



TSBSL/COSEC/AGM-AR/2021
July 15, 2021

The Secretary
Listing Department
BSE Limited,
Phiroze Jee Jee Bhoy Towers,
Dalal Street,
Mumbai – 400001 Maharashtra, India
Scrip code: 500055

The Manager
Listing Department
National Stock Exchange of India Limited,
“Exchange Plaza”, 5th Floor, Plot No. C/1,
G-Block, Bandra – Kurla Complex, Bandra (E),
Mumbai-400051, Maharashtra, India
Symbol: TATASTLBSL

Dear Madam, Sir,

Sub: Annual Report and Annual Accounts for Financial Year 2020-21 of Tata Steel BSL Limited ('Company')

This is in furtherance to our letter dated July 13, 2021 wherein the Company had informed that the 38th Annual General Meeting ('AGM') of the Company will be held on **Friday, August 06, 2021 at 3:00 p.m. (IST)** via two-way Video Conference / Other Audio-Visual Means only, in accordance with the General Circulars dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 issued by the Ministry of Corporate Affairs and SEBI Circulars dated May 12, 2020 and January 15, 2021.

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

The Annual Report is available on the website of the Company at
<https://tatasteelbsl.co.in/Investor%20Relations%20pdf/Financial%20Reporting/Annual%20Report/Annual%20Report%20for%20FY%202020-21.pdf>

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

This is for your information and records

Thanking you,

Yours faithfully,
Tata Steel BSL Limited

(Nisha Anil Seth)
Company Secretary & Compliance Officer



Encl: As above

TATA STEEL BSL LIMITED
(Formerly known as Bhushan Steel Limited)

TATA STEEL BSL



**ANNUAL
REPORT
2020-21**

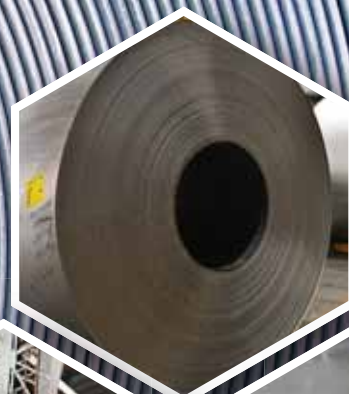




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ANNUAL GENERAL MEETING

Friday, August 6, 2021
3:00 pm (IST)



REGISTERED OFFICE

Ground Floor, Mira Corporate Suites,
Plot No. – 1 & 2, Ishwar Nagar,
Mathura Road, New Delhi – 110 065
Tel: 91 - 11 - 3919 4000
Fax: 91 - 11 - 4101 0050
Email: tsbsl@tatasteelbsl.co.in
Website: www.tatasteelbsl.co.in

CORPORATE OFFICE

Jasmine Tower, Ground & 1st Floor,
31 Shakespeare Sarani,
Kolkata – 700 071, West Bengal
Tel: 91 - 33 - 4085 9600

PLANT LOCATIONS

Tata Steel BSL Limited, Dhenkanal

P.O. Shivapur, Meramandali,
District: Dhenkanal – 759 121
Odisha, INDIA

Tata Steel BSL Limited, Khopoli

Village – Nifan, Savroli, Kharpada Road,
Taluka – Khalapur,
Near Khopoli,
District: Raigad – 410 203
Maharashtra, INDIA

Tata Steel BSL Limited, Sahibabad

23, Site-IV, Sahibabad Industrial Area,
District: Ghaziabad – 201 010
Uttar Pradesh, INDIA

Tata Steel BSL Limited, Hosur

Plot No. – 104/3, SIPCOT Industrial Complex,
SIPCOT Phase – 1, Hosur,
Tamil Nadu – 635 126, INDIA

CORPORATE IDENTIFICATION NUMBER

L74899DL1983PLC014942

STATUTORY AUDITORS

M/s Walker Chandiok & Co LLP
(Firm Registration No. 001076N/N500013)

REGISTRAR AND TRANSFER AGENT

RCMC Share Registry Pvt. Ltd.
B-25/1, First Floor,
Okhla Industrial Area Phase-II,
New Delhi – 110 020
Tel: 91 - 11 - 2638 7320, 2638 7321
Fax: 91 - 11 - 2638 7322
Email: investor.services@rcmcdelhi.com
Website: www.rcmcdelhi.com

CAUTIONARY STATEMENT

Statements in this Report describing the Company's objectives, projections, estimates, expectation may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations includes economic conditions affecting demand and/ or price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations, Tax laws and other statutes and other incidental factors. The Company assumes no responsibility to publicly amend, modify or revise any forward – looking statements on the basis of any subsequent developments, information or events.

CORPORATE INFORMATION

BOARD OF DIRECTORS

As on March 31, 2021

MR. T V NARENDRA

Non-executive Director and Chairman

MR. KRISHNAVA DUTT

Independent Director

MS. NEERA SAGGI

Independent Director

MR. SHASHI KANT MAUDGAL

Independent Director

MR. SRIKUMAR MENON

Independent Director

MR. KOUSHIK CHATTERJEE

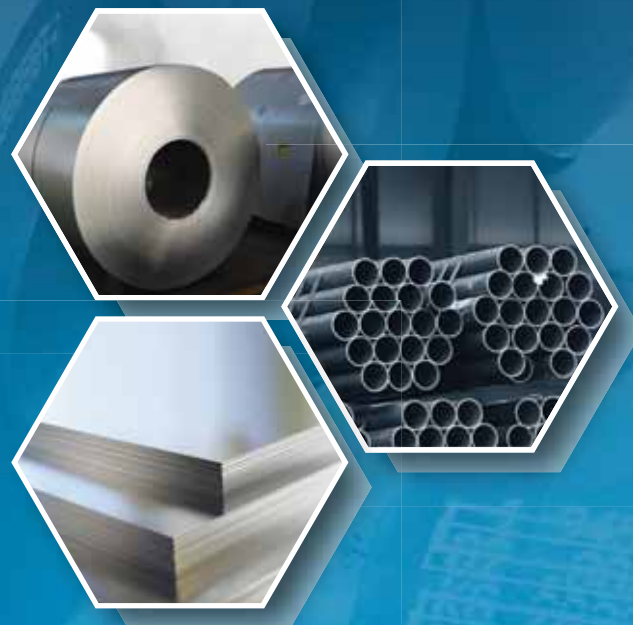
Non-executive Director

MR. ANAND SEN

Non-executive Director

MR. RAJEEV SINGHAL

Managing Director



KEY MANAGERIAL PERSONNEL

As on March 31, 2021

MR. RAJEEV SINGHAL

Managing Director

MR. SANJIB NANDA

Chief Financial Officer

MS. NISHA ANIL SETH

Company Secretary & Compliance Officer



COMPANY'S RESPONSE TO COVID 19

FOR THE COMMUNITY

- › Awareness sessions across locations
- › Distribution of masks, sanitiser, dry rations
- › Ventilators for local hospitals
- › Oxygen supply across the country

FOR THE EMPLOYEES

- › In-house COVID care and isolation centres
- › Tie-up with bigger hospitals for treatment of critical patients
- › Regular testing of employees and family members
- › Free vaccination to employees and family members
- › Focussed awareness sessions



AWARDS AND ACHIEVEMENTS

■ Apex India Green Leaf Awards 2019 in Metal and Mining sector:

- The Gold Award for outstanding achievement in Environmental Excellence for the plant in Dhenkanal, Odisha
- The Platinum award for outstanding achievement in Energy Efficiency for the plant in Khopoli, Maharashtra
- The Gold Award for outstanding achievement in Environmental Excellence for the plant in Khopoli, Maharashtra
- The Platinum Award for outstanding achievement in Water Stewardship for the plant in Sahibabad, Uttar Pradesh

■ Golden Peacock Award for Corporate Social Responsibility for the year 2020 in steel industry category

■ Energy and Environment Foundation Global Sustainability Award 2020 in Platinum Category

■ The CII National Award for outstanding achievement in Water Management 2020 for the plant in Dhenkanal, Odisha

TATA STEEL BSL

BOARD'S REPORT

To the Members,

Your Directors take pleasure in presenting the 38th Annual Report on the business and operations of Tata Steel BSL Limited ('Company'), along with the summary of standalone and consolidated financial statements for the financial year ended March 31, 2021.

A. FINANCIAL RESULTS

(₹ crore)

Particulars	Standalone		Consolidated	
	2020-21	2019-20	2020-21	2019-20
Gross revenue from operations	21,418.63	18,199.14	21,418.63	18,199.14
Total expenditure before finance cost, depreciation (net of expenditure transferred to capital)	15,968.04	15,896.30	15,970.54	15,848.97
Operating Profit	5,450.59	2,302.84	5,448.09	2,350.17
Add: Other income	117.42	106.51	91.67	70.50
Profit / (Loss) before finance cost, depreciation, exceptional items and taxes	5,568.01	2,409.35	5,539.76	2,420.67
Less: Finance costs	1,622.26	1,695.91	1,529.21	1,654.77
Profit / (Loss) before depreciation, exceptional items and taxes	3,945.75	713.44	4,010.55	765.90
Less: Depreciation	1,479.77	1,431.63	1,491.28	1,463.41
Profit / (Loss) before share of profit / (loss) of joint ventures & associates, exceptional items & tax	2,465.98	(718.19)	2,519.27	(697.51)
Share of profit / (loss) of Joint Ventures & Associates	-	-	-	-
Profit / (Loss) before exceptional items & tax	2,465.98	(718.19)	2,519.27	(697.51)
Add / (Less): Exceptional Items (Refer note)	-	69.02	-	69.02
Profit / (Loss) before taxes	2,465.98	(649.17)	2,519.27	(628.49)
Less: Tax Expense / (income)	-	-	1.11	-
(A) Profit/(Loss) after taxes	2,465.98	(649.17)	2,518.16	(628.49)
(B) Net Profit / (loss) for the period	2,465.98	(649.17)	2,518.16	(628.49)
Total Profit / (Loss) for the period attributable to:				
Owners of the Company	-	-	2,518.16	(628.49)
Non-controlling interests	-	-	-	-
(C) Total Other Comprehensive Income / (Loss)	3.40	(7.47)	0.50	(8.63)
(D) Total Comprehensive Income for the period [B + C]	2,469.38	(656.64)	2,518.66	(637.12)

Notes: The exceptional items include:

(₹ crore)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i) Effects of implementation of resolution plan	-	153.60
(ii) Provision for impairment in property, plant & equipment and other assets	-	(84.58)
Total	-	69.02

a. Provision for impairment on property, plant & equipment

Provision for impairment of property, plant and equipment for FY2020-21 was NIL; previous year ₹84.58 crore.

b. Exceptional items recognized in previous year financial statements

Effects of implementation of resolution plan ₹153.60 crore and Provision for impairment in property, plant & equipment and other assets ₹[84.58] crore.

