted during the year[a] | 26,19,94,541 | 26.20 | - | - |
| Partly paid-up shares converted to fully paid-up shares during the year[c] | - | - | - | 0.03 |
| Shares forfeited during the year[d] | - | - | (19,16,300) | (0.05) |
| **Balance at the end of the year** | **12,48,35,31,541** | **1,248.35** | **12,22,15,37,000** | **1,222.15** |

#face value of ₹10/- each

(a) 26,19,94,541 Ordinary shares of face value of ₹1 each were allotted to eligible shareholders of Tata Steel Long Products Limited ("TSLP"), The Tinplate Company of India Limited ("TCIL") and Tata Metaliks Limited ("TML") as on the record date as approved by the Board, pursuant to separate scheme of amalgamation of TSLP, TCIL and TML with the Company as referred to in note 43, page F124.

(b) The Shareholders of the Company, at the 115th Annual General Meeting held on June 28, 2022, had approved the sub-division of one equity share of face value ₹10 each (fully paid-up and partly paid-up) into 10 equity share of face value ₹1 each. The record date for the said sub-division was set at July 29, 2022.

(c) During the year ended March 31, 2023, the Company had sent Reminder-cum-Forfeiture Notice to the holders of partly paid-up equity shares on which the first and final call money was unpaid. The Company had converted 3,16,580 partly paid-up shares of face value ₹1 each into fully paid-up shares.

(d) During the year ended March 31, 2023, the Board of Directors approved the forfeiture of 19,16,300 partly paid-up shares of face value of ₹1 each on which the call money of ₹0.7496 remained unpaid.

(iii) As at March 31, 2024, **29,27,850** Ordinary Shares of face value ₹1 each (March 31, 2023: 29,27,850 Ordinary Shares) are kept in abeyance in respect of Rights issue of 2007. As at March 31, 2024, **17,97,930** fully paid-up Ordinary Shares of face value ₹1 each (March 31, 2023: 17,97,930 fully paid-up Ordinary Shares) are kept in abeyance in respect of Rights Issue of 2018.

(iv) During the year ended March 31, 2023, ₹4.18 crore proceeds from subscription to the first and final call on partly paid-up shares for Rights Issue of 2018, had been utilised for repayments of loan.

(v) Details of Shareholders holding more than 5% shares in the Company are as below:

| | As at March 31, 2024 | | As at March 31,2023 | |
|---|---|---|---|---|
| | No. of ordinary shares | % held | No. of ordinary shares | % held |
| **Name of shareholders** | | | | |
| (a) Tata Sons Private Limited | 3,96,50,81,420 | 31.76 | 3,96,50,81,420 | 32.44 |
| (b) Life Insurance Corporation of India | 94,97,60,583 | 7.61 | 73,24,32,080 | 5.99 |

# NOTES

forming part of the standalone financial statements

## 15. Equity share capital (Contd.)

[Item No. IV(a), Page F26]

(vi) Details of promoters' shareholding in the Company are as below:

| | As at March 31, 2024 | | As at March 31,2023 | |
|---|---|---|---|---|
| | No. of ordinary shares | % held | No. of ordinary shares | % held |
| **Name of shareholders** | | | | |
| (a) Tata Sons Private Limited# | 3,96,50,81,420 | 31.76 | 3,96,50,81,420 | 32.44 |
| **Name of promoter group** | | | | |
| (a) Tata Motors Limited# | 5,49,62,950 | 0.44 | 5,49,62,950 | 0.45 |
| (b) Tata Investment Corporation Limited | 4,19,84,940 | 0.34 | 4,19,84,940 | 0.34 |
| (c) Tata Chemicals Ltd | 3,09,00,510 | 0.25 | 3,09,00,510 | 0.25 |
| (d) Ewart Investments Limited | 2,22,59,750 | 0.18 | 2,22,59,750 | 0.18 |
| (e) Rujuvalika Investments Limited*# | 1,16,83,930 | 0.09 | 1,16,83,930 | 0.10 |
| (f) Tata Industries Limited# | 1,04,25,450 | 0.08 | 1,04,25,450 | 0.09 |
| (g) Tata Motors Finance Limited (Formerly Tata Motors Finance Solutions Limited)@ | 60,95,110 | 0.05 | - | - |
| (h) TMF Business Services Limited (Formerly Tata Motors Finance Limited)@ | - | - | 60,95,110 | 0.05 |
| (i) Tata Capital Ltd | 1,75,610 | 0.00 | 1,67,400 | 0.00 |
| (j) Titan Company Limited | 25,110 | 0.00 | 25,110 | 0.00 |
| (k) Tata Capital Financial Services Limited$ | - | - | 8,210 | 0.00 |
| (l) Sir Dorabji Tata Trust^ | - | - | - | - |
| (m) Sir Ratan Tata Trust^ | - | - | - | - |

* 1,16,83,930 Ordinary Shares held by Rujuvalika Investments Limited (a wholly owned subsidiary of the Company), do not carry any voting rights.

^ During the year ended March 31, 2019, Sir Doarabji Tata Trust and Sir Ratan Tata Trust had sold their entire holdings in the Company.

@ Consequent to the sanctioned Scheme of Arrangement, 60,95,110 equity shares of Tata Steel Limited held by TMF Business Services Limited (Formerly Tata Motors Finance Limited, Promoter Group) have been transferred to Tata Motors Finance Limited (Formerly Tata Motors Finance Solutions Limited). Accordingly, as on March 31, 2024, Tata Motors Finance Limited (Formerly Tata Motors Finance Solutions Limited) has been reported under Promoter Group holding 60,95,110 equity shares of Tata Steel Limited. The Company has reported 'NIL' shareholding against TMF Business Services Limited (Formerly Tata Motors Finance Limited) within the Promoter Group.

$ Tata Capital Financial Services Limited (TCFSL) has been merged with Tata Capital Limited effective January 1, 2024. Accordingly, the entire holding of TCFSL in the Company, (8,210 shares) has been transferred from TCFSL to Tata Capital Limited and TCFSL has ceased to exist and accordingly does not form part of the Promoter Group as on March 31, 2024.

# Change in shareholding is on account of allotment of shares to non-controlling equity shareholders of erstwhile TSLP, TCIL and TML pursuant to the separate schemes of amalgamation of TSLP, TCIL and TML into and with the Company.

(vii) **8,35,45,390** shares (March 31, 2023: 8,79,53,750 shares) of face value of ₹1 per share represent the shares underlying GDRs which were issued during 1994 and 2009. Each GDR represents one underlying Ordinary Share.

(viii) The rights, powers and preferences relating to each class of share capital and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The principal rights are as below:

# NOTES

forming part of the standalone financial statements

## 15. Equity share capital (Contd.)

[Item No. IV(a), Page F26]

### A. Ordinary Shares of ₹1 each

(i) In respect of every Ordinary Share (whether fully paid or partly paid), voting right and dividend shall be in the same proportion as the capital paid up on such Ordinary Share bears to the total paid up Ordinary Capital of the Company.

(ii) The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

(iii) In the event of liquidation, the Shareholders of Ordinary Shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

### B. 'A' Ordinary Shares of ₹10 each

(i) (a) The holders of 'A' Ordinary Shares shall be entitled to such rights of voting and/or dividend and such other rights as per the terms of the issue of such shares, provided always that:

- in the case where a resolution is put to vote on a poll, such differential voting entitlement (excluding fractions, if any) will be applicable to holders of 'A' Ordinary Shares.
- in the case where a resolution is put to vote in the meeting and is to be decided on a show of hands, the holders of 'A' Ordinary Shares shall be entitled to the same number of votes as available to holders of Ordinary Shares.

(b) The holders of Ordinary Shares and the holders of 'A' Ordinary Shares shall vote as a single class with respect to all matters submitted for voting by shareholders of the Company and shall exercise such votes in proportion to the voting rights attached to such s hares including in relation to any scheme under Sections 391 to 394 of the Companies Act, 1956.

(ii) The holders of 'A' Ordinary Shares shall be entitled to dividend on each 'A' Ordinary Share which may be equal to or higher than the amount per Ordinary Share declared by the Board for each Ordinary Share, and as may be specified at the time of the issue. Different series of 'A' Ordinary Shares may carry different entitlements to dividend to the extent permitted under applicable law and as prescribed under the terms applicable to such issue.

### C. Preference Shares

The Company has two classes of preference shares i.e. Cumulative Redeemable Preference Shares (CRPS) of ₹100 per share and Cumulative Convertible Preference Shares (CCPS) of ₹100 per share.

(i) Such shares shall confer on the holders thereof, the right to a fixed preferential dividend from the date of allotment, at a rate as may be determined by the Board at the time of the issue, on the capital for the time being paid up or credited as paid up thereon.

(ii) Such shares shall rank for capital and dividend (including all dividend undeclared upto the commencement of winding up) and for repayment of capital in a winding up, pari passu inter se and in priority to the Ordinary Shares of the Company, but shall not confer any further or other right to participate either in profits or assets. However, in case of CCPS, such preferential rights shall automatically cease on conversion of these shares into Ordinary Shares.

(iii) The holders of such shares shall have the right to receive all notices of general meetings of the Company but shall not confer on the holders thereof the right to vote at any meetings of the Company save to the extent and in the manner provided in the Companies Act, 1956, or any re-enactment thereof.

(iv) CCPS shall be converted into Ordinary Shares as per the terms, determined by the Board at the time of issue; as and when converted, such Ordinary Shares shall rank pari passu with the then existing Ordinary Shares of the Company in all respects.

## 16. Other equity

[Item No. IV(b), Page F26]

### A. Retained earnings

The details of movement in retained earnings is as below:

(₹ crore)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Balance at the beginning of the year | 86,491.20 | 77,873.96 |
| Profit for the year | 4,807.40 | 14,685.25 |
| Remeasurement of post-employment defined benefit plans | (210.12) | 266.82 |
| Tax on remeasurement of post-employment defined benefit plans | 52.88 | (66.99) |
| Dividend | (4,414.00) | (6,267.84) |
| **Balance at the end of the year** | **86,727.36** | **86,491.20** |

### B. Items of other comprehensive income

#### (a) Cash flow hedge reserve

The cumulative effective portion of gains or losses arising from changes in fair value of hedging instruments designated as cash flow hedges are recognised in cash flow hedge reserve. Such changes recognised are reclassified to the statement of profit and loss when the hedged item affects the profit or loss or are included as an adjustment to the cost of the related non-financial hedged item.

The Company has designated certain foreign currency forward contracts, interest rate swaps and interest rate caps and collars as cash flow hedges in respect of foreign exchange and interest rate risks.

The details of movement in cash flow hedge reserve is as below:

(₹ crore)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Balance at the beginning of the year | 120.76 | 61.10 |
| Other comprehensive income recognised during the year | (43.69) | 59.66 |
| **Balance at the end of the year** | **77.07** | **120.76** |

(i) The details of other comprehensive income recognised during the year is as below:

(₹ crore)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Fair value changes recognised during the year | (86.73) | 238.96 |
| Fair value changes reclassified to profit and loss/cost of hedged items | 27.90 | (159.18) |
| Tax impact on above | 15.14 | (20.12) |
| | **(43.69)** | **59.66** |

During the year, ineffective portion of cash flow hedges recognised in the statement of profit and loss amounted to **Nil** (2022-23: Nil).

# NOTES

forming part of the standalone financial statements

## 16. Other equity (Contd.)

[Item No. IV(b), Page F26]

(ii) The amount recognised in cash flow hedge reserve (net of tax) is expected to impact the statement of profit and loss as below:

- within the next one year: gain ₹**50.77** crore (2022-23: gain ₹37.82 crore).
- later than one year: gain ₹**26.30** crore (2022-23: gain ₹82.94 crore).

### (b) Investment revaluation reserve

Cumulative gains and losses arising from fair value changes of equity investments measured at fair value through other comprehensive income are recognised in investment revaluation reserve. The reserve balance represents such changes recognised net of amounts reclassified to retained earnings on disposal of such investments.

The details of movement in investment revaluation reserve is as below:

(₹ crore)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Balance at the beginning of the year | 682.86 | 853.77 |
| Other comprehensive income recognised during the year | 1,005.34 | (193.59) |
| Tax impact on above | (113.04) | 22.68 |
| **Balance at the end of the year** | **1,575.16** | **682.86** |

### C. Other reserves

### (a) Securities premium

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

The details of movement in securities premium is as below:

(₹ crore)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Balance at the beginning of the year | 31,290.24 | 31,288.89 |
| Received/transfer on issue of Ordinary Shares during the year | - | 1.44 |
| Equity issue expenses written (off)/back during the year | - | (0.09) |
| **Balance at the end of the year** | **31,290.24** | **31,290.24** |

### (b) Debenture redemption reserve

The provisions of the Companies Act, 2013 read with the related rules required a company issuing debentures to create a Debenture redemption reserve (DRR) of 25% of the value of debentures issued, either through a public issue or on a private placement basis, out of the profits of the company available for payment of dividend. The amounts credited to the DRR can be utilised by the company only to redeem debentures.

## 16. Other equity (Contd.)

[Item No. IV(b), Page F26]

As per the recent amendment in the Companies (Share Capital and Debentures) Rules, 2014, a listed company issuing privately placed debentures on or after August 16, 2019, is not required to maintain additional amount in the DRR. Accordingly, the existing balance in the DRR shall be maintained to be utilised only for the redemption of existing debentures issued by the Company before August 16, 2019.

The details of movement in debenture redemption reserve during the year is as below:

(₹ crore)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Balance at the beginning of the year | 2,046.00 | 2,046.00 |
| Transfers within equity | (717.25) | - |
| **Balance at the end of the year** | **1,328.75** | **2,046.00** |

### (c) General reserve

Under the erstwhile Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of the Companies Act, 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

The details of movement in general reserve during the year is as below:

(₹ crore)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Balance at the beginning of the year | 12,009.45 | 12,009.45 |
| Transfers within equity | 717.25 | - |
| **Balance at the end of the year** | **12,726.70** | **12,009.45** |

### (d) Capital redemption reserve

The Companies Act, 2013 requires that when a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve. The reserve is utilised in accordance with the provisions of Section 69 of the Companies Act, 2013.

The details of movement in capital redemption reserve during the year is as below:

(₹ crore)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Balance at the beginning of the year | 133.11 | 133.11 |
| **Balance at the end of the year** | **133.11** | **133.11** |

# NOTES

forming part of the standalone financial statements

## 16. Other equity (Contd.)

[Item No. IV(b), Page F26]

### (e) Capital reserve

The excess of fair value of net assets acquired over consideration paid in a common control transaction is recognised as capital reserve. The details of movement in Capital Reserve during the year is as below:

(₹ crore)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Balance at the beginning of the year | 2,471.11 | 2,471.11 |
| **Balance at the end of the year** | **2,471.11** | **2,471.11** |

(i) Includes ₹791.47 crore being the difference between the net identifiable assets acquired and consideration paid, on merger of Tata Steel Long Products Limited (TSLP), Tata Metaliks Limited (TML) and The Tinplate Company of India Limited (TCIL) with the Company.

### (f) Others

Others primarily represents amount appropriated out of the statement of profit and loss for unforeseen contingencies. The details of movement in others during the year is as below:

(₹ crore)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Balance at the beginning of the year | 115.55 | 115.55 |
| **Balance at the end of the year** | **115.55** | **115.55** |

## D. Shares pending issue

(₹ crore)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Balance at the beginning of the year | 26.20 | 26.20 |
| Less: Allotted during the year on account of merger | (26.20) | - |
| **Balance at the end of the year** | **-** | **26.20** |

## E. Share application money pending allotment

The details of movement in share application money pending allotment during the year is as below:

(₹ crore)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Balance at the beginning of the year | - | - |
| Received during the year | - | 1.46 |
| Allotted during the year | - | (1.46) |
| **Balance at the end of the year** | **-** | **-** |

# NOTES

forming part of the standalone financial statements

## 17. Borrowings

[Item No. V(a)(i) and VI(a)(i), Page F26]

### A. Non-current

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **(a)** | **Secured** | | |
| (i) | Loans from Joint Plant Committee - Steel Development Fund | 2,829.25 | 2,751.17 |
| (ii) | Term loans from banks | - | 687.92 |
| | | **2,829.25** | **3,439.09** |
| **(b)** | **Unsecured** | | |
| (i) | Non-convertible debentures | 12,153.28 | 10,125.22 |
| (ii) | Term loans from banks/financial institutions | 21,733.38 | 18,004.50 |
| | | **33,886.66** | **28,129.72** |
| | | **36,715.91** | **31,568.81** |

### B. Current

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **(a)** | **Secured** | | |
| (i) | Repayable on demand from banks | - | 1,003.45 |
| **(b)** | **Unsecured** | | |
| (i) | Current maturities of long-term borrowings | 3,841.52 | 6,294.67 |
| | | **3,841.52** | **7,298.12** |

(i) As at March 31, 2024, ₹**2,829.25** crore (March 31, 2023: ₹4,442.54 crore) of the total outstanding borrowings were secured by a charge on property, plant and equipment, inventories, receivables and other current assets.

(ii) The security details of major borrowings as at March 31, 2024 is as below:

**Loan from Joint Plant Committee-Steel Development Fund**

It is secured by mortgages on all present and future immovable properties wherever situated and hypothecation of movable assets, excluding land and building mortgaged in favour of Government of India under the deed of mortgage dated April 13, 1967 and in favour of Government of Bihar under two deeds of mortgage dated May 11, 1963, immovable properties and movable assets of the Tube Division, Bearings Division, Ferro Alloys Division and Cold Rolling Complex (West) at Tarapur and all investments and book debts of the Company subject to the prior charges created and/or to be created in favour of the bankers for securing borrowing for the working capital requirement and charges created and/or to be created on specific items of machinery and equipment procured/to be procured under deferred payment schemes/ bill re-discounting schemes/asset credit schemes.

