INDEPENDENT AUDITOR'S REPORT

To the Members of
Tata Steel Long Products Limited
(formerly Tata Sponge Iron Limited)
Report on the Audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Tata Steel Long Products Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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 financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2022, total comprehensive income (comprising of profit and other comprehensive income), its changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Recovery of expenses for Radhikapur (East) Coal Block [Refer to Note 33(d) to the Financial Statements] As at March 31, 2022, the Company has financial exposure in books aggregating ₹178.81 Crores incurred in earlier years on the Radhikapur (East) Coal Block, which was deallocated pursuant to the Order of the Hon'ble Supreme Court of India in 2014. The Coal Mines (Special Provisions) Rules, 2014 and subsequent amendments thereto, promulgated pursuant to the aforesaid Order, prescribes that the prior allottee (i.e. the Company), shall be compensated for the expenses incurred towards land and mine infrastructure. During the previous year 2020-21, the Ministry of Coal (MoC) has carried out an auction of the coal block and the coal block has been re-allotted to a successful bidder. Accordingly, the Company submitted the documents in respect of title deeds of land and possession of buildings and other required details in April 2021 to the aforesaid successful bidder. The Company is awaiting directions from MoC on the determination of just, fair and adequate compensation in respect of the aforesaid amounts incurred. The Company expects to recover such expenses in due course. This is considered to be a key audit matter as significant judgements are involved regarding recoverability of the aforesaid amounts incurred which are largely subject to decision/approvals of the regulatory authorities.	Our audit procedures around recoverability of the expenses incurred included the following: • Evaluation of the design and testing of operating effectiveness of the related controls implemented by the management. • Tested a sample of expenses incurred on the coal block. • Obtained evidence supporting the correspondences of the Company with the MoC / Nominated Authority of MoC / Government agencies and the allotment to the successful bidder. • Obtained an updated understanding of the basis of the management's judgement on recoverability of expenses including discussion with the Company's inhouse legal counsel and opinion from an external legal counsel. Based on the above work performed, we found the management's judgement on assessment of recoverability of the related expenses, to be reasonable.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Corporate Profile and the Director's Report along with the Annexures to the Director's Report included in the Company's annual report (titled as Tata Steel Long Products Limited Integrated Report & Annual Accounts 2021-22), but does not include the financial statements and our auditor's report thereon.

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

   We have nothing to report in this regard.

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

8. Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the 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 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 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 financial statements, including the disclosures, and whether the 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 financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

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

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

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

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid 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, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

    (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations as on March 31, 2022 on its financial position in its financial statements. Refer Note 33 to the financial statements.

        ii. The Company has long-term contracts as at March 31, 2022 for which there were no material foreseeable losses. The Company did not have long term derivative contracts. Refer Note 49 to the financial statements.

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022, except for amounts aggregating to ₹0.06 crores, which according to the information and explanations provided by the management is held in abeyance due to pending legal cases. Refer Note 50 to the financial statements.

        iv. (a) The management has represented that, to the best of its knowledge and belief and as disclosed in the notes to the Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities

("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer Note 53(a) to the financial statements;

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

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

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

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

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

Pinaki Chowdhury
Partner
Membership Number: 057572
UDIN: 22057572AHIFRM6457

Kolkata
April 19, 2022

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited) on the financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to 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 financial statements of Tata Steel Long Products Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the 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 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 financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 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 financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Pinaki Chowdhury
Partner
Membership Number: 057572
UDIN: 22057572AHIFRM6457

Kolkata
April 19, 2022

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited) on the financial statements as of and for the year ended March 31, 2022

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 financial statements, are held in the name of the Company, except for the following immovable properties acquired pursuant to the business acquisition as stated in Notes 3.01 and 4(e) to the financial statements, whose title deeds are not held in the Company's name:

Description of property	Gross carrying value (₹ crore)	Net carrying value (₹ crore)	Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in the name of the Company
Freehold land	24.38	24.38	Bharat Minex Private Limited	No	April 9, 2019	Immovable properties were part of acquired steel business from Usha Martin Limited. The Company is in process of getting title deeds registered in the name of the Company
Freehold land	0.83	0.83	Usha Martin Limited	No	April 9, 2019	
Freehold land	0.88	0.88	Chandrakali Devi	No	April 9, 2019	
Freehold land	0.08	0.08	Bhagwan Singh	No	April 9, 2019	
Freehold land	0.02	0.02	Prem Nath Prasad	No	April 9, 2019	
Freehold land	0.07	0.07	Laljahari Devi	No	April 9, 2019	
Freehold land	0.08	0.08	Gopinath Pradhan	No	April 9, 2019	
Freehold buildings	0.71	0.41	Usha Martin Limited	No	July 3, 2019	
Right-of-use land	2.36	2.22	Usha Martin Limited	No	April 9, 2019	
Right-of-use building	3.30	3.07	Usha Martin Limited	No	April 9, 2019	

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

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

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

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹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. Also refer Note 52 to the financial statements.

Further, the Company is yet to submit the returns/statements for the quarter ended March 31, 2022 to the banks and hence reporting under clause 3(ii)(b) of the Order to the extent it relates to the last quarter of the financial year is not applicable to the Company. Also, refer Note 52 to the financial statements.

iii. (a) The Company has not made any investments during the year other than in twelve companies. The Company has not granted secured/ unsecured loans/ advances in the nature of loans to any Company/ Firm/Limited Liability Partnership/Other Party during the year other than loan to nine employees. The Company did not stand guarantee or provided security to any Company/Firm/Limited Liability Partnership/Other party during the year other than security of current assets and certain Property, Plant and Equipment to a Trusteeship Company for seven banks against working capital facilities/ term loan from banks. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans and securities are as per the table given below:

(₹ crore)

	Security	Loans
Aggregate amount granted/ provided during the year		
- Others	4,485.00	0.04
Balance outstanding as at balance sheet date in respect of the above case		
- Others	4,485.00	0.07

(b) In respect of the aforesaid investments/ loans / securities, the terms and conditions under which such investments were made/ loans were granted / securities provided are not prejudicial to the Company's interest.

(c) In respect of loan to employees, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of aforesaid loan to employees, there is no amount which is overdue for more than ninety days.

(e) There were no loans, which were granted to same parties and which fell due during the year and were renewed/extended. Further no fresh loans were granted to any party to settle the overdue loans.

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

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 within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, professional tax and provident fund (also refer remarks below), though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including Goods and Services Tax, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 37.03 to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (net of payments/ deposits) (₹ crores)	Amount paid / deposited (₹ crores)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income tax	9	66.97	2014-15	Commissioner of Income Tax (Appeals)
				2015-16	
				2016-17	
Income Tax Act, 1961	Income tax	2.21	61.56	2013-14	Income Tax Appellate Tribunal
Central Sales Tax Act, 1957	Sales Tax	0.67	0.85	2005-06	Sales tax Tribunal
Central Sales Tax Act, 1957	Sales Tax	0.06	0.06	1987-88	Deputy Commissioner of Commercial Taxes
				1992-93	
				1993-94	
				1998-99	

Name of the statute	Nature of dues	Amount (net of payments/ deposits) (₹ crores)	Amount paid / deposited (₹ crores)	Period to which the amount relates	Forum where the dispute is pending
The Odisha Sales Tax Act, 1947	Sales Tax	0.02	0.07	1992-93	Sales tax Tribunal
				2000-01	
The Odisha Sales Tax Act, 1947	Sales Tax	0.06	0.06	1987-88	Deputy Commissioner of Commercial Taxes
				1989-90	
				1990-91	
				1988-89	
Customs Act, 1962	Customs Duty	33.11	-	2012-13	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Custom Duty	0.34	0.07	2019-20	Commissioner Appeals, Customs
The Central Excise Act, 1944	Excise Duty	2.05	0.11	2011-12	Customs, Excise and Service Tax Appellate Tribunal
Customs Act, 1962	Excise Duty	**	**	2019-20	Commissioner Appeals, GST & Central Excise
Odisha Value Added Tax Act, 2004	Value Added Tax	0.07	0.18	2005-06	Commissioner of Commercial Taxes
The Odisha Entry Tax Act, 1999	Entry Tax	0.87	0.62	2006-07	Sales Tax Tribunal
				2007-08	
The Odisha Entry Tax Act, 1999	Entry Tax	1.03	0.57	2005-06	Deputy Commissioner of Commercial Taxes
Electricity Act, 2003	Cross Subsidy	6.01	-	2012-13	Appellate Tribunal for Electricity

**Amount below rounding off norm adopted in report.

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

ix. (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender, as applicable, during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. Also refer Note 15 to the financial statements.

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

(e) According to the information and explanations given to us and on overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary (Refer note 46). The Company has no associate or joint venture.

(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 subsidiary (Refer note 46). The Company has no associate or joint venture.

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

(b) The Company has made a private placement of shares during the year, in compliance with the requirements of Section 42 and Section 62 of the Act. The funds raised have been used for the purpose for which funds were raised. The Company has not made any other preferential allotment or private placement of shares or fully, partially or optionally convertible debentures during the year under audit (Refer note 38 (c) to the financial statements).

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

(b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting.

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 financial statements as required under Indian Accounting Standard 24, Related Party Disclosures specified under Section 133 of the Act.

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

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

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

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

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

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

(d) Based on the information and explanations provided by the management of the Company, the Group has six CICs as part of the Group as detailed in note 55 to the financial statements. 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) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios [Also refer Note 47 to the financial statements], ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 and hence matter specified in clause (xx) of paragraph 3 of the CARO, 2020 does not apply 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

Pinaki Chowdhury
Partner
Membership Number: 057572
UDIN: 22057572AHIFRM6457

Kolkata
April 19, 2022

BALANCE SHEET
as at March 31, 2022

(₹ in crores)

		Notes	As at March 31, 2022	As at March 31, 2021
I	**Assets**			
	Non-current assets			
	(a) Property, plant and equipment	03	3,598.79	3,822.62
	(b) Right-of-use assets	04	211.28	223.90
	(c) Capital work-in-progress	03	57.52	23.89
	(d) Goodwill		6.16	5.66
	(e) Other intangible assets	05	264.44	289.37
	(f) Advance against equity investment	38 (c)	1,210.00	-
	(g) Financial assets			
	(i) Investments	06	15.68	20.66
	(ii) Loans	07	0.04	0.04
	(iii) Other financial assets	08	8.51	2.25
	(h) Income tax assets (net)	21 (ii)	44.71	43.15
	(i) Other non-current assets	09	21.25	20.46
	Total non-current assets		**5,438.38**	**4,452.00**
	Current assets			
	(a) Inventories	10	1,350.09	812.71
	(b) Financial assets			
	(i) Investments	06	8,077.62	-
	(ii) Trade receivables	11	60.39	75.15
	(iii) Cash and cash equivalents	12 (i)	4,558.91	279.37
	(iv) Bank balances other than (iii) above	12 (ii)	2.20	2.41
	(v) Loans	07	0.24	0.17
	(vi) Derivative assets		-	0.51
	(vii) Other financial assets	08	247.45	184.92
	(c) Other current assets	09	76.99	81.96
	Total current assets		**14,373.89**	**1,437.20**
	Assets classified as held for sale	40	-	19.27
	Total assets		**19,812.27**	**5,908.47**
II	**Equity and liabilities**			
	Equity			
	(a) Equity share capital	13	45.10	45.10
	(b) Other equity	14	3,155.37	2,548.79
	Total equity		**3,200.47**	**2,593.89**
	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	13,391.55	1,320.15
	(ii) Lease liabilities	04	80.07	87.25
	(b) Provisions	16	50.51	35.63
	(c) Deferred tax liabilities (net)	17	148.70	44.53
	Total non-current liabilities		**13,670.83**	**1,487.56**
	Current liabilities			
	(a) Financial liabilities			
	(i) Lease liabilities	04	9.98	16.82
	(ii) Derivative liabilities		1.71	5.46
	(iii) Trade payables	18		
	- total outstanding dues of micro and small enterprises		72.63	63.86
	- total outstanding dues of creditors other than micro and small enterprises		2,297.20	1,165.38
	(iv) Other financial liabilities	20	137.91	147.74
	(b) Provisions	16	54.74	80.88
	(c) Other current liabilities	19	312.90	292.98
	(d) Current tax liabilities (net)	21 (i)	53.90	53.90
	Total current liabilities		**2,940.97**	**1,827.02**
	Total liabilities		**16,611.80**	**3,314.58**
	Total equity and liabilities		**19,812.27**	**5,908.47**
	Notes forming an integral part of the financial statements	**1 to 59**		

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

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

Pinaki Chowdhury
Partner
Membership No. 057572

Kolkata
April 19, 2022

For and on behalf of the Board of Directors

T V Narendran
Chairman
DIN: 03083605

Ashish Anupam
Managing Director
DIN: 08384201

S K Shrivastav
Joint Chief Financial Officer

Sankar Bhattacharya
Company Secretary

Kolkata
April 19, 2022

STATEMENT OF PROFIT AND LOSS
for the year ended March 31, 2022

(₹ in crores)

		Notes	Year ended March 31, 2022	Year ended March 31, 2021
I	Revenue from operations	22	6,801.63	4,749.87
II	Other income	23	137.51	78.23
III	**Total income (I + II)**		**6,939.14**	**4,828.10**
IV	**Expenses:**			
	Cost of materials consumed	24	3,929.61	2,181.96
	Changes in inventories of finished and semi finished goods	25	(99.14)	56.49
	Employee benefits expense	26	216.43	214.81
	Finance costs	27	109.96	234.63
	Depreciation and amortisation expense	28	319.58	327.19
	Other expenses	29	1,577.18	1,198.19
	Total expenses (IV)		**6,053.62**	**4,213.27**
V	**Profit before exceptional items (III-IV)**		**885.52**	**614.83**
VI	**Exceptional items**			
	Acquisition related expenditure	35	27.14	-
	Total exceptional items (VI)		**27.14**	**-**
VII	**Profit before tax (V-VI)**		**858.38**	**614.83**
VIII	**Tax expense:**			
	(1) Current tax	17 (ii)	124.08	-
	(2) Deferred tax	17 (i)	104.43	42.86
	Total tax expense (VIII)		**228.51**	**42.86**
IX	**Profit for the year (VII- VIII)**		**629.87**	**571.97**
X	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	(a) Remeasurement gain of the defined benefit plans		2.92	3.78
	(b) Income tax relating to above items		(0.73)	(0.95)
	(c) (Loss) / Gain on changes in fair value of FVOCI equity instruments		(3.92)	3.20
	(d) Income tax relating to above items		0.99	(0.72)
	Total other comprehensive income (X)		**(0.74)**	**5.31**
XI	**Total comprehensive income for the year (IX + X)** (Comprising profit and other comprehensive income for the year)		**629.13**	**577.28**
XII	**Earnings per equity share (face value of ₹10 each):**	32		
	(1) Basic (in ₹)		139.66	126.82
	(2) Diluted (in ₹)		139.66	126.82
Notes forming an integral part of the financial statements		**1 to 59**		

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

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

Pinaki Chowdhury
Partner
Membership No. 057572

Kolkata
April 19, 2022

For and on behalf of the Board of Directors

T V Narendran
Chairman
DIN: 03083605

Ashish Anupam
Managing Director
DIN: 08384201

S K Shrivastav
Joint Chief Financial Officer
Kolkata
April 19, 2022

Sankar Bhattacharya
Company Secretary

STATEMENT OF CHANGES IN EQUITY
for the year ended March 31, 2022

(A) Equity share capital

(₹ in crores)

Particulars	Notes	Amount
As at April 1, 2020	13	45.10
Changes in equity share capital during the year		-
As at March 31, 2021		45.10
Changes in equity share capital during the year		-
As at March 31, 2022		**45.10**

(B) Other equity

(₹ in crores)

Particulars	Notes	Reserves and surplus				Other reserves	Total
		General reserves	Securities premium	Retained earnings	Remeasurement gain / (loss) on defined benefit plans	Equity instruments through other comprehensive income	
As at April 1, 2020	14	900.00	1,449.99	(379.95)	(10.85)	12.32	1,971.51
Profit for the year		-	-	571.97	-	-	571.97
Changes in fair value of FVOCI equity instruments		-	-	-	-	3.20	3.20
Remeasurement gain / (loss) on defined benefit plans		-	-	-	3.78	-	3.78
Tax impact on items of other comprehensive income (OCI)		-	-	-	(0.95)	(0.72)	(1.67)
Transactions with the owners in their capacity as owners							
Dividend paid during the year	30(b)	-	-	-	-		-
Balance as at March 31, 2021	14	**900.00**	**1,449.99**	**192.02**	**(8.02)**	**14.80**	**2,548.79**
Profit for the year		-	-	629.87	-	-	629.87
Changes in fair value of FVOCI equity instruments		-	-	-	-	(3.92)	(3.92)
Remeasurement gain / (loss) on defined benefit plans		-	-	-	2.92	-	2.92
Tax impact on items of other comprehensive income (OCI)		-	-	-	(0.73)	0.99	0.26
Transactions with the owners in their capacity as owners							
Dividend paid during the year	30(b)	-	-	(22.55)	-	-	(22.55)
Balance as at March 31, 2022	14	**900.00**	**1,449.99**	**799.34**	**(5.83)**	**11.87**	**3,155.37**
Notes forming an integral part of the financial statements	**1 to 59**						