B. FINANCIAL PERFORMANCE AND STATE OF AFFAIRS

During the year, the total turnover from operations was ₹21,418.63 crore (previous year: ₹18,199.14 crore). The increase in turnover was mainly on

account of increase in sales by 4% along with improvement in realisations driven by better market conditions.

During the year, the Company recorded a net profit of ₹2,465.98 crore (previous year: Net Loss ₹649.17 crore). The basic earnings per share stood at ₹22.55 for FY2020-21. There was no change in the nature of business during FY2020-21.

C. CAPEX AND LIQUIDITY

The Company has spent ₹143.97 crore on capital projects, largely towards balancing facilities and essential sustenance capital projects.

As on March 31, 2021, the liquidity position of the Company was ₹719 crore [excluding Fixed Deposit(s) ('FD') under Lien of ₹17 crore for opening of Letters of Credit with Banks] as against ₹724 crore as on March 31, 2020 [excluding Fixed Deposit(s) ('FD') under Lien of ₹129 crore for opening of Letters of Credit with Banks].

Further, the Company has undrawn borrowing facilities amounting to ₹2,832 crore, at the end of the reporting year to which the Company had access.

D. DIVIDEND DISTRIBUTION POLICY

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') the Board of Directors of the Company has formulated and adopted the Dividend Distribution Policy ('Policy'). The Policy is annexed to this report as **Annexure -1** and is also available on our website at <https://tatasteelbsl.co.in/Investor%20Relations%20pdf/Policies/Dividend%20Distribution%20Policy.pdf>

E. DIVIDEND

The net profit of the Company for FY2020-21 was ₹2,465.98 crore. Considering the performance and the state of affairs of the Company and keeping in mind the COVID-19 pandemic, the Board of Directors does not recommend any dividend for the financial year ended March 31, 2021.

F. TRANSFER TO RESERVES

The Company does not propose to transfer any amount to its reserves.

G. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis as required in terms of the SEBI Listing Regulations forms part of the Annual Report.

H. IMPACT OF COVID-19

The outbreak of the COVID-19 pandemic led to an unprecedented health crisis and disrupted economic activities and trade globally.

During FY2020-21, the Government of India had imposed a stringent nation-wide lockdown which severely impacted manufacturing activities. The Government of India and the respective State Governments had clarified that the Steel Sector fell within the ambit of Essential Services and Process Industries, where, continuous operations of the plant facilities were important, and therefore, exempt from the lockdown measures and could continue to operate albeit subject to the various directions issued by the central and state governments from time to time.

Keeping in mind the above, the practical constraints of continuing operations and dispatches and the safety and health of its employees and other stakeholders, the Company suspended operations at its downstream facilities and service centres at Khopoli, Chakan and

Aurangabad in Maharashtra, Sahibabad in Uttar Pradesh, Manesar in Haryana and Ludhiana in Punjab. Further, the operations at the Cold Rolling Mill and downstream units at the Company's Integrated Steel Plant at Angul were also suspended and the steel making facilities at Angul were operating significantly below capacity. Steel demand was affected as key steel consuming sectors struggled to operate due to weakening economic activity, working capital constraints, shortage of manpower and logistical issues.

The health and safety of our employees and the communities in which we operate and running our operations safely and efficiently so that we can continue to serve our customers, continues to be the first and foremost priority of the Company. As the outbreak spread in India, the Company initiated measures to safeguard the health, welfare and safety of all its employees across locations, including working from home, staggered shift timings, working in designated PODs to minimise exposure and continuous communication to re-enforce the importance of social distancing, safe working practices across our plants and general hygiene.

The Company also remained focussed on conserving cash and undertook measures to ensure adequate liquidity during the year under review.

I. MATERIAL DEVELOPMENTS DURING THE FINANCIAL YEAR

The following key events took place in the Company during FY2020-21:

(i) Composite Scheme of Amalgamation of Tata Steel BSL Limited and Bannipal Steel Limited into and with Tata Steel Limited

The Board of Directors at its meeting held on April 25, 2019, had approved a Composite Scheme for Amalgamation of TSBSL and Bannipal Steel Limited, a wholly owned subsidiary of Tata Steel Limited and TSBSL's holding company, into and with Tata Steel Limited ('Scheme'). The Company received 'No Observation Letters' from both BSE Limited and the National Stock Exchange of India Limited on August 26, 2019. The Company had filed an application with Hon'ble National Company Law Tribunal, Mumbai Bench ('Hon'ble NCLT') seeking necessary directions to convene a meeting of its equity shareholders.

Pursuant to the directions of the Hon'ble NCLT, a meeting of the equity shareholders of the Company ('Meeting') was convened and held on Friday, March 26, 2021 through Video Conferencing / Other Audio-Visual Means ('VC'/'OAVM') to consider and if thought fit, approve the Scheme. The Scheme was approved by the shareholders by requisite majority at the said Meeting.

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

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

(ii) Investment in Bhushan Steel (South) Limited

During the year, the Company subscribed to 12,50,000 equity shares of ₹10 (Rupees Ten) per share at par, on a rights basis for a total amount of ₹1,25,00,000/- (Rupees One crore and twenty-five lakhs) of Bhushan Steel (South) Limited, a wholly-owned subsidiary of the Company.

(iii) Discharge from SFIO proceedings

Members were informed that the Delhi High Court had allowed the Writ Petition filed by the Company and Bhushan Energy Limited (now known as 'Angul Energy Limited') ('AEL') challenging the Complaint, order of cognizance and the summons issued by the Special Judge (Companies Act) / Additional Sessions Judge – 03, Dwarka Courts, New Delhi ('Special Court'), to appear before the Special Court in relation to a criminal complaint ('Complaint') filed by the SFIO against the Company and AEL.

Pursuant to the order of the Delhi High Court, the Company and AEL filed an application with the Special Court to place on record the copy of order passed by the Hon'ble High Court of Delhi. The Special Judge took note of the Hon'ble Delhi High Court's order setting aside the SFIO complaint against the Company and discharged the Company and AEL from the ongoing SFIO proceedings before the Special Court in terms of directions passed by the Hon'ble Delhi High Court.

J. CREDIT RATINGS

There has been no change in the credit ratings assigned to the Company's facilities since the last year. The details of the credit ratings of the Company are available on its website <https://tatasteelbsl.co.in/stock-exchange-filings/credit-ratings/>

K. MATERIAL CHANGES POST CLOSURE OF FINANCIAL YEAR

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate i.e., March 31, 2021 and the date of this Report.

L. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company is committed towards improving the quality of life of the communities in the areas it operates, through its various CSR initiatives.

The Company has in place a Corporate Social Responsibility and Sustainability Committee ('CSR&S Committee') and a Corporate Social Responsibility & Sustainability Policy ('CSR&S Policy'). The CSR&S Committee comprises Shashi Kant Maudgal (Independent Director & Chairman of the CSR&S Committee), Ms. Neera Saggi (Independent Director), Mr. Anand Sen (Non – Executive Director) and Mr. Rajeev Singhal (Managing Director).

The CSR&S Committee met once during the year. The details of the meetings held and attendance of Members during the year are given in the Corporate Governance Report. The CSR&S Policy provides guidelines to conduct CSR activities of the Company. The CSR&S Policy enables the Committee to assist the Board in formulating, monitoring and reviewing the CSR&S strategy and the amount of expenditure to be incurred on various CSR&S activities. Further, the CSR&S Policy provides for the Committee to review and recommend to the Board the annual budget for CSR&S.

The CSR & S Policy is available on the website of the Company at <https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/CSR%20and%20Sustainability%20Policy.pdf>

Considering the performance of the Company in the previous 3 (three) financial years, the Company was not mandatorily required to incur any expenditure towards CSR&S activities during the FY2020-21. However, as a good corporate citizen, an amount of ₹7.55 crore was spent in FY2020-21 towards various CSR&S activities.

These activities are in alignment with the focus initiatives of the Tata Group that lay emphasis on four thrust areas – Education, Health, Livelihoods and Rural & Urban infrastructure.

M. CORPORATE GOVERNANCE

The Corporate Governance Report for FY2020-21 as stipulated under the SEBI Listing Regulations forms part of the Annual Report. We consider it our inherent responsibility to disclose timely and accurate information regarding the operations and performance, leadership and governance of the Company.

Pursuant to the SEBI Listing Regulations, the Certificate from a Practicing Company Secretary, on compliance with the corporate governance norms forms part of the Corporate Governance Report.

1. Board and Committee Meetings

The Board met five (5) times during the year, on May 20, 2020, July 30, 2020, October 14, 2020, January 19, 2021 and March 22, 2021. The intervening gap between the meetings was within the period as prescribed under the Companies Act, 2013 ('Act') and the SEBI Listing Regulations. The Committees of the Board usually meet the day before or on the day of the Board meeting, or as and when the need arises. Details of composition, meetings held and attendance at such meetings of the Board and its Committees are provided in the Corporate Governance Report. The requisite quorum was present at all the meetings.

2. Selection of New Directors and Board Membership Criteria

The Nomination and Remuneration Committee ('NRC') works with the Board to identify the requisite skills and expertise of Board members in order to ensure a Board with diverse backgrounds and wide experience in business, industry, government, and public service. Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgement, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner.

The Company has in place a Policy on Appointment and Removal of Directors ('Policy').

The objective of the Policy is to lay down criteria and terms and conditions with regards to the identification of persons who are qualified to become Directors (executive, non-executive and independent) including their qualifications, positive attributes and independence as well as to lay down criteria to identify persons who may be appointed as the Senior Management of the Company.

The salient features of the Policy are:

- (i) It acts as a guideline for matters relating to appointment and re-appointment of directors.

- (ii) It contains guidelines for determining qualifications, positive attributes for directors, and independence of a director.
- (iii) It lays down the criteria for Board Membership.
- (iv) It sets out the approach of the Company on board diversity.
- (v) It lays down the criteria for determining independence of a director, in case of appointment of an Independent Director.

The Policy is available on the website of the Company at <https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Policy%20on%20appointment%20and%20removal%20of%20Directors.pdf>

During the year under review, there has been no change to the Policy.

3. Familiarization Programme for Independent Directors

All new Directors, including the Independent Directors ('IDs') inducted to the Board are provided orientation on the Company's business operations, products, organization structure as well as the Board constitution and its procedures through various programmes / presentations.

At various Board meetings during the year, presentations were made to the Board on safety, health and environment, company policies, changes in the regulatory environment applicable to the Company, the industry, market and customers, operations and other relevant matters.