# NOTES

forming part of the standalone financial statements

## 17. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page F26]

The loan was repayable in 16 equal semi-annual instalments after completion of four years from the date of the tranche.

The Company filed a writ petition being WP No. 70 of 2006 (subsequently renumbered as WPO 70 of 2006) before the High Court at Calcutta in February 2006 claiming waiver of the outstanding loan and interest and refund of the balance lying with Steel Development Fund ("SDF"). The Writ Petition was decided by judgment dated August 3, 2022. By the judgment, the High Court declared that the corpus of SDF can only be utilised for the benefit of the main steel producers. However, the waiver of loan as sought by the Company was not allowed. Hence, against the judgment the Company filed an appeal in the High Court being APO No. 85 of 2022.

The appeal has been decided on January 3, 2023. By the final order, High Court has directed the Company to submit a fresh representation to Union of India and fixed a time of three months for Union of India to take a decision on the representation. The Company has submitted the representation on March 28, 2023.

The representation of the Company was rejected by Government of India (Ministry of Steel) on December 29, 2023. By a letter of January 2024, the Company sought No-objection certificate (“NoC”) from Joint Plant Committee (“JPC”) for scheme of amalgamation of two of its subsidiary companies, namely Bhubaneshwar Power Private Limited and Indian Steel and Wire Products Limited. By its letter dated February 22, 2024, while NoC has been issued for the merger, JPC has directed the Company to repay the outstanding SDF loans with interest within one month.

The Company has challenged the rejection of representation by Union of India (vide its communication dated December 29, 2023) and the direction of JPC to the Company to repay the outstanding loans by filing a Writ Petition being WPO No. 227 of 2024. It was also the contention of the company that the company is entitled to refund of all sums paid by it to SDF and that the Union of India has no right to the same. On May 24, 2024, the Calcutta High Court (Single Bench) has dismissed the writ petition filed by the Company. The Company is in the process of evaluating the future course of action.

The loan as stated in the standalone financial statement includes funded interest ₹**1,189.92** crore (March 31, 2023: ₹1,111.84 crore).

It includes ₹**1,639.33** crore (March 31, 2023: ₹1,639.33 crore) representing repayments and interest on earlier loans for which applications of funding are awaiting sanction and is not secured by charge on movable assets of the Company.

(iii) As at March 31, 2024, the register of charges of the Company as available in records of the Ministry of Corporate Affairs (MCA) includes charges that were created/modified since the inception of the Company. There are certain charges which are historic in nature and it involves practical challenges in obtaining no-objection certificates (NOCs) from the charge holders of such charges, despite repayment of the underlying loans. The Company is in the continuous process of filing the charge satisfaction e-form with MCA, within the timelines, as and when it receives NOCs from the respective charge holders.

## 17. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page F26]

(iv) The Company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities, which are in agreement with the books of account other than those as set out below.

(₹ crore)

| Name of the Bank | Aggregate working capital limits sanctioned | Nature of Current Asset offered as Security | Quarter ended | Amount disclosed as per quarterly return / statement | Amount as per books of account | Difference | Reason for variance |
|---|---|---|---|---|---|---|---|
| State bank of India and consortium of banks | 2,000.00 | Refer Note 1 below | June 30, 2023 | 1,559.27 | 1,576.04 | (16.77) | Incorrect amount of Export advances |
| | | | September 30, 2023 | 1,668.58 | 1,682.22 | (13.64) | |
| | | | December 31, 2023 | 1,859.27 | 1,874.57 | (15.30) | |
| State bank of India and consortium of banks | 2,000.00 | Refer Note 1 below | June 30, 2023 | 4,557.60 | 4,554.09 | 3.51 | Incorrect amount of creditor for Goods under LC |
| | | | September 30, 2023 | 7,990.37 | 7,989.23 | 1.14 | |
| | | | December 31, 2023 | 5,245.20 | 5,250.40 | (5.20) | |
| State bank of India | 45.00 | Refer Note 2 below | September 30, 2023 | 64.89 | 74.44 | (9.55) | Incorrect amount of Goods-in-transit of Inventory of erstwhile Tata Metaliks Limited (merged with the Company) |
| | | | December 31, 2023 | 40.74 | 62.71 | (21.97) | |
| | | | June 30, 2023 | 408.83 | 393.67 | 15.16 | Incorrect amount of creditors for goods of erstwhile Tata Metaliks Limited (merged with the Company) |
| | | | September 30, 2023 | 415.97 | 382.93 | 33.04 | |
| | | | December 31, 2023 | 280.70 | 234.47 | 46.23 | |
| Kotak Mahindra Bank Limited | 68.00 | Refer Note 3 below | June 30, 2023 | 370.33 | 393.67 | (23.34) | Incorrect amount of creditor for goods of erstwhile Tata Metaliks Limited (merged with the Company) |
| HDFC Bank Limited | 80.00 | | | | | | |
| DBS Bank Limited | 70.00 | | | | | | |
| Bank of Baroda | 9.75 | | | | | | |
| ICICI Bank Limited | 105.00 | | | | | | |

(₹ crore)

| Name of the Bank | Aggregate working capital limits sanctioned | Nature of Current Asset offered as Security | Quarter ended | Amount disclosed as per quarterly return / statement | Amount as per books of account | Difference | Reason for variance |
|---|---|---|---|---|---|---|---|
| State bank of India and consortium of banks | 2,000.00 | Refer Note 1 below | December 31, 2022 | 12,594.47 | 12,572.90 | 21.57 | Primarily inclusion of certain liabilities not forming part of creditors for goods. |

Note 1: Pari-passu charge on the Company's entire current assets namely stock of raw materials, finished goods, stocks-in-process, consumables stores and spares and book debts at its plant sites or anywhere else, in favour of the Bank, by way of hypothecation.

Note 2: Hypothecation first charge over inventory and receivables and other current assets on pari-passu basis with other working capital lenders of erstwhile Tata Metaliks Limited under Multiple Banking Arrangement subject to sharing of pari-passu sharing letters by such Banks.

# NOTES

forming part of the standalone financial statements

## 17. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page F26]

Note 3:

a) Kotak Bank Limited: First pari-passu charge on current assets both present and future of erstwhile Tata Metaliks Limited's Kharagpur unit, along with other lenders in multiple banking arrangement.

b) HDFC Bank Limited: First pari-passu charge on current assets of erstwhile Tata Metaliks Limited with other WC lender.

c) DBS Bank Limited: First pari-passu charge on the current assets of erstwhile Tata Metaliks Limited's Kharagpur unit.

d) Bank of Baroda: First pari-passu charge on current assets of erstwhile Tata Metaliks Limited including raw materials, work in progress, finished goods and all the receivables with other working capital lenders.

e) ICICI Bank: First pari passu charge on book debts, stock and other current assets of erstwhile Tata Metaliks Limited.

(v) The details of major unsecured borrowings as at March 31, 2024 are as below:

**(a) Non-Convertible Debentures (NCD):**

The details of debentures issued/redeemed by the Company are as below:

(i) 7.76% p.a. interest bearing 15,000 debentures of face value ₹10,00,000 each are redeemable at par on September 20, 2032.

(ii) 9.84% p.a. interest bearing 43,150 debentures of face value ₹10,00,000 each are redeemable at par in 4 equal annual instalments commencing from February 28, 2031.

(iii) 8.03% p.a. interest bearing 2,15,000 debentures of face value ₹1,00,000 each are redeemable at par on February 25, 2028.

(iv) 7.50% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par on September 20, 2027.

(v) 7.79% p.a. interest bearing 2,70,000 debentures of face value ₹1,00,000 each are redeemable at par on March 26, 2027.

(vi) 8.15% p.a. interest bearing 10,000 debentures of face value ₹10,00,000 each are redeemable at par on October 1, 2026.

(vii) 7.70% p.a. interest bearing 6,700 debentures of face value ₹10,00,000 each are redeemable at par on March 13, 2025.

(viii) 7.95% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each has been redeemed during the year.

(ix) Repo rate plus 4.08% p.a. interest bearing 4,000 debentures of face value ₹10,00,000 each has been redeemed during the year.

(x) 8.25% p.a. interest bearing 10,000 debentures of face value ₹10,00,000 each has been redeemed during the year.

(xi) Repo rate plus 3.45% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each has been redeemed during the year.

(xii) Repo rate plus 3.30% p.a. interest bearing 10,000 debentures of face value ₹10,00,000 each has been redeemed during the year.

(xiii) 7.85% p.a. interest bearing 5,100 debentures of face value ₹10,00,000 each has been redeemed during the year.

(xiv) 7.85% p.a. interest bearing 10,250 debentures of face value ₹10,00,000 each has been redeemed during the year.

## 17. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page F26]

### (b) Term loans from banks/financial institutions

The details of loans from banks and financial institutions availed/repaid by the Company are as below:

(i) Rupee loan amounting ₹**1,320.00** crore (March 31, 2023: ₹1,320.00 crore) is repayable in 3 semi-annual instalments, the next instalment is due on August 31, 2029.

(ii) Rupee loan amounting ₹**1,000.00** crore (March 31, 2023: ₹1,000.00 crore) is repayable on August 30, 2029.

(iii) Rupee loan amounting ₹**500.00** crore (March 31, 2023: ₹500.00 crore) is repayable on December 11, 2027.

(iv) Rupee loan amounting ₹**100.00** crore (March 31, 2023: ₹100.00 crore) is repayable on December 8, 2027.

(v) Rupee loan amounting ₹**400.00** crore (March 31, 2023: ₹400.00 crore) is repayable on September 14, 2027.

(vi) Rupee loan amounting ₹**595.00** crore (March 31, 2023: ₹595.00 crore) is repayable in 4 semi-annual instalments, the next instalment is due on October 16, 2026.

(vii) Rupee loan amounting ₹**700.00** crore (March 31, 2023: ₹700.00 crore) is repayable in 8 annual instalments, the next instalment is due on August 11, 2025.

(viii) Rupee loan amounting ₹**520.00** crore (March 31, 2023: ₹520.00 crore) is repayable in 5 semi-annual instalments, the next instalment is due on June 30, 2025.

(ix) Rupee loan amounting ₹**500.00** crore (March 31, 2023: ₹500.00 crore) is repayable on June 24, 2024.

(x) Rupee loan amounting ₹**500.00** crore (March 31, 2023: ₹500.00 crore) is repayable on June 22, 2024.

(xi) Rupee loan amounting ₹**500.00** crore (March 31, 2023: ₹500.00 crore) is repayable on June 17, 2024.

(xii) Rupee loan amounting ₹**912.50** crore (March 31, 2023: ₹926.24 crore) is repayable in 13 semi-annual instalments, the next instalment is due on May 15, 2024.

(xiii) Rupee loan amounting ₹**297.00** crore (March 31, 2023: ₹300.00 crore) is repayable in 4 annual instalments, the next instalment is due on September 30, 2024.

(xiv) Rupee loan amounting ₹**388.00** crore (March 31, 2023: ₹396 crore) is repayable in 17 semi-annual instalments, the next instalment is due on September 30, 2024.

(xv) Rupee loan amounting ₹**693.00** crore (March 31, 2023: ₹700 crore) is repayable in 4 annual instalments, the next instalment is due on September 30, 2024.

(xvi) Rupee loan amounting ₹**582.00** crore (March 31, 2023: ₹594 crore) is repayable in 17 semi-annual instalments, the next instalment is due on September 30, 2024.

(xvii) Rupee loan amounting ₹**485.00** crore (March 31, 2023: ₹495 crore) is repayable in 17 semi-annual instalments, the next instalment is due on September 30, 2024.

(xviii) Rupee loan amounting ₹**970.00** crore (March 31, 2023: ₹990 crore) is repayable in 17 semi-annual instalments, the next instalment is due on September 30, 2024.

(xix) USD **293.33** million equivalent to ₹**2,446.69** crore (March 31, 2023: USD 440.00 million equivalent to ₹3,616.03 crore) loan is repayable in 2 equal annual instalments, the next instalment is due on September 11, 2024.

(xx) Rupee loan amounting ₹**485.00** crore (March 31, 2023: ₹495 crore) is repayable in 17 semi-annual instalments, the next instalment is due on September 6, 2024.

# NOTES

forming part of the standalone financial statements

## 17. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page F26]

(xxi) Rupee loan amounting ₹**194.00** crore (March 31, 2023: ₹198 crore) is repayable in 17 semi-annual instalments, the next instalment is due on August 31, 2024.

(xxii) Rupee loan amounting ₹**533.50** crore (March 31, 2023: ₹544.50 crore) is repayable in 17 semi-annual instalments, the next instalment is due on August 31, 2024.

(xxiii) Rupee loan amounting ₹**450.00** crore (March 31, 2023: Nil) is repayable in 18 equal semi-annual instalments, the next instalment is due on July 1, 2024.

(xxiv) Rupee loan amounting ₹**693.00** crore (March 31, 2023: Nil) is repayable in 36 quarterly instalments, the next instalment is due on June 30, 2024.

(xxv) Rupee loan amounting ₹**1,470.00** crore (March 31, 2023: ₹1,500 crore) is repayable in 18 semi-annual instalments, the next instalment is due on June 29, 2024.

(xxvi) Rupee loan amounting ₹**490.00** crore (March 31, 2023:₹500 crore) is repayable in 18 semi-annual instalments, the next instalment is due on June 29, 2024.

(xxvii) Rupee loan amounting ₹**490.00** crore (March 31, 2023: ₹500 crore) is repayable in 18 semi-annual instalments, the next instalment is due on June 29, 2024.

(xxviii) Rupee loan amounting ₹**1,782.00** crore (March 31, 2023: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on June 29, 2024.

(xxix) Rupee loan amounting ₹**495.00** crore (March 31, 2023: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on June 29, 2024.

(xxx) Rupee loan amounting ₹**970.00** crore (March 31, 2023: ₹990 crore) is repayable in 17 semi-annual instalments, the next instalment is due on June 28, 2024.

(xxxi) Rupee loan amounting ₹**490.00** crore (March 31, 2023: Nil) is repayable in 15 semi-annual instalments, the next instalment is due on June 19, 2024.

(xxxii) Rupee loan amounting ₹**980.00** crore (March 31, 2023: Nil) is repayable in 15 semi-annual instalments, the next instalment is due on June 19, 2024

(xxxiii) Rupee loan amounting ₹**1,980.00** crore (March 31, 2023: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on June 14, 2024.

(xxxiv) Rupee loan amounting ₹**689.00** crore as on March 31, 2023 repayable in 4 semi-annual instalments, has been fully pre-paid during the year.

## 17. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page F26]

(vi) Currency and interest exposure of borrowings including current maturities is as below:

(₹ crore)

| | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Fixed rate | Floating rate | Total | Fixed rate | Floating rate | Total |
| INR | 13,173.10 | 24,943.20 | 38,116.30 | 14,508.72 | 20,754.75 | 35,263.47 |
| EURO | - | - | - | - | - | - |
| USD | - | 2,441.13 | 2,441.13 | - | 3,603.46 | 3,603.46 |
| **Total** | **13,173.10** | **27,384.33** | **40,557.43** | **14,508.72** | **24,358.21** | **38,866.93** |

INR-Indian Rupees, USD-United States Dollars.

(vii) Majority of floating rate borrowings are bank borrowings and debentures bearing interest rates based on Marginal Cost of Lending Rate (MCLR), Repo rate and SOFR. Of the total floating rate borrowings as at March 31, 2024, ₹**2,446.69** crore (March 31, 2023: ₹3,616.03 crore) has been hedged using cross currency swaps and interest rate swaps, with contracts covering period of more than one year.

(viii) Maturity profile of borrowings including current maturities is as below:

(₹ crore)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Not later than one year or on demand | 3,843.85 | 7,302.54 |
| Later than one year but not two years | 1,941.35 | 3,582.84 |
| Later than two years but not three years | 4,640.00 | 1,614.34 |
| Later than three years but not four years | 5,705.00 | 1,609.00 |
| Later than four years but not five years | 1,174.00 | 5,316.00 |
| More than five years | 23,271.75 | 19,468.68 |
| | **40,575.95** | **38,893.40** |
| Less: Capitalisation of transaction costs | 18.52 | 26.47 |
| | **40,557.43** | **38,866.93** |

(ix) Some of the Company's major financing arrangements include financial covenants, which require compliance to certain debt-equity and debt coverage ratios. Additionally, certain negative covenants may limit the Company's ability to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach.

(x) During March, 2024, the Company has issued and allotted non-convertible debentures aggregating ₹2,700.00 crore. Out of the proceeds, ₹1,950.00 crore has been utilised for the purposes mentioned in the Debenture Issue Placement Memorandum Key Information Document dated March 26, 2024 (NCD Disclosure Document) till March 31, 2024 and the unutilised amount of ₹750.00 crore as at March 31, 2024 is lying temporarily in fixed deposits, keeping in line with the NCD Disclosure Document, till the funds are fully utilised for the purposes set out in the said document.

# NOTES

forming part of the standalone financial statements

## 18. Other financial liabilities

[Item No. V(a)(iii) and VI(a)(v), Page F26]

### A. Non-current

(₹ crore)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Creditors for other liabilities | 1,363.32 | 1,757.01 |

### B. Current

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) | Interest accrued but not due | 391.42 | 749.47 |
| (b) | Unclaimed dividends | 96.92 | 90.78 |
| (c) | Creditors for other liabilities | 6,181.72 | 5,308.95 |
| | | **6,670.06** | **6,149.20** |

Non-current and current creditors for other liabilities include:

(a) creditors for capital supplies and services ₹**2,479.28** crore (March 31, 2023: ₹2,273.64 crore).