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

Pinaki Chowdhury
Partner
Membership No. 057572

Kolkata
April 19, 2022

For and on behalf of the Board of Directors

T V Narendran
Chairman
DIN: 03083605

Ashish Anupam
Managing Director
DIN: 08384201

S K Shrivastav
Joint Chief Financial Officer

Sankar Bhattacharya
Company Secretary

Kolkata
April 19, 2022

STATEMENT OF CASH FLOWS
for the year ended March 31, 2022

(₹ in crores)

		Year ended March 31, 2022	Year ended March 31, 2021
A.	**Cash flows from operating activities**		
	Profit before tax	858.38	614.83
	Adjustments for:		
	Depreciation and amortisation expense	319.58	327.19
	Changes in fair value of financial assets / liabilities at fair value through profit or loss	(6.93)	13.15
	Gain on cancellation of forward contracts	(0.11)	(9.86)
	Dividend received from equity investments	(0.75)	(2.44)
	Gain on sale of current investments	(9.19)	(3.89)
	Loss on sale of non-current investments	0.06	-
	Loss on disposal of property, plant and equipment	11.98	9.59
	Interest income	(13.64)	(18.50)
	Finance costs	109.96	234.63
	Reversal for expected credit losses	-	(3.19)
	Other non-cash items	0.96	-
	Operating profit before working capital changes	**1,270.30**	**1,161.51**
	Changes in operating assets and liabilities:		
	(Increase) in Inventories	(536.91)	(15.74)
	(Increase) / Decrease in Non-current/current financial and non-financial assets	(31.34)	126.64
	Increase in Non-current/current financial and non-financial liabilities/provisions	1,184.63	423.77
	Cash generated from operations	**1,886.68**	**1,696.18**
	Income taxes (paid)	(125.64)	(6.45)
	Net cash generated from operating activities	**1,761.04**	**1,689.73**
B.	**Cash flows from investing activities**		
	Payments for purchases of property, plant and equipment (including capital advances)	(91.92)	(42.47)
	Proceeds from disposal of property, plant and equipment	1.31	1.62
	Payments relating to business combination	(54.18)	-
	(Purchase) / sale of current investments (net)	(8,064.74)	3.89
	Advance against equity investment (Refer note 38(c))	(1,210.00)	-
	Proceeds from disposal of non-current investments	1.00	-
	Fixed deposits matured (net)	-	100.90
	Interest received	12.99	24.65
	Dividend received from equity investments	0.75	2.44
	Net cash (used in) / generated from investing activities	**(9,404.79)**	**91.03**

STATEMENT OF CASH FLOWS
for the year ended March 31, 2022

(₹ in crores)

		Year ended March 31, 2022	Year ended March 31, 2021
C.	**Cash flows from financing activities**		
	Repayment of borrowings (net)	(636.00)	(1,325.00)
	Proceeds from issue of non-convertible redeemable preference shares (Refer Note 38(c))	12,700.00	-
	Finance costs paid (excluding interest towards lease liabilities)	(95.26)	(227.88)
	Payment of lease liabilities	(13.62)	(9.00)
	Interest paid on lease liabilities	(9.39)	(7.40)
	Gain on cancellation of forward contracts	0.11	9.86
	Dividend paid	(22.55)	-
	Net cash generated from / (used in) from financing activities	**11,923.29**	**(1,559.42)**
Net increase in cash or cash equivalents		4,279.54	221.34
Cash and cash equivalents at the beginning of the year (Refer Note 12(i))		279.37	58.03
Cash and cash equivalents at the end of the year (Refer Note 12(i))		**4,558.91**	**279.37**
Notes forming an integral part of the financial statements	**1 to 59**		

This is the Statement of Cash Flows referred to in our report of even date
For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number-304026E/E-300009

Pinaki Chowdhury
Partner
Membership No. 057572

Kolkata
April 19, 2022

For and on behalf of the Board of Directors

T V Narendran
Chairman
DIN: 03083605

Ashish Anupam
Managing Director
DIN: 08384201

S K Shrivastav
Joint Chief Financial Officer

Sankar Bhattacharya
Company Secretary

Kolkata
April 19, 2022

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

01 Corporate information

Tata Steel Long Products Limited ('TSLPL' or 'the Company') is a public limited Company incorporated in India with its registered office at Joda, Odisha, India. The Company is a subsidiary of Tata Steel Limited. The equity shares of the Company are listed on two of the stock exchanges in India i.e. National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The name of the Company has been changed from Tata Sponge Iron Limited to Tata Steel Long Products Limited with effect from August 20, 2019. The Company has presence across the entire value chain of steel manufacturing from mining and processing iron ore to producing and distributing steel based long products. The Company also has sponge iron manufacturing facility and captive power plants generating power from waste heat and thermal coal. The financial statements were approved and authorised for issue with the resolution of the Company's Board of Directors on April 19, 2022.

02 Significant accounting policies

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

02.01 Basis of accounting and preparation of financial statements

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on the historical cost basis except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- assets held for sale — measured at fair value less cost to sell;
- defined benefit plans — plan assets measured at fair value.

(iii) Current versus Non-current classification

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

An asset is classified as current when it is:

i. expected to be realised or intended to be sold or consumed in the normal operating cycle,

ii. held primarily for the purpose of trading,

iii. expected to be realised within twelve months after the reporting period, or

iv. cash or cash equivalents (as defined in Ind AS 7: Statement of Cash Flows) unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

i. it is expected to be settled in the normal operating cycle,

ii. it is incurred primarily for the purpose of trading,

iii. it is due to be settled within twelve months after the reporting period, or

iv. there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

02.02 Use of estimates and critical accounting judgments

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

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

This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each impacted line item in the financial statements.

The areas involving critical estimates or judgements are:

(i) Employee benefits (estimation of defined benefit obligation)-Refer Notes 02.16 and 37

Post-employment benefits represents obligation that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit cost over the employees' approximate service period, based on the terms of plans and the investment and funding decisions made. The accounting requires the company to make assumptions regarding variables such as discount rate and rate of compensation increase. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

(ii) Estimation of expected useful lives and residual values of property, plants and equipment-Refer Notes 02.03 and 03

Management reviews its estimate of useful life of property, plant & equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolesce that may change the utility of property, plant and equipment.

(iii) Provision and contingent liabilities-Refer Notes 02.19, 02.20, 16 and 33

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities, as disclosed in Note 33, are not recognised in the financial statements. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcomes. In the normal course of business, the Company consults with legal counsel and certain other experts on matters related to litigations. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

(iv) Deferred taxes-Refer Notes 02.17 and 17

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

(v) Fair value measurements of financial instruments-Refer Notes 2.10 and 31

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

(vi) Impairment-Refer Notes 02.07 and 39

The Company estimates the value in use of the cash generating unit (CGU) based on future cash flows after considering current economic conditions and trends, estimated future operating results and growth rates and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate in order to calculate the present value. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets. The Company has identified two CGUs-Integrated steel manufacturing plant at Gamharia and Sponge iron manufacturing plant at Joda.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

(vii) Leases (determination of lease term)-Refer Notes 02.04 and 04

When the Company has the option to extend a lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. Management considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

(viii) Allocation of purchase consideration over the fair value of assets and liabilities acquired in a business combination-Refer Notes 02.08 and 38(a)

Assets and liabilities acquired pursuant to business combination are stated at the fair values determined as of the date of acquisition. The carrying values of assets acquired are determined based on estimate of a valuation carried out by an independent expert appointed by the Company. The values have been assessed based on the technical estimates of useful lives of tangible assets and benefits expected from the use of intangible assets. Other assets and liabilities were recorded at values these were expected to be realised or settled respectively.

02.03 Property, plant and equipment

Items of Property, plant and equipment are stated at historical cost (also refer Note 02.08 on Business Combination related to identifiable Property, plant and equipment acquired under business combination) less accumulated depreciation (other than freehold land) and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are recognised as an expense in the Statement of Profit and Loss during the reporting period in which they are incurred.

Depreciation method, estimated useful lives and residual values

Depreciation on property, plant and equipment is calculated on a pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual values, over their estimated useful lives. The useful lives determined are in line with the useful lives prescribed in Schedule II to the Act except in respect of certain plant and machinery, furniture and fixtures and vehicles, in whose case the life of the assets has been assessed, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc.

The estimated useful lives of property, plant and equipment are as under:

Category of assets	Useful life
Building	3-60 years
Plant and equipment and electrical installations	2-35 years
Furniture and fixtures	2-10 years
Office equipment	2-10 years
Vehicles	2-8 years
Railway sidings	8-15 years

Mining assets are amortised over the useful life of the mine or lease period, whichever is lower.

Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the other components of the item. The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the Statement of Profit and Loss within 'Other Income'/'Other Expenses'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as 'Capital Advances' under other non- current assets and the cost of property, plant and equipment not ready to use are disclosed under 'Capital Work-in progress'.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

02.04 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the company under residual value guarantees,
- the exercise price of a purchase option if the company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

Payments associated with short-term leases of offices are recognised on a straight-line basis as an expense in Statement of Profit and Loss. Short-term leases are leases with a lease term of 12 months or less.

Variable lease payments that depend on output generated are recognised in Statement of Profit and Loss in the period in which the condition that triggers those payment occurs.

02.05 Intangible assets

(i) Railway sidings (constructed)

Railway sidings is included in the Balance Sheet as an intangible asset where it is clearly linked to long term economic benefits for the Company. In this case it is measured at cost of construction and then amortised on a straight-line basis over their estimated useful lives. Railway sidings are amortised on a straight-line basis over their estimated useful lives i.e. 5 years.

(ii) Computer software (acquired)

Software for internal use, which is primarily acquired from third-party vendors is capitalised. It has a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of software includes license fees and cost of implementation/ system integration services, where applicable. Computer software are amortised over a period of 5 years. Amortisation method and useful lives are reviewed periodically including at each financial year end.

(iii) Mining rights (acquired)

Savings in the form of the differential in cost of acquisition of iron ore mined from the acquired mine and the cost incurred to acquire iron ore from the open market, adjusted for costs incurred to develop and maintain the acquired mine is accounted as intangible assets. Mining rights are amortised on the basis of production from mines.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

02.06 Research and development

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

02.07 Impairment of non-financial assets

The goodwill recognised on acquisition of a new business is tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

02.08 Business combinations

The acquisition method of accounting is used to account for all business combinations related to acquisitions, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition is measured at

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

02.09 Investment in subsidiaries

Investments in subsidiaries are stated at cost less provision for impairment loss, if any. Investments are tested for impairment wherever event or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

02.10 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

02.11 Investments (other than investments in subsidiaries) and other financial assets

(i) Classification

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

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

The classification depends on the Company's business model for managing the financial assets and the contractual terms of cash flows.

For assets measured at fair value, gains and losses are recorded in either the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this depends on the business model in which the investment is held.

For investments in equity instruments, this depends on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Company reclassifies the debt investments when and only when the business model for managing those assets changes.

(ii) Measurement

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value measured on initial recognition of financial asset. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in the Statement of Profit and Loss.

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instrument as amortised cost measurement categories. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired.

Equity Instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other Income' in the Statement of Profit and Loss.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets which are not fair valued through profit or loss. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 31 details how the Company determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Derecognition of financial assets

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

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(v) Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and effective interest rate applicable.

(vi) Dividend income

Dividend is recognised as other income in the Statement of Profit and Loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(vii) Fair value of financial instruments

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

(viii) Offsetting financial instruments

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

02.12 Financial liabilities and equity instruments

(i) Classification as debt or equity

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

(ii) Measurement

Equity instruments

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

Financial liabilities

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

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

(iii) De-recognition of financial liabilities

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

02.13 Derivatives and hedging activities

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

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Derivative Instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other Income'/'Other Expenses'.

02.14 Trade receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

02.15 Trade payables

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

02.16 Employee benefits

(i) Short-term employee benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as 'Provision for Employee Benefits' within 'Current Provisions' in the Balance Sheet.

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for the year ended March 31, 2022

(ii) Post-employment benefits

(a) Defined benefit plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

Eligible employees (except certain employees) of the Company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the 'Tata Sponge Employees Provident Fund Trust'. The trust invests in specific designated instruments as prescribed by the Government. The remaining portion is contributed to the Government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate. The contributions made by the Company and the shortfall of interest, if any, are recognised as an expense in the Statement of Profit and Loss under employee benefits expense.

(b) Defined contribution plans

Contributions under defined contribution plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iii) Other long–term employee benefits

The liabilities for compensated absences which are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are considered other long term benefits. They are therefore measured annually by actuaries as the present value of expected future benefits in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss. The obligations are presented under 'Provision for Employee Benefits'.

02.17 Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax are recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

02.18 Inventories

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

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

02.19 Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Each provision is based on the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the time value of money is material, provisions are measured on a discounted basis.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

02.20 Provision for restoration and environmental costs

The Company has liabilities related to restoration of soil and other related works, which are due upon the closure of its mining site. Such liabilities are estimated case-by-case based on available information, taking into account applicable local legal requirements. The estimation is made using existing technology, at current prices, and discounted using an appropriate discount rate where the effect of time value of money is material. Future restoration and environmental costs, discounted to net present value, are capitalised and the corresponding restoration liability is raised as soon as the obligation to incur such costs arises. Future restoration and environmental costs are capitalised in property, plant and equipment or mining 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.

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for the year ended March 31, 2022

02.21 Revenue recognition

(i) Sale of goods and product scrap

Revenue from sale of goods and product scrap is recognised when the control over such goods have been transferred, being when the goods are delivered to the customers. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, risks of loss have been transferred to the customers, and either the customer has accepted the goods in accordance with the sales contract or the acceptance provisions have lapsed or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue from these sales are recognised based on the price specified in the contract, which is generally fixed. No element of financing is deemed present as the sales are made against the receipt of advance or with an agreed credit period of upto 90 days, which is consistent with the market practices. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

(ii) Sale of Power

Revenue from the sale of power is recognised when the control has been transferred to the customer, being when the power have been transmitted to the buyer as per the terms of contract with the customer. Revenue from sale of power is recognised based on the price specified in the agreement, which is fixed. No element of financing is deemed present as the sales are made with an agreed credit period of 30 days, which is consistent with the market practices. A receivable is recognised when the power have been transmitted as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

(iii) Income from services

The Company acts as a conversion agent for conversion of iron ore fines into pellets and provides marketing and sales support services for facilitating sales of sponge iron products. Revenue from services is recognised when the control has been transferred to the customer, being when the service is rendered to the buyer as per the terms of contract with the customer. A receivable is recognised when the converted pellets are despatched or sponge iron products are sold as this is the point in time that the consideration is unconditional because only passage of time is required before payment is due.

02.22 Government grants

Government grants are recognised at its fair value, where there is a reasonable assurance that such grants will be received and compliance with the conditions attached therewith have been met. Export incentives are recognised when the right to receive the credit is established and when there does not exist any uncertainty as to its collection.

02.23 Foreign currency transactions and translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (₹), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in the Statement of Profit and Loss. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within 'Other Income'/'Other Expenses'. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

02.24 Non-current assets held for sale

Non-current assets classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition. Non-current assets are not depreciated or amortised

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for the year ended March 31, 2022

while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

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

02.25 Borrowings costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

02.26 Earnings per share

(i) Basic Earnings per Share

Basic earnings per equity share is computed by dividing profit or loss attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

02.27 Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

02.28 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Managing Director of the Company. Refer Note 41 for segment information presented.

02.29 New and amended standards adopted by the Company

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 1, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

There is no impact on the Company due to the application of the above amendments.