During the year under review, no new Independent Director was inducted to the Board. Details of orientation given to the Independent Directors in the areas of business, strategy, governance, operations, safety, health, environment are available on the website of the Company at <https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Safety%20Health%20and%20Environment%20Policy.pdf>

4. Board Evaluation

The Board has carried out an evaluation of the effectiveness of its functioning, that of the Committees and of individual Directors, pursuant to the provisions of the Act and SEBI Listing Regulations.

Feedback from Directors was sought on various parameters including:

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

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

The Chairman of the Board had one-on-one meetings with the IDs and the Chairperson of the Nomination and Remuneration Committee ('NRC') had one-on-one meeting with the Executive and Non-Executive Directors. These meetings were intended to obtain Directors' inputs on effectiveness of the Board/ Committee processes.

The Board considered and discussed the inputs received from the Directors.

Further, the Independent Directors at their meeting held on March 22, 2021 reviewed the performance of the non-Independent Directors, the Board as a whole and Chairman of the Board after taking into account views of the Executive Director and other Non-Executive Directors.

The Nomination and Remuneration Committee reviewed the performance of the individual directors and the Board as a whole. In the Board meeting that followed the meeting of the Independent Directors and the meeting of the NRC, the performance of the Board, its Committees, and individual directors was discussed. During FY2021-22 the Board will focus on assessing high risk issues impacting the organisation.

5. Remuneration Policy for the Board and Senior Management

In terms of the provisions of Section 178(3) of the Act, the Company has in place a policy for Remuneration for Directors, Key Managerial Personnel and all other employees of the Company ('**Remuneration Policy**'). As part of the policy, the Company strives to ensure that:

- (i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- (ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) Remuneration to Directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Remuneration Policy lays down parameters on which remuneration is decided and paid to the Managing Director, Executive Directors, KMPs and employees of the Company.

The salient features of the Remuneration Policy are as below:

- (i) It lays down the parameters on which remuneration (including commission and sitting fees) is to be paid to Independent Directors and Non-Executive Directors of the Company.
- (ii) It lays down parameters on which remuneration (including fixed salary, benefits and perquisites, bonus/performance linked incentives and retirement benefits) are to be paid to Managing Director, whole-time directors, KMPs and employees of the Company.
- (iii) It lays down the parameters for remuneration payable to Director for services rendered in other capacity.

The Remuneration Policy is available on the website of the Company at <https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Remuneration%20Policy%20of%20directors%20KMPs%20&%20Employees.pdf>

There has been no change in the Remuneration Policy during the year.

6. Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rules 5(1), 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this Report as **Annexure - 2**. Remuneration is as per the Remuneration Policy of the Company.

7. Independent Directors' Declaration

The Company has received the necessary declarations from each of its Independent Directors in accordance with Section 149(7) of the Act, read with Regulations 16(1)(b) and 25(8) of the SEBI Listing Regulations confirming that they meet the criteria of independence as laid out in Section 149(6) of the Act and Regulations 16(1)(b) and 25(8) of the SEBI Listing Regulations.

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

The Independent Directors have complied with the Code for Independent Directors as prescribed in Schedule IV to the Act.

8. Directors and Key Managerial Personnel

The shareholders at the Annual General Meeting of the Company held on September 21, 2020 approved the re-appointment of Mr. Koushik Chatterjee (DIN: 00004989) as a Director of the Company liable to retire by rotation.

Re-appointment of Director retiring by rotation

In accordance with the provisions of the Act, Mr. Anand Sen (DIN: 00237914) will retire at the ensuing Annual General Meeting ('AGM') and being eligible, seeks reappointment. The Board recommends his re-appointment.

The necessary resolution for re-appointment of Mr. Anand Sen (DIN: 00237914) forms part of the Notice convening the ensuing AGM scheduled to be held on Friday, August 06, 2021 ('Notice').

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

Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on the date of this Report are as under:

- i. Mr. Rajeev Singhal - Managing Director
- ii. Mr. Sanjib Nanda – Chief Financial Officer; and
- iii. Ms. Nisha Anil Seth – Company Secretary & Compliance Officer.

The remuneration and other details of the Key Managerial Personnel for FY2020-21 are provided in the Annual Return. The link to the Annual Return is provided in this Report. During the year under review, there has been no change in the Key Managerial Personnel of the Company.

9. Audit Committee

The Audit Committee comprises Mr. Krishnavia Dutt (Independent Director and Chairman), Ms. Neera Saggi (Independent Director), Mr. Srikumar Menon (Independent Director) and Mr. Koushik Chatterjee (Non – Executive Director).

The Audit Committee met 5 (Five) times during the year. The details of the meetings held and attendance of Members during the year are given in the Corporate Governance Report.

The Audit Committee has adopted a Charter for its functioning. The Company Secretary acts as the Secretary to the Committee. During the year under review, there were no instances when the recommendations of the Audit Committee were not accepted by the Board.

The primary objective of the Audit Committee is to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

10. Internal Financial Control Systems

The Board of Directors of the Company is responsible for ensuring that Internal Financial Controls have been laid down in the Company and that such controls are adequate and operating effectively. The Internal Financial Controls are based on the Tata Code of Conduct, policies and procedures adopted by the Management, corporate strategies, management reviews and the risk management framework.

The Company's Internal Financial Controls are commensurate with the nature of its business, the size, and complexity of its operations and such Internal Financial Controls with reference to the Financial Statements are adequate and operating effectively.

11. Risk Management

The Company is committed to a proactive approach to risk management which is based on the principles of (i) creating risk awareness (ii) anticipating and taking preventing action to manage/mitigate risks (iii) implementing a uniform risk management policy and (iv) capability building.

The Company has adopted a framework of enterprise risk management ('ERM') to identify and mitigate the risks to the objectives and operations of the Company. The objective of the ERM Framework at Tata Steel BSL is to develop a risk intelligent culture that supports decision-making and helps improve performance.

The ERM Governance framework of the Company comprises the Board of Directors, Risk Management Committee ('RMC') and the Apex Review Forum to oversee the risk management policy and provide guidelines for implementing the ERM framework and ERM process across the Company. The ERM team is led by the Chief Financial Officer who acts as the Chief Risk Officer of the Company.

The RMC *inter-alia* assists the Board of Directors in fulfilling its oversight responsibilities with regard to ERM process.

As on March 31, 2021, the RMC comprised Mr. Srikumar Menon (Independent Director & Chairman), Mr. Shashi Kant Maudgal (Independent Director), Mr. Anand Sen (Non-Executive Director), Mr. Rajeev Singhal (Managing Director) and Mr. Sanjib Nanda (Chief Financial Officer).

The RMC met on March 05, 2021. The details of the meetings held and attendance of Members during the year are given in the Corporate Governance Report. The Company Secretary acts as the Secretary to the RMC. The RMC has adopted a Charter for its functioning. Further, the Board at its meeting held on March 22, 2021 adopted a revised Risk Management Policy of the Company.

During the year under review, the Company has been continuously working on strengthening the ERM process and framework including updating risk dashboards for existing risks, analysing and prioritizing risks, development of new risk dashboards and continuous training and development. The Company's risk preparedness enabled it to manage the uncertainties caused due to the pandemic.

12. Vigil Mechanism and Whistle Blower Policy

The Company has in place a vigil mechanism that provides a formal mechanism for the Directors, employees and vendors to approach the Chairman of the Audit Committee or the Ethics Counselor and make protective disclosures about the unethical behaviour, actual or suspected fraud or violation of the Tata Code of Conduct ('TCoC'), or ethics policy, thereby ensuring that the activities of the Company are conducted in a fair and transparent manner.

The Vigil Mechanism comprises the Whistle Blower Policy for Directors & Employees, Whistle Blower Policy for Vendors, the Whistle Blower Reward and Recognition Policy for Employees. Apart from this the Company has adopted the Conflict of Interest Policy for employees, the Gift and Hospitality Policy, the Anti-Bribery and Anti-Corruption Policy and the Anti-Money Laundering Policy.

The Vigil Mechanism is available on our website at <https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Vigil%20Mechanism%20%20Policy.pdf>

The Whistle Blower Policy for Directors & Employees is an extension of the TCoC that requires every Director or Employee to promptly report to the Management any actual or possible violation of the TCoC or any event where he or she becomes aware of, which could affect the business or reputation of the Company.

The Whistle Blower Policy for Vendors provides protection to vendors from any victimization or unfair trade practices by the Company.

The Whistle Blower Reward and Recognition Policy for Employees has been implemented in order to encourage employees to

genuinely blow the whistle on any misconduct or unethical activity taking place in the Company.

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

The Company has also adopted the Anti-Bribery and Anti-Corruption ('ABAC') and Anti-Money Laundering ('AML') Policies. The key elements of the policies are risk assessment, third party due diligence, training & awareness, and audit & reporting.

The Gift and Hospitality Policy requires employees to take the right decisions when they are offered gifts or hospitality while conducting business or official transactions on behalf of the Company. The Policy is in consonance with ABAC and AML policies.

The links to the ABAC and AML policies and the Gift and Hospitality Policy are provided in the Corporate Governance Report.

During the year under review, the Company launched a web portal where any ethical dilemma/query could be raised by an employee and responded to by the Ethics function.

During the year under review, the Company also undertook a series of theme based awareness campaigns for its employees and third parties through departmental events, training and interaction sessions and dilemma resolution workshops. Graphical communication through 'ANTARDHVANI' and 'ATIKRAMAN' was also done.

The Company celebrated the month of July 2020 as Ethics Month centred around the theme 'Responsible ME, Responsible WE'. Many engagement activities such as Short film, Poster, Slogan & Essay competitions, Round Table discussion, Screening of Web-series 'Decorum', etc. were carried out for the employees. Interactive sessions for Vendors and Customers on the ABAC & AML policies were also organised.

During the year under review, the Company received 161 whistle blower complaints, of which 112 complaints have been resolved and actions are underway for the pending 49 cases.

During the year under review, no person has been denied access to the Chairman of the Audit Committee.

There has been no change in the Vigil Mechanism and policies thereunder during FY2020-21.

13. Related Party Transactions

During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were at arm's length and in the ordinary course of business.

Prior omnibus approval was obtained for related party transactions of repetitive nature and entered in the ordinary course of business and on an arm's length basis. The Company did not have any contracts or arrangements with related parties in terms of Section 188(1) of the Act.

During the year under review, the Company entered into material related party contracts with Tata Steel Global Procurement Company Pte. Ltd. and Tata Steel Limited. The transactions were approved by the shareholders by way of postal ballot. The particulars

of material contracts or arrangements with related parties entered into by the Company during FY2020-21 are given in prescribed Form AOC-2 (**Annexure - 3**) and in the Corporate Governance Report.

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

The policy on related party transactions, as approved by the Board, is available on the Company's website at <https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Related%20Party%20Transactions%20Policy.pdf>

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

The Company has zero tolerance for sexual harassment at workplace. Post its acquisition in May 2018, the Company has adopted a revised policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

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

During the year under review, the Company received 3 complaints of sexual harassment. All 3 complaints have been resolved by taking appropriate actions and there is no pending complaint as on the date of this report.