(b) out of the total consideration paid for acquisition of a subsidiary in 2022-23, ₹**828.21** crore (March 31, 2023: ₹911.17 crore) kept in Escrow Account held for resolution of the litigations and payment if required or release to the sellers at the expiry of the specified period.

(c) liability for employee family benefit scheme ₹**263.71** crore (March 31, 2023: ₹243.37 crore).

(d) liability for family protection scheme ₹**194.21** crore (March 31, 2023: ₹194.83 crore).

(e) rebate liabilities arising from volume and price discounts ₹**1,054.75** crore (March 31, 2023: ₹1,328.47 crore).

# NOTES
forming part of the standalone financial statements

## 19. Provisions

[Item No. V(b) and VI(b), Page F26]

### A. Non-current

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) | Employee benefits | 2,060.68 | 2,102.50 |
| (b) | Others | 643.91 | 556.45 |
| | | **2,704.59** | **2,658.95** |

### B. Current

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) | Employee benefits | 302.65 | 313.89 |
| (b) | Others | 843.77 | 1,654.26 |
| | | **1,146.42** | **1,968.15** |

(i) Non-current and current provision for employee benefits include provision for leave salaries ₹**1,305.56** crore (March 31, 2023: ₹1,278.23 crore) and provision for early separation scheme ₹**1,034.61** crore (March 31, 2023: ₹1,111.80 crore).

(ii) As per the leave policy of the Company, an employee is entitled to be paid the accumulated leave balance on separation. The Company presents provision for leave salaries as current and non-current based on actuarial valuation considering estimates of availment of leave, separation of employee etc.

(iii) Non-current and current other provisions include:

(a) provision for compensatory afforestation, mine closure and rehabilitation obligations ₹**1,440.35** crore (March 31, 2023: ₹2,163.38 crore). These amounts become payable upon closure of the mines and are expected to be incurred over a period of 1 to 43 years.

(b) provision for expected obligations in respect of a loss-making subsidiary ₹**47.33** crore (March 31, 2023: ₹47.33 crore). The same is expected to be settled within one year from the reporting date.

(iv) The details of movement in other provisions is as below:

(₹ crore)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Balance at the beginning of the year | 2,210.71 | 2,157.19 |
| Recognised/(released) during the year [(a)] | 126.15 | 54.12 |
| Other reclassifications | (849.04) | - |
| Utilised during the year | (0.14) | (0.60) |
| **Balance at the end of the year** | **1,487.68** | **2,210.71** |

(a) includes provisions capitalised during the year in respect of restoration obligations.

# NOTES
forming part of the standalone financial statements

## 20. Retirement benefit obligations
[Item No. V(c) and VI(c), Page F26]

### A. Non-current

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) | Retiring gratuities | 435.82 | 303.93 |
| (b) | Post-retirement medical benefits | 1,620.81 | 1,431.50 |
| (c) | Other defined benefits | 333.06 | 316.18 |
| | | **2,389.69** | **2,051.61** |

### B. Current

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) | Retiring Gratuity | - | 16.77 |
| (b) | Post-retirement medical benefits | 89.45 | 88.61 |
| (c) | Other defined benefits | 26.29 | 40.44 |
| | | **115.74** | **145.82** |

(i) Detailed disclosure in respect of post-retirement defined benefit schemes is provided in note 33, page F98.

(ii) Other defined benefits include deficiency in interest cost on provident fund of ₹**24.42** crore (March 31, 2023: ₹19.21 crore), post-retirement lumpsum benefits, long service awards, packing and transportation, farewell gifts, etc.

## 21. Deferred income
[Item No. V(d) and VI(d), Page F26]

### A. Non-Current

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) | Grants relating to property, plant and equipment | 165.76 | - |
| (b) | Revenue grants | 96.19 | - |
| (c) | Other deferred income | 17.16 | 0.35 |
| | | **279.11** | **0.35** |

### B. Current

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) | Grants relating to property, plant and equipment | 0.32 | 51.80 |
| (b) | Revenue grants | 7.63 | 23.38 |
| (c) | Other deferred income | 47.49 | 9.43 |
| | | **55.44** | **84.61** |

## 22. Other liabilities

[Item No. V(f) and VI(f), Page F26]

### A. Non-current

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) | Advances received from customers | 435.90 | 2,146.11 |
| (b) | Statutory dues | 28.74 | 24.85 |
| (c) | Other credit balances | 2,012.16 | 1,707.54 |
| | | **2,476.80** | **3,878.50** |

### B. Current

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) | Advances received from customers | 2,508.20 | 3,188.46 |
| (b) | Employee recoveries and employer contributions | 39.72 | 34.41 |
| (c) | Statutory dues | 11,594.64 | 10,203.55 |
| (d) | Other credit balances | - | 25.36 |
| | | **14,142.56** | **13,451.78** |

(i) Non-current and current advance from customer includes an interest-bearing advance of ₹**1,813.15** crore (March 31, 2023: ₹3,811.90 crore) which would be adjusted over a period of 1.25 years against export of steel products. Amount of revenue recognised for the year ended March 31, 2024 in respect of such advances outstanding at the beginning of the year is ₹**2,038.97** crore (2022-23: ₹1,543.07 crore). Out of the amount outstanding ₹**1,377.24** crore (by March 31, 2024: ₹1,665.79 crore) is expected to be adjusted by March 31, 2025 and the balance thereafter.

(ii) Statutory dues primarily relate to payables in respect of GST, excise duty, service tax, sales tax, electricity duty, water tax, VAT, tax deducted at source and royalties. Includes provision for demand notices received against alleged shortfall in dispatch of Chromite ore from the mines ₹**818.01** crore. The demand notices have been challenged before the Hon'ble High Court of Odisha and as per the court direction, an amount of ₹**218.50** crore has been paid under protest which is disclosed under other current assets and the final outcome is awaited.

(iii) Other credit balance includes GST compensation cess and interest thereon amounting to ₹**1,973.38** crore (March 31, 2023: ₹1,678.33 crore).

# NOTES
forming part of the standalone financial statements

## 23. Trade payables

[Item No. VI(a)(iii), Page F26]

### A. Total outstanding dues of micro and small enterprises

(₹ crore)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Dues of micro and small enterprises | 935.84 | 911.16 |
| | **935.84** | **911.16** |

### B. Total outstanding dues of creditors other than micro and small enterprises

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) | Creditors for supplies and services | 19,329.81 | 17,668.51 |
| (b) | Creditors for accrued wages and salaries | 1,796.81 | 1,776.09 |
| | | **21,126.62** | **19,444.60** |

(i) Amount due to micro and small enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to micro and small enterprises is as below:

(₹ crore)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (i) | Principal amount remaining unpaid to supplier at the end of the year * | 1,283.64 | 1,055.21 |
| (ii) | Interest due thereon remaining unpaid to supplier at the end of the year | 6.02 | 11.74 |
| (iii) | Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act | 45.46 | 31.84 |
| (iv) | Amount of interest accrued and remaining unpaid at the end of the year | 51.48 | 43.58 |

* Includes dues of micro, small and medium enterprises included within other financial liabilities.

### C. Ageing schedule of trade payable is as below:

**As at March 31, 2024**

(₹ crore)

| | Not due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed dues - MSME | 838.23 | 43.83 | - | - | - | **882.06** |
| Undisputed dues - Others | 14,826.25 | 2,982.24 | 39.88 | 16.53 | 36.81 | **17,901.71** |
| Disputed dues - MSME | - | - | - | - | - | **-** |
| Disputed dues - Others | - | - | - | 0.14 | 18.17 | **18.31** |
| | **15,664.48** | **3,026.07** | **39.88** | **16.67** | **54.98** | **18,802.08** |
| Add: Unbilled dues* | | | | | | 3,260.38 |
| **Total trade payables** | | | | | | **22,062.46** |

* Includes dues of micro, small and medium enterprises of ₹53.78 crore.

# NOTES

forming part of the standalone financial statements

## 23. Trade payables (Contd.)

[Item No. VI(a)(iii), Page F26]

**As at March 31, 2023**

(₹ crore)

| | Not due | Outstanding for following periods from due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed dues - MSME | 819.76 | 51.84 | - | - | - | **871.60** |
| Undisputed dues - Others | 13,630.26 | 1,904.29 | 182.05 | 56.31 | 29.82 | **15,802.73** |
| Disputed dues - MSME | - | - | - | - | - | **-** |
| Disputed dues - Others | - | - | 0.14 | - | 18.03 | **18.17** |
| | **14,450.02** | **1,956.13** | **182.19** | **56.31** | **47.85** | **16,692.50** |
| Add: Unbilled dues* | | | | | | 3,663.26 |
| **Total trade payables** | | | | | | **20,355.76** |

* Includes dues of micro, small and medium enterprises of ₹39.56 crore.

## 24. Revenue from operations

[Item No. I, Page F27]

(₹ crore)

| | | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| (a) | Sale of products | 1,37,284.33 | 1,39,668.73 |
| (b) | Sale of power and water | 1,913.27 | 1,775.15 |
| (c) | Other operating revenues[(ii)] | 1,789.83 | 1,469.44 |
| | | **1,40,987.43** | **1,42,913.32** |

(i) Revenue from contracts with customers disaggregated on the basis of geographical region and major businesses are as below:

(₹ crore)

| | | Year ended March 31, 2024 | | |
|---|---|---|---|---|
| | | India | Outside India | Total |
| (a) | Steel | 1,26,286.59 | 6,412.51 | 1,32,699.10 |
| (b) | Power and water | 1,913.27 | - | 1,913.27 |
| (c) | Others | 2,275.08 | 2,310.15 | 4,585.23 |
| | | **1,30,474.94** | **8,722.66** | **1,39,197.60** |

(₹ crore)

| | | Year ended March 31, 2023 | | |
|---|---|---|---|---|
| | | India | Outside India | Total |
| (a) | Steel | 1,23,982.93 | 10,357.56 | 1,34,340.49 |
| (b) | Power and water | 1,775.15 | - | 1,775.15 |
| (c) | Others | 2,389.86 | 2,938.38 | 5,328.24 |
| | | **1,28,147.94** | **13,295.94** | **1,41,443.88** |

(ii) Other operating revenues include income from export and other incentive schemes.

(iii) There are no significant adjustment between the contracted price and revenue recognised.

# NOTES
forming part of the standalone financial statements

## 25. Other income
[Item No. II, Page F27]

(₹ crore)

| | | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| (a) | Dividend income | 313.21 | 201.93 |
| (b) | Interest income | 1,752.22 | 1,767.99 |
| (c) | Net gain/(loss) on sale/fair value changes of mutual funds | 199.59 | 280.21 |
| (d) | Gain/(loss) on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off)[(iii)] | 850.90 | (66.16) |
| (e) | Gain/(loss) on cancellation of forwards, swaps and options | (25.07) | 261.24 |
| (f) | Other miscellaneous income | 32.06 | 85.23 |
| | | **3,122.91** | **2,530.44** |

(i) Dividend income includes income from investments carried at fair value through other comprehensive income ₹**33.89** crore (2022-23: ₹23.62 crore).

(ii) Interest income represents income on financial assets carried at amortised cost ₹**1,632.07** crore (2022-23: ₹1,751.44 crore).

(iii) Includes a gain of ₹**903.40** crore (2022-23: Nil) on de-recognition of assets pursuant to a long term arrangement (refer note 8(iv), page F67).

## 26. Changes in inventories of finished and semi-finished goods, stock-in-trade and work-in-progress
[Item No. IV(c), Page F27]

(₹ crore)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Inventories at the end of the year** | | |
| (a) Work-in-progress | 0.20 | - |
| (b) Finished and semi-finished goods | 8,161.24 | 8,518.22 |
| (b) Stock-in-trade | 41.26 | 54.33 |
| | **8,202.70** | **8,572.55** |
| **Inventories at the beginning of the year** | | |
| (a) Finished and semi-finished goods | 8,518.22 | 7,212.08 |
| (b) Stock-in-trade | 54.33 | 30.78 |
| | **8,572.55** | **7,242.86** |
| **Increase/(decrease)** | | |
| | **(369.85)** | **1,329.69** |

## 27. Employee benefits expense

[Item No. IV(d), Page F27]

(₹ crore)

| | | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| (a) | Salaries and wages | 6,112.91 | 6,089.74 |
| (b) | Contribution to provident and other funds | 635.64 | 619.40 |
| (c) | Staff welfare expenses | 653.76 | 511.60 |
| | | **7,402.31** | **7,220.74** |

During the year ended March 31, 2024, the Company has recognised an amount of ₹**40.59** crore (2022-23: ₹37.82 crore) as remuneration to key managerial personnel. The details of such remuneration is as below:

(₹ crore)

| | | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| (a) | Short-term employee benefits | 31.06 | 32.88 |
| (b) | Post-employment benefits | 9.42 | 4.88 |
| (c) | Other long-term employee benefits | 0.11 | 0.06 |
| | | **40.59** | **37.82** |

## 28. Finance costs

[Item No. IV(e), Page F27]

(₹ crore)

| | | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| **Interest expense on:** | | | |
| (a) | Bonds, debentures, bank borrowings and others | 4,348.04 | 3,737.35 |
| (b) | Lease Obligation | 476.75 | 519.23 |
| | | **4,824.79** | **4,256.58** |
| Less: Interest capitalised | | 646.18 | 281.95 |
| | | **4,178.61** | **3,974.63** |

Interest expense includes interest on income tax **Nil** (2022-23: ₹27.78 crore).

## 29. Depreciation and amortisation expense

[Item No. IV(f), Page F27]

(₹ crore)

| | | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| (a) | Depreciation of property, plant and equipment | 5,270.07 | 5,295.77 |
| (b) | Depreciation of right-of-use assets | 582.22 | 541.63 |
| (c) | Amortisation of intangible assets | 117.50 | 118.92 |
| | | **5,969.79** | **5,956.32** |

# NOTES
forming part of the standalone financial statements

## 30. Other expenses
[Item No. IV(g), Page F27]

(₹ crore)

| | | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| (a) | Consumption of stores and spares* | 8,024.26 | 7,217.19 |
| (b) | Repairs to buildings | 91.34 | 97.33 |
| (c) | Repairs to machinery | 5,473.97 | 5,344.44 |
| (d) | Relining expenses | 229.92 | 232.30 |
| (e) | Fuel oil consumed | 1,027.60 | 897.29 |
| (f) | Purchase of power | 5,534.58 | 5,733.09 |
| (g) | Conversion charges | 2,339.66 | 3,001.01 |
| (h) | Freight and handling charges | 7,706.15 | 7,488.19 |
| (i) | Rent | 152.19 | 91.73 |
| (j) | Royalty | 6,511.15 | 6,716.74 |
| (k) | Rates and taxes | 2,250.31 | 1,654.27 |
| (l) | Insurance charges | 265.23 | 252.36 |
| (m) | Commission, discounts and rebates | 286.37 | 295.84 |
| (n) | Allowance for credit losses/provision for advances | 110.05 | 6.46 |
| (o) | Others | 6,645.93 | 3,435.65 |
| | | **46,648.71** | **42,463.89** |

* Net of capitalisation of ₹**4,874.79** crore (2022-23: ₹3,434.10 crore)

(i) Others include: net foreign exchange gain ₹**693.84** crore (2022-23: ₹1,886.87 crore),

(ii) During the year ended March 31, 2024, the Company has recognised an amount of ₹**8.44** crore (2022-23: ₹9.65 crore) towards payment to non-executive directors. The details are as below:

(₹ crore)

| | | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| (a) | Short-term benefits | 8.00 | 9.20 |
| (b) | Sitting fees | 0.44 | 0.45 |
| | | **8.44** | **9.65** |

(iii) Details of auditors' remuneration and out-of-pocket expenses is as below:

(₹ crore)

| | | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| (a) | Auditors remuneration and out-of-pocket expenses# | | |
| | (i) Statutory audit fees@ | 15.63 | 11.46 |
| | (ii) Tax audit fees | 1.28 | 1.13 |
| | (iii) For other services* | 3.80 | 0.93 |
| | (iv) Out-of-pocket expenses | 0.33 | 0.25 |
| (b) | Cost audit fees [including out of pocket expenses ₹**30,000** (2022-23: ₹7,600)] | 0.44 | 0.27 |

#Includes fees of/for merged entities excluding S&T Mining.

@Includes quarterly audit/review fees ₹**6.33** crore (2022-23: ₹4.31 crore).

* Includes ₹**2.20** crore (2022-23: Nil) towards audit of accounts and tax audit for the year ended March 31, 2023 (after giving impact of merger of four subsidiaries) for the purpose of preparation of modified return of income and filing with Income Tax Authorities.

## 30. Other expenses (Contd.)

[Item No. IV(g), Page F27]

(iv) As per the Companies Act, 2013, amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹**548.58** crore (2022-23: ₹474.78 crore).

During the year ended March 31, 2024 amount approved by the Board to be spent on CSR activities was ₹**640.00** crore (2022-23: ₹481.60 crore) and the amount approved by the Board of the merged entities was ₹**17.01** crore (2022-23: ₹21.81 crore)

During the year ended March 31, 2024, in respect of CSR activities revenue expenditure incurred by the company amounted to ₹**580.02** crore [₹**579.77** crore has been paid in cash and ₹**0.25** crore is yet to be paid]. The amount spent relates to purpose other than construction or acquisition of any asset and out of the above, ₹**360.03** crore was spent on ongoing projects during the year. There was no amount unspent for the year ended March 31, 2024 and the Company does not propose to carry forward any amount spent beyond the statutory requirement.