02.30 New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

02.31 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores (₹0,000,000) as per the requirement of the Schedule III, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

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

(₹ in crores)

Carrying amounts of:	As at March 31, 2022	As at March 31, 2021
Freehold land	200.55	202.04
Freehold buildings	207.53	201.74
Plant and equipment	2,791.14	2,979.99
Furniture and fixtures	0.84	1.09
Electrical Installations	354.24	399.41
Office equipment	11.82	3.84
Vehicles	0.38	0.72
Mining lease and development	11.39	14.80
Railway Sidings	20.90	18.99
Total	**3,598.79**	**3,822.62**
Capital work-in-progress (Refer note 03.06)	57.52	23.89
Total	**57.52**	**23.89**

(₹ in crores)

	Freehold land	Freehold buildings	Plant and equipment	Furniture and fixtures	Electrical Installations	Office equipment	Vehicles	Mining lease and development	Railway Sidings	Total
Cost/deemed cost										
Balance as at April 1, 2020	204.03	226.73	3,415.24	2.15	478.16	7.51	2.11	20.48	23.63	4,380.04
Additions during the year	-	11.18	39.89	0.14	1.74	1.21	-	-	-	54.16
Assets acquired under business combination	-	-	-	-	-	-	-	-	-	-
Assets disposed / written off during the year	-	-	14.07	0.17	0.36	0.11	0.36	-	-	15.07
Classified as held for sale (Refer Note 40(b))	1.99	4.64	0.28	0.09	-	0.03	0.09	-	-	7.12
Balance as at March 31, 2021	**202.04**	**233.27**	**3,440.78**	**2.03**	**479.54**	**8.58**	**1.66**	**20.48**	**23.63**	**4,412.01**
Additions during the year	-	15.75	29.29	0.07	1.84	12.09	-	-	4.31	63.35
Assets acquired under business combination (Refer Note 38(a))	-	3.79	1.96	-	0.69	0.01	-	-	-	6.45
Assets disposed / written off during the year	-	-	22.09	0.20	-	2.61	1.09	-	-	25.99
Other reclassifications	1.49	-	-	-	-	-	-	-	-	1.49
Balance as at March 31, 2022	**200.55**	**252.81**	**3,449.94**	**1.90**	**482.07**	**18.07**	**0.57**	**20.48**	**27.94**	**4,454.33**
Accumulated depreciation										
Accumulated depreciation as at April 1, 2020	-	20.39	239.31	0.77	39.70	2.96	0.76	2.39	2.30	308.58
Charge for the year	-	12.36	224.90	0.42	40.58	1.89	0.50	3.29	2.34	286.28
Depreciation on assets disposed / written off during the year	-	-	3.25	0.16	0.15	0.08	0.24	-	-	3.88
Classified as held for sale (Refer Note 40(b))	-	1.22	0.17	0.09	-	0.03	0.08	-	-	1.59
Accumulated depreciation as at March 31, 2021	**-**	**31.53**	**460.79**	**0.94**	**80.13**	**4.74**	**0.94**	**5.68**	**4.64**	**589.39**
Charge for the year	-	13.75	207.01	0.31	47.70	3.98	0.29	3.41	2.40	278.85
Depreciation on assets disposed / written off during the year	-	-	9.00	0.19	-	2.47	1.04	-	-	12.70
Classified as held for sale	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2022	**-**	**45.28**	**658.80**	**1.06**	**127.83**	**6.25**	**0.19**	**9.09**	**7.04**	**855.54**
Carrying amount										
Balance as at March 31, 2021	**202.04**	**201.74**	**2,979.99**	**1.09**	**399.41**	**3.84**	**0.72**	**14.80**	**18.99**	**3,822.62**
Balance as at March 31, 2022	**200.55**	**207.53**	**2,791.14**	**0.84**	**354.24**	**11.82**	**0.38**	**11.39**	**20.90**	**3,598.79**

Notes:

03.01 Refer Note 44 for information on property, plant and equipment hypothecated as security by the Company.

03.02 Depreciation on property, plant and equipment has been included under 'Depreciation and amortisation expense' in the Statement of Profit and Loss (Refer Note 28).

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

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

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for the year ended March 31, 2022

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

Particulars	Description of item of property	Gross carrying value ₹ crores	Net carrying value ₹ crores	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since	Reason for not being held in the name of the company
As at March 31, 2022							
Property, plant and equipment	Freehold land	26.34	26.34	Various*	No	April 9, 2019	Immovable properties were part of acquired steel business from Usha Martin Limited. The Company is in process of getting title deeds registered in the name of the Company.
Property, plant and equipment	Freehold buildings	0.71	0.41	Usha Martin Limited	No	July 3, 2019	
Right-of-use assets (Refer Note 04)	Right-of-use land	2.36	2.22	Usha Martin Limited	No	April 9, 2019	
Right-of-use assets (Refer Note 04)	Right-of-use building	3.30	3.07	Usha Martin Limited	No	April 9, 2019	
Total		**32.71**	**32.04**				
As at March 31, 2021							
Property, plant and equipment	Freehold land	77.35	77.35	Various*	No	April 9, 2019	
Property, plant and equipment	Freehold buildings	0.71	0.52	Usha Martin Limited	No	July 3, 2019	
Right-of-use assets (Refer Note 04)	Right-of-use land	0.87	0.81	Usha Martin Limited	No	April 9, 2019	
Right-of-use assets (Refer Note 04)	Right-of-use building	3.30	3.15	Usha Martin Limited	No	April 9, 2019	
Total		**82.23**	**81.83**				

*The Company acquired various freehold land from Usha Martin Limited pursuant to acquisition of steel business through Business Transfer Agreement. While some of the land parcels were registered in the name of Usha Martin Limited, few land parcels were registered in the name of erstwhile owners and referred to as 'various' in the above table.

03.06 Details of Capital work-in-progress

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

(₹ in crores)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022					
Projects in progress	45.11	1.00	9.97	1.44	57.52
Projects temporarily suspended	-	-	-	-	-
Total	**45.11**	**1.00**	**9.97**	**1.44**	**57.52**
As at March 31, 2021					
Projects in progress	8.46	11.82	0.10	3.51	23.89
Projects temporarily suspended	-	-	-	-	-
Total	**8.46**	**11.82**	**0.10**	**3.51**	**23.89**

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

(₹ in crores)

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022					
Projects in progress					
Sustenance projects	0.64	-	-	-	0.64
Projects temporarily suspended	-	-	-	-	-
Total	**0.64**	**-**	**-**	**-**	**0.64**
As at March 31, 2021					
Projects in progress					
Sustenance projects	-	4.22	-	-	4.22
Projects temporarily suspended	-	-	-	-	-
Total	**-**	**4.22**	**-**	**-**	**4.22**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

04 Leases

(a) The Company as a lessee

The Company has lease contracts for various items of plant and equipment, vehicles, offices and leased land. Leases of plant and equipment generally have lease terms between 9 to 26 years, vehicles generally have lease terms upto 5 years, offices generally have lease terms between 12 months to 4 years and leases of land generally have lease terms between 30 years to 100 years. Generally, the Company is restricted from assigning or subleasing the leased assets. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may be used as security for borrowing purposes.

The Company also has certain leases of offices with lease term of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

(b) Following are the changes in carrying value of right of use assets

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Right-of-use land	121.10	124.09
Right-of-use plant and equipment	86.17	96.05
Right-of-use buildings	3.47	3.76
Right-of-use vehicles	0.54	-
Total Right-of-use assets	**211.28**	**223.90**

(₹ in crores)

	Right-of-use land	Right-of-use plant and equipment	Right-of-use buildings	Right-of-use vehicles	Total Right-of-use assets
Cost/ Deemed Cost					
Balance as at April 1, 2020	132.95	119.12	3.58	-	255.65
Additions during the year	-	-	0.63	-	0.63
Balance as at March 31, 2021	**132.95**	**119.12**	**4.21**	**-**	**256.28**
Additions during the year	-	-	-	0.56	0.56
Other reclassifications	1.49	-	-	-	1.49
Balance as at March 31, 2022	**134.44**	**119.12**	**4.21**	**0.56**	**258.33**
Accumulated depreciation					
Accumulated depreciation as at April 1, 2020	4.43	11.42	0.28	-	16.13
Charge for the year	4.43	11.65	0.17	-	16.25
Accumulated depreciation as at March 31, 2021	**8.86**	**23.07**	**0.45**	**-**	**32.38**
Charge for the year	4.48	9.88	0.29	0.02	14.67
Accumulated depreciation as at March 31, 2022	**13.34**	**32.95**	**0.74**	**0.02**	**47.05**
Carrying amount					
Balance as at March 31, 2021	124.09	96.05	3.76	-	223.90
Balance as at March 31, 2022	**121.10**	**86.17**	**3.47**	**0.54**	**211.28**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

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

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Balance as at beginning of the year	104.07	110.88
Additions during the year	0.56	0.05
Finance costs during the year	8.43	9.54
Lease payments during the year	(23.01)	(16.40)
Balance as at end of the year	**90.05**	**104.07**
Current lease liabilities	9.98	16.82
Non-current lease liabilities	80.07	87.25

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis-

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Less than one year	17.54	25.23
One to five years	51.81	53.64
More than five years	68.85	81.67
Total	**138.20**	**160.54**

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

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation expense on right-of-use assets (Refer Note 28)	14.67	16.25
Interest expense on lease liabilities (Refer Note 27)	8.43	9.54
Expense relating to short-term leases (included in other expenses)	2.19	3.09
Expense relating to variable lease payments not included in the measurement of the lease liability (included in other expenses) (Refer note (ii) below)	8.55	6.96
Total amount recognised in the Statement of profit and loss	**33.84**	**35.84**

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

(ii) Some of the plant and equipment leases, in which the Company is a lessee, contain variable lease payments that are linked to output generated. Variable lease payments are used to link rental payments to output generated and reduce fixed costs. The breakdown of lease payment is as below:

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Fixed payments	-	-
Variable payments	8.55	6.96
Total payments	**8.55**	**6.96**

Overall the variable payments constitute up to approximately 25 per cent of the Company's entire lease payments. The Company expects this ratio to be constant in future years.

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

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

(v) The Company had a total cash outflows of ₹**23.01 crores** for leases for the year ended March 31, 2022 (March 31, 2021: ₹16.40 crores).

(e) Refer Note 03.05 for title deeds of Right-of-use assets not held in the name of the Company.

05 Other intangible assets

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Computer software (acquired)	1.19	0.36
Railway sidings (constructed)	-	-
Mining rights (acquired)	263.25	289.01
Total intangible assets	**264.44**	**289.37**

(₹ in crores)

	Computer software (acquired)	Railway sidings (constructed)	Mining rights (acquired)	Total intangible assets
Cost/deemed cost				
Balance as at April 1, 2020	0.35	7.26	315.20	322.81
Additions during the year	0.16	-	15.66	15.82
Assets disposed / written off during the year	-	-	-	-
Balance as at March 31, 2021	**0.51**	**7.26**	**330.86**	**338.63**
Additions during the year	1.13	-	-	1.13
Assets disposed / written off during the year	-	-	-	-
Balance as at March 31, 2022	**1.64**	**7.26**	**330.86**	**339.76**
Accumulated amortisation				
Accumulated amortisation as at April 1, 2020	0.05	7.26	17.29	24.60
Charge for the year	0.10	-	24.56	24.66
Amortisation of assets disposed / written off during the year	-	-	-	-
Accumulated amortisation as at March 31, 2021	**0.15**	**7.26**	**41.85**	**49.26**
Charge for the year	0.30	-	25.76	26.06
Amortisation of assets disposed / written off during the year	-	-	-	-
Accumulated amortisation as at March 31, 2022	**0.45**	**7.26**	**67.61**	**75.32**
Carrying amount				
Balance as at March 31, 2021	0.36	-	289.01	289.37
Balance as at March 31, 2022	**1.19**	**-**	**263.25**	**264.44**

Notes

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

06 Investments

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Non-current investments (unquoted)		
(A) Investment in equity instruments		
Investment in subsidiary company		
TSIL Energy Limited (Refer note 46)	-	1.06
Nil (March 31, 2021: 1,060,060) equity shares of ₹10 each fully paid up		
Investment in other body corporates @		
Jamipol Limited	15.68	19.60
800,000 (March 31, 2021: 800,000) equity shares of ₹10 each fully paid up		
Total Non-current investments	**15.68**	**20.66**
Current Investments (Unquoted)		
Investment in liquid mutual funds #		
(i) Nippon India Liquid Fund-Direct Plan-Growth	905.26	-
(ii) TATA Liquid Fund-Direct Plan-Growth	662.25	-
(iii) HDFC Liquid Fund-Direct Plan-Growth	798.28	-
(iv) UTI Liquid Cash Plan-Direct Plan-Growth	1,101.32	-
(v) Aditya Birla Sun Life Liquid Fund-Direct Plan-Growth	1,009.34	-
(vi) Kotak Liquid Fund-Direct Plan-Growth	656.18	-
(vii) IDFC Cash Fund-Direct Plan-Growth	487.16	-
(viii) SBI Liquid Fund-Direct Plan-Growth	789.25	-
(ix) Axis Liquid Fund-Direct Plan-Growth	956.32	-
(x) ICICI Prudential Liquid Fund-Direct Plan-Growth	712.26	-
Total current investments	**8,077.62**	**-**
Aggregate amount of unquoted investments	8,093.30	20.66
# Investments carried at fair value through profit or loss (FVTPL)	8,077.62	-
@ Investments carried at fair value through other comprehensive income [Refer Note 31(b)(i)]	15.68	19.60

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

07 Loans

(Unsecured, considered good unless stated otherwise)

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
Loan to employees	0.04	0.24	0.04	0.17
	0.04	**0.24**	**0.04**	**0.17**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

08 Other financial assets
(Unsecured, considered good unless stated otherwise)

(₹ in crores)

		As at March 31, 2022		As at March 31, 2021	
		Non-current	Current	Non-current	Current
(a)	Interest accrued on deposits and loans	0.16	1.15	0.16	0.50
(b)	Security deposits				
	Considered good	7.50	3.01	1.24	2.50
	Credit impaired	-	0.23	-	0.23
	Less: Allowance for credit losses	-	(0.23)	-	(0.23)
(c)	Bank deposits with more than 12 months maturity				
	(pledged with government authorities)	0.85	-	0.85	-
(d)	Receivable against deallocation of coal block (Refer Note 33(d))	-	178.81	-	167.92
(e)	Others*	-	64.48	-	14.00
		8.51	**247.45**	**2.25**	**184.92**

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

09 Other assets
(Unsecured, considered good unless stated otherwise)

(₹ in crores)

		As at March 31, 2022		As at March 31, 2021	
		Non-current	Current	Non-current	Current
(a)	Capital advances	4.44	-	3.65	-
(b)	Indemnification assets	-	2.29	-	2.29
(c)	Advances to related parties (Refer Note 36)	-	0.24	-	0.76
(d)	Other loans and advances				
	(i) Advances with public bodies				
	Considered good	1.43	59.12	1.43	63.65
	Considered doubtful	6.09	-	6.09	-
	Less: Provision for doubtful advances	(6.09)	-	(6.09)	-
	(ii) Other advances and prepayments				
	Considered good	15.38	15.34	15.38	15.26
	Considered doubtful	-	12.56	-	12.56
	Less: Provision for doubtful advances	-	(12.56)	-	(12.56)
		21.25	**76.99**	**20.46**	**81.96**

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

10 Inventories

(lower of cost and net realisable value)

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
(a)	Raw materials	979.27	550.62
(b)	Finished and semi-finished goods	301.71	202.57
(c)	Stores and spares	69.11	59.52
		1,350.09	**812.71**
Included above, goods-in-transit			
(a)	Raw materials	427.25	271.00
(b)	Finished and semi-finished goods	65.75	39.98
(c)	Stores and spares	5.75	1.83
		498.75	**312.81**

Notes:

(i) Value of inventories above is stated after provisions ₹**13.86 crores** (as at March 31, 2021: ₹10.08 crores) for write-downs to net realisable value and provision for slow-moving and obsolete items.

(ii) Refer Note 44 for information on inventories hypothecated as security by the Company.

11 Trade receivables

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good	60.39	75.15
Unsecured, credit impaired	0.67	23.30
	61.06	**98.45**
Less: Allowance for expected credit loss	(0.67)	(23.30)
Total trade receivables	**60.39**	**75.15**
Trade receivables from related parties (Refer Note 36)	43.81	53.27
Trade receivables other than related parties	17.25	45.18
Less: Allowance for expected credit losses	(0.67)	(23.30)
	60.39	**75.15**

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

(₹ in crores)

Particulars	Unbilled	Not due for payment	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022								
Undisputed, Considered good	-	50.53	9.38	0.48	-	-	-	60.39
Undisputed, Credit impaired	-	-	-	0.50	0.17	-	-	0.67
Total	**-**	**50.53**	**9.38**	**0.98**	**0.17**	**-**	**-**	**61.06**
As at March 31, 2021								
Undisputed, Considered good	-	28.94	36.88	8.57	0.76	-	-	75.15
Undisputed, Credit impaired	-	-	0.04	0.63	22.63	-	-	23.30
Total	**-**	**28.94**	**36.92**	**9.20**	**23.39**	**-**	**-**	**98.45**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

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

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	23.30	26.26
(Release) / Charge during the year	-	(3.19)
Utilised during the year	(22.63)	0.23
Balance at the end of the year	**0.67**	**23.30**

(iii) The Company considers its maximum exposure to credit risk with respect to customers (net of amount covered by letter of credit and allowance for credit losses) as at March 31, 2022 to be ₹**59.51 crores** (March 31, 2021: ₹67.99 crores).