15. Directors' Responsibility Statement

Based on the framework for internal financial controls established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external agencies including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the Management and the relevant Board committees, including Audit Committee, the Board is of the opinion that, the Company's internal financial controls were adequate and effective during FY2020-21.

Accordingly, pursuant to the provisions of Section 134(3)(c) read with Section 134(5) of the Act, the Board of Directors, to the best of its knowledge and ability, confirms that:

- (i) in the preparation of the annual accounts for FY2020-21, the applicable accounting standards have been followed and that there were no material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. Business Responsibility Report

Pursuant to Regulation 34(2) of the SEBI Listing Regulations, the top 1,000 listed companies (based on market capitalisation calculated as on March 31 of every financial year) are required to prepare a Business Responsibility Report ('BRR'), describing the initiatives taken by the Company from an environmental, social and governance perspective. The BRR forms part of the Annual Report for FY2020-21.

17. Subsidiaries, Joint Ventures and Associates

The Company has 4 (four) subsidiaries in India and 4 (four) subsidiaries in Australia as on March 31, 2021. The Consolidated Financial Statements presented by the Company for the year ended March 31, 2021 are prepared in accordance with Section 129(3) of the Act and include the financial results of all its subsidiary and joint venture companies, which forms part of this Annual Report.

The Company has 1 (one) joint venture company, Andal East Coal Company Pvt. Ltd. as on March 31, 2021. Pursuant to an order of Hon'ble Calcutta High Court dated January 24, 2017, Andal East Coal Company Pvt. Ltd. is under liquidation.

The Company has 2 (two) associate companies as on March 31, 2021, viz. Jawahar Credit and Holdings Private Limited and Bhushan Capital and Credit Services Private Limited. These entities are connected with the members of previous management. Your Company does not have any visibility on the business and operations of these 2 (two) associate companies.

In accordance with the provisions of Section 136 of the Act and the amendments thereto, read with the SEBI Listing Regulations, the audited Financial Statements, including the consolidated financial statements and related information of the Company and financial statement of the subsidiary companies are available on our website at www.tatasteelbsl.co.in.

A report on the performance and the financial position of the subsidiaries, associates and joint venture as per Form AOC-1 is annexed to this report as **Annexure - 4**. During the year under review, there has been no material change in the business of the Company's subsidiaries and joint venture company.

18. Auditors

Statutory Auditors

The Members of the Company at the Annual General Meeting of the Company held on September 25, 2018 approved the appointment of M/s Walker Chandio & Co LLP, Chartered Accountants (Registration No: 001076N/N500013) as the Statutory Auditor of the Company for a period of five years commencing from the conclusion of the

35th AGM held on August 21, 2018 until the conclusion of the 40th AGM of the Company to be held in the year 2023.

The report of the Statutory Auditor forms part of the Annual Report. The said report does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Statutory Auditors did not report any matter under Section 143(12) of the Act, and therefore no details are required to be disclosed under Section 134(3)(ca) of the Act. In terms of the provisions relating to statutory auditors forming part of the Companies Amendment Act, 2017, notified on May 7, 2018, ratification of appointment of Statutory Auditors at every AGM is no more a legal requirement. Accordingly, the Notice convening the ensuing AGM does not carry any resolution on ratification of appointment of Statutory Auditors.

Cost Auditors

In terms of Section 148 of the Act, the Company is required to maintain cost records and have the audit of its cost records conducted by a Cost Accountant. Cost records are maintained by the Company as required under Section 148(1) of the Act. Based on the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on April 21, 2021, approved the appointment of M/s. Shome & Banerjee, Cost Accountants (Firm Registration No.00001), as the Cost Auditor of the Company to conduct Cost Audit for the year ending March 31, 2022.

M/s Shome & Banerjee have vast experience in the field of cost audit and have been conducting the audit of the cost records of the Company since the acquisition.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration (₹7 Lakh plus applicable taxes and re-imbursement of out of pocket expenses) payable to the cost auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the members of the Company. Accordingly, the appropriate resolution forms part of the Notice convening the AGM.

The Cost Audit Report of the Company for the Financial Year ended March 31, 2020 was filed by the Company in XBRL mode on November 02, 2020.

Secretarial Auditors

Section 204 of the Act, *inter-alia*, requires every listed company to annex to its Board's report, a Secretarial Audit Report given in the prescribed form, by a Company Secretary in practice.

The Board of Directors appointed M/s PI & Associates (Firm Registration No. P2014UP035400), Practicing Company Secretaries, as the Secretarial Auditor to conduct the Secretarial Audit of the Company for FY2020-21 and their report is annexed to this report as **Annexure - 5**. There are no qualifications, observations, adverse remark or disclaimer in the said Report.

The Board has re-appointed M/s PI & Associates as Secretarial Auditor, to conduct the secretarial audit of the Company for FY2021-22.

19. Other Disclosures

Members are aware that the Company was acquired by Bannipal Steel Limited, a wholly owned subsidiary of Tata Steel Limited, on May 18, 2018 under the corporate insolvency resolution process

('CIRP') of the Insolvency and Bankruptcy Code, 2016 ('IBC') and a new Board of Directors and new management was appointed ('New Management').

- (a) As previously reported, the New Management had initiated the process of analysing contracts entered into by your Company prior to the CIRP and had reserved its right to seek appropriate remedies. As part of the ongoing process, your Company had identified contracts, terms of which appear onerous and such contracts were entered into with entities connected with the members of previous management:
 - i. Prior to the conclusion of CIRP, the Company had entered into various lease/leave and license agreements for residential and commercial/warehouse ('Premises') purposes across India ('Rental Agreements'). The Company under the New Management had decided not to continue with these Rental Agreements as it was of the view that these agreements were not entered into on arms-length basis and, in certain cases, the Premises leased/licensed under such Rental Agreements were not being used for the Company purposes. The Company has sent legal notices to the lessors/licensors and has also initiated legal proceeding in respect of three such Rental Agreements for recovery of due amounts. One of the related party i.e. Goldstar Cement Private Limited has also filed an Civil Suit against the Company seeking alleged due amounts under the contract executed between the parties. The Company is defending the said civil suit and is also in process of filing its counter claim for recovery of its due amounts. The Company is also in process of initiating appropriate legal proceedings in relation to the remaining Rental Agreements, after the normalization of the functioning of the Courts, which remains affected due to the ongoing COVID-19 pandemic.
 - ii. Prior to conclusion of the CIRP, the Company had entered into a lease agreement ('Vistrat Lease Agreement') with Vistrat Real Estates Pvt. Ltd ('Vistrat'). The Company terminated the Vistrat Lease Agreement on June 11, 2018 and the leased premises was vacated on September 10, 2018. The Hon'ble National Company Law Tribunal, New Delhi ('NCLT') in its order dated February 26, 2019 has noted that Vistrat was a related party of the Company during the tenure of the erstwhile Management and transaction between the Company and Vistrat was deemed to be a preferential transaction. The Company is in process of initiating appropriate legal proceedings to recover amount as deemed due to the Company, after the normalization of the functioning of the Courts, which remains affected due to the ongoing COVID-19 pandemic.
 - iii. Prior to the conclusion of CIRP, the Company had entered into agreements for exports to certain non-resident entities which were connected to the erstwhile promoters ('Non-Resident Entities') and the Company had also entered into arrangements for payment of commissions in relation to exports

made to certain third parties. Such contracts and commission related arrangements were not entered into on an arms' length basis. The Company has also not realized payments from the Non-Resident Entities for such exports within the period prescribed under the applicable FEMA Regulations ('**Export Proceeds**'). Accordingly, the New Management had sent legal notices to such Non-resident entities demanding recovery of the Export Proceeds or such other amount as deemed due to the Company. The Company has recovered the full value of the Export Proceeds in one case and in relation to all other non-realized Export Proceeds, the Company has either initiated appropriate proceedings or currently is in the advance stage of initiating appropriate legal proceedings.

- iv. Prior to the commencement of CIRP, the Company had entered into a sale and lease back transaction in relation to 4 (four) oxygen plants ('**Oxygen Plants**') with Brace Iron and Steel Private Limited ('**Brace**'). In terms of the said sale and lease back transaction, first the Company transferred/sold the Oxygen Plants to Brace and thereafter, near simultaneously Brace leased the same Oxygen Plants back to the Company ('**Lease Agreement**'). During the above stated process of analyzing the contracts entered into by your Company and also pursuant to receipt of a complaint filed by the Serious Fraud Investigation Office ('**SFIO**') against the Company and others, which was subsequently quashed against the Company by the Delhi High Court, the New Management had noticed following key issues with the sale and lease back transaction: (a) the rental under the Lease Agreement is not in line with market standard and hence required revision; (b) Brace had failed to adhere to its obligations under the Lease Agreement; (c) there are amounts receivable from Brace; and (d) sale and lease back transaction itself is questionable as mentioned in the SFIO Complaint. The Company had brought these issues to the notice of Brace and its parent entities. However, Brace has disputed these issues. Currently, dispute on all matters relating to the sale and lease back transaction is pending for the final determination of the Arbitral Tribunal constituted in terms of the Lease Agreement.
- (b) The Company was impleaded in a proceeding initiated by the Directorate of Enforcement ('**ED**') relating to the confirmation of a provisional attachment order ('**PAO**') of ₹50,00,000 ('**PMLA Proceeding**'). The said amount of ₹50,00,000 was seized by the Central Bureau of Investigation ('**CBI**') in relation to an allegation of payment of illegal gratification made against the previous Managing Director of the Company. The charge sheet filed by the CBI before CBI Court in the predicate offence did not name the Company as an accused and/ or contain direct allegations against Tata Steel BSL Limited as a company, but only contained allegations against erstwhile Managing Director of Bhushan Steel Limited. Vide Order dated September 24, 2018, the Adjudicating Authority, PMLA was pleased to disallow the original complaint for confirmation of

the provisional attachment order against all the defendants including the Company. This has been disclosed in the Annual Report of the Company for FY2018-19. The ED has filed an appeal against the order of the Adjudicating Authority, PMLA before the Appellate Tribunal, Prevention of Money Laundering Act and notice has been issued. Your Company is contesting the appeal filed by the ED and has filed its response/reply to the said appeal.