During the year ended March 31, 2023, revenue expenditure incurred by the company amounted to ₹499.93 crore [₹495.42 crore has been paid in cash and ₹4.51 crore is yet to be paid], which included ₹316.41 crore spent on ongoing projects. There was no amount unspent for year ended March 31, 2023.

During the year ended March 31, 2024, amount spent on CSR activities through related parties was ₹**502.67** crore (2022-23: ₹437.28 crore).

(v) During the year ended March 31, 2024, revenue expenditure charged to the statement of profit and loss in respect of research and development activities undertaken was ₹**285.29** crore (2022-23: ₹270.65 crore) including depreciation of ₹**9.00** crore (2022-23: ₹8.97 crore). Capital expenditure incurred in respect of research and development activities during the year was ₹**11.97** crore (2022-23: ₹4.27 crore).

## 31. Exceptional items

[Item No. VI, Page F27]

Exceptional items are those which are considered for separate disclosure in the financial statements considering their size, nature or incidence. Such items included the statement of profit and loss are as below:

(a) During the year ended March 31, 2023, profit/(loss) on sale of non-current investments ₹338.56 crore relates to profit recognised on sale of investments in an erstwhile wholly owned subsidiary to a wholly owned subsidiary of the Company.

(b) Provision for impairment of investments/doubtful advances/other financial assets (net) ₹**12,971.36** crore (2022-23: ₹1,056.39 crore) relates to provisions recognised for other financial assets, investments held in and loans given to subsidiaries.

(c) Provision for impairment of non-current assets ₹**178.91** crore (2022-23: Nil) and restructuring and other provisions ₹**404.67** crore (2022-23: Nil) are in respect of surrender of Sukinda Chromite Block. During the year ended March 31, 2023, ₹1.69 crore represents acquisition related expenditure incurred on stamp duty and registration fees for a portion of land parcels and buildings transferred in the name of erstwhile TSLP.

(d) Employee separation compensation ₹**98.83** crore (2022-23: ₹91.94 crore) relates to provisions recognised in respect of amounts payable for employee separation schemes.

(e) Gain/(loss) on non-current investments classified as fair value through profit and loss ₹**18.09** crore (2022-23: gain ₹30.99 crore) represents fair value changes of investments in preference shares.

# NOTES
forming part of the standalone financial statements

## 32. Earnings per share

[Item No. XII, Page F27]

The following table reflects the profit and shares data used in the computation of basic and diluted earnings per share (EPS).

(₹ crore)

| | | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| (a) | Profit after tax | 4,807.40 | 14,685.25 |
| | Profit attributable to ordinary shareholders- for basic and diluted EPS | **4,807.40** | **14,685.25** |
| | | Nos. | Nos. |
| (b) | Weighted average number of Ordinary Shares for basic EPS | 12,22,15,37,000 | 12,22,17,82,062 |
| | Add: Adjustment relating to merger[(i)] | 26,19,94,541 | 26,19,94,541 |
| | Total weighted average number of Ordinary Shares for basic EPS | **12,48,35,31,541** | **12,48,37,76,603** |
| | Add: Adjustment for shares held in abeyance and un-called portion on partly paid-up shares | 32,35,026 | 37,16,120 |
| | Weighted average number of Ordinary Shares and potential Ordinary Shares for diluted EPS | **12,48,67,66,567** | **12,48,74,92,723** |
| (c) | Nominal value of Ordinary Share (₹) | 1.00 | 1.00 |
| (d) | Basic earnings per Ordinary Share (₹) | 3.85 | 11.76 |
| (e) | Diluted earnings per Ordinary Share (₹) | 3.85 | 11.76 |

The Board of Directors of the Company approved allotment of 26,19,94,541 fully paid-up equity shares of the Company, of face value ₹1/- each, to eligible shareholders of TSLP, TCIL and TML consequent to the approval of the separate schemes of amalgamation by National Company Law Tribunal (NCLT). (Refer note 43, page F124).

## 33. Employee benefits

### A. Defined contribution plans

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by the Company at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period.

The major defined contribution plans operated by the Company are as below:

#### (a) Provident fund and pension

The Company provides provident fund benefits for eligible employees as per applicable regulations wherein both employees and the Company make monthly contributions at a specified percentage of the eligible employee's salary. Contributions under such schemes are made either to a provident fund set up as an irrevocable trust by the Company to manage the investments and distribute the amounts entitled to employees or to state managed funds.

Benefits provided under plans wherein contributions are made to state managed funds and the Company does not have a future obligation to make good short fall if any, are treated as a defined contribution plan.

## 33. Employee benefits (Contd.)

**(b) Superannuation fund**

The Company has a superannuation plan for the benefit of its employees. Employees who are members of the superannuation plan are entitled to benefits depending on the years of service and salary drawn.

Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The Company contributes up to 15% of the eligible employees' salary or ₹1,50,000, whichever is lower, to the trust every year. Such contributions are recognised as an expense as and when incurred. The Company does not have any further obligation beyond this contribution.

The contributions recognised as an expense in the statement of profit and loss during the year on account of the above define d contribution plans amounted to ₹**210.42** crore (2022-23: ₹195.78 crore).

### B. Defined benefit plans

The defined benefit plans operated by the Company are as below:

**(a) Provident fund and pension**

Provident fund benefits provided under plans wherein contributions are made to an irrevocable trust set up by the Company to manage the investments and distribute the amounts entitled to employees are treated as a defined benefit plan as the Company is obligated to provide the members a rate of return which should, at the minimum, meet the interest rate declared by Government administered provident fund. A part of the Company's contribution is transferred to Government administered pension fund. The contributions made by the Company and the shortfall of interest, if any, are recognised as an expense in statement of profit and loss.

In accordance with an actuarial valuation of provident fund liabilities based on guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is deficiency in the interest cost in respect of the entities merged with the Company wherein the expenses incurred (net) during the year ₹**5.21** crore (2022-23: ₹7.14 crore) out of which ₹**0.40** crore (2022-23: ₹2.08 crore) has been recognised within statement of profit and loss and ₹**4.81** crore (2022-23: ₹5.06 crore) has been recognised within other comprehensive income, as the present value of the expected future earnings of the fund is lesser than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

Key assumptions used for actuarial valuation are as below:

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Discount rate | 7.00% | 7.20% to 7.30% |
| Guaranteed rate of return | 8.25% | 8.15% |
| Expected rate of return on investment | 7.55% to 8.15% | 7.55% to 8.15% |

**(b) Retiring gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees as per the Payment of Gratuity Act, 1972. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity funds established as trusts or insurance companies. The Company accounts for the liability for gratuity benefits payable in the future based on a year-end actuarial valuation.

# NOTES

forming part of the standalone financial statements

## 33. Employee benefits (Contd.)

**(c) Post-retirement medical benefits**

Under this unfunded scheme, employees of the Company receive medical benefits subject to certain limits on amounts of benefits, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Company under an early separation scheme, on medical grounds or due to permanent disablement are also covered under the scheme. The Company accounts for the liability for post-retirement medical scheme based on a year-end actuarial valuation.

**(d) Other defined benefits**

Other benefits provided under unfunded schemes include post-retirement lumpsum benefits, pension payable to directors of the Company on their retirement, farewell gifts and reimbursement of packing and transportation charges to the employees based on their last drawn salary.

The defined benefit plans expose the Company to a number of actuarial risks as below:

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

(ii) **Interest risk:** A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the value of plan's debt investments.

(iii) **Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

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

**C. Details of defined benefit obligations and plan assets:**

**(a) Retiring gratuity:**

(i) The following table sets out the amounts recognised in the financial statements in respect of retiring gratuity plan:

(₹ crore)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Change in defined benefit obligations:** | | |
| Obligation at the beginning of the year | 3,124.46 | 3,039.66 |
| Current service cost | 175.28 | 171.93 |
| Interest costs | 206.35 | 196.90 |
| Remeasurement (gain)/loss | 160.36 | 14.59 |
| Acquisitions (Credit)/Cost | - | 2.79 |
| Benefits paid | (303.25) | (301.41) |
| **Obligation at the end of the year** | **3,363.20** | **3,124.46** |

# NOTES
forming part of the standalone financial statements

## 33. Employee benefits (Contd.)

(₹ crore)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Change in plan assets:** | | |
| Fair value of plan assets at the beginning of the year | 2,803.76 | 2,628.89 |
| Interest income | 198.82 | 183.89 |
| Remeasurement gain/(loss) excluding amount included within employee benefit expense | 44.73 | (5.95) |
| Employers' contribution | 183.32 | 295.28 |
| Acquisition adjustment | - | 2.79 |
| Benefits paid | (303.25) | (301.14) |
| **Fair value of plan assets at the end of the year** | **2,927.38** | **2,803.76** |

### Amounts recognised in the balance sheet consist of:

(₹ crore)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Fair value of plan assets | 2,927.38 | 2,803.76 |
| Present value of obligation | (3,363.20) | (3,124.46) |
| | **(435.82)** | **(320.70)** |
| **Recognised as:** | | |
| Retirement benefit obligations - Current | - | (16.77) |
| Retirement benefit obligations - Non-current | (435.82) | (303.93) |

### Expense/(gain) recognised in the statement of profit and loss consists of:

(₹ crore)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| **Employee benefits expense:** | | |
| Current service cost | 175.28 | 171.93 |
| Net interest expense | 7.53 | 13.01 |
| | **182.81** | **184.94** |
| **Other comprehensive income:** | | |
| Return on plan assets excluding amount included in employee benefits expense | (44.73) | 5.95 |
| Actuarial (gain)/loss arising from changes in demographic assumption | (26.01) | - |
| Actuarial (gain)/loss arising from changes in financial assumption | 80.42 | (61.02) |
| Actuarial (gain)/loss arising from changes in experience adjustments | 105.95 | 75.61 |
| | **115.63** | **20.54** |
| **Expense/(gain) recognised in the statement of profit and loss** | **298.44** | **205.48** |

# NOTES

forming part of the standalone financial statements

## 33. Employee benefits (Contd.)

(ii) Fair value of plan assets by category of investment is as below:

(%)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Assets category (%)** | | |
| Equity instruments (quoted) | 4.04% | 2.09% |
| Debt instruments (quoted) | 40.69% | 30.85% |
| Insurance products (unquoted) | 51.04% | 61.72% |
| Others | 4.23% | 5.34% |
| | **100.00%** | **100.00%** |

The Company's investment policy is driven by considerations of maximising returns while ensuring credit quality of debt instruments. The asset allocation for plan assets is determined based on prescribed investment criteria and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan assets performance, the Company compares actual returns for each asset category with published benchmarks.

(iii) Key assumptions used in the measurement of retiring gratuity is as below:

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Discount rate | 7.00% | 7.10% to 7.30% |
| Rate of escalation in salary | 7.00% to 10.50% | 5.00% to 10.50% |

(iv) Weighted average duration of the retiring gratuity obligation is **8.20** years (March 31, 2023: 9 years).

(v) The Company expects to contribute ₹**435.82** crore to the plan during the financial year 2024-25.

(vi) The table below outlines the effect on retiring gratuity obligation in the event of a decrease/increase of 1% in the assumptions used.

### As at March 31, 2024

| Assumption | Change in assumption | Impact on obligation |
|---|---|---|
| Discount rate | Increase by 1%, decrease by 1% | Decrease by ₹248.33 crore, increase by ₹288.92 crore |
| Rate of escalation in salary | Increase by 1%, decrease by 1% | Increase by ₹281.88 crore, decrease by ₹248.06 crore |

### As at March 31, 2023

| Assumption | Change in assumption | Impact on obligation |
|---|---|---|
| Discount rate | Increase by 1%, decrease by 1% | Decrease by ₹227.52 crore, increase by ₹262.83 crore |
| Rate of escalation in salary | Increase by 1%, decrease by 1% | Increase by ₹257.40 crore, decrease by ₹227.38 crore |

The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

## 33. Employee benefits (Contd.)

**(b) Post-retirement medical benefits and other defined benefits:**

(i) The following table sets out the amounts recognised in the financial statements in respect of post-retirement medical benefits and other defined benefit plans.

(₹ crore)

| | Year ended March 31, 2024 | | Year ended March 31, 2023 | |
|---|---|---|---|---|
| | Medical | Others | Medical | Others |
| Obligation at the beginning of the year | 1,520.11 | 337.41 | 1,727.11 | 370.13 |
| Current service cost | 21.58 | 73.14 | 24.34 | 13.32 |
| Interest cost | 107.41 | 22.02 | 118.32 | 24.01 |
| Remeasurement (gain)/loss | | | - | - |
| (i) Actuarial (gains)/losses arising from changes in demographic assumptions | 18.82 | (0.61) | - | - |
| (ii) Actuarial (gains)/losses arising from changes in financial assumptions | 77.31 | (8.82) | (57.32) | (6.13) |
| (iii) Actuarial (gains)/losses arising from changes in experience adjustments | 26.39 | (23.41) | (218.66) | (10.31) |
| Benefits paid | (76.62) | (65.83) | (73.68) | (53.61) |
| Past service cost | 15.26 | 1.03 | - | - |
| **Obligation at the end of the year** | **1,710.26** | **334.93** | **1,520.11** | **337.41** |

### Amounts recognised in the balance sheet consist of:

(₹ crore)

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Medical | Others | Medical | Others |
| Present value of obligation | (1,710.26) | (334.93) | (1,520.11) | (337.41) |
| Recognised as: | | | | |
| Retirement benefit obligations - Current | (89.45) | (26.29) | (88.61) | (26.63) |
| Retirement benefit obligations - Non-current | (1,620.81) | (308.64) | (1,431.50) | (310.78) |

# NOTES

forming part of the standalone financial statements

## 33. Employee benefits (Contd.)

### Expense/(gain) recognised in the statement of profit and loss consists of:

(₹ crore)

| | Year ended March 31, 2024 | | Year ended March 31, 2023 | |
|---|---|---|---|---|
| | Medical | Others | Medical | Others |
| **Employee benefits expense:** | | | | |
| Current service cost | 21.58 | 73.14 | 24.34 | 13.32 |
| Past service cost | 15.26 | 1.03 | - | - |
| Net interest expense | 107.41 | 22.02 | 118.32 | 24.01 |
| | **144.25** | **96.19** | **142.66** | **37.33** |
| **Other comprehensive income:** | | | | |
| Actuarial (gains)/losses arising from changes in demographic assumptions | 18.82 | (0.61) | - | - |
| Actuarial (gains)/losses arising from changes in financial assumption | 77.31 | (8.82) | (57.32) | (6.13) |
| Actuarial (gains)/losses arising from changes in experience adjustments | 26.39 | (23.41) | (218.66) | (10.31) |
| | **122.52** | **(32.84)** | **(275.98)** | **(16.44)** |
| **Expense recognised in the statement of profit and loss** | **266.77** | **63.35** | **(133.32)** | **20.89** |

(ii) Key assumptions used in the measurement of post-retirement medical benefits and other defined benefit plans is as below:

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Medical | Others | Medical | Others |
| Discount rate | 7.00% | 7.00% | 7.20% to 7.25% | 7.10% to 7.25% |
| Rate of escalation in salary | N.A | 12.00% | N.A | 15.00% |
| Inflation rate | 8.00% | 5.00% | 5.00% to 8.00% | 5.00% |

(iii) Weighted average duration of post-retirement medical benefit obligation is **9.00** years (March 31, 2023: 10.00 years). Weighted average duration of other defined benefit obligation ranges from **2.4** to **13** years (March 31, 2023: 1.9 to 15 years)

(iv) The table below outlines the effect on post-retirement medical benefit obligation in the event of a decrease/increase of 1% in the assumptions used:

### As at March 31, 2024

| Assumption | Change in assumption | Impact on obligation |
|---|---|---|
| Discount rate | Increase by 1%, decrease by 1% | Decrease by ₹230.63 crore, increase by ₹297.79 crore |
| Medical cost inflation rate | Increase by 1%, decrease by 1% | Increase by ₹277.65 crore, decrease by ₹219.91 crore |

## 33. Employee benefits (Contd.)

**As at March 31, 2023**

| Assumption | Change in assumption | Impact on obligation |
|---|---|---|
| Discount rate | Increase by 1%, decrease by 1% | Decrease by ₹198.26 crore, increase by ₹254.18 crore |
| Medical cost inflation rate | Increase by 1%, decrease by 1% | Increase by ₹237.14 crore, decrease by ₹189.05 crore |

(v) The table below outlines the effect on other defined benefit obligation in the event of a decrease/increase of 1% in the assumptions used.

**As at March 31, 2024**

| Assumption | Change in assumption | Impact on obligation |
|---|---|---|
| Discount rate | Increase by 1%, decrease by 1% | Decrease by ₹21.03 crore, increase by ₹24.86 crore |
| Rate of escalation in salary | Increase by 1%, decrease by 1% | Increase by ₹4.78 crore, decrease by ₹4.51 crore |
| Inflation rate | Increase by 1%, decrease by 1% | Increase by ₹13.41 crore, decrease by ₹11.65 crore |

**As at March 31, 2023**

| Assumption | Change in assumption | Impact on obligation |
|---|---|---|
| Discount rate | Increase by 1%, decrease by 1% | Decrease by ₹22.99 crore, increase by ₹27.53 crore |
| Rate of escalation in salary | Increase by 1%, decrease by 1% | Increase by ₹6.20 crore, decrease by ₹5.80 crore |
| Inflation rate | Increase by 1%, decrease by 1% | Increase by ₹15.33 crore, decrease by ₹13.02 crore |

The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

## 34. Contingencies and commitments

### A. Contingencies

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an on-going basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

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

#### Litigations

The Company is involved in legal proceedings, both as plaintiff and as defendant. There are claims which the Company does not believe to be of a material nature, other than those described below:

#### Income tax

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowance of expenses, tax treatment of certain expenses claimed by the Company as deduction and the computation of or eligibility of the Company's use of certain tax incentives or allowances.