(₹ in crores)

	Gross credit risk	Covered by letter of credit	Allowance for credit losses	Net credit risk
As at March 31, 2022				
Amount not yet due	50.53	0.88	-	49.65
One month overdue	7.69	-	-	7.69
Two months overdue	1.36	-	-	1.36
Three months overdue	0.10	-	-	0.10
Between three to six months overdue	0.23	-	-	0.23
Greater than six months overdue	1.15	-	0.67	0.48
	61.06	**0.88**	**0.67**	**59.51**
As at March 31, 2021				
Amount not yet due	28.94	7.16	-	21.78
One month overdue	23.17	-	-	23.17
Two months overdue	0.28	-	-	0.28
Three months overdue	6.86	-	-	6.86
Between three to six months overdue	6.61	-	0.04	6.57
Greater than six months overdue	32.59	-	23.26	9.33
	98.45	**7.16**	**23.30**	**67.99**

(iv) There is one customer who represents more than 10% of total balance of Trade Receivables as at March 31, 2022 and March 31, 2021.

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

12 Cash and cash equivalents

(₹ in crores)

			As at March 31, 2022	As at March 31, 2021
(i)	**Cash and cash equivalents**			
(a)	Balances with scheduled banks			
	(1)	In current accounts	198.90	124.61
	(2)	In fixed deposit accounts having original maturity of three months or less	4,360.00	154.75
(b)	Cash on hand		0.01	0.01
	Total Cash and cash equivalents as per Statement of Cash Flows		**4,558.91**	**279.37**
(ii)	**Bank balances other than (i) above**			
(a)	In Unclaimed Dividend Accounts @		2.20	2.41
			2.20	**2.41**
@ Includes earmarked balances in unclaimed dividend accounts			2.20	2.41

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

13 Equity share capital

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
A	**Details of authorised, issued, subscribed and paid-up capital**		
	Authorised share capital:		
	75,000,000 fully paid equity shares of ₹10 each		
	(As at March 31, 2021: 75,000,000 fully paid equity shares of ₹10 each)	75.00	75.00
	Issued, subscribed and fully paid up:		
	45,100,000 equity shares of ₹10 each	45.10	45.10
	(As at March 31, 2021: 45,100,000 fully paid equity shares of ₹10 each)		
	Fully paid equity shares	**45.10**	**45.10**

		No. of equity shares	Amount ₹ in crores
B	**Reconciliation of number of shares outstanding**		
	Equity shares of ₹10 each		
	As at April 1, 2020	4,51,00,000	45.10
	Changes in equity share capital during the year	-	-
	As at March 31, 2021	4,51,00,000	45.10
	Changes in equity share capital during the Year	-	-
	As at March 31, 2022	**4,51,00,000**	**45.10**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

C Shares held by holding company

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
	No. of equity shares	%	No. of equity shares	%
Fully paid equity shares				
Tata Steel Limited (Holding Company)	3,37,86,521	74.91%	3,37,86,521	74.91%
	3,37,86,521	**74.91%**	**3,37,86,521**	**74.91%**

D Details of shareholders holding more than 5% of outstanding shares

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
	No. of equity shares	%	No. of equity shares	%
Fully paid equity shares				
Tata Steel Limited (Holding Company)	**3,37,86,521**	**74.91%**	**3,37,86,521**	**74.91%**

E Details of shareholding of promoters

(₹ in crores)

Sr. No.	Equity Shares held by promoters at year end	As at March 31, 2022			As at March 31, 2021		
	Promoter name*	Number of shares	% total shares	% Change during the financial year 2021-22	Number of shares	% total shares	% Change during the financial year 2020-21
1	Tata Steel Limited	**3,37,86,521**	**74.91%**	**Nil**	**3,37,86,521**	**74.91%**	**(1.00)%**

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

F Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

13 A Preference share capital

A Details of authorised, issued, subscribed and paid-up capital

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Authorised Share Capital:		
1,530,000,000 Non-Convertible Redeemable Preference Shares of ₹100 each	15,300.00	2,000.00
(As at March 31, 2021: 200,000,000 Non-Convertible Redeemable Preference Shares of ₹100 each)		
Issued, subscribed and fully paid up:		
1,270,000,000 Non-Convertible Redeemable Preference Shares of ₹100 each	12,700.00	-
(As at March 31, 2021: Nil Non-Convertible Redeemable Preference Shares of ₹100 each)		

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

B Reconciliation of number of shares outstanding

	No. of preference shares	Amount ₹ in crores
Non-Convertible Redeemable Preference Shares of ₹100 each		
As at April 1, 2020	-	-
Changes in preference share capital during the year	-	-
As at March 31, 2021	-	-
Changes in preference share capital during the year	1,27,00,00,000	12,700.00
As at March 31, 2022	**1,27,00,00,000**	**12,700.00**

The Company has issued 0.01% Non Convertible Redeemable Preference shares (NCRPS) during the financial year ended March 31, 2022 amounting to ₹12,700 crores having face value of ₹100 each. Considering the accounting principles to be followed in line with Indian Accounting Standards, the Company has computed the liability portion of NCRPS as the present value of the contractual obligations associated with the instrument and has presented it in Note 15 Borrowings. The difference between the issue amount of NCRPS and the liability so computed is Nil, accordingly 'Equity component of compound financial instruments' is Nil.

C Rights, preferences and restrictions attached to preference shares

The Company has issued preference shares having a par value of ₹100 per share. Preference shares carry voting rights as per the provisions of Section 47(2) of the Companies Act, 2013. The Company declares and pays dividend in Indian Rupees. The preference shares shall carry a preferential right vis-à-vis equity shares of the Company with respect to payment of dividend and repayment of capital. However, the holders of the preference shares shall be paid dividend on a non-cumulative basis. The preference shares shall be non-participating in the surplus funds and also in the surplus assets and profits which may remain after the entire capital has been repaid, on winding up of the Company. For terms of redemption, refer sub-note (ii) of Note 15-Borrowings."

14 Other equity

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
General reserves	900.00	900.00
Securities premium	1,449.99	1,449.99
Retained earnings	799.34	192.02
Remeasurement gain / (loss) on defined benefit plans	(5.83)	(8.02)
Equity instruments through other comprehensive income	11.87	14.80
Total	**3,155.37**	**2,548.79**

(₹ in crores)

Particulars	Reserves and surplus				Other Reserves	Total
	General reserves [Refer (a) below]	Securities premium [Refer (b) below]	Retained earnings [Refer (c) below]	Remeasurement gain / (loss) on defined benefit plans [Refer (d) below]	Equity instruments through other comprehensive income [Refer (e) below]	
Balance as at April 1, 2020	900.00	1,449.99	(379.95)	(10.85)	12.32	1,971.51
Profit for the year	-	-	571.97	-	-	571.97
Changes in fair value of FVOCI equity instruments	-	-	-	-	3.20	3.20
Remeasurement gain / (loss) on defined benefit plans	-	-	-	3.78	-	3.78

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

(₹ in crores)

Particulars	Reserves and surplus				Other Reserves	Total
	General reserves [Refer (a) below]	Securities premium [Refer (b) below]	Retained earnings [Refer (c) below]	Remeasurement gain / (loss) on defined benefit plans [Refer (d) below]	Equity instruments through other comprehensive income [Refer (e) below]	
Tax impact on items of other comprehensive income (OCI)	-	-	-	(0.95)	(0.72)	(1.67)
Transactions with the owners in their capacity as owners						
Dividend paid during the year [Refer note 30(b)]	-	-	-	-	-	-
Balance as at March 31, 2021	**900.00**	**1,449.99**	**192.02**	**(8.02)**	**14.80**	**2,548.79**
Profit for the year	-	-	629.87	-	-	629.87
Changes in fair value of FVOCI equity instruments	-	-	-	-	(3.92)	(3.92)
Remeasurement gain / (loss) on defined benefit plans	-	-	-	2.92	-	2.92
Tax impact on items of other comprehensive income (OCI)	-	-	-	(0.73)	0.99	0.26
Transactions with the owners in their capacity as owners						
Dividend paid during the year [Refer note 30(b)]	-	-	(22.55)	-	-	(22.55)
Balance as at March 31, 2022	**900.00**	**1,449.99**	**799.34**	**(5.83)**	**11.87**	**3,155.37**

(a) General reserves

Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

(b) Securities premium

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

The details of movement in securities premium is as below:

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	1,449.99	1,449.99
Balance at the end of the year	**1,449.99**	**1,449.99**

(c) Retained Earnings

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

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

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

(e) Equity instruments through other comprehensive income

The Company has elected to recognise changes in the fair value of investments in equity instruments (Other body corporates) in Other Comprehensive Income. These changes are accumulated within the "Equity instruments through other comprehensive income" reserve within equity. The Company transfers amounts from this reserve to Retained Earnings when the relevant equity shares are derecognised.

15 Borrowings

(₹ in crores)

	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
A Secured borrowings				
(a) Term loan				
(i) From banks (Refer sub-note (i))	684.75	-	1,320.15	-
B Unsecured borrowings				
(a) Liability component of non-convertible preference shares (Refer sub-note (ii))	12,706.80	-	-	-
Total borrowings	**13,391.55**	**-**	**1,320.15**	**-**

Notes:

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

(₹ in crores)

Currency	Terms of repayment	Maturity date	Interest rate (floating rate)	As at March 31, 2022	As at March 31, 2021
Indian Rupee	Term loan is repayable in 20 semi-annual instalments. The Company has pre-paid 16 instalments (originally scheduled to be repaid by March 31, 2029)	March 31, 2031	12 month MCLR + 15 basis points	684.75	1,320.15

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

(c) Maturity profile of borrowings is as below:

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Not later than one year or on demand	-	-
Later than one year but not two years	-	-
Later than two years but not three years	-	-
Later than three years but not four years	-	-
Later than four years but not five years	-	-
More than five years	689.00	1,325.00
	689.00	**1,325.00**
Unamortised upfront fees on borrowings	**(4.25)**	**(4.85)**
	684.75	**1,320.15**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

(d) The term loan facility arrangements include financial covenants, which require compliance to certain debt-equity and debt coverage ratios. Additionally, certain negative covenants may limit the Company's ability to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach. The Company has complied with these debt covenants.

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

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

(iii) Debt reconciliation

(₹ in crores)

	Total
Debt as at April 1, 2021	1,320.15
Cash flows (Net)	12,064.00
Interest on liability component of non-convertible preference shares	6.80
Amortisation of upfront fees	0.60
Debt as at March 31, 2022	**13,391.55**
Debt as at April 1, 2020	2,644.07
Cash flows (Net)	(1,325.00)
Amortisation of upfront fees	1.08
Debt as at March 31, 2021	**1,320.15**

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

16 Provisions

(₹ in crores)

		As at March 31, 2022		As at March 31, 2021	
		Non-current	Current	Non-current	Current
(a)	Provision for employee benefits				
(i)	Post-employment defined benefits	13.42	13.10	12.80	18.12
(ii)	Compensated absences	15.49	0.86	-	16.42
(b)	Other provisions (Refer note 42)				
(i)	Provision for VAT, entry tax and sales tax	-	2.63	-	2.63
(ii)	Provision for cross subsidy surcharge payable	-	6.01	-	6.01
(iii)	Provision for interest on income tax	-	20.68	-	20.68
(iv)	Provision for mine restoration costs and other activities	21.31	7.98	22.54	5.35
(v)	Contingent liability recognised on business combination	0.29	-	0.29	-
(vi)	Others	-	3.48	-	11.67
	Total provisions	**50.51**	**54.74**	**35.63**	**80.88**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

17 Deferred tax liabilities (net)

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

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities	159.88	102.91
Deferred tax assets	(11.18)	(58.38)
Deferred tax liabilities (net)	**148.70**	**44.53**

The balances comprises temporary differences attributable to:

(₹ in crores)

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

(₹ in crores)

Balance as at March 31,2021	Deferred tax liabilities/ (assets) as at March 31, 2020	Recognised in profit or loss	Recognised in other comprehensive income	Deferred tax liabilities/ (assets) as at March 31, 2021
Deferred tax liabilities				
(i) Property, plant and equipment and intangible assets	162.66	(63.75)	-	98.91
(ii) Fair valuation of equity instruments designated as FVOCI	3.28	-	0.72	4.00
	165.94	**(63.75)**	**0.72**	**102.91**
Deferred tax assets				
(i) Amount allowable on payment basis as per section 43B of the Income Tax Act, 1961	(20.70)	14.47	0.95	(5.28)
(ii) Amount allowable under the Income Tax Act, 1961 on deferred basis	(1.85)	(1.90)	-	(3.75)
(iii) On unabsorbed depreciation and carry forward of business losses	(143.39)	94.04	-	(49.35)
	(165.94)	**106.61**	**0.95**	**(58.38)**
Deferred tax liabilities (net)	-	42.86	1.67	44.53

Note:

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

(ii) Reconciliation of income tax recognised in the Statement of Profit and Loss

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax		
On profit for current year	124.08	-
	124.08	**-**
Deferred tax		
In respect of the current year	104.43	41.94
Adjustments to deferred tax attributable to changes in tax rates	-	0.92
	104.43	**42.86**
Total tax expense (Refer reconciliation below)	**228.51**	**42.86**

(₹ in crores)

The income tax expense for the year can be reconciled to the accounting profit as follows:	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	858.38	614.83
Income tax expense calculated at enacted Income tax rate of 25.168% (March 31, 2021: 25.168%)	216.04	154.74
Effect of expenses that are not deductible in determining taxable profit	10.73	1.41
Impact of change in statutory tax rates	-	0.92
Deferred tax assets recognised on previous year's unrecognised portion of unabsorbed depreciation	-	(82.16)
Adjustments to taxes in respect of prior periods	-	(32.95)
Others	1.74	0.90
Income tax expense recognised in Statement of Profit and Loss	**228.51**	**42.86**

18 Trade payables

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Current		
(i) Total outstanding dues of micro and small enterprises (Refer Note (ii) below)	72.63	63.86
(ii) Total outstanding dues of creditors other than micro and small enterprises		
(a) Trade payables for supplies and services	2,244.21	1,125.78
(b) Trade payables for accrued wages and salaries	52.99	39.60
Total Trade Payables	**2,369.83**	**1,229.24**
Trade payable to related parties (Refer Note 36)*	1,805.25	757.86
Trade payable other than related parties	564.58	471.38
Total Trade Payables	**2,369.83**	**1,229.24**

* includes payable to Tata Sponge Iron Limited Superannuation Fund

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

Notes:

(i) Ageing of trade payables is as below

(₹ in crores)

Particulars		Unbilled	Not due	Outstanding for following periods from due date of payment				Total
				Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2022								
(i)	MSME	-	72.63	-	-	-	-	72.63
(ii)	Others	229.04	1,581.40	431.67	43.28	3.40	8.41	2,297.20
(iii)	Disputed dues-MSME	-	-	-	-	-	-	-
(iv)	Disputed dues-Others	-	-	-	-	-	-	-
Total		**229.04**	**1,654.03**	**431.67**	**43.28**	**3.40**	**8.41**	**2,369.83**
As at March 31, 2021								
(i)	MSME	-	63.86	-	-	-	-	63.86
(ii)	Others	216.78	788.86	158.37	1.22	0.11	0.04	1,165.38
(iii)	Disputed dues-MSME	-	-	-	-	-	-	-
(iv)	Disputed dues-Others	-	-	-	-	-	-	-
Total		**216.78**	**852.72**	**158.37**	**1.22**	**0.11**	**0.04**	**1,229.24**

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

The amount due to the Micro and Small Enterprise as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of the information available with the Company, which has been relied upon by the auditors.

(₹ in crores)

			As at March 31, 2022	As at March 31, 2021
(a)	(i)	The principal amount remaining unpaid to supplier as at end of the accounting year	72.63	63.86
	(ii)	Interest due thereon remaining unpaid to supplier as at end of the accounting year	-	-
(b)		The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
(c)		The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	0.70	0.31
(d)		The amount of interest accrued and remaining unpaid at the end of the accounting year	1.04	0.89
(e)		The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

19 Other current liabilities

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
(a)	Advances from customers (Refer note below)	123.37	142.20
(b)	Other payables		
	(i) Employee recoveries and employer contributions	1.79	1.77
	(ii) Statutory liabilities (GST,TDS, etc.)	145.62	108.33
	(iii) EPCG indemnified liabilities	19.80	19.80
	(iv) Liabilities for renewable energy purchase obligation	22.32	20.88
Total other current liabilities		**312.90**	**292.98**

Note:

Amount of revenue recognised for the year ended March 31, 2022, from amounts included in the advances from customers outstanding at the beginning of the year is ₹**141.52 crores** (March 31, 2021: ₹28.79 crores) and from performance obligations satisfied in previous years is ₹ **Nil** (March 31, 2021: ₹ Nil).