- c) Prior to the commencement of the CIRP i.e before Tata Steel Limited acquired the control of the Company and a new management was appointed, the Assistant Commissioner, Central Excise Division III, Ghaziabad had filed a criminal complaint against the Company mainly alleging that accused had indulged in undervaluation in relation to sale of certain products. The Criminal Complaint was filed with the Court of Chief Judicial Magistrate, Meerut ('**CJM**') in 2011. The Company has directed its counsel to take all necessary steps to seek a quashing of the complaint and the summoning order issued by the CJM on the grounds of CIRP, provisions of IBC and consistent with the Company's efforts to address liabilities arising from or connected to period prior to the CIRP.
- d) The Company has been arrayed as party to a petition filed by Union of India through Serious Fraud Investigation Office ('**SFIO**') against Shriraj Investment and Finance Limited along with 7 other companies (related parties of the Company prior to CIRP) ('**Respondents**') before the National Company Law Tribunal, Allahabad ('**NCLT**'). It is pertinent to mention that the Company has been arrayed as only a proforma respondent and no relief has been claimed/sought against it. The Company has already filed its reply to the petition and is in process of taking appropriate steps for removal/deletion of its name from the array of parties.
- e) The Company has been arrayed as party to a petition filed by Union of India through Serious Fraud Investigation Office ('**SFIO**') against Purbanchal Rolling Mills and Industries Private Limited ('**Purbanchal**') and Other, before the National Company Law Tribunal, Guwahati ('**NCLT**'). It is pertinent to mention that the Company has been arrayed only as proforma respondent and no relief has been claimed/sought against it. The Company is in process of filing an appropriate response/reply to the petition and for removal/deletion of its name from the array of parties.

20. Annual Return for FY2020-21

The Annual Return for FY2020-21 as per provisions of the Act and Rules thereto, is available on the Company's website at <https://tatasteelbsl.co.in/Investor%20Relations%20pdf/Notice/Annual%20Return%20in%20format%20of%20%20MGT%207%20as%20on%20March%2031%202021.pdf>

21. Significant Material Orders passed by the Regulators or Courts

There have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations. However, Members' attention is drawn to the statement on contingent liabilities, commitments in the notes forming part of the Financial Statements.

22. Particulars of Loans, Guarantees or Investments

Save as provided in the Notes to Accounts, the Company did not give any loans, directly or indirectly to any person (other than to employees) or to any other body corporates, nor did it give any guarantee or provide any security in connection with a loan to any other body corporate or person during the financial year under review. The loans provided to employees are also in compliance with Section 186 of the Act.

23. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Details of the energy conservation, technology absorption and foreign exchange earnings and outgo are annexed to this Report as **Annexure – 6**.

24. Deposits

During the year, the Company has not accepted any deposits from the public in terms of the Act. Further, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

25. Secretarial Standards

The Company has in place proper systems to ensure compliance with the provisions of the applicable Secretarial Standards issued by

The Institute of Company Secretaries of India and such systems are adequate and operating effectively.

26. Acknowledgements

Your Directors would like to place on record their appreciation for Senior Leadership Team and all the employees of the Company for their efforts and contribution to the Company's performance during pandemic.

Your Directors would also like to thank the Company's customers, vendors, dealers, suppliers and investors for their continuous support especially during such unprecedented times.

Your Directors wish to take the opportunity to place on record their sincere appreciation and gratitude to the Government of India, various State Governments particularly the States of Orissa, Maharashtra, Uttar Pradesh, Tamil Nadu and Haryana, Government of Australia, Banks, Financial Institutions, shareholders and concerned Government departments and agencies for their continued support.

On behalf of the Board of Directors

sd/-

T. V. NARENDRA
Chairman
DIN: 03083605

Jamshedpur
April 21, 2021

ANNEXURE - 1

DIVIDEND DISTRIBUTION POLICY

[Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

1. PREAMBLE

- 1.1 The Dividend Distribution Policy (hereinafter referred to as the '**Policy**') has been developed in accordance with the applicable provisions of the Companies Act, 2013 and applicable SEBI regulations.
- 1.2 The Board of Directors (the '**Board**') of Tata Steel BSL Limited (the '**Company**') has adopted the Policy of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**').
- 1.3 Under Section 2(35) of the Companies Act, 2013, "Dividend" includes any interim dividend. In common parlance, "dividend" means the profit of a company, which is not retained in the business and is distributed among the shareholders in proportion to the amount paid-up on the shares held by them. In case of listed companies, Section 24 of the Companies Act, 2013 confers on SEBI, the power of administration of the provisions pertaining to non-payment of dividend.

2. PURPOSE, OBJECTIVES AND SCOPE

- 2.1 The Securities and Exchange Board of India ("SEBI") vide its Gazette Notification dated July 08, 2016 has amended the Listing Regulations by inserting Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy in place by the top five hundred listed companies based on their market capitalization calculated as on the 31st day of March of every year.
- 2.2 As the Company is one of the top five hundred companies as on March 31, 2020, the Board has laid down a broad framework for distribution of dividend to its shareholders and/ or retaining or plough back of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders.
- 2.3 The Policy reflects the intent of the Company to reward its shareholders by sharing a portion of its profits after retaining sufficient funds for growth of the Company. The Company shall pursue this Policy, to pay, subject to the circumstances and factors enlisted hereon, dividend which shall be consistent with the performance of the Company over the years.

3. PARAMETERS TO BE CONSIDERED WHILE DECLARING DIVIDENDS

The Board will consider various parameters as mentioned below before arriving at a decision on declaration of dividend:

Financial Parameters and Internal Factors

- Current year's profit/ Inadequacy of profit
- Accumulated reserves
- Distributable surplus available as per the various Acts and Regulations
- The Company's liquidity position including its working capital requirements and debt servicing obligations
- Return on invested capital
- Operating cash flow and future cash flow needs

- Capital expenditure requirements including need for replacement of capital assets, expansion and modernization or augmentation of capital asset including any major sustenance, improvement and growth proposals.
- Long term growth strategy of the Company requiring it to conserve cash to execute growth plan
- Funds requirement for contingencies and unforeseen events with financial implications
- Cost of Borrowings
- Stipulations/ Covenants of loan agreements
- Capital market scenarios

External Factors

- Government Policies and any changes there in
- Industry Outlook Macro-economic conditions and any changes therein
- Cost and availability of alternative sources of financing
- Prevailing Taxation Policy or any amendments expected thereof, with respect to dividend distribution
- Statutory requirements including those with respect to mandatory transfer of a certain portion of profits to any specific reserve
- Any other relevant factors that the Board may deem fit to consider before declaring Dividend.

4. CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

- 4.1 The Board shall consider the factors provided above under Clause 3 before determination of any dividend payout after analyzing the prospective opportunities and threats, viability of the options of dividend payout or retention, etc.
- 4.2 The decision of dividend payout shall, majorly be based on the aforesaid factors considering the balanced interest of the shareholders and the Company.

5. UTILIZATION OF RETAINED EARNINGS

- 5.1 Retained earnings shall be utilized in accordance with prevailing regulatory requirements, creating reserves for specific objectives, fortifying the balance sheet against contingencies, generating higher returns for shareholders through reinvestment of profits for future growth and expansion and any other specific purpose as approved by the Board of Directors of the Company.
- 5.2 The Company shall endeavor to utilize retained earnings in a manner that shall be beneficial to both, the interests of the Company and its stakeholders in the long run.
- 5.3 The decision of utilization of the retained earnings of the Company shall inter-alia be based on the following factors:
 - Long term strategic plans
 - Augmentation/ Increase in production capacity
 - Market / Product expansion plan
 - Modernization plan

- Diversification of business
- Replacement of capital assets
- Balancing the Capital Structure by de-leveraging the company
- Other such criteria as the Board may deem fit from time to time.

6. PROVISIONS IN REGARD TO VARIOUS CLASSES OF SHARES

- 6.1 The Company has one class of equity shareholders and has issued preference share capital.
- 6.2 In case the Company issues different class of equity shares any point in time, the factors and parameters for declaration of dividend to different class of shares of the Company shall be same as covered above.
- 6.3 The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.
- 6.4 The dividends shall be paid out of the Company's distributable profits and/or general reserves, and shall be allocated among shareholders on a pro-rata basis according to the number of each type and class of shares held.
- 6.5 Dividend when declared shall be first paid to the preference shareholders of the Company, as per the terms and conditions of their issue.

7. APPLICABILITY OF THE POLICY

The Policy shall not apply to

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

8. DISCLOSURES

The Policy shall be disclosed in the Annual report and on the website of the Company i.e. at www.tatasteelbsl.co.in

9. POLICY REVIEW AND AMENDMENTS

- 9.1 The Policy will be reviewed periodically by the Board. The Board is authorized to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the Companies Act, 2013, SEBI and other Regulations, etc.
- 9.2 Such amended Policy shall be periodically placed before the Board for adoption immediately after such changes.

10. CONFLICT IN POLICY

In the event of any conflict between this Policy and the provisions contained in the Companies Act, 2013 and Listing Regulations, the Act and Listing Regulations shall prevail.

11. COMPLIANCE RESPONSIBILITY

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

Disclaimer:

- a) *The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.*
- b) *Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward-looking statements in the Policy.*

ANNEXURE - 2

PARTICULARS OF REMUNERATION

PART A: DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during FY2020-21 and ratio of the remuneration of each Director and Key Managerial Personnel to the median remuneration of the employees of the Company for FY2020-21:

Name of Directors/Key Managerial Personnel ('KMP')	Remuneration for Financial Year (₹Lakh)		% Increase in remuneration	Ratio of remuneration to median remuneration of all employees [^]
	2020-21 ^{**}	2019-20		
Independent Directors^{\$\$}				
Mr. Krishnava Dutt	28.00	3.00	-	6.31
Ms. Neera Saggi	30.50	3.25	-	6.87
Mr. Shashi Kant Maudgal	28.25	2.45	-	5.69
Mr. Srikumar Menon	26.50	2.75	-	5.97
Non-Executive Directors[#]				
Mr. T. V. Narendran	-	-	-	-
Mr. Anand Sen [%]	3.25	0.55	-	0.73
Mr. Koushik Chatterjee	-	-	-	-
Executive Director and KMP				
Mr. Rajeev Singhal (Managing Director)	272.80	318.12	(14.25)	61.44
Mr. Sanjib Nanda (Chief Financial Officer)	137.97	161.97	(14.81)	31.07
Ms. Nisha Anil Seth [@] (Company Secretary & Compliance Officer)	41.76	39.25	-	9.41

^{**} Remuneration for Independent Directors for FY2020-21 includes Commission which was approved by the Board on April 21, 2021. The same is subject to shareholder approval and will be paid during FY2021-22.

^{\$\$} During FY 2019-20, the Independent Directors were paid only sitting fee. No Commission was paid to the Independent Directors in FY2019-20 and FY2018-19. The remuneration proposed to be paid for Independent Directors for FY 2020-21 is hence not comparable to the remuneration paid to them during FY 2019-20. The percentage increase in remuneration is hence not applicable and not stated.

[#] In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in full time employment with any other Tata Company. Accordingly, no commission is paid to Mr. T V Narendran, Mr. Koushik Chatterjee and Mr. Anand Sen.