# NOTES

forming part of the standalone financial statements

## 34. Contingencies and commitments (Contd.)

Most of these disputes and/or disallowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years.

As at March 31, 2024, there are matters and/or disputes pending in appeal amounting to ₹**3,661.13** crore (March 31, 2023: ₹3,617.57 crore).

The details of significant demands are as below:

(a) Interest expenditure on loans taken by the Company for acquisition of a subsidiary has been disallowed in assessments with tax demand raised for ₹**1,595.14** crore (inclusive of interest)(March 31, 2023: ₹1,641.64 crore).

(b) Interest expenditure on "Hybrid Perpetual Securities" has been disallowed in assessments with tax demand raised for ₹**484.78** crore (inclusive of interest) (March 31, 2023: ₹484.78 crore)

In respect of above demands, the Company has deposited an amount of ₹**1,257.80** crore (March 31, 2023: ₹1,255.63 crore) as a precondition for obtaining stay. The Company expects to sustain its position on ultimate resolution of the said appeals.

### Customs, excise duty, service tax and goods and services tax

As at March 31, 2024, there were pending litigations for various matters relating to customs, excise duty, service tax and GST involving demands of ₹**616.32** crore (March 31, 2023: ₹**506.71** crore).

The detail of significant demand is as below:

The Company is providing municipal services in the town of Jamshedpur as per the Lease deed dated August 20, 2005. In this regard the Company has entered into various agreements with Tata Steel Utilities and Infrastructure Services Limited ('TSUISL'), whereby TSUISL provides the services to the Company, and the Company in turn provides such services to the residents. TSUISL charges GST on the invoices raised and the Company takes Input Tax Credit (ITC) of the same in terms of the GST Laws. Further, the Company maintains Tata Main Hospital (TMH) in the town of Jamshedpur, wherein health care services are provided to employees as well as non-employees. The Company has taken ITC of GST paid on various services received which is attributable to employees (no billing done for healthcare services). Both the above ITC was disputed by the department resulting in issuance of Show Cause Notice dated August 3, 2022. The demand in the said SCN has been confirmed vide Order in Original dated June 23, 2023. Against the said Order, the Company has preferred appeal before Commissioner (Appeals) Ranchi. The appeal is currently pending. The amount involved as on March 31, 2024 is amounting to ₹**154.54** crore (March 31, 2023: Nil).

### Sales tax /VAT

The total sales tax demands that are being contested by the Company amounted to ₹**618.93** crore (March 31, 2023: ₹**766.91** crore).

The details of significant demands is as below:

The Company stock transfers its goods manufactured at Jamshedpur works plant to its various depots/branches located outside the state of Jharkhand across the country and these goods are then sold to various customers outside the states from depots/branches. As per the erstwhile Central Sales Tax Act, 1956, these transfers of goods to depots/branches were made without payment of Central sales tax and F-Form was submitted in lieu of the stock-transfers made during the period of assessment. The value of these sales was also disclosed in the periodical returns filed as per the Jharkhand VAT Act, 2005. The Commercial Tax Department has raised demand of Central Sales Tax by levying tax on the differences between value of sales outside the states and value of F-Form submitted for stock transfers. The tax amount involved for various assessment years 2012-13, 2014-15, 2015-16, 2016-17 and 2017-18 as on March 31, 2024 is amounting to ₹**221.00** crore (March 31, 2023: ₹200.00 crore).

### Other taxes, dues and claims

Other amounts for which the Company may contingently be liable aggregate to ₹**20,781.57** crore (March 31, 2023: ₹18,199.79 crore).

The details of significant demands are as below:

(a) The State Government of Odisha introduced "Orissa Rural Infrastructure and Socio Economic Development Act, 2004" with effect from February 2005 levying tax on mineral bearing land computed on the basis of value of minerals produced from the mineral bearing land. The Company had filed a writ petition in the Odisha High Court challenging the

## 34. Contingencies and commitments (Contd.)

validity of the Act. The High Court held in December 2005 that the State does not have authority to levy tax on minerals. The State of Odisha filed an appeal in the Supreme Court against the order of the High Court. By Order dated March 30, 2011, the Supreme Court had framed questions of law and referred the matter to a nine-judge Bench. Case was listed on multiple dates in February and March, 2024. The matter was finally argued and reserved for judgment by the Constitution Bench of Nine Judges of the Supreme Court on March 14, 2024. The potential liability as at March 31, 2024 is ₹**16,573.07** crore (March 31, 2023: ₹13,084.69 crore).

(b) The Company pays royalty on iron ore on the basis of quantity removed from the leased area at the rates based on notification issued by the Ministry of Mines, Government of India and the price published by Indian Bureau of Mines (IBM) on a monthly basis.

Demand of ₹411.08 crore has been raised by Deputy Director of Mines, Joda, claiming royalty at sized ore rates on despatches of ore fines. The Company has filed a revision petition on November 14, 2013 before the Mines Tribunal, Government of India, Ministry of Mines, New Delhi, challenging the legality and validity of the demand raised and also to grant refund of royalty excess paid by the Company. Mines tribunal vide its order dated November 13, 2014 has stayed the demand of royalty on iron ore for Joda east of ₹314.28 crore upto the period ending March 31, 2014. For the demand of ₹96.80 crore for April, 2014 to September, 2014, a separate revision application was filed before Mines Tribunal. The matter was heard by Mines Tribunal on July 14, 2015 and stay was granted on the total demand with directive to Government of Odisha not to take any coercive action for realisation of the demanded amount.

The Hon'ble High Court of Odisha in a similar matter held the circulars based on which demands were raised to be valid. The Company has challenged the judgment of the High Court by a separate petition in the Hon'ble Supreme Court on April 29, 2016.

On July 16, 2019, the Company has filed rejoinders to the reply filed by State of Odisha against the revision petition. The State pressed for rejection of revision applications citing the judgment of the High Court. The Company represented before the authorities and explained that the judgment was passed under a particular set of facts and circumstances which cannot have blanket application on the Company considering the case of the Company is factually different. On August 7, 2019, the Mines Tribunal decided to await the outcome of Special leave petition pending before the Hon'ble Supreme Court and adjourned the matter.

RAs of TSL was listed on June 10, 2020 for virtual hearing. Hearing was adjourned to November 24, 2020. On November 24, 2020 the Company's Counsel submitted that the present issue is pending before the Hon'ble Supreme Court of India in SLP (C) No. 7206 of 2016, M/s Mideast Integrated Steel Pvt. Ltd. Vs. State of Odisha & Ors. and hence, sought adjournment. State Counsel also agreed for the same.

On October 26, 2022, assessment order (for the period April' 2022 to September' 2022) was served, confirming that royalty will be paid for Calibrated Lump Ore and Fines at their respective prices published by IBM w.e.f. April, 2022. Case was listed for hearing on May 2, 2023, where Union of India did not enter appearance. The case was listed for hearing on various dates thereafter and is now listed for hearing in the week commencing October 1, 2024.

Likely demand of royalty on fines at sized ore rates as on March 31, 2024 is ₹**2,696.58** crore (March 31, 2023: ₹2,696.58 crore).

(c) Demand notices were originally issued by the Deputy Director of Mines, Odisha amounting to ₹3,827.29 crore for excess production over the quantity permitted under the mining plan, environment clearance or consent to operate, pertaining to 2000-01 to 2009-10. The demand notices have been raised under Section 21(5) of the Mines & Minerals (Development and Regulations) Act, 1957 (MMDR). The Company filed revision petitions before the Mines Tribunal against all such demand notices. Initially, a stay of demands was granted, later by order dated October 12, 2017, the issue has been remanded to the state for reconsideration of the

# NOTES

forming part of the standalone financial statements

## 34. Contingencies and commitments (Contd.)

demand in the light of Supreme Court judgement passed on August 2, 2017.

The Hon'ble Supreme Court pronounced its judgement in the Common Cause case on August 2, 2017 wherein it directed that compensation equivalent to the price of mineral extracted in excess of environment clearance or without forest clearance from the forest land be paid.

In pursuance to the Judgement of Hon'ble Supreme Court, demand/show cause notices amounting to ₹3,873.35 crore have been issued during 2017-18 by the Deputy Director of Mines, Odisha and the District Mining Office, Jharkhand.

In respect of the above demands:

- as directed by the Hon'ble Supreme Court, the Company has provided and paid for iron ore and manganese ore an amount of ₹614.41 crore during 2017-18 for production in excess of environment clearance to the Deputy Director of Mines, Odisha.
- the Company has provided and paid under protest an amount of ₹56.97 crore during 2017-18 for production in excess of environment clearance to the District Mining Office, Jharkhand.
- the Company has challenged the demands amounting to ₹132.91 crore in 2017-18 for production in excess of lower of mining plan and consent to operate limits raised by the Deputy Director of Mines, Odisha before the Mines Tribunal and obtained a stay on the matter. Mines Tribunal, Delhi vide order dated November 26, 2018 disposed of all the revision applications with a direction to remand it to the State Government to hear all such cases afresh and pass detailed order. On September 14, 2022, the Dy. Director of Mines, Govt. of Odisha issued a fresh demand against the Company in view of order of the State (Dept. of Steel & Mines) in Proceedings, dated 08 September, 2022 directing payment of compensation amount towards unlawful production in the mines in violation of mining plan/ consent to operate limits being a valid demand to be realised from the Revisionist i.e. the Company. Appeal has also been filed against the same on November 3, 2022 with the Ministry of Mines. Demand amount of ₹**132.91** crore (March 31, 2023: ₹132.91 crore) is considered contingent.
- the Company has made a comprehensive submission before the Deputy Director of Mines, Odisha against show cause notices amounting to ₹694.02 crore received during 2017-18 for production in violation of mining plan, Environment Protection Act, 1986 and Water (Prevention & Control of Pollution) Act, 1981. A demand amounting to ₹234.74 crore has been received in April 2018 from the Deputy Director of Mines, Odisha for production in excess of the Environmental Clearance. The Company had filed Revision Application before the Mines Tribunal, challenging the demand. In December 2021, Mines Tribunal upheld the revision petition and the matter was remanded back to the State Government for fresh consideration. The state has so far not initiated any action. Based on the evaluation of the facts and circumstances, the Company has assessed and concluded that the said show cause notice of ₹694.02 crore and demand of ₹234.74 crore has not been considered as contingent liability.
- the Company based on its internal assessment has provided an amount of ₹1,412.89 crore against demand notices amounting to ₹2,140.30 crore received from the District Mining Office, Jharkhand for producing more than environment clearance and the balance amount of ₹**727.41** crore (March 31, 2023: ₹727.41 crore) is considered contingent. The Company had challenged the demand notices before Revisional Authority, Ministry of Coal, Government of India. The Revisional Authority has passed order dated October 30, 2023 and set aside the demands, being unreasonable and also remanded them back for fresh decision in accordance with law. It also opined that in case the State Authorities wish to proceed, then the Company shall be given an opportunity of hearing before a Committee, to be constituted by the Department of Mines & Geology, Government of Jharkhand. The Committee shall examine the matter factually and legally before making any decision.

# NOTES

forming part of the standalone financial statements

## 34. Contingencies and commitments (Contd.)

### B. Commitments

(a) The Company has entered into various contracts with suppliers and contractors for the acquisition of plant and machinery, equipment and various civil contracts of capital nature amounting to ₹**19,181.03** crore (March 31, 2023: ₹12,248.12 crore).

Other commitments as at March 31, 2024 amount to ₹**0.01** crore (March 31, 2023: ₹300.87 crore).

(b) The Company has given undertakings to:

(i) IDBI not to dispose of its investment in Wellman Incandescent India Ltd.

(ii) IDBI and ICICI Bank Ltd. (formerly ICICI) not to dispose of its investment in Standard Chrome Ltd.

(c) The Company and Bluescope Steel Limited had given undertaking to State Bank of India not to reduce collective shareholding in Tata Bluescope Steel Private Limited (TBSPL), below 51% without prior consent of the lender. Further, the Company had given an undertaking to State Bank of India to intimate them before diluting its shareholding in TBSPL below 50%.

During the year ended March 31, 2021, the Company after obtaining a 'no objection certificate' from the lenders of TBSPL, had transferred its stake of 50% in TBSPL to its 100% owned subsidiary Tata Steel Downstream Products Limited.

During the year ended March 31, 2024, loan outstanding from State Bank of India has been repaid.

(d) The Company has given guarantees aggregating ₹**8,942.14** crore (March 31, 2023: ₹10,319.52 crore) details of which are as below:

(i) in favour of Commissioner Customs for ₹**1.07** crore (March 31, 2023: ₹1.07 crore) given on behalf of Timken India Limited in respect of goods imported.

(ii) in favour of The President of India for ₹**167.55** crore (March 31, 2023: ₹167.55 crore) against performance of export obligation under the various bonds executed by a joint venture Jamshedpur Continuous Annealing & Processing Company Private Limited.

(iii) in favour of the note holders against due and punctual repayment of the 100% amounts outstanding as on March 31, 2023 towards issued Guaranteed Notes by a subsidiary, ABJA Investment Co. Pte Ltd. for ₹**8,341.00** crore (March 31, 2023: ₹8,218.25 crore) and **Nil** (March 31, 2023: ₹1,853.74 crore). The guarantee is capped at an amount equal to 125% of the outstanding principal amount of the Notes as detailed in "Terms and Conditions" of the Offering Memorandum.

(iv) in favour of ICICI Bank for ₹**25.18** crore (March 31, 2023: ₹0.16 crore) guaranteeing the financial liability of a subsidiary BPPL for the purpose of availing banking facility for BPPL's business operations including working capital and performance contract.

(v) in favour of SBI Bank for ₹**22.78** crore (March 31, 2023: ₹78.60 crore) guaranteeing the financial liability of a subsidiary TSDPL for the purpose of availing banking facility for TSDPL's business operations including working capital and performance contract.

(vi) in favour of SBI Bank for ₹**5.51** crore (March 31, 2023: Nil) guaranteeing the financial liability of a subsidiary Angul Energy Limited (AEL), for the purpose of availing banking facility for AEL's business operations including working capital and performance contract.

(vii) in favour of HDFC Bank for ₹**293.16** crore (March 31, 2023: Nil) guaranteeing the financial liability of a subsidiary Indian Steel & Wire Products Ltd (ISWP), for the purpose of availing banking facility for ISWP's business operations including working capital and performance contract.

(viii) in favour of ICICI Bank for ₹**25.87** crore (March 31, 2023: Nil) guaranteeing the financial liability of an associate TRF Limited (TRF), for the purpose of availing banking facility for TRF's business operations including working capital and performance contract.

(ix) in favour of State Bank of India for ₹**59.87** crore (March 31, 2023: Nil) guaranteeing the financial liability of a Tata Steel utilities and Infrastructure Service Limited (TSUISL), for the purpose of availing banking facility for TSUISL's business operations including working capital and performance contract.

(x) in favour of President of India for ₹**0.15** crore (March 31, 2022: ₹0.15 crore) against advance license.

# NOTES

forming part of the standalone financial statements

## 35. Other significant litigations

(a) Odisha Legislative Assembly issued an amendment to Indian Stamp Act, 1889, on May 9, 2013 and inserted a new provision (Section 3A) in respect of stamp duty payable on grant/renewal of mining leases. As per the amended provision, stamp duty is levied equal to 15% of the average royalty that would accrue out of the highest annual extraction of minerals under the approved mining plan multiplied by the period of such mining lease. The Company had filed a writ petition challenging the constitutionality of the Act on July 5, 2013. The Hon'ble High Court, Cuttack passed an order on July 9, 2013 granting interim stay on the operation of the Amendment Act, 2013. Because of the stay, as on date, the Act is not enforceable and any demand received by the Company is not liable to be proceeded with. Meanwhile, the Company received demand notices for the various mines at Odisha totalling to ₹**5,579.00** crore (March 31, 2023: ₹5,579.00 crore). The Company has concluded that it is remote that the claim will sustain on ultimate resolution of the legal case by the court.

In April 2015, the Company has received an intimation from Government of Odisha, granting extension of validity period for leases under the MMDR Amendment Act, 2015 up to March 31,2030 in respect of eight mines and up to March 31, 2020 for two mines subject to execution of supplementary lease deed. Liability has been provided in the books of accounts as on March 31, 2020 as per the existing provisions of the Stamp Act 1899 and the Company had paid the stamp duty and registration charges totalling ₹413.72 crore for supplementary deed execution in respect of eight mines out of the above mines.

(b) Noamundi Iron Ore Mine of the Company was due for its third renewal with effect from January 01, 2012. The application for renewal was submitted by the Company within the stipulated time, but it remained pending consideration with the State and the mining operations were continued in terms of the prevailing law.

By a judgement of April 2014 in the case of Goa Mines, the Supreme Court took a view that second and subsequent renewal of mining lease can be effected once the State considers the application and decides to renew the mining lease by issuing an express order. State of Jharkhand issued renewal order to the Company on December 31, 2014. The State, however, took a view on interpretation of Goa Mines judgement that the mining carried out after expiry of the period of second renewal was 'illegal' and hence, issued a demand notice of ₹3,568.31 crore being the price of iron ore extracted. The said demand has been challenged by the Company before the Jharkhand High Court.