20 Other financial liabilities

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
(a)	Interest payable		
	(i) Interest accrued but not due on borrowings	2.43	4.43
	(ii) Interest accrued on trade payables and others	5.54	6.16
(b)	Creditors for capital supplies and services	11.23	4.25
(c)	Unpaid dividends	2.19	2.41
(d)	Other credit balances *	116.52	130.49
Total Other financial liabilities		**137.91**	**147.74**

* Includes net amount payable to Usha Martin Limited (UML) ₹**93.20 crores** (March 31, 2021: ₹129.27 crores) towards purchase consideration pursuant to the Business Transfer Agreement for acquisition of steel business.

21 (i) Current tax liabilities (net)

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Provision for tax [net of tax paid of ₹**367.28 crores** (As at March 31, 2021: ₹241.64 crores)]	53.90	53.90
Total current tax liabilities (net)	**53.90**	**53.90**

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

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Advance tax and Tax Deducted at Sources [net of provision of ₹**263.10 crores** (As at March 31, 2021: ₹263.10 crores)]	44.71	43.15
Total non current tax assets (net)	**44.71**	**43.15**

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

22 Revenue from operations

(₹ in crores)

			Year ended March 31, 2022	Year ended March 31, 2021
(a)	**Revenue from contracts with customers**			
	(i)	Sale of products	6,315.87	4,358.82
	(ii)	Sale of power	62.60	51.29
	(iii)	Income from services	186.03	194.54
(b)	**Other operating revenue**			
	(i)	Sale of product scrap	232.89	131.67
	(ii)	Export incentives	4.24	13.55
Revenue from operations			**6,801.63**	**4,749.87**

Notes:

(a) Reconciliation of revenue recognised with contract price

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Contract price	6,835.12	4,777.21
Adjustment for:		
Refund liabilities	(33.49)	(27.34)
Revenue from operations	**6,801.63**	**4,749.87**

(b) Revenue from contracts with customers disaggregated on the basis of geographical region and major businesses

(₹ in crores)

		India	Outside India	Total
(i)	Sale of products	**5,802.55**	**513.32**	**6,315.87**
		(3,736.36)	(622.46)	(4,358.82)
(ii)	Sale of power	**62.60**	**-**	**62.60**
		(51.29)	(-)	(51.29)
(iii)	Income from services	**186.03**	**-**	**186.03**
		(194.54)	(-)	(194.54)
Total revenue from contracts with customers		**6,051.18**	**513.32**	**6,564.50**
		(3,982.19)	**(622.46)**	**(4,604.65)**

Figures in brackets represents amount for the previous year

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

(₹ in crores)

		Year ended March 31, 2022	Year ended March 31, 2021
(i)	Customer 1	950.40	460.81
		950.40	**460.81**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

(d) Contract balances

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Trade receivables (Gross) (Refer Note 11)	61.06	98.45
Contract assets		
Contract assets	16.29	13.33
	77.35	**111.78**
Contract liabilities		
Advance from customers (Refer Note 19)	123.37	142.20

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

23 Other income

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
(a) Interest income		
(i) Interest income earned on financial assets that are not designated at FVTPL		
- Bank deposits carried at amortised cost	10.89	10.02
- Other financial assets carried at amortised cost	2.75	8.48
(b) Dividend income		
(i) From equity investments*	0.75	2.44
(c) Net gain on fair value changes		
(i) Net gain on fair value changes of financial assets carried at FVTPL (Current)	6.93	-
(ii) Net gain on sale of current investments	9.19	3.89
(d) Gain on cancellation of forward contracts	0.11	9.86
(e) Allowance for expected credit losses written back	-	3.19
(f) Liabilities no longer required written back	63.86	32.96
(g) Other non-operating income	43.03	7.39
Total other income	**137.51**	**78.23**

Note:

* Includes dividend on equity instruments designated as fair value through other comprehensive income held as at the reporting date, amounting to ₹0.50 crores for the year ended March 31, 2022 (₹2.44 crores for the year ended March 31, 2021).

24 Cost of materials consumed

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Opening stock	550.62	470.46
Add: Purchases of materials	4,358.26	2,262.12
	4,908.88	**2,732.58**
Less: Closing stock	979.27	550.62
Total cost of materials consumed	**3,929.61**	**2,181.96**

Note:

The cost of materials consumed for the year ended March 31, 2022 include additional royalty charge of ₹392.96 crores, as a result of the amendments in the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act) effective March 28, 2021 and pursuant to the ongoing contract for supply of ore by Tata Steel Limited to the Company. Further, ₹47.63 crores carried as part of the closing inventory.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

25 Changes in inventories of finished and semi-finished goods

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Finished and semi-finished goods		
Opening stock	202.57	259.06
Less: Closing stock	301.71	202.57
Net decrease / (increase) in finished and semi-finished goods	**(99.14)**	**56.49**

26 Employee benefits expense

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
(a) Salaries and wages	196.33	174.83
(b) Contribution to provident and other funds	12.57	34.16
(c) Staff welfare expenses	7.53	5.82
Total employee benefits expense	**216.43**	**214.81**

27 Finance costs

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
(a) Interest expenses		
(i) Non-convertible redeemable preference shares (Refer Note 15)	6.80	-
(ii) Bank borrowings and others	93.15	223.16
(iii) Leases	8.43	9.54
(b) Unwinding of discount on provisions	0.87	-
(c) Other borrowing costs	0.71	1.93
Total finance costs	**109.96**	**234.63**

28 Depreciation and amortisation expense

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
(a) Depreciation of property, plant and equipment (Refer Note 03)	278.85	286.28
(b) Depreciation of right-of-use assets (Refer Note 04)	14.67	16.25
(c) Amortisation of intangible assets (Refer Note 05)	26.06	24.66
Total depreciation and amortisation expense	**319.58**	**327.19**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

29 Other expenses

(₹ in crores)

		Year ended March 31, 2022	Year ended March 31, 2021
(a)	Consumption of stores and spare parts	437.07	275.05
(b)	Fuel oil consumed	187.70	93.56
(c)	Purchase of power	111.54	55.44
(d)	Rent	5.48	5.14
(e)	Repairs to buildings	25.18	11.17
(f)	Repairs to machinery	152.72	122.12
(g)	Insurance	11.21	11.24
(h)	Rates and taxes	30.12	28.68
(i)	Freight and handling charges	353.13	331.51
(j)	Commission, discounts and rebates	1.09	1.50
(k)	Packing and forwarding	9.75	7.71
(l)	Royalty	134.98	152.28
(m)	Conversion charges	1.08	-
(n)	Other expenses		
	(1) Legal and professional fees (Refer Note 29.01)	10.38	10.84
	(2) Advertisement, promotion and selling expenses	0.28	0.17
	(3) Travelling expenses	7.19	3.93
	(4) Net Loss on foreign currency transactions	11.48	2.80
	(5) Corporate social responsibility expenses (Refer Note 43)	2.99	0.56
	(6) Loss on disposal of property plant and equipment	11.98	9.59
	(7) Net loss on fair value changes of financial assets /liabilities carried at FVTPL	-	13.15
	(8) Loss on disposal of non-current investments	0.06	-
	(9) Other general expenses	71.77	61.75
Total other expenses		**1,577.18**	**1,198.19**

29.01 Payment to auditors

(₹ in crores)

		Year ended March 31, 2022	Year ended March 31, 2021
Auditors remuneration and out-of-pocket expenses			
(i)	As auditors-statutory audit	0.85	0.85
(ii)	As auditors-quarterly audits	0.33	0.33
(iii)	As auditors-tax audit	0.08	0.08
(iv)	For other services	0.12	0.09
(v)	Auditors out-of-pocket expenses	0.05	0.05
		1.43	**1.40**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

30 Capital management

(a) Risk management

The objective of the Company's capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

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

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

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Equity share capital	45.10	45.10
Other equity	3,155.37	2,548.79
Total equity (A)	**3,200.47**	**2,593.89**
Non-current borrowings	13,391.55	1,320.15
Lease liabilities	90.05	104.07
Gross debt (B)	**13,481.60**	**1,424.22**
Total capital (A+B)	**16,682.07**	**4,018.11**
Gross debt as above	13,481.60	1,424.22
Less: Current investments	8,077.62	-
Less: Cash and cash equivalents	4,558.91	279.37
Less: Other balance with banks (including non-current earmarked balances)	3.05	3.26
Net debt (C)	**842.02**	**1,141.59**
Net debt to equity ratio[1]	**0.29**	**0.50**

Note:

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

(b) Dividend on equity shares

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Dividend declared and paid during the year		
Final dividend for the year ended March 31, 2021 of ₹5 (March 31, 2020 – ₹ Nil) per fully paid share	22.55	-
Proposed dividend not recognised at the end of the reporting period		
The Directors have recommended the payment of a final dividend of ₹12.50 per equity share of ₹10 each for the year ended March 31, 2022 (for the year ended March 31, 2021: ₹5). This proposed dividend is subject to the approval of shareholders in the ensuing Annual General Meeting.	56.38	22.55

31 Disclosures on financial instruments

(a) Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk. In order to safeguard against any adverse effects on the financial performance of the Company, derivative financial instruments viz. foreign exchange forward contracts are entered where considered appropriate to hedge foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The Company's senior management oversees the management of above risks. The senior executives working to manage the financial risks are accountable to the Audit committee and the Board of Directors. This process provides assurance that the Company's financial risks-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and the Company's risk appetite.

This Note explains the sources of risk which the entity is exposed to and how the entity manages the risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(i) Credit risk management

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk primarily arises from trade receivables, investments in mutual funds and balances with banks.

Trade receivables and contract assets

Trade receivables are typically unsecured, considered good and are derived from revenue earned from customers. Customer credit risk is managed as per Company's policy and procedures which involve credit approvals, establishing credit limits and continually monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. Contract assets mainly relate to unbilled work in progress and have substantially the same characteristics as the trade receivables for the same type of contracts.

Outstanding customer receivables are regularly monitored and the shipments to customers are generally covered by letters of credit or other forms of credit assurance.

Other Financial Assets

Credit risk from balances with banks, term deposits, loans and investments is managed by Company's finance department. Investments of surplus funds are made only with approved counterparties who meet the minimum threshold requirements. The Company monitors ratings, credit spreads and financial strength of its counterparties.

The carrying value of financial assets represents the maximum credit risk as disclosed in 31(b)(i). The credit risk relating to trade receivables is shown under Note 11.

(ii) Liquidity risk management

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company closely monitors its liquidity position and maintain adequate source of financing. The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through commercial paper programs. The Company invests its surplus funds in bank fixed deposits and in mutual funds, which carry no or low market risk.

a. Financing arrangement

The Company has unutilised fund based arrangement with banks for ₹**878.25 crores** (March 31, 2021: ₹695.51 crores). The Company has also Non-Fund based facilities with banks for ₹**1,100.63 crores** (March 31, 2021: ₹308.47 crores) which may be utilised at any time.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

b. Maturities of financial liabilities

The following table shows a maturity analysis of the anticipated cash flows including interest obligations for the Company's derivative and non-derivative financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value. Floating rate interest is estimated using the prevailing interest rate at the end of the reporting period. Cash flows in foreign currencies are translated using the period end spot rates.

(₹ in crores)

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

(₹ in crores)

As at March 31, 2021	Carrying value	Contractual cash flows	less than one year	between one to five years	More than five years
Financial liabilities					
Borrowings including interest obligations	1,320.15	2,153.46	100.70	402.80	1,649.96
Lease liabilities	104.07	160.54	25.23	53.64	81.67
Trade payables	1,229.24	1,229.24	1,229.24	-	-
Derivative liabilities	5.46	5.46	5.46	-	-
Other financial liabilities	147.74	147.74	147.74	-	-
	2,806.66	**3,696.44**	**1,508.37**	**456.44**	**1,731.63**

(iii) Market risk

a. Foreign currency risk

Foreign currency risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company transacts business in local currency and in foreign currencies (primarily US Dollars). The Company has foreign currency trade payables and is therefore exposed to foreign currency risk. Foreign currency risk exposure is evaluated and managed through operating procedures and sourcing policies. The Company, as per its risk management policy, uses forward contract derivative instruments primarily to hedge foreign exchange fluctuations.

($ in crores)

	As at March 31, 2022	As at March 31, 2021
Financial assets		
Trade receivables	-	-
Net exposure to foreign currency risk (Assets)	**-**	**-**
Financial liabilities		
Trade payables	16.02	7.97
Derivatives		
Foreign exchange forward contracts	15.46	7.02
Net exposure to foreign currency risk (Liabilities)	**0.56**	**0.95**
Net exposure to foreign currency risk (Assets-Liabilities)	**(0.56)**	**(0.95)**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax and profit after tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all currencies other than US Dollars is not material.

(₹ in crores)

	Impact on profit before tax		Impact on profit after tax	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Increase in rate of 1 USD against ₹ by 10%	(4.24)	(6.94)	(3.17)	(5.20)
Decrease in rate of 1 USD against ₹ by 10%	4.24	6.94	3.17	5.20

The movement in the profit before tax and profit after tax is a result of a change in the fair value of derivative financial instruments not designated in a hedge relationship and monetary assets and liabilities denominated in INR, where the functional currency of the entity is a currency other than INR. Although the derivatives have not been designated in a hedge relationship, they act as an economic hedge and will offset the underlying transactions when they occur.

b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax and profit after tax is affected through the impact on floating rate borrowings, as follows.

(₹ in crores)

	Impact on profit before tax		Impact on profit after tax	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Increase in interest rate by 100 basis points	(6.89)	(13.25)	(5.16)	(9.92)
Decrease in interest rate by 100 basis points	6.89	13.25	5.16	9.92

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

(iv) Commodity Price risk

Exposure to market risk with respect to commodity prices primarily arises from the Company's purchase of imported coal for production of finished goods. Cost of raw materials forms the largest portion of the Company's cost of sales. Market forces generally determine prices for the coal purchased by the Company. These prices may be influenced by factors such as supply and demand, production costs and global and regional economic conditions and growth. Adverse changes in any of these factors may impact the results of the Company.

Commodity price risk exposure is evaluated and managed through operating procedures and sourcing policies. The Company, as per its risk management policy, uses forward contract derivative instruments primarily to hedge foreign exchange fluctuations.

(b) Financial Instruments by Category

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

(i) Financial assets and liabilities

The following tables present the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2022 and March 31, 2021.

(₹ in crores)

As at March 31, 2022	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value	Total fair value
Financial assets					
Investments in Mutual fund	8,077.62	-	-	8,077.62	8,077.62
Investment in body corporates	-	15.68	-	15.68	15.68
Trade receivables	-	-	60.39	60.39	60.39
Loans	-	-	0.28	0.28	0.28
Cash and cash equivalents	-	-	4,558.91	4,558.91	4,558.91
Other bank balances	-	-	2.20	2.20	2.20
Other financial assets	-	-	255.96	255.96	255.96
Total	**8,077.62**	**15.68**	**4,877.74**	**12,971.04**	**12,971.04**
Financial liabilities					
Borrowings	-	-	13,391.55	13,391.55	13,391.55
Lease liabilities	-	-	90.05	90.05	90.05
Trade payables	-	-	2,369.83	2,369.83	2,369.83
Derivative liabilities*	1.71	-	-	1.71	1.71
Other financial liabilities	-	-	137.91	137.91	137.91
Total	**1.71**	**-**	**15,989.34**	**15,991.05**	**15,991.05**

(₹ in crores)

As at March 31, 2021	Fair value through profit or loss	Fair value through other comprehensive income	Amortised cost	Total carrying value	Total fair value
Financial assets					
Investment in body corporates	-	19.60	-	19.60	19.60
Trade receivables	-	-	75.15	75.15	75.15
Loans	-	-	3.95	3.95	3.95
Cash and cash equivalents	-	-	279.37	279.37	279.37
Other bank balances	-	-	2.41	2.41	2.41
Derivative assets*	0.51	-	-	0.51	0.51
Other financial assets	-	-	183.43	183.43	183.43
Total	**0.51**	**19.60**	**544.31**	**564.42**	**564.42**
Financial liabilities					
Borrowings	-	-	1,320.15	1,320.15	1,320.15
Lease liabilities	-	-	104.07	104.07	104.07
Trade payables	-	-	1,229.24	1,229.24	1,229.24
Derivative liabilities*	5.46	-	-	5.46	5.46
Other financial liabilities	-	-	147.74	147.74	147.74
Total	**5.46**	**-**	**2,801.20**	**2,806.66**	**2,806.66**

* Derivative instruments designated as not in hedging relationship.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(ii) Fair value measurement

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

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

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

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

Fair value hierarchy

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

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

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

Valuation techniques with significant unobservable inputs (Level 3): If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no amount required to be transferred as at the end of the current year and as at the end of the previous year.