[%] Sitting fees paid to Mr. Anand Sen for FY2019-20 is only for part of the year. Hence percentage increase in remuneration is not comparable and hence not stated.

[^] The ratio of remuneration to median remuneration is based on remuneration paid during the period April 1, 2020 to March 31, 2021.

[@] Remuneration of Ms. Nisha Anil Seth for FY2019-20 is shown from May 1, 2019 i.e. the date on which she was appointed as Company Secretary & Compliance Officer. Hence the percentage increase in her remuneration is not comparable and hence not stated.

Notes:

- Median remuneration of the employees of the Company for the financial year 2020-21: **₹37,000/- per month**
- Percentage increase in the median remuneration of employees in the financial year 2020-21: **1.02%**
- Number of permanent employees on the rolls of Company as on March 31, 2021: **5,707**
- During the year, there has been no exceptional increase in the remuneration to the KMPs. The average percentage increase in salary for other employees was **NIL**.
- Remuneration is as per the Remuneration Policy of the Company.

PART B: DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) AND 5(3) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Top ten employees of the Company in terms of remuneration drawn during the Financial Year 2020-21

S. No.	Name	Designation	Remuneration (₹ Lakh)	Qualification	Experience (Years)	Age (Years)	Date of commencement of employment	Last Employment
1.	Mr. Rajeev Singhal	Managing Director	265.89	B.Tech.(Mech), PGDBM (Marketing)	35	57	18.05.2018	Vice President - Raw Materials, Tata Steel Limited
2.	Mr. Subodh Pandey	Chief Operating Officer	150.65	B.Tech.(Elect), PGDM	28	51	01.09.2018	Executive-in-Charge (Tubes), Tata Steel Limited
3.	Mr. Sanjib Nanda	Chief Financial Officer	132.99	CA	29	56	01.07.2018	Chief Financial Officer, NatSeel Singapore Pte. Ltd.
4.	Mr. Kawal Deep Sahni	Senior Divisional Manager	109.82	B. Sc.(Engg) Industrial & Production, PGDM	32	57	28.09.2015	Holcim Cement – Bangladesh
5.	Mr. Sandeep Dhir	Chief Human Resource Officer	99.61	B.E (Electronics & Communication), PGDM	28	52	16.09.2019	Chief HRM-Steel, Tata Steel Limited
6.	Mr. Manikanta Naik	Chief Corporate Services	99.19	B.E.(Mining), PGDM	28	52	18.05.2018	Chief Resident Executive-Bhubaneswar, Tata Steel Limited
7.	Mr. Kapil Modi	Executive Plant Head - Khopoli	95.61	B. Sc. (Engg) Electronics	24	47	18.05.2018	Chief – Pellet Plant, Tata Steel Limited
8.	Mr. Giridhar Venkatanarayanan	Chief Iron Making	96.79	AMIE – Metallurgy	33	59	17.02.2014	DGM - Tata Projects
9.	Mr. Vineet Saraf	Chief Commercial Officer	88.97	CA, ICWA	23	48	02.04.2019	Chief (Marketing & Sales), Tata Steel Limited
10.	Mr. Harbinder Singh Deepak	Chief Shared Services	87.65	B.E (Electronics)	20	44	01.09.2018	Chief-Electrical Maintenance TSK, Tata Steel Limited

Notes:

- Apart from the details given in Part B there is no employee, who:
 - was in receipt of remuneration during the financial year 2020-21, which, in the aggregate, was more than rupees one crore and two lakhs; and
 - was in receipt of remuneration for any part of the financial year 2020-21, at a rate which, in the aggregate, was more than rupees eight lakh fifty thousand.
 - during the financial year 2020-21 or part thereof, was in receipt of remuneration, which was in excess of that drawn by the Managing Director or Whole-time Director or Manager and who holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.
- The nature of employment in all cases is contractual.
- None of the employees mentioned above is a relative of any Director of the Company or Manager of the Company.
- Gross remuneration comprises salary, allowances, monetary value of perquisites, commission to the Directors and the Company's contribution to Provident and Superannuation funds but excludes contribution to Gratuity Fund.

On behalf of the Board of Directors

Jamshedpur
April 21, 2021

sd/-
TV Narendran
Chairman
DIN: 03083605



ANNEXURE - 3

FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

The Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

There were no contracts or arrangements or transactions entered into by the Company, which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at arm's length basis:

S. N.	Particulars	Remarks
a.	Name(s) of the related party(ies)	T S Global Procurement Company Pte. Ltd. Tata Steel Limited ('TSL') Singapore ('TSGP')
b.	Nature of relationship	TSGP is a subsidiary of Tata Steel Limited, which is the ultimate holding company of Tata Steel BSL Limited Tata Steel Limited, is the ultimate holding company of Tata Steel BSL Limited and is a part of its Promoter Group
c.	Nature of contracts / arrangements /transactions	The transaction involves procurement of raw materials, rolls and process consumables, IT related procurement and receipt of related procurement services from TSGP for an aggregate amount of ₹6,500 crore for each of the Financial Years 2020-21 and 2021-22. The transaction involves procurement of Iron Ore from Tata Steel Limited for a maximum aggregate value of ₹2,400 crore during FY 2020-21.
d.	Duration of the contracts/ arrangements/transactions	FY 2020-21 and FY2021-22 FY2020-21
e.	Salient terms of the contracts or arrangements or transactions including the value, if any	Procurement of raw materials, rolls and process consumables, IT related procurements from TSGP & receipt of related procurement services amounting to ₹3,145.50 crore during FY2020-21. Procurement of Iron Ore of ₹1,906.73 crore during FY2020-21.
f.	Date(s) of approval by the Board, if any	The said Related Party Transaction ('RPT') was approved by the Audit Committee on March 31, 2020. The RPT was approved by the Members through Postal Ballot (notice dated July 15, 2020) by way of ordinary resolution on August 20, 2020. The said Related Party Transaction ('RPT') was approved by the Audit Committee on January 08 2021. The RPT was approved by the Members through Postal Ballot (notice dated January 19, 2021) by way of ordinary resolution on February 23, 2021.
g.	Amount paid as advances, if any	NA NA

Notes :

- TSGP: The transaction involves procurement of raw materials, rolls, process consumables, IT related procurements from TSGP and receipt of related procurement service by the Company from TSGP. The transactions are in the ordinary course of business and at arm's length basis approved by the Audit Committee and reviewed by Statutory Auditors. The transaction was approved by the Members through Postal Ballot (notice dated July 15, 2020) by way of ordinary resolution on August 20, 2020. The total transaction value approved by the Members stood at ₹6,500 crore for each of the financial years 2020-21 and 2021-22.
- TSL: The transaction involves procurement of Iron Ore from Tata Steel Limited. The transactions are in the ordinary course of business and at arm's length basis approved by the Audit Committee and reviewed by Statutory Auditors. The transaction was approved by the Members through Postal Ballot (notice January 19, 2021) by way of ordinary resolution on February 23, 2021. The total transaction value approved by the Members stood at ₹2,400 crore.

On behalf of the Board of Directors

sd/-

T. V. NARENDRAN
Chairman
DIN: 03083605

Jamshedpur
April 21, 2021

ANNEXURE - 4

FORM AOC-1

Statement containing salient features of the financial statements of the Subsidiaries/Associate Companies/Joint Ventures

[Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014]

PART A - Summary of Financial Information of Subsidiary Companies

S. N.	Name of the Company	Date since when Subsidiary acquired	Reporting Currency	Exchange Rate	Share Capital (₹ Lakh)	Reserve & Surplus (₹ Lakh)	Total Assets (₹ Lakh)	Total Liabilities (₹ Lakh) (excluding shareholders' funds)	Total Investment* (₹ Lakh)	Turnover (₹ Lakh)	Profit before taxation (₹ Lakh)	Provision for taxation (₹ Lakh)	Profit after taxation (₹ Lakh)	Proposed dividend	Ownership (%)
1.	Angul Energy Limited [§] (formerly known as 'Bhushan Energy Limited')	01.06.2019	INR	1	1000.01	82,175.39	1,13,243.57	30,068.16	65.29	14,812.41	1,412.71	-	1,412.71	-	99.99
2.	Tata Steel Support Services Limited (formerly Bhushan Steel (Orissa) Limited)	27.04.2010	INR	1	5	79.50	1,946.69	1,862.19	-	5,600.26	307.13	32.57	274.55	-	100.00
3.	Bhushan Steel (South) Limited	27.04.2010	INR	1	130	(109.20)	125.21	104.41	-	-	(2.82)	-	(2.82)	-	100.00
4.	Tata Steel Technical Services Limited (formerly Bhushan Steel Madhya Bharat Limited)	27.04.2010	INR	1	5	187.60	4,466.35	4,273.75	-	12,871.21	508.19	77.95	430.23	-	100.00
5.	Bhushan Steel (Australia) Pty Ltd.**	15.06.2007	AUD	55.609	26,946.53	(26,308.10)	1,477.69	839.26	-	-	(120.77)	-	(120.77)	-	100.00
6.	Bowen Energy Pty Ltd. **	28.07.2009	AUD	55.609	8,900.04	(11,500.04)	12.91	2,612.91	-	-	(0.86)	-	(0.86)	-	100.00
7.	Bowen Coal Pty Ltd. **	28.07.2009	AUD	55.609	-	-	-	-	-	-	-	-	-	-	100.00
8.	Bowen Consolidated Pty Ltd. **	28.07.2009	AUD	55.609	-	-	-	-	-	-	-	-	-	-	100.00

Bowen Energy Pty. Ltd. is the wholly owned subsidiary of Bhushan Steel (Australia) Pty. Ltd. whereas Bowen Coal Pty Ltd. and Bowen Consolidated Pty Ltd. are step down subsidiaries of Bowen Energy Pty Ltd. Hence, the effective ownership in Bowen Energy Pty. Ltd. and its step-down subsidiaries shall be the same as the shareholding existing in Bhushan Steel (Australia) Pty. Ltd.

§ On June 1, 2019 Angul Energy Limited (formerly known as 'Bhushan Energy Limited') ('AEL') was acquired by the Company under the corporate insolvency resolution process of the Insolvency and Bankruptcy Code, 2016 vide order of the National Company Law Tribunal dated May 30, 2019 ('Acquisition'). Pursuant to the Acquisition, AEL became a subsidiary of TSBSL. Prior to June 1, 2019, AEL was an associate of the Company..

* Included in Total Assets.

** Closing exchange rate as on March 31, 2021 has been considered for calculation.

Notes:

1. Name of subsidiaries yet to commence operations: **All except Angul Energy Limited, Tata Steel Technical Services Limited and Tata Steel Support Services Limited**
2. Names of subsidiaries which have been liquidated or sold during the year: **None**
3. Reporting period for all subsidiaries is April 1, 2020 to March 31, 2021.