The mining operations were suspended from August 1, 2014. Upon issuance of an express order, Company paid ₹152.00 crore under protest, so that mining can be resumed.

The Mines and Minerals Development and Regulation (MMDR) Amendment Ordinance, 2015 promulgated on January 12, 2015 provides for extension of such mining leases whose applications for renewal have remained pending with the State(s). Based on the new Ordinance, Jharkhand Government revised the Express Order on February 12, 2015 for extending the period of lease up to March 31, 2030 with the following terms and conditions:

- value of iron ore produced by alleged unlawful mining during the period January 1, 2012 to April 20, 2014 for ₹2,994.49 crore to be decided on the basis of disposal of our writ petition before Hon'ble High Court of Jharkhand.
- value of iron ore produced from April 21, 2014 to July 17, 2014 amounting to ₹421.83 crore to be paid in maximum 3 instalments.
- value of iron ore produced from July 18, 2014 to August 31, 2014 i.e. ₹152.00 crore to be paid immediately.

District Mining Officer Chaibasa on March 16, 2015 issued a demand notice for payment of ₹421.83 crore, in three monthly instalments. The Company on March 20, 2015 replied that since the lease has been extended by application of law till March 31, 2030, the above demand is not tenable. The Company, has paid ₹50.00 crore under protest on July 27, 2015, because the State had stopped issuance of transit permits.

The Company filed another writ petition before the Hon'ble High Court of Jharkhand which was heard on September 9, 2015. An interim order was given by the Hon'ble High Court of Jharkhand on September 17, 2015 wherein the Court has directed the Company to pay the amount of ₹371.83 crore in 3 equal instalments, first instalment by October 15, 2015, second instalment by November 15, 2015 and third instalment by December 15, 2015.

In view of the interim order of the Hon'ble High Court of Jharkhand ₹124.00 crore was paid on September 28, 2015, ₹124.00 crore on November 12, 2015 and ₹123.83 crore on December 14, 2015 under protest.

## 35. Other significant litigations (Contd.)

The case is pending before the Hon'ble High court for disposal. The State issued similar terms and conditions to other mining lessees in the State rendering the mining as illegal. Based on the Company's assessment of the Goa mines judgement read with the Ordinance issued in the year 2015, the Company believes that it is remote that the demand of the State would sustain.

(c) The Supreme Court of India vide its order dated September 24, 2014, cancelled the coal blocks allocated to various entities which includes one coal block allocated to the Tata Steel BSL Limited ("TSBSL", entity merged with the Company in an earlier year) which were under development. Subsequently, the Government of India had issued the Coal Mines (Special Provision) Act 2015, which inter-alia deal with the payment of compensation to the affected parties in regard to investment in coal blocks. The receivable in respect of de-allocated coal block amounts to ₹414.56 crore (net of provision of ₹138.74 crore). The Company had filed its claim for compensation with the Government of India, Ministry of Coal. Pursuant to letter dated November 22, 2019, Ministry of Coal ('MoC') informed that all statutory license, consent approvals, permission required for undertaking of Coal mining operations in New Patrapara Coal Mine now vested to Singareni Collieries Company Ltd. ("SCCL", a state Government Undertaking). MoC /Union of India, filed supplementary affidavit dated February 11, 2020 before Delhi High Court vide which it had informed that payment of compensation can be paid to prior allottee after the mine is successfully allotted and compensation is deposited by successful allottee, following the sequence mentioned in section 9 of Coal Mine (Special Provisions) Act, 2015. It was informed that New Patrapara Coal Mine had been allocated to SCCL, a state Government Undertaking and compensation to the prior allottee to be released. MoC vide order dated May 17, 2021 had directed SCCL to pay aforesaid compensation to erstwhile TSBSL. Union of India filed affidavit dated March 6, 2023 before High Court vide which it had informed that the successful allottee i.e M/s SCCL has surrendered the New Patrapara Coal Block. High Court directed MoC and Odisha Industrial Infrastructure Development Corporation (IDCO) to file updated status report outlining the amount payable to the prior allottee and indicate the date by which amount could be disbursed. On July 5, 2023, Delhi High Court directed the State of Odisha and IDCO to release the available balance of ₹105.33 crore within four weeks and also directed Union of India to file a detailed affidavit of Additional Secretary clearly stating as to what steps are being taken to ensure that the coal block is successfully allocated in a reasonable period of time. Government of Odisha along with IDCO has released ₹105.33 crore on August 8, 2023. Further, an amount of ₹0.32 crore was released by IDCO on August 10, 2023 towards compensation pertaining to cost for Geological reports. Ministry of Coal has filed additional affidavit on August 9, 2023. The case was listed for hearing on various dates which were adjourned and is now listed for hearing October 15, 2024. 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.

(d) The Company upon merger of erstwhile Tata Steel Long Products Limited ('TSLP') in its books has a receivable of ₹179.00 crore towards the de-allocated Radhikapur (East) Coal Block. Pursuant to the judgement of the Hon'ble Supreme Court, the Government of India promulgated Coal Mines (Special Provision) Act, 2015 (the "Coal Mines Act") for fresh allocation of the coal mines through auction. In terms of the Coal Mines Act, the prior allottee would be compensated for expenses incurred towards land and mine infrastructure. The validity of the Act has been challenged by Federation of Indian Mineral Industries ('FIMI') in 2019 before the Hon'ble Supreme Court to the extent that the Act does not provide grant of just, fair and equitable compensation in a time bound manner to the prior allotees of the coal blocks. TSLP filed an application on December 15, 2022, before the Hon'ble Supreme Court in the pending writ of FIMI seeking to expedite disbursement of the compensation. MoC has submitted Status Affidavit to the High Court dated March 6, 2023 in regards to ongoing case which was filed by TSLP challenging the constitutional validity of the provisions dealing with the payment of compensation to the prior allottee of the Coal Mines (Special Provisions) Act, 2015. On March 7, 2023, TSLP submitted that the Status Affidavit does not comply with the previous orders passed. The hearing took place before Delhi High Court on December 5, 2023. Next date of hearing was fixed for February 27, 2024 which was adjourned and has been listed for hearing on July 31, 2024. 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

forming part of the standalone financial statements

## 36. Capital management

The Company's capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long -term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings and issue of non-convertible debt securities.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Net debt includes interest bearing borrowings including lease obligations less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.

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

(₹ crore)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Equity share capital | 1,248.60 | 1,222.40 |
| Other equity | 1,36,445.05 | 1,35,386.48 |
| **Total equity (A)** | **1,37,693.65** | **1,36,608.88** |
| Non-current borrowings | 36,715.91 | 31,568.81 |
| Non-current lease obligations | 3,353.82 | 3,871.86 |
| Current borrowings | 3,841.52 | 7,298.12 |
| Current lease obligations | 667.85 | 565.57 |
| **Gross debt (B)** | **44,579.10** | **43,304.36** |
| **Total capital (A+B)** | **1,82,272.75** | **1,79,913.24** |
| Gross debt as above | 44,579.10 | 43,304.36 |
| Less: Current investments | 500.35 | 2,968.25 |
| Less: Cash and cash equivalents | 4,541.47 | 1,185.60 |
| Less: Other balances with banks (including non-current earmarked balances) | 1,513.32 | 1,741.30 |
| **Net debt (C)** | **38,023.96** | **37,409.21** |
| **Net debt to equity** (i) | **0.28** | **0.28** |

(i) Net debt to equity ratio as at March 31, 2024 and March 31, 2023 has been computed based on average of opening and closing equity.

## 37. Disclosures on financial instruments

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

The details of significant accounting policies, including the criteria for recognition, basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(m), page F38 to the financial statements.

### (a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2024 and March 31, 2023.

**As at March 31, 2024**

(₹ crore)

| | Amortised cost | Fair value through other comprehensive income | Derivative instruments in hedging relationship | Derivative instruments not in hedging relationship | Fair value through profit and loss | Total carrying value | Total fair value |
|---|---|---|---|---|---|---|---|
| **Financial assets:** | | | | | | | |
| Cash and bank balances | 6,054.79 | - | - | - | - | 6,054.79 | 6,054.79 |
| Trade receivables | 1,606.14 | - | - | - | - | 1,606.14 | 1,606.14 |
| Investments | 5,507.78 | 2,321.60 | - | - | 615.40 | 8,444.78 | 9,263.13 |
| Derivatives | - | - | 245.94 | 103.28 | - | 349.22 | 349.22 |
| Loans | 8,745.20 | - | - | - | - | 8,745.20 | 8,025.18 |
| Other financial assets | 2,426.24 | - | - | - | - | 2,426.24 | 2,426.24 |
| | **24,340.15** | **2,321.60** | **245.94** | **103.28** | **615.40** | **27,626.37** | **27,724.70** |
| **Financial liabilities:** | | | | | | | |
| Trade payables | 22,062.46 | - | - | - | - | 22,062.46 | 22,062.46 |
| Borrowings other than lease obligations | 40,557.43 | - | - | - | - | 40,557.43 | 41,183.41 |
| Derivatives | - | - | 8.23 | 1.99 | - | 10.22 | 10.22 |
| Other financial liabilities | 8,033.38 | - | - | - | - | 8,033.38 | 8,033.38 |
| | **70,653.27** | **-** | **8.23** | **1.99** | **-** | **70,663.49** | **71,289.47** |

# NOTES

forming part of the standalone financial statements

## 37. Disclosures on financial instruments (Contd.)

**As at March 31, 2023**

(₹ crore)

| | Amortised cost | Fair value through other comprehensive income | Derivative instruments in hedging relationship | Derivative instruments not in hedging relationship | Fair value through profit and loss | Total carrying value | Total fair value |
|---|---|---|---|---|---|---|---|
| **Financial assets:** | | | | | | | |
| Cash and bank balances | 2,926.90 | - | - | - | - | 2,926.90 | 2,926.90 |
| Trade receivables | 2,561.79 | - | - | - | - | 2,561.79 | 2,561.79 |
| Investments | 4,945.51 | 1,316.21 | - | - | 3,053.73 | 9,315.45 | 8,664.32 |
| Derivatives | - | - | 109.56 | 377.97 | - | 487.53 | 487.53 |
| Loans | 34,499.81 | - | - | - | - | 34,499.81 | 27,592.70 |
| Other financial assets | 3,181.34 | - | - | - | - | 3,181.34 | 3,181.34 |
| | **48,115.35** | **1,316.21** | **109.56** | **377.97** | **3,053.73** | **52,972.82** | **45,414.58** |
| **Financial liabilities:** | | | | | | | |
| Trade payables | 20,355.76 | - | - | - | - | 20,355.76 | 20,355.76 |
| Borrowings other than lease obligations | 38,866.93 | - | - | - | - | 38,866.93 | 38,849.76 |
| Derivatives | - | - | 28.29 | 40.22 | - | 68.51 | 68.51 |
| Other financial liabilities | 7,906.21 | - | - | - | - | 7,906.21 | 7,906.21 |
| | **67,128.90** | **-** | **28.29** | **40.22** | **-** | **67,197.41** | **67,180.24** |

Investments in mutual funds and derivative instruments (other than those designated in a hedging relationship) are mandatorily classified as fair value through profit and loss.

### (b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

**Quoted prices in an active market (Level 1):** This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares and mutual funds.

**Valuation techniques with observable inputs (Level 2):** This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes the Company's over-the-counter (OTC) derivative contracts.

**Valuation techniques with significant unobservable inputs (Level 3):** This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This Level includes investment in unquoted equity shares and preference shares.

## 37. Disclosures on financial instruments (Contd.)

(₹ crore)

| | As at March 31, 2024 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets:** | | | | |
| Investments in mutual funds | 500.35 | - | - | 500.35 |
| Investments in equity shares | 1,994.33 | - | 327.27 | 2,321.60 |
| Investments in preference shares | - | - | 115.05 | 115.05 |
| Derivative financial assets | - | 349.22 | - | 349.22 |
| | **2,494.68** | **349.22** | **442.32** | **3,286.22** |
| **Financial liabilities:** | | | | |
| Derivative financial liabilities | - | 10.22 | - | 10.22 |
| | **-** | **10.22** | **-** | **10.22** |

(₹ crore)

| | As at March 31, 2023 | | | |
|---|---|---|---|---|
| | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets:** | | | | |
| Investments in mutual funds | 2,968.25 | - | - | 2,968.25 |
| Investments in equity shares | 988.94 | - | 327.27 | 1,316.21 |
| Investments in preference shares | - | - | 85.48 | 85.48 |
| Derivative financial assets | - | 487.53 | - | 487.53 |
| | **3,957.19** | **487.53** | **412.75** | **4,857.47** |
| **Financial liabilities:** | | | | |
| Derivative financial liabilities | - | 68.51 | - | 68.51 |
| | **-** | **68.51** | **-** | **68.51** |

(i) Current financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.

(ii) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.

(iii) Investments carried at fair value are generally based on market price quotations. Investments in equity shares included in Level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value. Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

(iv) Fair value of borrowings which have a quoted market price in an active market is based on its market price which is categorised as Level1. Fair value of borrowings which do not have an active market or are unquoted is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities which is categorised as Level 2 in the fair value hierarchy.

(v) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(vi) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2024 and March 31, 2023.

# NOTES

forming part of the standalone financial statements

## 37. Disclosures on financial instruments (Contd.)

(vii) Reconciliation of Level 3 fair value measurement is as below:

(₹ crore)

| | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|
| Balance at the beginning of the year | 412.75 | 340.99 |
| Additions during the year | 11.48 | 40.77 |
| Fair value changes through profit or loss | 18.09 | 30.99 |
| **Balance at the end of the year** | **442.32** | **412.75** |

### (c) Derivative financial instruments

Derivative instruments used by the Company include forward exchange contracts, interest rate swaps, currency swaps, options and interest rate caps and collars. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" wherever possible. The Company does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

The following table sets out the fair value of derivatives held by the Company as at the end of each reporting period:

(₹ crore)

| | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities |
| (a) Foreign currency forwards, swaps and options | 250.06 | 10.22 | 303.36 | 68.51 |
| (b) Interest rate swaps and collars | 99.16 | - | 184.17 | - |
| | **349.22** | **10.22** | **487.53** | **68.51** |
| **Classified as:** | | | | |
| Non-current | 265.81 | - | 403.40 | - |
| Current | 83.41 | 10.22 | 84.13 | 68.51 |

As at the end of the reporting period total notional amount of outstanding foreign currency contracts, interest rate swaps and collars that the Company has committed to is as below:

(US$ million)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (i) Foreign currency forwards, swaps and options | 1,747.36 | 2,004.89 |
| (ii) Interest rate swaps and collars | 293.33 | 440.00 |
| | **2,040.69** | **2,444.89** |

# NOTES

forming part of the standalone financial statements

## 37. Disclosures on financial instruments (Contd.)

### (d) Transfer of financial assets

The Company transfers certain trade receivables under discounting arrangements with banks/financial institutions. Some of such arrangements do not qualify for de-recognition due to recourse arrangements being in place. Consequently, the proceeds received from transfer are recorded as short-term borrowings from banks and financial institutions. As at March 31, 2024 and March 31, 2023, there has been no such transfer of trade receivables.

### (e) Financial risk management

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.

(ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

#### (i) Market risk:

Market risk is the risk of any loss in future earnings, in realising fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

#### (a) Market risk - Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

A 10% appreciation/depreciation of foreign currencies with respect to functional currency of the Company would result in an increase/decrease in the Company's net profit/equity before considering tax impacts by approximately ₹**831.11** crore for the year ended March 31, 2024 (March 31, 2023: ₹3,380.99 crore).

The foreign exchange rate sensitivity is calculated by assuming a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the Company.

The sensitivity analysis has been based on the composition of the Company's financial assets and liabilities as at March 31, 2024 and March 31, 2023 excluding trade payables, trade receivables, other derivative and non-derivative financial instruments (except investment in preference shares and loans receivable) not forming part of debt and which do not present a material exposure. The period end balances are not necessarily representative of the average balance outstanding during the period.

#### (b) Market risk - Interest rate risk:

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as

# NOTES

forming part of the standalone financial statements

## 37. Disclosures on financial instruments (Contd.)

costs. The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations.

Based on the composition of debt as at March 31, 2024 and March 31, 2023 a 100 basis points increase in interest rates would increase the Company's finance costs (before considering interest eligible for capitalisation) and consequently reduce net profit/equity before considering tax impacts by approximately ₹**249.43** crore for the year ended March 31, 2024 (2022-23: ₹207.55 crore).

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

**(c) Market risk - Equity price risk:**

Equity price risk is related to change in market reference price of investments in equity securities held by the Company.

The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes.

The fair value of quoted investments in equity, classified as fair value through other comprehensive income as at March 31, 2024 and March 31, 2023 was ₹**1,994.33** crore and ₹988.94 crore, respectively.

A 10% change in equity prices of such securities held as at March 31, 2024 and March 31, 2023, would result in an impact of ₹**199.43** crore and ₹98.89 crore respectively on equity before considering tax impact.

**(ii) Credit risk:**

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

The Company has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults.

Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments in debt securities and mutual funds, balances with bank, bank deposits, derivatives and financial guarantees provided by the Company. None of the financial instruments of the Company result in material concentration of credit risk except investment in preference shares made by the Company in its subsidiary companies and loans provided to wholly owned subsidiaries.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹**25,304.18** crore and ₹51,604.96 crore, as at March 31, 2024 and March 31, 2023 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments in debt securities, mutual funds, loans, derivative assets and other financial assets.

The risk relating to trade receivables is presented in note 12, page F70.