(₹ in crores)

As at March 31, 2022	Fair value through profit or loss	Fair value through other comprehensive income	Total carrying value	Total fair value
Financial assets				
Investment in mutual funds	8,077.62	-	-	8,077.62
Investment in equity instruments at FVTOCI (Unquoted)	-	-	15.68	15.68
Total	**8,077.62**	**-**	**15.68**	**8,093.30**
Financial liabilities				
Derivative liabilities	-	1.71	-	1.71

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

(₹ in crores)

As at March 31, 2021	Fair value through profit or loss	Fair value through other comprehensive income	Total carrying value	Total fair value
Financial assets				
Derivative assets	-	0.51	-	0.51
Investment in equity instruments at FVTOCI (Unquoted)	-	-	19.60	19.60
Total	-	0.51	19.60	20.11
Financial liabilities				
Derivative liabilities	-	5.46	-	5.46

Reconciliation of Level 3 fair value measurement is as below:

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Opening balance	19.60	16.40
Changes in fair value recognised in Other Comprehensive Income	(3.92)	3.20
Closing balance	**15.68**	**19.60**

Valuation technique used for Level 3 investments

Fair valuation of the equity investments as at March 31, 2022 have been determined using the market approach. Significant unobservable input used in the valuation was earnings multiple.

The increase / decrease of 1 earnings multiple (keeping other variables constant) would result into an increase / decrease in fair value by ₹2.48 crores (March 31, 2021: ₹1.84 crores) and ₹2.48 crores (March 31, 2021: ₹1.92 crores) respectively.

(iii) Derivative financial instruments

Derivative instruments used by the Company are forward exchange contracts. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 “Financial Instruments” wherever possible. The Company does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

All derivative instruments are designated as not in hedging relationships.

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

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Foreign currency forwards	1.71	4.95
Classified as:		
Non-current assets	-	-
Current assets	-	0.51
Non-current liabilities	-	-
Current liabilities	1.71	5.46

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

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

($ in crores)

	As at March 31, 2022	As at March 31, 2021
Foreign currency forwards	15.46	7.02

32 Earnings per equity share

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Net profit for the year ((₹ in crores))	629.87	571.97
Weighted average number of equity shares outstanding during the year (Nos.)	4,51,00,000	4,51,00,000
Nominal value per equity share (₹)	10	10
Basic and diluted earnings per equity share (₹)	139.66	126.82

Note:

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

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

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
(a)	Income tax	1.59	1.59
(b)	Customs duty (Refer Note below)	33.49	33.49
(c)	Demand from Ministry of Coal against Radhikapur (East) coal block (Refer Note 33(d))	-	32.50
(d)	Demand from suppliers	1.52	1.52
		36.60	**69.10**

Note:

The above includes demand received from Commissioner of Customs (Preventive) aggregating to ₹43.99 crores pertaining to the financial year 2012-13 on account of levy of additional customs duty on classification of the imported coal as bituminous coal as against the Company's classification as steam coal. The Company has filed an appeal against the aforesaid order in the Customs, Excise and Service Tax Appellate Tribunal, Kolkata. The Company had paid an amount of ₹10.88 crores and recognised the non-cenvatable portion of the duty and applicable interest as expense whereas cenvatable portion had been recognised as an advance in the year ended March 31, 2013, for which the Company has recognised a provision during the previous year.

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

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
(i)	Renewable energy purchase obligation	6.33	6.33
(ii)	Excise Duty	30.41	30.41
		36.74	**36.74**

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

(c) Cross subsidy surcharge payable to power distribution companies

In 2012-13, the Company injected power to State Grid due to denial of permission for open access by Orissa Power Transmission Corporation Limited (""OPTCL"") to supply power to the parent Company, Tata Steel Limited, beyond the period of invocation of section 11 of Electricity Act, 2003 by the Government of Odisha i.e., June, 2012. As a result, the Company could not meet the minimum stipulated criteria of 51% self-consumption of generated power as a captive power plant and the provisions of Cross Subsidy Surcharge under Electricity Act, 2003 became applicable. The Company filed a case before the Odisha Electricity Regulatory Commission (""OERC"") for relief which was denied and consequently the Company had filed a case before Appellate Tribunal of Electricity (""ATE""). Appeal filed by the Company before ATE was allowed and the matter stands remitted back to the OERC for reconsideration afresh. As a matter of prudence, pending finalisation of the matter, an amount of ₹6.01 crores provided in the year ended March 31, 2015, is being continued. In respect of above, it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above.

(d) The Hon'ble Supreme Court of India vide its order dated September 24, 2014 had cancelled allocation of 214 coal blocks including the Radhikapur (East) Coal Block which was allotted to the Company on February 7, 2006. The carrying amount in books as at March 31, 2022 towards amounts incurred by the Company on the Radhikapur (East) Coal Block in earlier years aggregates ₹178.81 crores (March 31, 2021: ₹178.81 crores). Pursuant to the judgment of Hon'ble Supreme Court of India, the Government of India had promulgated the Coal Mines (Special Provision) Rules, 2014 and subsequent amendments ("Rules"), for allocation of the coal mines through auction and matters related thereto. In terms of the said Rules, the prior allottee (i.e. the Company) shall be compensated for the expenses incurred towards land and mine infrastructure. As part of 11th tranche of auction under The Coal Mines Act 2015, the Ministry of Coal (MoC) had carried out an auction of the coal block in November 2020 and EMIL Mines and Mineral Resources Limited (EMMRL) was declared as the successful bidder by the Nominated Authority on December 24, 2020. The MoC issued the vesting order dated March 3, 2021 in favour of EMMRL and directed the Company to hand over all the rights/ licenses/ approvals and documents to EMMRL. Accordingly, the Company submitted the documents in respect of title deeds of land and possession of buildings and other required details on April 6, 2021 to EMMRL. On April 28, 2021, the Company submitted a representation along with investment details to Odisha Industrial Infrastructure Development Corporation (IDCO) with a copy to the Joint Secretary to the Government of Odisha (Steel & Mines Department) for determination of valuation of leasehold land. On May 27, 2021, the Special Secretary to the Government of Odisha (Steel & Mines Department) directed IDCO to submit it's views against Company's representation. IDCO has submitted its views that the amount incurred by prior allottee shall be calculated as per the Order passed by Nominated Authority, Ministry of Coal, Government of India on July 28, 2021 in line with the decision taken in respect of New Patrapara Coal Block and to be paid by the new allottee EMMRL. The above referred views have also been communicated by IDCO to Additional Secretary to Government, Office of the Nominated Authority, Government of India, Ministry of Coal vide letter dated December 6, 2021.

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.

(e) MoC, in earlier years, issued notices to the Company for invocation of bank guarantee of ₹32.50 crores submitted towards performance of conditions for allocation of Radhikapur (East) Coal Block, which was contested by the Company in the Hon'ble High Court of Delhi. Further, in accordance with the directives from the Hon'ble High Court of Delhi, the Company had extended the validity of the bank guarantee up to April 15, 2021 and MoC vide its letter dated August 10, 2021 intimated the Company that based on the recommendations of the Inter-Ministerial Group, it has decided to release the bank guarantee. The aforesaid bank guarantee was returned back during the year ended March 31, 2022, and accordingly, there is no financial impact on the Company in relation to the aforesaid bank guarantee matter.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

34 Estimated amounts of contracts remaining to be executed on capital account (Property, plant and equipment) and not provided for is ₹**77.12 crores** (As at March 31, 2021: ₹60.43 crores) net of advances of ₹**3.60 crores** (As at March 31, 2021 ₹2.22 crores.)

35 Exceptional items

Acquisition related expenditure

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

36 Related party transaction

A List of related parties

Name of the related Party	Relationship
Tata Sons Private Limited	Company having significant influence
Where control exists	
Tata Steel Limited	Holding Company
TSIL Energy Limited (upto September 25, 2021)	Wholly owned subsidiary Company
Others with whom transactions have taken place during the current or previous year	
The Tata Pigments Limited (Subsidiary of Tata Steel Utilities and Infrastructure Services Limited)	Fellow Subsidiary
The Indian Steel and Wire Products Limited	
Tata Metaliks Limited	
Tata Steel Utilities and Infrastructure Services Limited	
The Siam Industrial Wire Company Ltd. (Subsidiary of T S Global Holdings Pte Ltd.)	
Tata International Metals (Asia) Limited	
Tata Steel Global Procurement Company Pte. Ltd.	
Tata Steel Foundation	
Tata Steel Mining Limited	
Tata Steel BSL Limited (Merged with Tata Steel Limited w.e.f. November 11, 2021)	
TM International Logistics Limited	Joint venture with Tata Steel Limited
mjunction services limited	
Jamipol Limited (Joint venture of fellow subsidiary)	
Tata BlueScope Steel Private Limited (upto December 31,2020 Joint Venture of Holding Company)(from January 1,2021 Joint Venture of Fellow Subsidiary)	
Tata NYK Shipping PTE limited	
TKM Global Logistic Limited (Joint venture with Joint venture of Tata Steel Limited)	
Tata International Limited	Subsidiary of Tata Sons Private Limited
Tata Communication Limited	
Tata Consultancy Services Limited	
Tata AIG General Insurance Company Limited	
Mr. Ashish Anupam	Key Management personnel-Managing Director (MD)
Mr. Sanjay Kumar Pattnaik (up to October 31, 2019)	
Mr. T V Narendran	Key Management personnel -Non- Executive Director (NED)
Mr. Koushik Chatterjee	
Mrs. Meena Lall	
Mr. Debashish Bhattacharjee (from October 13, 2020)	
Dr. Sougata Ray	
Mr. Ansuman Das	
Mr. Srikumar Menon	

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

Mr. Shashi Kant Maudgal	Key Management personnel -Non- Executive Director (NED)
Mrs. Neeta Karmakar	
Mr. P C Parakh (up to August 20, 2020)	
Tata Sponge Iron Limited Employee Provident Fund Trust	Post Employment Benefit Plans (PEBP) as per Ind AS 24
Tata Sponge Iron Limited Superannuation Fund	
Tata Sponge Iron Limited Gratuity Fund	

B Particulars of transactions during the year

(₹ in crores)

Name of the related party	Nature of relationship	Year ended March 31, 2022	Year ended March 31, 2021
Tata Steel Limited	Holding Company	308.01	185.05
Tata International Limited	Subsidiary of Tata Sons Private Limited	249.06	167.70
The Siam Industrial Wire Company Ltd.	Fellow subsidiary	159.79	109.55
The Indian Steel and Wire Products Limited	Fellow subsidiary	-	0.01
Tata International Metals (Asia) Limited	Fellow subsidiary	0.27	-
Tata Metaliks Limited	Fellow subsidiary	82.56	68.46
Total-Sale of goods		**799.69**	**530.77**
Tata Steel Limited	Holding Company	61.94	47.38
Total-Sale of power		**61.94**	**47.38**
Tata Steel Limited	Holding Company	233.84	227.70
Total-Services rendered		**233.84**	**227.70**
Tata Steel Limited	Holding Company	1,509.07	549.36
Tata Steel Global Procurement Company Pte. Ltd.	Fellow subsidiary	1,902.12	942.23
The Indian Steel and Wire Products Limited	Fellow subsidiary	5.24	2.49
Tata Steel Mining Limited	Fellow subsidiary	55.02	9.62
Tata BlueScope Steel Private Limited	Joint venture	1.65	1.39
Jamipol Limited	Joint venture of Fellow subsidiary	30.29	1.19
Total-Purchase of goods		**3,503.39**	**1,506.28**
Tata Steel Limited	Holding Company	0.03	16.15
Tata Steel Global Procurement Company Pte. Ltd.	Fellow subsidiary	0.37	7.63
TM International Logistics Limited	Joint venture of Tata Steel	4.33	6.79
Total-Reimbursement of expenses		**4.73**	**30.57**
Tata Steel Limited	Holding Company	-	0.06
Tata Steel Utilities and Infrastructure Services Limited	Fellow subsidiary	-	0.19
Total-Purchase of property, plant and equipment		**-**	**0.25**
Tata Steel Limited	Holding Company	28.68	26.04
Tata Steel Utilities and Infrastructure Services Limited	Fellow subsidiary	0.24	0.88
The Tata Pigments Limited	Fellow subsidiary	0.13	0.45
The Indian Steel and Wire Products Limited	Fellow subsidiary	0.04	-
Tata Steel Foundation	Fellow subsidiary	0.23	-

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for the year ended March 31, 2022

(₹ in crores)

Name of the related party	Nature of relationship	Year ended March 31, 2022	Year ended March 31, 2021
Tata Sons Private Limited	Company having significant influence	14.90	10.32
Tata Consultancy Services Limited	Subsidiary of Tata Sons Private Limited	1.35	0.95
Tata AIG General Insurance Company Limited	Subsidiary of Tata Sons Private Limited	10.11	4.13
Tata Communication Limited	Subsidiary of Tata Sons Private Limited	2.63	0.10
TM International Logistics Limited	Joint venture of Tata Steel	28.67	50.15
TKM Global Logistic Limited	Joint venture of Joint venture with Tata Steel	11.54	5.72
mjunction services limited	Joint venture of Tata Steel	1.20	1.05
Tata NYK Shipping PTE limited	Joint venture of Tata Steel	-	3.14
Total-Services received		**99.72**	**102.93**
Jamipol Limited	Joint venture of Fellow subsidiary	0.50	2.44
Total-Dividend income		**0.50**	**2.44**
Tata Steel Limited	Holding Company	16.89	-
Total-Dividend paid		**16.89**	**-**
Mr. Ashish Anupam	MD	4.85	2.18
Total-Short term employee benefits		**4.85**	**2.18**
Mr. Ashish Anupam	MD	0.12	0.15
Total-Post employment benefits		**0.12**	**0.15**
Mr. P C Parakh	NED	-	0.11
Dr. Sougata Ray	NED	0.20	0.14
Mr. Ansuman Das	NED	0.21	0.18
Mr. Srikumar Menon	NED	0.19	0.13
Mr. Shashi Kant Maudgal	NED	0.22	0.15
Mrs. Neeta Karmakar	NED	0.16	0.11
Total- Sitting fees and Commission		**0.98**	**0.82**
Tata Steel Limited	Holding Company	12,700.00	-
Total-Issue of non-convertible preference shares		**12,700.00**	**-**
Tata Steel Limited	Holding Company	6.80	-
Total - Interest expense recognised		**6.80**	**-**
Tata Sponge Iron Limited Employee Provident Fund Trust	PEBP	4.49	4.37
Tata Sponge Iron Limited Superannuation Fund	PEBP	3.45	4.27
Tata Sponge Iron Limited Gratuity Fund	PEBP	4.08	6.01
Total - Contribution made		**12.02**	**14.65**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

C Balances outstanding

(₹ in crores)

Name of the related party	Relationship	As at March 31, 2022	As at March 31, 2021
Tata Steel Limited	Holding company	43.77	53.27
The Siam Industrial Wire co. Ltd	Fellow subsidiary	0.01	-
Tata International Limited	Subsidiary of Tata Sons Private Limited	0.03	-
Total - Trade receivables		**43.81**	**53.27**
Tata Steel Limited	Holding company	569.44	137.97
Tata Steel Global Procurement Company Pte. Ltd.	Fellow subsidiary	1,206.69	597.41
Tata Steel Utilities and Infrastructure Services Limited	Fellow subsidiary	0.02	0.79
The Indian Steel and Wire Products Limited	Fellow subsidiary	0.67	0.96
The Tata Pigments Limited	Fellow subsidiary	-	0.03
Tata Steel Mining Limited	Fellow subsidiary	5.77	5.45
Tata Sons Private Limited	Company having significant influence	14.90	10.32
mjunction services limited	Joint venture of Tata Steel	0.17	-
TKM Global Logistic Limited	Joint venture of Joint venture with Tata Steel	0.01	0.25
TM International Logistics Limited	Joint venture of Tata Steel	-	0.53
Tata BlueScope Steel Private Limited	Joint venture	-	1.02
Jamipol Limited	Joint venture of Fellow subsidiary	3.59	0.02
Tata Communication Limited	Subsidiary of Tata Sons Private Limited	0.39	0.06
Tata Consultancy Services Limited	Subsidiary of Tata Sons Private Limited	0.01	0.47
Total - Trade payables for supplies and services		**1,801.66**	**755.28**
Tata Sponge Iron Limited Employee Provident Fund Trust	PEBP	1.30	1.26
Tata Sponge Iron Limited Superannuation Fund	PEBP	0.30	0.27
Tata Sponge Iron Limited Gratuity Fund	PEBP	(0.90)	(0.42)
Total - Payable / (contribution in advance) to PEBP		**0.70**	**1.11**
Tata International Limited	Subsidiary of Tata Sons Private Limited	0.10	0.10
TM International Logistics Limited	Joint venture of Tata Steel	0.14	-
mjunction services limited	Joint venture of Tata Steel	-	0.66
Total - Advances paid		**0.24**	**0.76**
The Siam Industrial Wire co. Ltd	Fellow subsidiary	-	11.92
Tata Metaliks Limited	Fellow subsidiary	0.03	-
Total - Advances received		**0.03**	**11.92**
Jamipol Limited (At cost)	Joint venture of Fellow subsidiary	0.80	0.80
Total - Investments		**0.80**	**0.80**
Tata Steel Limited	Holding Company	12,706.80	-
Total - Non-convertible preference shares		**12,706.80**	**-**
Mr. Ashish Anupam	MD	3.29	1.29
Mr. Sanjay Kumar Pattnaik	MD	-	1.02
Total-Trade payables for accrued wages and salaries		**3.29**	**2.31**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

37 Employee benefits

37.01 Post employment defined contribution plans

(₹ in crores)

	Year ended March 31, 2022	Year ended March 31, 2021
Amount recognised in the Statement of Profit and Loss		
(i) Provident fund contribution*	0.12	0.10
(ii) Superannuation fund@	3.45	4.27
	3.57	**4.37**

* Contribution towards provident fund for certain employees is made to the recognised state managed funds. Such provident fund benefit is classified as defined contribution scheme as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which is recognised as expense in the Statement of Profit and Loss.