S. N.	Name of the Company	Latest audited balance sheet date	Date on which associate and joint venture was associated or acquired	Reporting Currency	Shares of Associate or Joint Venture held by the Company on year end			Description of how there is significant influence [#]	Reasons why the associate/ joint venture is not consolidated	Net Worth attributable to shareholding as per latest audited balance sheet (₹ lakh)	Share of Profit/loss for the year (₹ lakh)	
					No. of shares	Amount of Investment (₹ Lakh)	Extent of holding (%)				Considered in consolidation	Not considered in consolidation
ASSOCIATES												
1.	Bhushan Capital & Credit Services Private Limited	31.03.2017	28.07.1993	INR	86,43,742	940.31	42.58	By Shareholding	##	--	--	--
2.	Jawahar Credit & Holdings Private Limited	31.03.2017	28.07.1993	INR	86,43,742	940.31	39.65	By Shareholding	##	--	--	--

As per IND AS, the Company does not exercise significant influence over Bhushan Capital & Credit Services Private Limited and Jawahar Credit & Holdings Private Limited (Refer Note 2 below).

As per IND AS, negative net worth of associate companies ('Associates') and Joint Venture(s) ('JV') should not be included in the consolidated net worth.

Notes:

- Andal East Coal Company Pvt. Ltd, a JV of the Company was admitted to winding up proceedings by the Hon'ble Calcutta High Court vide order dated January 24, 2017. Therefore, the accounts of Andal East Coast Company Pvt. Limited have not been considered for consolidation of accounts of the Company.
- Name of Associates/JVs yet to commence operations: Jawahar Credit & Holdings Private Limited and Bhushan Capital & Credit Services Private Limited, are entities connected with the members of the previous management. The Company has written to both of these Associate Companies and to the Registrar of Companies intimating that your Company should not be identified as the promoters of these 2 (two) associate companies. As such, your Company does not have any visibility on the business and operations of these 2 (two) associate companies.
- Names of Associates/JVs which have been liquidated or sold: Andal East Coast Company, a JV of the Company is currently under liquidation.

For and on behalf of the Board of Directors

sd/-
Mr. T. V. Narendran
Chairman (DIN: 03083605)
Place: Jamshedpur
Date: April 21, 2021

sd/-
Mr. Srikumar Menon
Independent Director (DIN: 00470254)
Place: Kolkata
Date: April 21, 2021

sd/-
Mr. Sanjib Nanda
Chief Financial Officer
Place: New Delhi
Date: April 21, 2021

sd/-
Mr. Krishnava Dutt
Independent Director (DIN: 02792753)
Place: Mumbai
Date: April 21, 2021

sd/-
Mr. Anand Sen
Non – Executive Director (DIN: 00237914)
Place: Mumbai
Date: April 21, 2021

sd/-
Ms. Nisha Anil Seth
Company Secretary
(Membership No. 27019)
Place: New Delhi
Date: April 21, 2021

sd/-
Ms. Neera Saggi
Independent Director (DIN: 00501029)
Place: Mumbai
Date: April 21, 2021

sd/-
Mr. Koushik Chatterjee
Non – Executive Director (DIN: 00004989)
Place: Mumbai
Date: April 21, 2021

sd/-
Mr. Shashi Kant Maudgal
Independent Director (DIN: 00918431)
Place: Mumbai
Date: April 21, 2021

sd/-
Mr. Rajeev Singhal
Managing Director (DIN: 02719570)
Place: Kolkata
Date: April 21, 2021

ANNEXURE - 5

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Tata Steel BSL Limited

(Formerly known as 'Bhushan Steel Limited')

(L74899DL1983PLC014942)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tata Steel BSL Limited (hereinafter called "the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and as applicable to the Company, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2021 as mentioned in **Annexure A and B**, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; *(Not applicable to the Company during the audit period)*
 - d. The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014; *(Not applicable to the Company during the audit period)*
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; *(Not applicable to the Company during the audit period)*

- f. The Securities and Exchange Board of India (Registrars and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client; *(Not applicable to the Company during the audit period)*
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(Not applicable to the Company during the audit period)*
 - h. The Securities and Exchange Board of India (Buy - back of Securities) Regulations, 2018; *(Not applicable to the Company during the audit period)*
 - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) We further report that with respect to the compliance of the below mentioned laws, we have relied on the representations made by the Company and its officers for system and mechanism framed by the Company for compliances under other the following Specific laws applicable as mentioned hereunder:
1. Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made thereunder.
 2. Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975.
 3. Environment Protection Act, 1986 and the rules, notifications issued thereunder.
 4. Factories Act, 1948 and allied State Laws.
 5. The Mines Act, 1952 and the rules, regulations made thereunder.
 6. Mines and Minerals (Development & Regulation) Act, 1957 and the rules made thereunder.
 7. Coal Mines (Special Provisions) Act, 2015.
 8. The Petroleum Act, 1934.
 9. The Indian Boilers Act, 1923 and rules/regulations made thereunder.
 10. The Indian Explosives Act, 1884 and the Static and Mobile Pressure Vessels (Unfired) Rules, 2016.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings wherein the Company is generally regular in complying with the standards.
- (ii) The Listing Agreements entered into by the Company with the BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations').

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above:

We further report that:

- i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.
- ii. Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii. Majority decisions were carried through and there were no instances where any director expressing any dissenting views.

We further report that

1. The Company had received a Show Cause Notice ('SCN') from the Securities and Exchange Board of India (SEBI) vide its letter dated July 19, 2019 alleging that the Company (referred as Noticee No. 8) along with other eight (8) noticees in the year 2009, omitted to include Noticee No. 9 (BNS Tour & Travel Private Limited) as Person Acting in Concert and that there was a delay of 24 days in making public announcement of the acquisition of shares of Orissa Sponge Iron & Steel Limited in violation of Section 12A(f) of the SEBI Act and Regulation 10 read with 14(1) of erstwhile Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 read with Regulation 35(2)(a) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. In this regard, the Company appeared before the Adjudicating Officer, SEBI and made its representations. SEBI vide its Adjudication Order: Order/MC/VS/2020-21/8144-8152 dated June 30, 2020 has not held the Company liable in the said matter and has not levied any penalty on the Company.
2. The Company had received a SCN from SEBI vide its letter dated October 18, 2019 alleging that the Company had made defaults under Regulation 51(1), Regulation 51(2) read with Part B of Schedule III (Clause A1, A4, A9), Regulation 52(4), Regulation 52(5), Regulation 54(2), Regulation 57(1) of the Listing Regulations in respect of non-convertible debentures ('NCDs') issued and listed on BSE Limited ('BSE') during the year(s) 2008 to 2013; and under Regulation 7(3), Regulation 13(3) and Regulation 40(10) read with Regulation 40(9) of the Listing Regulations during the year(s) 2016 to 2018, in respect of the equity shares of the Company listed on NSE and BSE.

The Company had submitted its written response in this regard and also appeared before the Adjudicating Officer, SEBI and made representations in regard to the said matter. The matter is still pending before SEBI for final disposal as on the date of this Report.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the following event(s) occurred during the year which have a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards etc. referred to above.

- i. In the matter of Composite Scheme of Amalgamation of Bamnival Steel Limited ('Transferor Company 1') and Tata Steel BSL Limited [formerly known as Bhushan Steel Limited] ('Transferor Company 2' or 'Company') into and with Tata Steel Limited ('Transferee Company') ('Scheme'), the a meeting of the equity shareholders of the Company was held on Friday, March 26, 2021 at 3:00 p.m. (IST) through VC/OAVM as per the directions contained in the orders dated January 20, 2020, dated January 11, 2021, January 19, 2021 and February 5, 2021 of Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT). The Scheme was approved by the shareholders by requisite majority. As informed to us, the Company has filed second motion application jointly with Transferor Company 1 and Transferee Company before NCLT with the prayer that the Scheme of Amalgamation of Bamnival Steel Limited and Tata Steel BSL Limited into and with Tata Steel Limited be sanctioned with effect from the Appointed Date as defined in the Scheme and be binding on the Petitioner Companies and all its shareholders, creditors, stakeholders and all concerned persons. The Scheme will be implemented upon its sanction by the NCLT.

**For PI & Associates,
Company Secretaries**

sd/-

**Nitesh Latwal
Partner**

April 21, 2021
New Delhi

ACS No.: 32109 C P No.: 16276
UDIN: A032109C000152779

This report is to be read with our letter of even date which is annexed as "Annexure A and B" and forms an integral part of this report.

Annexure A

Under Companies Act, 2013

1. Memorandum & Articles of Association of the Company.
2. Annual Report for the financial year ended March 31, 2020.
3. Minutes of the meetings of the Board of Directors, Audit, Nomination & Remuneration, Stakeholders Relationship and Corporate Social Responsibility Committee, along with Attendance Register held during the financial year under report.
4. Minutes of General Body Meetings held during the financial year ended March 31, 2021 under report.
5. Statutory Registers as per Companies Act 2013.
6. Agenda papers submitted to all the directors / members for the Board and Committee Meetings.
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 149(6) & (7), Section 164 and Section 184 of the Companies Act, 2013.
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 2013 and attachments thereof during the financial year under report.
9. Various Policies framed by the Company required under the Companies Act, 2013 viz. Nomination and Remuneration Policy, Corporate Social Responsibility Policy, Board Evaluation Policy etc.
10. Documents pertaining to Appointment, Resignation of Directors and KMP.
11. Other relevant documents as required to be maintained and published on website by the Company.
12. Show Cause Notices and other letters issued by the SEBI, Stock Exchanges or other regulators, if any.

Limitations

It is to be noted that due to Covid-19 situation in the Country and in compliance of the Covid-19 norms issued by the Government of India and State Governments from time to time, the Firm had carried out the audit virtually and the documents, registers, forms, etc. were made available to us by the company through electronic medium. Further, wherever possible we have also taken confirmations from the company but the audit, as conducted, is subject to limitation of availability of documents due to continuous restrictions imposed by governments.

Annexure B

To,

The Members,

Tata Steel BSL Limited

(Formerly known as 'Bhushan Steel Limited')

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Compliance Certificate/Management Representation Letter about the compliance of laws, rules and regulation and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

For PI & Associates,
Company Secretaries

April 21, 2021
New Delhi

sd/-
Nitesh Latwal
Partner
ACS No.: 32109 C P No.: 16276
UDIN: A032109C000152779

ANNEXURE - 6

PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Pursuant to Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

Tata Steel BSL Limited ('TSBSL' / 'Company') has always been a frontrunner in continually improving its operational performance by adopting an approach of continual improvement of process metrics across all energy consuming facilities with best practices for conservation of energy in place and restoring the natural capital at its Integrated Steel Plant ('ISP') at Angul, Odisha.