## 37. Disclosures on financial instruments (Contd.)

The Company's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivables as at March 31, 2024 and March 31, 2023.

In respect of financial guarantees provided by the Company to banks/financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

**(iii) Liquidity risk:**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company have access to undrawn lines of committed and uncommitted borrowing/ facilities, funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Company invests its surplus funds in bank fixed deposits and in mutual funds, which carry no or low market risk.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

The Company's liquidity position remains strong at ₹**25,628.72** crore as at March 31, 2024, comprising ₹**6,555.14** crore in the form of current investments, cash and cash equivalents and other balances with banks (including non-current earmarked balances) and ₹**19,073.58** crore in committed undrawn bank lines.

# NOTES

forming part of the standalone financial statements

## 37. Disclosures on financial instruments (Contd.)

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company's derivative and non- derivative financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period. Cash flows in foreign currencies are translated using the period end spot rates:

(₹ crore)

| | As at March 31, 2024 | | | | |
|---|---|---|---|---|---|
| | Carrying value | Contractual cash flows | Less than one year | Between one to five years | More than five years |
| **Non-derivative financial liabilities:** | | | | | |
| Borrowings other than lease obligation including interest obligations | 40,909.52 | 58,205.12 | 6,856.89 | 23,086.58 | 28,261.65 |
| Lease obligations including interest obligations | 4,061.00 | 6,686.78 | 1,073.79 | 2,764.94 | 2,848.05 |
| Trade payables | 22,062.46 | 22,062.46 | 22,062.46 | - | - |
| Other financial liabilities | 7,641.96 | 7,662.23 | 6,278.64 | 947.79 | 435.80 |
| | **74,674.94** | **94,616.59** | **36,271.78** | **26,799.31** | **31,545.50** |
| **Derivative financial liabilities** | **10.22** | **10.22** | **10.22** | **-** | **-** |

(₹ crore)

| | As at March 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Carrying value | Contractual cash flows | Less than one year | Between one to five years | More than five years |
| **Non-derivative financial liabilities:** | | | | | |
| Borrowings other than lease obligation including interest obligations | 39,576.11 | 54,634.74 | 10,163.36 | 20,086.29 | 24,385.09 |
| Lease obligations including interest obligations | 4,477.72 | 7,516.98 | 544.05 | 3,342.71 | 3,630.22 |
| Trade payables | 20,355.76 | 20,355.76 | 20,355.76 | - | - |
| Other financial liabilities | 7,156.74 | 6,646.60 | 5,399.73 | 788.02 | 458.85 |
| | **71,566.33** | **89,154.08** | **36,462.90** | **24,217.02** | **28,474.16** |
| **Derivative financial liabilities** | **68.51** | **68.51** | **68.51** | **-** | **-** |

## 38. Segment reporting

The Company is primarily engaged in the business of manufacture and distribution of steel products and is operated out of India. In accordance with Ind AS 108 "Operating Segments", the Company has presented segment information on the basis of its consolidated financial statements which forms a part of this report.

# NOTES
forming part of the standalone financial statements

## 39. Related party transactions

The Company's related parties primarily consist of its subsidiaries, associates, joint ventures and Tata Sons Private Limited including its subsidiaries and joint ventures. The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms.

The following table summarises related party transactions and balances included in the financial statements of the Company for the year ended as at March 31, 2024 and March 31, 2023:

(₹ crore)

| | Subsidiaries | Associates | Joint Ventures | Tata Sons Private Limited, its subsidiaries and joint ventures | Total |
|---|---|---|---|---|---|
| **Purchase of goods** | **37,389.65** | **4.13** | **287.53** | **1,080.13** | **38,761.44** |
| | *42,922.33* | *45.29* | *354.58* | *484.74* | *43,806.94* |
| **Sale of goods#** | **10,189.02** | **-** | **6,176.08** | **539.99** | **16,905.09** |
| | *10,038.15* | *4.75* | *5,337.08* | *480.11* | *15,860.09* |
| **Services received** | **3,231.29** | **109.65** | **2,136.28** | **925.59** | **6,402.81** |
| | *2,839.25* | *70.00* | *2,016.36* | *499.55* | *5,425.16* |
| **Services rendered** | **391.53** | **5.95** | **132.64** | **12.52** | **542.64** |
| | *49.78* | *0.19* | *27.64* | *2.06* | *79.67* |
| **Securitisation of receivables** | **-** | **-** | **-** | **1,486.23** | **1,486.23** |
| | - | - | - | - | - |
| **Interest income recognised** | **1,499.41** | **-** | **-** | **-** | **1,499.41** |
| | *2,485.49* | *9.03* | - | - | *2,494.52* |
| **Interest expenses recognised** | **-** | **-** | **-** | **-** | **-** |
| | - | - | - | *1.74* | *1.74* |
| **Dividend paid (vi)** | **4.21** | **-** | **-** | **1,455.10** | **1,459.31** |
| | *5.96* | - | - | *2,061.39* | *2,067.35* |
| **Dividend received** | **116.06** | **1.07** | **163.27** | **21.66** | **302.06** |
| | *146.15* | - | *32.16* | *12.38* | *190.69* |
| **Provision/(reversal) recognised for receivables during the year** | **2,551.74** | **-** | **-** | **-** | **2,551.74** |
| | *1.13* | *(99.98)* | *(0.20)* | *0.04* | *(99.01)* |
| **Management contracts*** | **101.91** | **5.02** | **19.02** | **227.51** | **353.46** |
| | *80.17* | *5.57* | *13.92* | *113.58* | *213.24* |
| **Sale of investments** | **-** | **-** | **-** | **-** | **-** |
| | *1,112.41* | - | - | - | *1,112.41* |
| **Finance provided during the year (net of repayments)** | **42,911.56** | **-** | **-** | **-** | **42,911.56** |
| | *691.22* | *164.00* | - | - | *855.22* |
| **Outstanding loans and receivables** | **12,047.79** | **2.27** | **168.26** | **102.32** | **12,320.64** |
| | *37,746.76* | *2.82* | *131.04* | *50.58* | *37,931.20* |
| **Provision for outstanding loans and receivables** | **2,633.76** | **0.03** | **-** | **-** | **2,633.79** |
| | *655.40* | *0.15* | *1.48* | *0.09* | *657.12* |

# NOTES

forming part of the standalone financial statements

## 39. Related party transactions (Contd.)

(₹ crore)

| | Subsidiaries | Associates | Joint Ventures | Tata Sons Private Limited, its subsidiaries and joint ventures | Total |
|---|---|---|---|---|---|
| **Outstanding payables** | **10,612.46** | **85.20** | **329.50** | **767.81** | **11,794.97** |
| | *9,495.52* | *21.59* | *376.92* | *258.04* | *10,152.07* |
| **Guarantees provided outstanding** | **8,747.50** | **25.87** | **167.55** | **-** | **8,940.92** |
| | *10,150.75* | - | *167.55* | - | *10,318.30* |
| **Purchase of Assets** | **1.16** | **31.02** | **18.45** | **43.89** | **94.52** |
| | *2.63* | - | - | - | *2.63* |
| **Sale of Fixed Assets** | **6.00** | **-** | **-** | **-** | **6.00** |
| | *10.27* | - | - | - | *10.27* |

Figures in italics represents comparative figures of previous year

# includes sale of power and water

* Primarily includes recharges on account of deputation of employees and brand equity due to Tata Sons Private Limited

(i) The details of remuneration paid to key managerial personnel and payment to non-executive directors are provided in note 27, page F95 & note 30, page F96 respectively.

The Company has paid dividend of ₹**1,22,328.00** (2022-23: ₹1,73,298.00) to key managerial personnel and ₹**23,724.00** (2022-23: ₹33,609.00) to relatives of key managerial personnel during the year ended March 31, 2024.

(ii) During the year ended March 31, 2024, the Company has contributed ₹**487.84** crore (2022-23: ₹599.98 crore) to post employment benefit plans.

As at March 31, 2024, amount receivable (net) from post-employment benefit fund is ₹**69.51** crore (March 31, 2023: ₹133.50 crore) on account of retirement benefit obligations paid by the Company directly.

(iii) Details of investments made by the Company in preference shares of its subsidiaries and associates is disclosed in note 6, page F54.

(iv) Commitments with respect to subsidiaries, associates and joint ventures is disclosed in note 34B, page F109.

(v) Transactions with joint ventures have been disclosed at full value and not at their proportionate share.

(vi) Dividend paid includes ₹**1,427.43** crore (2022-23: ₹2,022.19 crore) paid to Tata Sons Private Limited.

# NOTES
forming part of the standalone financial statements

## 40. Financial Ratios

The ratios as per the latest amendment to Schedule III are as below:.

| | | Year ended March 31, 2024 | Year ended March 31, 2023 |
|---|---|---|---|
| (1) | **Current ratio**<br>(Total current assets / Current liabilities)<br>[Current liabilities: Total current liabilities - Current maturities of non-current borrowings and lease obligations] | 0.80 | 0.90 |
| (2) | **Net debt equity ratio**<br>(Net debt / Average equity)<br>[Net debt: Non-current borrowings + Current borrowings + Non-current and current lease liabilities - Current investments - Cash and cash equivalents - Other balances with banks (including non-current earmarked balances)]<br>[Equity: Equity share capital + Other equity] | 0.28 | 0.28 |
| (3) | **Debt service coverage ratio**$^{\$}$<br>(EBIT / (Net finance charges + Interest income from group companies + Scheduled principal repayments of non-current borrowings and lease obligations (excluding prepayments) during the period)) [EBIT: Profit before taxes +/(-) Exceptional items + Net finance charges]<br>[Net finance charges: Finance costs (excluding interest on current borrowings) - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments] | 2.51 | 3.83 |
| (4) | **Return on Equity (%)**[#]<br>(Profit after tax (PAT)/Average Equity)<br>[Equity: Equity share capital + Other equity] | 3.51 | 11.10 |
| (5) | **Inventory turnover ratio (in days)**<br>(Average inventory / Sale of products in days) | 67 | 64 |
| (6) | **Debtors turnover ratio (in days)**[^]<br>(Average trade receivables / Turnover in days)<br>[Turnover: Revenue from operations] | 5 | 7 |
| (7) | **Trade payables turnover ratio (in days)**<br>(Average Trade Payables / Expenses)<br>[Expenses: Total Expenses - Finance Cost - Depreciation and Amortisation Expense – Employee Benefit Expenses in respect of Retirement Benefits – Other expenses with respect to Royalty, Rates & Taxes, Provision for Doubtful Debts & Advances, Provision for Impairment and Foreign Exchange Gain/Loss] | 76 | 76 |
| (8) | **Net capital turnover ratio (in days)**<br>(Average Working Capital / Turnover)<br>[Working Capital: Current Assets - Current Liabilities]<br>[Current Liabilities: Total Current liabilities - Current maturities of long term debt and lease obligations]<br>[Turnover: Revenue from operations] | * | * |
| (9) | **Net profit ratio (%)**[#]<br>(Net profit after tax / Turnover)<br>[Turnover: Revenue from operations] | 3.41 | 10.28 |
| (10) | **Return on Capital Employed (%)**<br>(EBIT/Average Capital Employed)<br>[Capital Employed: Equity share capital + Other equity + Non current borrowings + Current borrowings + Current maturities of long- term debt and lease obligations + Deferred tax liabilities]<br>[EBIT: Profit before taxes +/(-) Exceptional items + Net finance charges]<br>[Net finance charges: Finance costs - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments] | 13.22 | 12.59 |
| (11) | **Return on investment (%)**[@]<br>(Net gain/(loss) on sale/fair value changes of mutual funds/Average investment funds in current investments) | 11.51 | 4.91 |

* Net working capital is negative

$ Variation in coverage ratios is primarily due to higher scheduled repayments during the year ended March 31, 2024.

# Variation in profitability ratios is primarily due to decrease in profitability during the year ended March 31, 2024.

^ Variation in turnover ratio is primarily due to decrease in average debtors during the year ended March 31, 2024.

@ Variation in return on investment ratio is primarily due to lower average value of investment.

# NOTES

forming part of the standalone financial statements

**41.** 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.

**42.** The erstwhile Tata Steel BSL Limited was eligible under Package Scheme of Incentives, 1993, and accordingly as per the provisions of the Scheme it had obtained eligibility certificate from Directorate of Industries. As per the Scheme the Tata Steel BSL Limited has an option to defer the payment of sales tax for a period of fourteen years upto a specified limit (twenty-one years in case the specified limit is not availed in fourteen years). The said tax collected shall be paid after fourteen years in five annual equal instalments and has been recognised as deferred sales tax liability, which as at March 31, 2024 amounts to ₹**27.65** crore (March 31, 2023: ₹24.85 crore). Post-introduction of GST, the Maharashtra government modified the scheme, whereby the Company needs to deposit the GST and claim refund of the same. During the year, the Company has recognised ₹**14.28** crore (2022-23: ₹62.75 crore) as an income on account of such scheme.

**43.** The Board of Directors of the Company at its meeting held on September 22, 2022, considered and approved the amalgamation of Tata Steel Long Products Limited ("TSLP"), Tata Metaliks Limited ("TML"), The Tinplate Company of India Limited ("TCIL"), TRF Limited ("TRF"), The Indian Steel & Wire Products Limited ("ISWP"), Tata Steel Mining Limited ("TSML") and S&T Mining Company Limited ("S&T Mining") into and with the Company by way of separate schemes of amalgamation and had recommended a share exchange ratio/cash consideration, where applicable. The equity shareholders of the entities will be entitled to fully paid-up equity shares of the Company in the ratio as set out in the respective scheme.

As part of the scheme(s) of amalgamations, equity shares and preference shares, if any, held by the Company in the above entities shall stand cancelled. No shares of the Company shall be issued nor any cash payment shall be made whatsoever by the Company in lieu of cancellation of shares of TSML and S&T Mining (both being wholly owned subsidiaries). The amalgamations will enhance management efficiency, drive sharper strategic focus and improve agility across businesses based on the strong parental support from the Company's leadership. The amalgamations will also drive synergies through operational efficiencies, raw material security and better facility utilisation. Merging entities are primarily engaged in the manufacturing of steel, pig iron, ductile iron pipe and downstream steel products.

As part of defined regulatory process, each of the above schemes has received approval(s) from stock exchanges and Securities and Exchange Board of India (SEBI). S&T Mining and TSML being wholly owned subsidiaries of the Company, approval from stock exchanges and SEBI were not required.

Each of the above schemes were filed at the relevant benches of the Hon'ble National Company Law Tribunal ('NCLT') as follows –

a) Scheme of amalgamation of TSML with the Company - Scheme of Amalgamation has been approved and sanctioned by the NCLT Cuttack bench on August 8, 2023, with the appointed date being April 1, 2023.

b) Scheme of amalgamation of TSLP with the Company - Scheme of Amalgamation has been approved and sanctioned by the NCLT, Cuttack bench on October 18, 2023 and by the NCLT, Mumbai bench on October 20, 2023, with the appointed date being April 1, 2022.

c) Scheme of amalgamation of S&T with the Company- Scheme of Amalgamation has been approved and sanctioned by the NCLT Kolkata bench on November 10, 2023, with the appointed date being April 1, 2022.

d) Scheme of amalgamation of TCIL with the Company- Scheme of Amalgamation has been approved and sanctioned by the NCLT, Mumbai bench on October 20, 2023 and by the NCLT, Kolkata bench on January 1, 2024, with the appointed date being April 1, 2022.

e) Scheme of amalgamation of TML with the Company- Scheme of Amalgamation has been approved and sanctioned by the NCLT, Kolkata bench on December 21, 2023 and by the NCLT, Mumbai bench on January 11, 2024, with the appointed date being April 1, 2022.

f) Scheme of amalgamation of ISWP with the Company- Scheme of Amalgamation has been approved and sanctioned by the NCLT, Kolkata Bench on May 24, 2024 and the approval and sanction of the NCLT, Mumbai Bench is awaited.

g) Scheme of amalgamation of TRF with the Company- The respective Board of Directors of Tata Steel Limited and TRF Limited on February 6, 2024 approved the withdrawal of this Scheme. NCLT, Kolkata Bench allowed the withdrawal of the Scheme on February 7, 2024. Further, the NCLT, Mumbai bench allowed the withdrawal of the Scheme on February 8, 2024.

Further, TSML and S&T being wholly owned subsidiaries, there was no consideration paid for the amalgamation of both these subsidiaries into and with the Company.

Consequent to the scheme of amalgamation amongst TSLP and the Company and their respective shareholders becoming effective, the Board of Directors of the Company on November 22, 2023, has approved allotment of 7,58,00,309 equity shares of face value ₹1/- each of the Company to eligible shareholders of TSLP holding equity shares of face value ₹10/- each, as on the record date of November 17, 2023, in share exchange ratio of 67:10 as per the scheme of amalgamation. Further 14,430 fully paid-up equity shares of the Company (included within the aforementioned fully paid-up equity shares) are allotted to 'TSL-TSLP Fractional Share Entitlement Trust' (managed by Axis Trustee Services Limited) towards fractional entitlements of shareholders of TSLP.

Consequent to the scheme of amalgamation amongst TCIL and the Company and their respective shareholders becoming effective, the Board of Directors of the Company on January 21, 2024, has approved allotment of 8,64,92,993 equity shares of face value ₹1/- each of the Company to eligible shareholders of TCIL holding equity shares of face value ₹10/- each, as on the record date of January 19, 2024, in share exchange ratio of 33:10 as per the scheme of amalgamation. Further, 17,019 fully paid-up equity shares of the Company (included within the aforementioned fully paid-up equity shares) are allotted to 'TSL-TCIL Fractional Share Entitlement Trust' (managed by Axis Trustee Services Limited) towards fractional entitlements of shareholders of TCIL.