@ The Company has a superannuation plan for the benefit of its employees. This benefit is defined contribution scheme as the Company does not carry any further obligations apart from the contributions made which are recognised as expense under 'Contribution to Provident and Other Funds' in Note 26.

37.02 - Post employment defined benefit plans

(a) Description of plan characteristics

(i) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. Gratuity liability arises on retirement, resignation, and death of an employee. The plan provides for a lump-sum payment to vested employees an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit method with actuarial valuations being carried out at each Balance Sheet date.

The Scheme is funded by way of a separate irrevocable Trust and the Company is expected to make regular contributions to the Trust. The fund is managed by an insurance Company and the assets are invested in their conventional group gratuity product. The fund provides a capital guarantee of the balance accumulated and declares interest periodically that is credited to the fund account. The Trust assets managed by the fund manager are highly liquid in nature and we do not expect any significant liquidity risks. The Trust is responsible for investment of assets of the Trust as well as day to day administration of the scheme.

(ii) Long term service award

Eligible employees of the Company rendering services for more than twenty years will receive long service award on all causes of exit as per the Company's policy. The cost of providing benefits under this plan is determined by actuarial valuation using the projected unit credit method by independent qualified actuaries at the year end.

(iii) Ex-MD Pension and Post Retirement Medical Benefit

The Board of Directors of the Company grants approval for provisions of special retirement benefits to Managing Directors. The retirement benefit induces indexed monthly pension which is reviewed in every three years and medical benefits. The benefits in short are called as Ex-MD pension and Post Retirement Medical Benefit (PRMB). Both the benefit schemes are available to the spouses of concern MDs.

The said benefits are not contractual obligation of the Company. The provisions of the above benefits can only be given after signing the agreement containing the no-compete clause. The liabilities are not funded by the Company and disclosed as defined benefit plan.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

(b) Risk analysis

Company is exposed to a number of risks in the defined benefit plans. Most significant risks pertaining to defined benefit plans and management's estimation of the impact of these risks are as follows

(i) Interest risk

A decrease in the Indian government bond yield rate (discount rate) will increase the plan liability.

(ii) Salary risk

The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(iii) Investment risk

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

(iv) Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

(c) Details of defined benefit obligations and plan assets

A. Gratuity (Funded)

(i) Reconciliation of opening and closing balances of obligation

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
a.	Opening defined benefit obligation	58.18	56.49
b.	Acquired through business combination (Refer Note 38(a))	0.66	-
b.	Current service cost	4.15	4.35
c.	Interest cost	3.58	3.52
d.	Remeasurement (gains)/losses	(3.67)	(1.18)
e.	Benefits paid	(6.18)	(5.00)
f.	Acquisitions (credit)/cost	0.07	-
Closing defined benefit obligation		**56.79**	**58.18**

(ii) Movements in the fair value of the plan assets are as follows

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
a.	Opening fair value of plan assets	58.60	18.71
b.	Interest income	3.65	1.86
c.	Remeasurement gains/(losses)	(0.23)	0.13
d.	Contributions from the employer	2.12	40.62
e.	Benefits paid	(6.52)	(2.72)
f.	Acquisitions (credit)/cost	0.07	-
Closing fair value of plan assets		**57.69**	**58.60**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

(iii) Reconciliation of fair value of assets and obligations

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
a.	Fair value of plan assets	57.69	58.60
b.	Present value of obligation	56.79	58.18
		(0.90)	**(0.42)**
c.	Amount recognised in the Balance Sheet		
	- Prepaid Gratuity - Other non-financial current assets	0.90	0.42
		0.90	**0.42**

(iv) Amounts recognised in the Statement of Profit and Loss

(₹ in crores)

		Year ended March 31, 2022	Year ended March 31, 2021
Employee benefit expenses			
a.	Current service cost	4.15	4.35
b.	Net interest expense	(0.07)	1.66
		4.08	**6.01**
Other Comprehensive income		-	-
a.	Return on plan assets excluding amount included in employee benefits expense	0.23	(0.13)
b.	Actuarial (gain)/loss arising from changes in financial assumptions	(0.11)	0.10
c.	Actuarial (gain)/loss arising from changes in experience adjustments	(3.56)	(1.28)
		(3.44)	**(1.31)**
		-	-
Total defined benefit costs		**0.64**	**4.70**

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

	As at March 31, 2022	As at March 31, 2021
Category of Plan Assets:	In %	In %
Funded with LIC	**100%**	**100%**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

(vi) Principal assumptions used for the purposes of the actuarial valuations

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
a.	Discount rate (per annum)	6.50% / 7.20%	6.00% / 6.75%
b.	Expected rate of salary increase (per annum)	8.00%	8.00%
c.	Mortality rate	Indian Assured Lives Mortality (2006-08) ult.	Indian Assured Lives Mortality (2006-08) ult.
d.	Withdrawal rate		
	- Ages from 20-25	1.00% For all age group	1.00% For all age group
	- Ages from 25-30		
	- Ages from 30-35		
	- Ages from 35-50		
	- Ages from 50-55		
	- Ages from 55-65		

(vii) Maturity profile of defined benefit obligation

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Within 1 year	3.53	6.14
1-2 year	4.92	4.01
2-5 years	14.79	14.65
Over 5 years	26.16	25.52

The weighted average duration of the defined benefit plan obligation representing average duration for active members is 7 to 12 years (As at March 31, 2021: 6 to 12 years).

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

(ix) Sensitivity analysis

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

(₹ in crores)

Assumption		As at March 31, 2022	As at March 31, 2021
a.	Discount rate increase by 1%	Decrease by 5.20	Decrease by 5.14
b.	Discount rate decrease by 1%	Increase by 6.14	Increase by 6.09
c.	Expected salary growth increase by 1%	Increase by 5.96	Increase by 5.91
d.	Expected salary growth decrease by 1%	Decrease by 5.17	Decrease by 5.10

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

The Company ensures that the investment positions are managed within an asset liability matching (ALM) framework that has been developed to achieve long term investments that are in line with the obligations under the employee benefit plans. Within this framework, the Company's ALM objective is to match assets to the gratuity obligations by investing with LIC.

B. Long term service award (Unfunded)

(i) Reconciliation of opening and closing balances of obligation

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
a.	Opening defined benefit obligation	0.68	0.68
b.	Acquired through business combination (Refer Note 38(a))	0.02	-
c.	Current service cost	0.04	0.04
d.	Interest cost	0.04	0.04
e.	Remeasurement (gains)/losses	(0.03)	(0.01)
f.	Benefits paid	(0.04)	(0.07)
Closing defined benefit obligation		**0.71**	**0.68**

(ii) Reconciliation of fair value of assets and obligations

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
a.	Fair value of plan assets	-	-
b.	Present value of obligation	0.71	0.68
		0.71	**0.68**
c.	Amount recognised in the Balance Sheet		
	- Retirement benefit obligations - Non-current	0.65	0.63
	- Retirement benefit obligations - Current	0.06	0.05
		0.71	**0.68**

(iii) Amounts recognised in the Statement of Profit and Loss

(₹ in crores)

		Year ended March 31, 2022	Year ended March 31, 2021
Employee benefit expenses			
a.	Current service cost	0.04	0.04
b.	Net interest expense	0.04	0.04
		0.08	**0.08**
Other Comprehensive income		-	-
a.	Actuarial (gain)/loss arising from changes in financial assumptions	(0.02)	-
b.	Actuarial (gain)/loss arising from changes in experience adjustments	(0.01)	(0.01)
		(0.03)	**(0.01)**
Total defined benefit costs		**0.05**	**0.07**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

(iv) Principal assumptions used for the purposes of the actuarial valuations

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
a.	Discount rate (per annum)	7.00%	6.75%
b.	Expected rate of salary increase (per annum)	Not applicable	Not applicable
c.	Mortality rate	Indian Assured Lives Mortality (2006 - 2008) Ult.	Indian Assured Lives Mortality (2006 - 2008) Ult.
d.	Withdrawal rate		
	- Ages from 20-25	1.00% For all age group	1.00% For all age group
	- Ages from 25-30		
	- Ages from 30-35		
	- Ages from 35-50		
	- Ages from 50-55		
	- Ages from 55-65		

(v) Maturity profile of defined benefit obligation

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Within 1 year	0.06	0.05
1-2 year	0.06	0.07
2-5 years	0.16	0.16
Over 5 years	0.33	0.29

The weighted average duration of the defined benefit plan obligation representing average duration for active members is 12 years. (As at March 31, 2021: 10 years).

(vi) Sensitivity analysis

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

(₹ in crores)

Assumption		As at March 31, 2022	As at March 31, 2021
a.	Discount rate increase by 1%	Decrease by 0.06	Decrease by 0.06
b.	Discount rate decrease by 1%	Increase by 0.07	Increase by 0.07

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

C. Ex-MD Pension (Unfunded)

(i) Reconciliation of opening and closing balances of obligation

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
a.	Opening defined benefit obligation	12.20	14.47
b.	Interest cost	0.80	0.87
c.	Remeasurement (gains)/losses	0.50	(2.29)
d.	Benefits paid	(0.70)	(0.85)
Closing defined benefit obligation		**12.80**	**12.20**

(ii) Reconciliation of fair value of assets and obligations

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
a.	Fair value of plan assets	-	-
b.	Present value of obligation	12.80	12.20
		12.80	12.20
c.	Amount recognised in the Balance Sheet		
	- Retirement benefit obligations - Non-current	12.14	11.54
	- Retirement benefit obligations - Current	0.66	0.66
		12.80	**12.20**

(iii) Amounts recognised in the Statement of Profit and Loss

(₹ in crores)

		Year ended March 31, 2022	Year ended March 31, 2021
Employee benefit expenses			
a.	Net interest expense	0.80	0.87
		0.80	**0.87**
Other Comprehensive income		-	-
a.	Actuarial (gain)/loss arising from changes in financial assumptions	(0.37)	(0.77)
b.	Actuarial (gain)/loss arising from changes in experience adjustments	(0.55)	(1.52)
c.	Actuarial (gain)/loss arising from changes in demographic assumptions	1.42	-
		0.50	**(2.29)**
		-	-
Total defined benefit costs		**1.30**	**(1.42)**

(iv) Principal assumptions used for the purposes of the actuarial valuations

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
a.	Discount rate (per annum)	7.00%	6.75%
b.	Pension inflation rate (per annum)	6.00%	6.00%
c.	Mortality rate	LIC (2012-15) Annuitants ultimate	LIC (1996-98) Annuitants ultimate
d.	Withdrawal rate - The effects of mortality and withdrawal have been factored by constructing a Multiple Decrement Table taking into account the above mortality table.		

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

(v) Maturity profile of defined benefit obligation

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Within 1 year	0.74	0.69
1-2 year	0.75	0.71
2-5 years	2.31	2.25
Over 5 years	13.61	13.74

The weighted average duration of the defined benefit plan obligation representing average duration for active members is 12 years. (As at March 31, 2021: 11 years).

(vi) Sensitivity analysis

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

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
a.	Discount rate increase by 1%	Decrease by 1.32	Decrease by 1.22
b.	Discount rate decrease by 1%	Increase by 1.58	Increase by 1.47
c.	Pension inflation rate increase by 1%	Increase by 1.58	Increase by 1.46
d.	Pension inflation rate decrease by 1%	Decrease by 1.40	Decrease by 1.24

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

D. PRMB (Unfunded)

(i) Reconciliation of opening and closing balances of obligation

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
a.	Opening defined benefit obligation	0.69	0.81
b.	Interest cost	0.04	0.06
c.	Remeasurement (gains)/losses	0.05	(0.17)
d.	Benefits paid	(0.09)	(0.01)
Closing defined benefit obligation		**0.69**	**0.69**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

(ii) Reconciliation of fair value of assets and obligations

₹ in crores

		As at March 31, 2022	As at March 31, 2021
a.	Fair value of plan assets	-	-
b.	Present value of obligation	0.69	0.69
		0.69	**0.69**
c.	Amount recognised in the Balance Sheet		
	- Retirement benefit obligations - Non-current	0.63	0.63
	- Retirement benefit obligations - Current	0.06	0.06
		0.69	**0.69**

(iii) Amounts recognised in the Statement of Profit and Loss

(₹ in crores)

		Year ended March 31, 2022	Year ended March 31, 2021
Employee benefit expenses			
a.	Net interest expense	0.04	0.06
		0.04	**0.06**
Other Comprehensive income		-	-
a.	Actuarial (gain)/loss arising from changes in financial assumptions	(0.01)	(0.02)
b.	Actuarial (gain)/loss arising from changes in experience adjustments	0.03	(0.15)
c.	Actuarial (gain)/loss arising from changes in demographic assumptions	0.03	-
		0.05	**(0.17)**
		-	-
Total defined benefit costs		**0.09**	**(0.11)**

(iv) Principal assumptions used for the purposes of the actuarial valuations

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
a.	Discount rate (per annum)	7.00%	6.50%
b.	Medical cost - % of annual entitlement utilised (per annum)	20.00%	20.00%
c.	Mortality rate	LIC Annuitants (2012-2015) Ultimate	LIC Annuitants (1996-98) Ultimate
d.	Withdrawal rate - The effects of mortality and withdrawal have been factored by constructing a Multiple Decrement Table taking into account the above mortality table.		

(v) Maturity profile of defined benefit obligation

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Within 1 year	0.06	0.06
1-2 year	0.06	0.05
2-5 years	0.15	0.14
Over 5 years	0.37	0.30

The weighted average duration of the defined benefit plan obligation representing average duration for active members is 9 years. (As at March 31, 2021: 9 years).

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

(vi) Sensitivity analysis

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

(₹ in crores)

Assumption		As at March 31, 2022	As at March 31, 2021
a.	Discount rate increase by 1%	Decrease by 0.05	Decrease by 0.05
b.	Discount rate decrease by 1%	Increase by 0.06	Increase by 0.06

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the Balance Sheet.

E. Provident fund

Eligible employees (except certain employees covered under Note 37.01) of the Company receive benefits from a provident fund, which is a defined benefit plan. Both the eligible employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. The Company contributes a portion to the 'Tata Sponge Employees Provident Fund Trust'. The trust invests in specific designated instruments as prescribed by the Government. The remaining portion is contributed to the Government administered pension fund. The rate at which the annual interest is payable to the beneficiaries by the trust is being administered by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the Trust and the notified interest rate.

The Actuary has carried out year-end actuarial valuation of plan's liabilities and interest rate guarantee obligations as at the Balance Sheet date using Projected Unit Credit Method and Deterministic Approach as outlined in the Guidance Note 29 issued by the Institute of Actuaries of India. Based on such valuation, the Company has (reversed) / recognised interest rate guarantee shortfall amounting to **₹(5.03) crores** (March 31, 2021: ₹15.39 crore) in the Statement of Profit and Loss. Further during the year, the Company's contribution of **₹4.49 crores** (March 31, 2021: ₹4.37 crores) to the Provident Fund Trust has been expensed under the 'Contribution to Provident and Other Funds' in Note 26. Additionally, during the year the Company has contributed **₹1.95 crores** to the trust, which has been expensed under the 'Contribution to Provident and Other Funds' in Note 26. (March 31, 2021: Nil).

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

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
a.	Discount rates	7.20%	6.75%
b.	Expected yield on plan assets	7.50%	7.50%
c.	Guaranteed Interest Rate	8.10%	8.50%

37.03 - Other contributions

(i) Employees Pension Scheme - Total amount charged to the Statement of Profit and Loss for the year **₹3.45 crores** (March 31, 2021: ₹3.25 crores).

(ii) Employees State Insurance - Total amount charged to the Statement of Profit and Loss for the year **₹0.07 crore** (March 31, 2021: ₹0.10 crore).

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

37.04

The Company has assessed the impact of the Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management (supported with a view from a legal expert), the aforesaid matter is not likely to have any impact and accordingly, no provision has been made in these Financial Statements.

38 (a) Acquisition of Wire Mill from Usha Martin Limited

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

The acquisition would help the Company to further enhance its specialty long products portfolio.

(i) Details of purchase consideration

Particulars	₹ in crores
Fair value of assets transferred	7.43
Total Purchase consideration	**7.43**

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

Particulars	₹ in crores
(a) Property, plant and equipment	6.45
(b) Inventories	0.48
Total assets	**6.93**
(a) Provisions	0.77
Total liabilities	**0.77**
Add: Cash consideration received from UML	0.77
Net identifiable assets acquired	**6.93**

(iii) Calculation of goodwill on business combination

Particulars	₹ in crores
Purchase consideration transferred	7.43
Less: Net identifiable assets acquired	6.93
Goodwill	**0.50**

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

(b) The Board of Directors of the Company approved the schemes for amalgamation of Tata Metaliks Limited and The Indian Steel and Wire Products Limited into the Company at its meeting held on November 13, 2020. The Board of Directors recommended exchange ratio of 12 fully paid-up equity shares of ₹10 each of the Company for every 10 fully paid-up equity shares of ₹10 each held in the Tata Metaliks Limited and 10 fully paid-up equity shares of ₹10 each of the Company for every 16 fully paid-up equity shares of ₹10 each held in The Indian Steel and Wire Products Limited. The Company submitted the schemes of amalgamation to Stock Exchanges on November 13, 2020 for approval.

In respect of the scheme for amalgamation of The Indian Steel and Wire Products Limited (ISWP) into the Company, the Company received letters dated June 29, 2021 from Stock Exchanges stating that the Securities and Exchange Board of India (SEBI) has returned the Scheme observing non-compliance with the securities law provisions. In respect of the scheme for amalgamation of Tata Metaliks Limited into the Company, the Stock Exchanges have requested the Company for additional information on the scheme and the Company is in the process of appropriately responding to the same.

(c) On January 31, 2022, the Company was identified as the winner of the bidding process to acquire a 93.71% equity stake in Neelachal Ispat Nigam Limited ('NINL') for total consideration of ₹12,100.00 crores, in accordance with the process run by Department of Disinvestment & Public Asset Management (DIPAM), Government of India. On February 2, 2022, DIPAM issued the Letter of Award to the Company for acquisition of 93.71% equity stake of NINL which was accepted by the Company on February 9, 2022. The total consideration of ₹12,100.00 crores shall be applied, interalia, for settling the existing debts/ liabilities and for acquisition of 93.71% equity shares in NINL.

On March 10, 2022, the Company has executed a Share Sale and Purchase Agreement (SPA) with MMTC Limited, NMDC Limited, MECON Limited, Bharat Heavy Electricals Limited, Industrial Promotion and Investment Corporation of Odisha Limited, Odisha Mining Corporation Limited, The President of India, The Government of Odisha, Tata Steel Limited and NINL for acquisition of 93.71% equity shares in NINL. Pursuant to execution of the SPA, the Company has deposited of ₹1,210.00 crores in the escrow account, representing 10% of the bid amount. The same has been presented as "Advance against equity investment" in the Balance Sheet considering that in future this advance will lead to a strategic nature of an investment.

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

Further, during the year ended March 31, 2022, the Company has allotted (as below) 0.01% Non-Convertible Redeemable Preference Shares ("NCRPS") having face value of ₹100 each mandatorily redeemable at the end of 20 years from the date of allotment at premium of ₹574.63 per NCRPS to Tata Steel Limited on private placement basis as approved by the Board of Directors. The NCRPS shall be redeemable at premium upon maturity or optional early redemption with accrued interest thereon computed on the basis of the effective yield of the instrument, at the option of the Company on a quarterly basis at 3-month intervals from the date of allotment.

- On March 17, 2022, the Company allotted 100,000,000 (Ten crores) 0.01% NCRPS aggregating ₹1,000.00 crores.
- On March 30, 2022, the Company allotted 1,170,000,000 (One hundred seventeen crores) 0.01% NCRPS aggregating ₹11,700.00 crores.

Proceeds from the aforesaid allotment and accrued interest thereon have been presented under non current Borrowings (Refer Note 15) and the interest charge for the period on this instrument has been presented under " Finance Costs" (Refer Note 27).

Pending eventual utilisation, inter alia, for the acquisition of the aforesaid equity shares, the proceeds from the allotment have been used to repay the debt of ₹800 crores and invested ₹7,700 crores and ₹4,200 crores in Mutual Funds and Fixed Deposits respectively, which are in keeping with the purposes of utilisation approved by the shareholders in the Extra Ordinary General Meeting of March 7, 2022.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

39 Goodwill

A. Movement in goodwill during the year

(₹ in crores)

	As at March 31, 2022	As at March 31, 2021
Opening balance	5.66	5.66
Add: Additions during the year due to acquisitions (Refer Note 38(a))	0.50	-
Closing balances	**6.16**	**5.66**

B. Impairment tests for goodwill

The Goodwill of ₹6.16 crores (March 31, 2021: ₹5.66 crores) represents the goodwill accounted on the acquisition of Steel Business (CGU) from Usha Martin Limited. The entire goodwill as mentioned above is attributable to the aforesaid acquired business CGU i.e. Integrated steel manufacturing plant. There were no impairment indicators as at the year end.

40 Assets classified as held for sale

(a) Pursuant to the Business Transfer Agreement with Usha Martin Limited (UML), the Company had acquired certain assets ('the Assets') at Chennai and Ranchi locations from UML. The Company acquired 'the Assets' with intention of subsequent sale and therefore, the Company recorded 'the Assets' as held for sale in accordance with Ind AS 105: Non-current Assets Held for Sale and Discontinued Operations.

During the current year, the Company has acquired Wire Mill business from Usha Martin (Refer Note 38(a)) through exchange of 'the Assets'. As at March 31, 2021, the Company measured 'the Assets' at lower of carrying value and fair value less costs to sell amounting to ₹8.39 crores.

(b) Certain items of property, plant and equipments (including capital work in progress) related to Radhikapur (East) coal block (Refer note 33(d)) amounting to ₹ Nil (March 31, 2021: ₹10.88 crores) had been classified as held for sale in accordance with Ind AS 105: Non-current Assets Held for Sale and Discontinued Operations.

41 Segment reporting

The Company is in the business of manufacture of steel and allied products (including the manufacture of sponge iron and generation of power) and accordingly, steel and allied products is the only reportable segment in accordance with Ind AS 108 – Segment Reporting.

Details of non-current assets other than financial assets, based on geographical area are as below:

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
(i)	India	5,414.15	4,429.05
(ii)	Outside India	-	-
	Total	**5,414.15**	**4,429.05**

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

42 Disclosure relating to provisions as per Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets

The details of movement in provision balances and nature of provision is below -

(₹ in crores)

	VAT, entry tax and sales tax	Cross subsidy surcharge	Interest on income tax	Mines restoration and other activities	Coal block performance obligation	Contingent liability recognised on business combination	Others
Carrying amount as at beginning of the year	2.63	6.01	20.68	27.89	-	0.29	11.67
	(25.25)	(6.01)	(20.68)	(14.19)	(133.72)	(6.39)	(10.88)
Add: Provision made during the year	-	-	-	1.40	-	-	
	(-)	(-)	(-)	(15.64)	(-)	(-)	(0.79)
Less: Amount paid during the year	-	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(133.72)	(-)	(-)
Less: Amount reversed during the year	-	-	-	-	-	-	8.19
	(22.62)	(-)	(-)	(1.94)	(-)	(6.10)	(-)
Carrying amount as at the end of the year (Refer Note (16(b))	**2.63**	**6.01**	**20.68**	**29.29**	**-**	**0.29**	**3.48**
	(2.63)	(6.01)	(20.68)	(27.89)	-	(0.29)	(11.67)
Nature of obligation	VAT, entry tax and sales tax including interest thereon	Cross subsidy surcharge payable to power distribution companies	Interest on income tax	Activities to be performed at the time of final mine closure or during the mining	Activities to be performed for developing the coal block	Demand for electricity charges and labour related matters on acquired steel business	Demand charges of DMFT and NMET on royalty payment and other matters
Expected timing of resultant outflow	On decision by competent authority			Upon closure of mines or during the mining	The Company has paid this amount during previous financial year.	On decision by competent authority	
Indication of uncertainty about those outflows	The above matters are under dispute with authorities			None	None	The above matters are under dispute with authorities	
Major assumptions concerning future events	The matter is with higher authorities for adjudication. Provision has been made on the grounds of prudence.			None	None	The matter is with higher authorities for adjudication. Provision has been made on the grounds of prudence.	
Amount of any expected reimbursement, i.e., amount of any asset that has been recognised for that expected reimbursement	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(figures in brackets represents amount for the previous year)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

43 Expenditure on corporate social responsibility

(₹ in crores)

Sr. No.	Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a.	Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities	2.96	0.16
b.	Amount spent during the year	2.99	0.56
	Amount of shortfall for the year	-	-
	Amount of cumulative shortfall for the year	-	-

Revenue expenditure charged to the Statement of Profit and Loss in respect of CSR activities undertaken during the year is ₹2.99 crores, (paid in cash) as compared to ₹0.56 crores for the year ended March 31, 2021 (₹0.49 crores was paid in cash and ₹0.07 crore was unpaid).

c. CSR expenditure incurred through related parties of the Company for the year ended March 31, 2022 is ₹0.23 crores. (March 31, 2021: ₹ Nil.)

d. There are no ongoing CSR projects and no expenditure was incurred during the year on any ongoing project. The Company does not propose to carry forward any amount spent beyond the statutory requirement.

44 Assets hypothecated as security

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

(₹ in crores)

		As at March 31, 2022	As at March 31, 2021
Non-current assets			
First charge (against term loan from banks)			
(i)	Property, plant and equipment	3,571.07	3,788.34
(ii)	Leased assets	119.42	123.84
		3,690.49	**3,912.18**
Current assets			
First charge (against working capital requirement from Banks)			
(i)	Inventories	1,350.09	812.71
(ii)	Trade receivables	60.39	75.15
(iii)	Cash and cash equivalents	4,558.91	279.37
(iv)	Other balances with banks	2.20	2.41
(v)	Loans	0.24	0.17
(vi)	Other financial assets	247.45	184.92
(vii)	Other current assets	76.99	81.96
		6,296.27	**1,436.69**

Note:

(a) There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

(b) Refer Note 52 for disclosure relating to total amount of security (charge created) towards working capital facilities and term loan, as on March 31, 2022.

45 The Company has assessed the possible impact of COVID-19 on its financial statements based on the internal and external information available up to the date of approval of these financial statements and concluded no adjustment is required in these statements. The Company continues to monitor the future economic conditions.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

46 Details relating to Company's subsidiaries are as follows.

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Company	
			As at March 31, 2022	As at March 31, 2021
TSIL Energy Limited (Subsidiary)	-	India	-	100%

TSIL Energy Limited (TSIL Energy), a wholly owned subsidiary of the Company, was incorporated primarily for electric power generation, transmission, and its distribution. However, the aforesaid business activity could not be commenced. The members of TSIL Energy in its Annual General Meeting held on September 25, 2021, approved, by way of a special resolution, to initiate voluntary liquidation of TSIL Energy and appointed a Liquidator, authorising exercise of all powers as per the applicable provisions of the Companies Act, 2013 and the Insolvency and Bankruptcy Code, 2016, to effectively discharge the process of voluntary liquidation of TSIL Energy.

In view of the above, with the loss of control of the Company in TSIL Energy upon passing of the aforesaid resolution / appointment of the Liquidator and having regard to the fact that the Company does not have any other subsidiary and TSIL Energy is not material (Indian Accounting Standards apply only to items that are material), the Company has considered not to present consolidated financial statement for financial year ended March 31, 2022.

The Company has received proceeds from the liquidator during the year ended March 31, 2022 and adjusted the same against the investments in TSIL Energy. During the year ended March 31, 2022, the Liquidator has filed application for dissolution of the TSIL Energy with National Company Law Tribunal Cuttack Bench. The Bench has directed the Registrar of Companies, Odisha, to file their report / representations.

Below are the financial results of TSIL Energy for the year ended March 31, 2022 and March 31, 2021.

(₹ in crores)

		Financial year ended March 31, 2022*	Financial year ended March 31, 2021
1	Other income	0.02	0.05
2	Profit before taxes	0.02	0.04
3	Tax expenses	0.02	#
4	Profit for the period	-	0.04

* up to September 25, 2021 for reasons set out above.

Amount below rounding off norm adopted by the Company.

47 Ratios

Sr. No.	Particulars	March 31, 2022	March 31, 2021	% Change	
(a)	Current ratio (times)	4.90	0.79	520.25%	Refer sub-note (i)
(b)	Debt-equity ratio (times)	4.65	0.62	650.00%	Refer sub-note (ii)
(c)	Debt service coverage ratio (times)	9.00	4.73	90.27%	Refer sub-note (iii)
(d)	Return on equity ratio (%)	21.74%	24.81%	(3.07)%	
(e)	Inventory turnover ratio (in days)	58	62	(6.45)%	
(f)	Trade receivables turnover ratio (in days)	4	9	(59.01)%	Refer sub-note (iv)
(g)	Trade payables turnover ratio (in days)	118	104	13.39%	
(h)	Net capital turnover ratio (in days)	297	*	n/a	Refer sub-note (v)
(i)	Net profit ratio (%)	9.26%	12.04%	(2.78)%	
(j)	Return on capital employed (%)	9.27%	19.23%	(9.96)%	
(k)	Return on investment (%)	3.50%	3.14%	0.36%	

NOTES TO THE FINANCIAL STATEMENTS
for the year ended March 31, 2022

Formulas for ratios

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

Notes:

(i) Current ratio has increased due to increase in cash and cash equivalents and investments in mutual funds. The proceeds from issue of NCRPS has been invested in short term deposits, which shall eventually be utilised for acquisition of Neelachal Ispat Nigam Limited.

(ii) Debt to equity ratio has increased due to issue of NCRPS during the current year.

(iii) Debt service coverage ratio has improved due to lower finance cost during the current year.

(iv) Trade receivables turnover ratio has primarily improved due to higher revenue from operations during the current year.

(v) FY'22 Working capital ratio has improved due to higher current investments and cash balances as at March 31, 2022.

*FY'21 Working capital is negative.

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

49 The Company has long-term contracts as at March 31, 2022 for which there were no material foreseeable losses. The Company did not have long term derivative contracts.

50 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except for amounts aggregating to ₹**0.06 crores** as at March 31, 2022 (March 31, 2021: ₹0.06 crores) which is held in abeyance due to pending legal cases.

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

52 The Company has obtained borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with the banks are in agreement with the books of accounts for year ended March 31, 2022 and March 31, 2021.

The returns for the quarter ended March 31, 2022, are not yet due, which would be appropriately filed by the Company within the due date.

Total amount of security (charge created), towards working capital facilities and term loan, as on March 31, 2022 is ₹1,585.00 crores (March 31, 2021: ₹1,297.00 crores) and ₹2,900.00 crores (March 31, 2021: ₹2,900.00 crores) respectively.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended March 31, 2022

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

(b) 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.

54 The Company has not made any investments during the year other than investment in mutual funds. The Company has not granted secured/ unsecured loans/ advances in the nature of loans to any Company/Firm/Limited Liability Partnership/Other Party during the year other than loan to employees. The Company has not provided guarantee or security to any Company/ firm/Limited Liability Partnership/Other party during the year other than security provided against certain current assets in connection with working capital facilities from banks (Refer Note 44).

55 The Company has done an assessment to identify Core Investment Company (CIC) [including CIC's in the Group] as per the necessary guidelines of Reserve Bank of India [including Core Investment Companies (Reserve Bank) Directions, 2016]. The Companies identified as CIC's at Group level are Panatone Finvest Limited, TATA Capital Limited, TATA Industries Limited, TATA Sons Private Limited, TMF Holdings Limited and T S Investments.

56 No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

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

58 The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

59 Figures for the previous year has been regrouped and reclassified to conform to classification of current year, wherever necessary.

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

Pinaki Chowdhury
Partner
Membership No. 057572

Kolkata
April 19, 2022

For and on behalf of the Board of Directors

T V Narendran
Chairman
DIN: 03083605

Ashish Anupam
Managing Director
DIN: 08384201

S K Shrivastav
Joint Chief Financial Officer

Sankar Bhattacharya
Company Secretary

Kolkata
April 19, 2022