Consequent to the scheme of amalgamation amongst TML and the Company and their respective shareholders becoming effective, the Board of Directors of the Company on February 8, 2024, has approved allotment of 9,97,01,239 equity shares of face value ₹1/- each of the Company to eligible shareholders of TML holding equity shares of face value ₹10/- each, as on the record date of February 6, 2024, in share exchange ratio of 79:10 as per the scheme of amalgamation. Further, 35,744 fully paid-up equity shares of the Company (included within the aforementioned fully paid-up equity shares) are allotted to 'TSL-TML Fractional Share Entitlement Trust' (managed by Axis Trustee Services Limited) towards fractional entitlements of shareholders of TML.

The shares issued to the eligible shareholders of TSLP, TCIL and TML are listed and traded on BSE Limited and the National Stock Exchange of India Limited.

As per the requirement of accounting for common control transactions contained in Ind AS 103 "Business Combinations", the Company has accounted for the mergers sanctioned by NCLT, as aforesaid, using the pooling of interest method retrospectively. The previous year figures have been accordingly restated from April 1, 2022 to include the impact of merger.

The difference between the net identifiable assets acquired and consideration paid on merger being ₹791.47 crore has been accounted for as Capital reserve which constitute ₹415.04 crore, ₹185.31 crore and ₹191.12 crore on account of merger of TSLP, TML and TCIL respectively with the Company. (Refer note 16C(e), page F80).

# NOTES
forming part of the standalone financial statements

**44.** The Board of Directors of the Company at its meeting held on February 6, 2023, considered and approved the amalgamation of Angul Energy Limited ("AEL") into and with the Company by way of a scheme of amalgamation and had recommended a cash consideration of ₹1,045/- for every 1 fully paid-up equity share of ₹10/- each held by the shareholders (except the Company) in AEL. Upon the scheme coming into effect, the entire paid-up share capital of AEL shall stand cancelled in its entirety.

The amalgamation will ensure consolidation of power assets under a single entity, leading to increased plant reliability, optimisation of power utilisation and other operation and cost synergies. Further, such restructuring will lead to simplification of group structure by eliminating multiple companies in similar operation, optimum use of infrastructure, rationalisation of cost in the areas of operations and administrative overheads, thereby maximising shareholder value of the Company post amalgamation.

As part of the defined regulatory approval process, this scheme has received approval(s) from stock exchanges and SEBI. Thereafter, the scheme has been filed at the relevant benches of the NCLT. The scheme has been approved by the shareholders of Tata Steel Limited on February 9, 2024. The Scheme has been approved and sanctioned by the NCLT, Delhi Bench on April 18, 2024. The approval and sanction of the NCLT, Mumbai Bench is awaited.

**45.** The Board of Directors of the Company at its meeting held on November 1, 2023, considered and approved the amalgamation of Bhubaneshwar Power Private Limited ('BPPL') into and with the Company, by way of scheme of amalgamation.

As part of the scheme, equity shares and preference shares, if any, held by the Company in BPPL shall stand cancelled. No shares of the Company shall be issued, nor any cash payment shall be made whatsoever by the Company in lieu of cancellation of shares of BPPL (being wholly owned subsidiary).

The scheme has been filed with the Hyderabad bench of the NCLT and sanction is awaited, filing of the scheme with the Mumbai bench of the NCLT has been dispensed with.

**46.** Consequent to the whistle-blower complaint in the Company's Graphene Business Division, the Company has carried out a detailed assessment and review of the matter and made the accounting adjustments/provisions, as appropriate, in the books of account, which were not material to the financial statements. Based on the assessment(s) and review, it has been concluded that there has not been any fraud under Section 447 of the Companies Act, 2013. A report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the statutory auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

**47.** With effect from April 1, 2023, the Ministry of Corporate Affairs (MCA) has made it mandatory for every company, which uses accounting software for maintaining its books of account, to use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses multiple accounting software including SAP HANA Enterprise Resource Planning (ERP) software to maintain its books of accounts. Implementation of the above notification to ensure enabling appropriate audit log on financial tables in aforesaid SAP HANA, which have high frequency database operations would lead to a severe system performance degradation thereby adversely impacting business operations and users, besides requiring significant additional storage and supporting infrastructure.

With a view to address the above challenges while ensuring compliance with the MCA notification and mitigate the risks involved therein, the Company has appropriately designed and implemented alternate mitigating controls over direct change at database level.

# NOTES

forming part of the standalone financial statements

## 48. Disclosure for struck off companies

The following table depicts the details of balances outstanding in respect of transactions undertaken with a company struck -off under section 248 of the Companies Act, 2013:

(₹ crore)

| Name of struck off Company | Nature of transactions with struck-off Company | Balance as at March 31, 2024 | Balance as at March 31, 2023 | Relationship with the struck-off Company |
|---|---|---|---|---|
| Sagar Business Private Limited | Sale of products and rendering of services | 2.29 | - | Advance from customer |
| METECNO INDIA PVT. LTD. | | 0.18 | - | |
| B.G. SHIRKE CONSTRUCTION TECHNOLOGY | | 0.10 | - | |
| BRIGHT STEEL | | 1.35 | - | |
| ANDHRA CYLINDERS | | 0.04 | - | |
| Arya Fuels Private Limited | | - | 0.00* | |
| BBR (India) Pvt. Ltd. | | - | 0.28 | |
| AGNI FUELS COKE PRIVATE LIMITED | | 0.01 | - | |
| BB MAN-POWER AND FACILITIES SERVICE | | 0.00 | - | Customer |
| ELEGANT MKT PRIVATE LIMITED | | 0.32 | - | |
| HARINAGAR SUGAR MILLS LTD. | | 0.00 | - | |
| Sinha Aviation Service Private Limited | | - | 0.06 | Vendor |
| BRAINWISE INFOTECH | | - | 0.00* | |
| LIFTVEL INDUSTRIES | | - | 0.01 | |
| Calcutta carriers | Purchase of goods and receiving of services | 13.91 | - | |
| K A Industries Private Limited | | 0.16 | - | |
| Sagar Business Private Limited | | 0.76 | - | |
| M/S. A.K.M Enterprises | | 0.00 | - | |
| Bearing Sales Corporation | | 0.04 | - | |
| DGT Engineers Private Limited | | 0.02 | - | |
| BB MAN-POWER AND FACILITIES SERVICE | | 0.01 | - | |
| Creative Constructions & Contractor | | 0.56 | - | |
| Sodexo Food Solutions India | | 0.71 | - | |
| Other entities(i) | Subscription to equity shares | - | - | Equity shareholder |

* Represents value less than ₹0.01 crore

# NOTES

forming part of the standalone financial statements

## 48. Disclosure for struck off companies (Contd.)

(i) Details of other struck off entities holding equity shares in the Company is as below:

| Name of struck off Company | No. of shares held | Paid-up as at March 31, 2024 (₹) | Paid-up as at March 31, 2023 (₹) |
|---|---|---|---|
| (1) Agro Based Industries Ltd | 1,450 | 1,450.00 | 1,450.00 |
| (2) Anand Growth Fund Pvt. Ltd. | 1,330 | 1,330.00 | 1,330.00 |
| (3) Anileksha Investments Pvt Ltd | 2,250 | 2,250.00 | 2,250.00 |
| (4) Bejo Sheetal Seeds Pvt Ltd | 750 | 750.00 | 750.00 |
| (5) Belscot Investment & Consultancy Private Limited | | - | 1,650.00 |
| (6) Bennett Coleman. & Co. Ltd | | - | 7,950.00 |
| (7) Bhagirathi Protein Ltd | 6,500 | 6,500.00 | 6,500.00 |
| (8) Bhansali & Co (Exports) Pvt Ltd | | - | 60.00 |
| (9) Bharat Solite Limited | 10 | 10.00 | 10.00 |
| (10) Burdwan Holdings Pvt Ltd | 3,150 | 3,150.00 | 3,150.00 |
| (11) Chaityadeep Investments Pvt Ltd | 2,110 | 2,110.00 | 2,110.00 |
| (12) Chanakya Service Station Private Limited | 16,500 | 16,500.00 | 16,500.00 |
| (13) Dashtina Investments Private Limited | 400 | 400.00 | 400.00 |
| (14) Desai Holdings Limited | 750 | 750.00 | 750.00 |
| (15) Dhanastra Investments Limited | 13,500 | 13,500.00 | 13,500.00 |
| (16) Dipy Finstock Pvt Ltd | 2,000 | 2,000.00 | - |
| (17) Fortis Financial Services Limited | 250 | 250.00 | - |
| (18) Fortune Investment And Finance India Pvt Ltd | 750 | 750.00 | - |
| (19) Frontline Corporate Finance Ltd. | 1,060 | 1,060.00 | 1,060.00 |
| (20) Gagan Trading Co Ltd | 1,690 | 1,690.00 | 1,690.00 |
| (21) Goldcrest Jute and Fibre Ltd | 1,800 | 1,800.00 | 1,800.00 |
| (22) Kapursco Cold Storage Pvt. Ltd. | 300 | 300.00 | 300.00 |
| (23) Kirban Sales Pvt Ltd | 150 | 150.00 | 150.00 |
| (24) Krishna Hire Purchase Pvt Ltd | 1,000 | 1,000.00 | - |
| (25) Lakshadeep Investments Pvt Ltd | | - | 2,110.00 |
| (26) M H Doshi Investment Agencies Private Limited | | - | 500.00 |
| (27) Meghna Finance and Investments Private Limited | 4,890 | 4,890.00 | 4,890.00 |
| (28) Merchant Management System Private Limited | 8,800 | 8,800.00 | 8,800.00 |
| (29) Midas Touch Securities Pvt Ltd | 150 | 150.00 | 150.00 |

## 48. Disclosure for struck off companies (Contd.)

| Name of struck off Company | No. of shares held | Paid-up as at March 31, 2024 (₹) | Paid-up as at March 31, 2023 (₹) |
|---|---|---|---|
| (30) Modern Holdings Pvt Ltd | 18,040 | 18,040.00 | 18,050.00 |
| (31) Monnet Finance Limited | 1,000 | 1,000.00 | - |
| (32) Multiplier Financial Services Private Limited | | - | 30.00 |
| (33) My Shares & Stock Brokers Pvt Ltd | 2,060 | 2,060.00 | - |
| (34) Overland Finance & Investment Consultants Private Limited | | - | 330.00 |
| (35) PCI Vanijya Private Limited | | - | 4,950.00 |
| (36) PCS Securities Pvt. Ltd. | | - | 500.00 |
| (37) Popular Stock and Share Services Private Limited | 320 | 320.00 | 320.00 |
| (38) Prahit Investments Pvt Ltd | 4,600 | 4,600.00 | 4,600.00 |
| (39) Protect Finvest Private Limited | 330 | 330.00 | 330.00 |
| (40) Raghunath Oils and Fats Limited | | - | 500.00 |
| (41) S S Securities Limited | 500 | 500.00 | 500.00 |
| (42) Seagull Finance And Investment Private Limited | 600 | 600.00 | 600.00 |
| (43) Singhania Brothers Private Limited | | - | 5,280.00 |
| (44) Shraman Trades & Industries P Ltd | 1,810 | 1,810.00 | - |
| (45) Shree Agencies Pvt Ltd | 3,180 | 3,180.00 | 3,180.00 |
| (46) Shriram Investment Services Ltd | 1,500 | 1,500.00 | 1,500.00 |
| (47) Shilpa Investments And Financial Services Private Limited | 13,440 | 13,440.00 | 13,440.00 |
| (48) Suhit Investments Pvt Ltd | 1,660 | 1,660.00 | 1,660.00 |
| (49) Swapnalok Construction Pvt Ltd | 500 | 500.00 | 500.00 |
| (50) Swapan Properties Ltd | 500 | 500.00 | - |
| (51) Calcutta Sales Agency Ltd. | 6,340 | 6,340.00 | 6,340.00 |
| (52) Varun Credit & Real Estate Pvt Ltd | 570 | 570.00 | 570.00 |
| (53) V Follow Up And Finance P Ltd | | - | 360.00 |
| | | **1,28,490.00** | **1,43,350.00** |

# NOTES
forming part of the standalone financial statements

## 49. Details of significant investments in subsidiaries, joint ventures and associates

(% Direct Holding)

| | | Country of Incorporation | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| **(a)** | **Subsidiary companies** | | | |
| (1) | ABJA Investment Co. Pte Ltd. | Singapore | 100.00 | 100.00 |
| (2) | Angul Energy Limited | India | 99.99 | 99.99 |
| (3) | Bhushan Steel (Australia) Pty Limited | Australia | 100.00 | 100.00 |
| (4) | Bhushan Steel (South) Limited | India | 100.00 | 100.00 |
| (5) | Bhubaneshwar Power Private Limited | India | 100.00 | 100.00 |
| (6) | Creative Port Development Private Limited | India | 51.00 | 51.00 |
| (7) | Jamshedpur Football and Sporting Private Limited | India | 100.00 | 100.00 |
| (8) | Medica TS Hospital Pvt Ltd. | India | 51.00 | 51.00 |
| (9) | Mohar Exports Services Pvt Ltd | India | 33.23 | 33.23 |
| (10) | Neelachal Ispat Nigam Limited | India | 99.66 | 97.91 |
| (11) | Rujuvalika Investments Limited | India | 100.00 | 100.00 |
| (12) | Subarnarekha Port Private Limited | India | 3.88 | 3.88 |
| (13) | T Steel Holdings Pte. Ltd. | Singapore | 100.00 | 100.00 |
| (14) | Tata Korf Engineering Services Ltd | India | 100.00 | 100.00 |
| (15) | Tata Steel Advanced Materials Limited (formerly Tata Steel Odisha Limited) | India | 100.00 | 100.00 |
| (16) | Tata Steel Downstream Products Limited | India | 100.00 | 100.00 |
| (17) | Tata Steel Foundation | India | 100.00 | 100.00 |
| (18) | Tata Steel Support Services Limited (formerly Bhushan Steel (Orissa) Limited) | India | 100.00 | 100.00 |
| (19) | Tata Steel Technical Services Limited (formerly Bhushan Steel Madhya Bharat Limited) | India | 100.00 | 100.00 |
| (20) | Tata Steel Utilities and Infrastructure Services Limited | India | 100.00 | 100.00 |
| (21) | Tayo Rolls Limited | India | 54.91 | 54.91 |
| (22) | The Indian Steel & Wire Products Ltd. | India | 98.33 | 95.01 |
| **(b)** | **Associate companies** | | | |
| (1) | Bhushan Capital & Credit Services Private Limited | India | 42.58 | 42.58 |
| (2) | Jawahar Credit & Holdings Private Limited | India | 39.65 | 39.65 |
| (3) | Kalinga Aquatics Ltd. | India | 30.00 | 30.00 |
| (4) | Kumardhubi Fireclay and Silica Works Ltd | India | 27.78 | 27.78 |
| (5) | Kumardhubi Metal Casting and Engineering Ltd | India | 49.31 | 49.31 |
| (6) | Malusha Travels Pvt Ltd | India | 33.23 | 33.23 |
| (7) | Strategic Energy Technology Systems Private Limited | India | 25.00 | 25.00 |
| (8) | Tata Construction and Projects Ltd. | India | 27.19 | 27.19 |
| (8) | TP Vardhaman Surya Limited | India | 26.00 | - |
| (9) | TRF Limited. | India | 34.11 | 34.11 |

## 49. Details of significant investments in subsidiaries, joint ventures and associates (Contd.)

(% Direct Holding)

| | | Country of Incorporation | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| **(c)** | **Joint ventures** | | | |
| (1) | Andal East Coal Company Private Limited | India | 33.89 | 33.89 |
| (2) | Industrial Energy Limited | India | 26.00 | 26.00 |
| (3) | Jamipol Limited | India | 7.11 | 7.11 |
| (4) | mjunction services limited | India | 50.00 | 50.00 |
| (5) | Nicco Jubilee Park Limited | India | 1.23 | 1.23 |
| (6) | Tata NYK Shipping Pte Ltd. | Singapore | 50.00 | 50.00 |
| (7) | TM International Logistics Limited | India | 51.00 | 51.00 |

## 50. Dividend

The dividend declared by the Company is based on profits available for distribution as reported in the standalone financial statements of the Company. On May 29, 2024 the Board of Directors of the Company had proposed a dividend of ₹**3.60** per Ordinary share of ₹1 each in respect of the year ended March 31, 2024 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of approximately ₹**4,494.07** crore.

In terms of our report attached

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

sd/-
**Subramanian Vivek**
Partner
Membership Number 100332

Mumbai, May 29, 2024

For and on behalf of the Board of Directors

sd/-
**N. Chandrasekaran**
Chairman
DIN: 00121863

sd/-
**Noel Naval Tata**
Vice-Chairman
DIN: 00024713

sd/-
**Deepak Kapoor**
Independent Director
DIN: 00162957

sd/-
**Farida Khambata**
Independent Director
DIN: 06954123

sd/-
**V. K. Sharma**
Independent Director
DIN: 02449088

sd/-
**Bharti Gupta Ramola**
Independent Director
DIN: 00356188

sd/-
**Shekhar C. Mande**
Independent Director
DIN: 10083454

sd/-
**T. V. Narendran**
Chief Executive Officer & Managing Director
DIN: 03083605

sd/-
**Koushik Chatterjee**
Executive Director & Chief Financial Officer
DIN: 00004989

sd/-
**Parvatheesam Kanchinadham**
Company Secretary & Chief Legal Officer (Corporate & Compliance)
ACS: 15921