During FY2021, the Company adopted an integrated strategy towards strategizing, executing and managing the programs specifically designed for energy conservation and controlling the environmental footprint with reduced CO₂ emissions.

The Energy Department renewed its efforts by carrying out energy benchmarking with the best-in class steel players and adopting some of the relevant best practices. Energy Conservation has been taken up as a key improvement theme during the year and a new approach was adopted to prioritize actions through a three - pronged strategy as under:

1. Prevention / Minimization Preventing wastage / minimization of energy usages by relentless optimization of process parameters to achieve lower values of fuel/energy consumption.
2. Improving Recovery – Deploying innovative methods of recovering higher amount of unused fuel heat in various process exhausts / recovery systems.
3. Higher Re-use / Re-cycling – Studying available potential of recovered energy from various sources.

The Company implemented Waste Management System with optimal utilization of resources and minimal disposal of solid waste. Significant initiatives have been taken in Environment, Energy and overall Sustainability of the business across the board.

The Company has taken following major steps to ensure better environmental performance and energy conservation:

- Theme based Environment Awareness campaign including cause effect analysis and problem solving
- Framing Sustainability, Biodiversity & Climate change policies
- Participating in energy pit meetings of Tata Steel group companies in India & Europe and implementing best available technologies
- Optimizing waste generation and onsite re-cycling
- Capacity Building in Energy, Environment and Sustainability

The Company has taken a systematic management approach for operational excellence with innovation in processes, responsible utilization of resources, adoption of new technology and learning & development. These initiatives have resulted in continual improvement of the key sustainability indicators listed in following table including Specific Energy Consumption, Water Consumption, Effluent Discharge, Carbon Emission, Dust Emission, LD Slag Utilization and Fly Ash Utilization.

Parameters	FY19	FY20	FY21
Energy (Gcal/tcs)	6.83	6.39	6.61
Water (m ³ /tcs)	4.76	4.14	4.02
Effluent Discharge (m ³ /tcs)	0.84	0.67	0.56
Carbon Emission (ton CO ₂ /tcs)	2.93	2.76	2.84
Dust Emission (Kg/tcs)	0.94	0.84	0.72
LD Slag Utilization (%)	32	46	66
Fly Ash Utilization (%)	100	100	100

Environmental Initiatives

Solid Waste Utilization

In the area of Circular Economy, the Company has undertaken various initiatives to manage solid waste in an environment friendly, socially responsible and techno-commercially viable manner. The utilization of LD slag has increased significantly from 46% (FY20) to 66% (FY21). The overall Solid Waste Utilization has been increased upto 96% in FY2021.

The Company has put various efforts to increase LD slag utilization by installation of Metal Recovery Plant, developing market for sustainable use in brick & cement manufacturing and increase in utilization of slag for making value added products. The Ash Utilization remains 100% in FY21 through utilization in paver block, brick, cement and road construction. The supply of fly ash through rake to the north - eastern markets opened up a promising future of fly ash utilization. Other solid wastes generated from the ISP were recycled in Sinter Making. To make this process more scientific TSBSL has installed a process solid waste ('PSW') mixing and screening facility in FY2021 to make more efficient use of solid waste in sinter making.

Water Conservation

Water is an essential part of steel making processes specially for power & steam generation, cooling, slag granulation etc. The use of large amount of water also generates huge quantity of wastewater which contain suspended solids, dissolved substances and other chemicals.

TSBSL's Sustainability Framework and Environment Policy subscribes to a water conservation philosophy which greatly relies on the '5R' principles of Reduce, Reuse, Recycle, Recover and Recharge. Tata Steel BSL has taken significant initiatives for water conservation with continuous efforts to convert steel making more water efficient. In FY2021, TSBSL has increased the reuse of treated wastewater from effluent treatment plants by 50% over FY2020. The use of harvested rainwater from High Density Polyethylene ('HDPE') lined rainwater harvesting pond was also significant. With these water saving initiatives, TSBSL has achieved reduction in specific water consumption from 4.14 m³/tcs in FY2020 to 4.02 m³/tcs in FY2021.

Improvement in Air Quality

Technological improvements like Power supply to electrostatic precipitators ('ESP'), using high frequency transformer rectifier/micro pulse-based rectifier, revamping of old ESPs & Bag Filters etc. contributed

considerably towards reducing stack emissions. The implementation of dust extraction & dust suppression systems especially in Junction Houses, Lime Plants, implementation of IVC (Industrial Vacuum Cleaner) system and automatic wheel washing systems also contributed positively to improve stack & fugitive emissions. Further, standardization of maintenance procedures, spillage reduction in conveyers by installation of new technology of sealing by using double skirt rubber houses helped to reduce fugitive emissions significantly. The completion of these major improvement projects enabled the ISP to reduce its dust load from 0.84 kg/tcs in FY2020 to 0.72 kg/tcs in FY2021.

Plantation and Greenery

As green cover contributes for better air quality and acts as a carbon sink, TSBSL is continuously increasing its percentage of green cover across its ISP at Angul under the stewardship of the horticulture department. The area of plantation was enhanced by incorporating places outside the plant premises and integrating plantation under CSR activities for the area beyond the plant boundary. To speed up plantation, the much sought-after Japanese method of plantation - Miyawaki method has been adopted with technical guidance from IIT Kharagpur. As a result, a thick greenbelt of 45,000 plants has been planted near the boundary wall of the ISP at Angul. We have also successfully carried out a project on Miyawaki method of plantation in 3,200 sq.m area along Sarpa LD slag dump of Angul Plant.

Climate Change and Carbon Abatement

The Company recognizes its role and responsibility in addressing the global issue of climate change and is taking various initiatives to support India's Intended Nationally Determined Contributions ("INDC") target and reduce carbon intensity at its ISP at Angul. For abating the Company's overall carbon footprint, TSBSL is continuously pursuing the implementation of innovative low carbon technologies. Despite the fact that crude steel production in FY2021 remained less as compared to FY2020 due to the COVID-19 pandemic, the Company managed to reduce its overall CO₂ emissions from 12.3 million ton of CO₂ in FY2020 to 11.5 million ton of CO₂ in FY2021. The coal consumption in power generation also reduced from 259 kg/ton to 248 kg/ton of steam.

Environment Improvement Projects

In its commitment to conserve natural resources, reduce emissions and hazardous discharges into the environment and preserve biodiversity, the Company has undertaken the following Environmental Improvement Projects to reduce long term environmental impact and risks:

1. Installation of De-dusting System in Junction House # 36 for feed route of Blast Furnace ('BF') # 1 & 2.
2. 4 nos. of portable Donaldson make Dust Extraction System installed in sinter return fines route.
3. Revamping of De-dusting system CKDE 1, 2, 3 & 4 at Coke Oven # 2.
4. BOF Gas Holder & Gas Export Station.
5. Construction of HDPE lined storage pond for water harvesting and processing near Coke Oven Plant.
6. Cyanide Removing Plant by UV Oxidation Technique: In the process of conversion of coal to coke in a Coke Oven Plant, a huge amount of wastewater is generated which contains multiple hazardous elements (Cn, SCn, tar and other elements). This conventional process requires 80 m³/hr water. The disposal of waste water poses a multitude of environmental & safety challenges. The UV Oxidation Technique is being used to address these environmental issues. The technique is the first of this kind in the world wherein technology

(patented by Tata Steel Limited) is applied in which a super oxidant called OH radical is formed by the combination of H₂O₂ and UV light of 254 nm which is very reactive and removes all kind of pollution in its vicinity.

This Cyanide Removing Plant is under large scale trials by the Tata Steel R&D team with the support of TSBSL's team and has been installed at Coke Oven Plant#2 of the ISP which is on the verge of commissioning. Some of the benefits of using this technology are as follows:

- Environment Friendly: No waste is generated in the process which contains any toxic elements
- Complete Detoxification: The process removes all unwanted elements from the water
- Waste Water Recycling: The processed water could be reused in the Coke Oven Facility and thus reduces net requirement of water in the Coke Oven Plant.

(i) Steps taken or impact on energy conservation in Angul Plant:

- Company has also stressed on reduction of energy consumption and production of energy through non-fossil sources. In FY2021, TSBSL has generated 155 MW power in waste gas based and waste heat recovery route which is 82% of its total power generation which is a significant achievement.
- Specific Energy consumption of DRI has also been reduced from 87 kWh/t of DRI in FY2020 to 82 KWH/t of DRI in FY2021.
- There is an increase of PCI rate in the Blast Furnace # 1 with yearly average of 189 kg/thm as against 168 kg/thm in FY2020.
- There is an increase of PCI rate in the Blast Furnace # 2 with yearly average of 144 kg/thm as against 140 kg/thm in FY2020.
- The flaring of COG gas has been reduced from 8.2% in FY2020 to 2.5% in FY2021.
- TSBSL has started construction work for Coke Dry Quenching unit for Coke Oven -1 which will be a major energy saving project. The commissioning of 2nd PCI system in BF#2, reduction of specific coal consumption in Power Plant, DCS Based process optimization in 250 TPH Boiler, enhancement of turbo blower efficiency etc. were some of the key initiatives implemented during the financial year.

Energy Conservation Projects

The Company has taken up the following major capex projects (new and improvement) in FY2021 with the key consideration that each and every equipment in the ISP should have best-in-class environmental attributes, benchmarking energy efficiency and meeting global emission standards with lowest carbon foot print:

1. TSBSL has successfully commissioned 2nd Pulverized Coke Injection (PCI) System at BF#2 in October 2020. The completion of this project with addition of 40 tph Coal preparation Plant should help to enhance the PCI rate in BF#2.

The increase of PCI rate in BF#2 will result the reduction of coke consumption in blast furnace with decrease in production cost of Hot Metal. It will also reduce the carbon emission of around 0.075 Mn ton of CO₂ per year with overall reduction in specific energy consumption per ton of liquid steel.
2. The coke dry quenching ('CDQ') unit - 2 of Coke Oven Plant # 2 was commissioned in May 2018. The CDQ - 1 project started in FY2021.

The Company is replacing the wet quenching facility of Coke Oven Plant # 1 with dry quenching facility by setting up the CDQ - 1 Plant by June 2022 under environmental mandate of the Ministry of Environment, Forest & Climate Change.

The heat recovered by inert gas from hot coke is being used to produce steam. The superheated steam of around 65 ton produced from boiler of CDQ -1 will be used for generation of power. Additionally, the improved dry coke quality produced from CDQ - 1 will help to reduce the consumption of coke in blast furnaces which will lead to lesser energy consumption in furnaces.

3. The Company successfully carried out the Performance Guarantee (PG) test of 250 TPH Gas Fired Boiler in March 2021 wherein the BF Gas produced from BF # 1 & BF # 2 is being used as a fuel for generation of steam which in turn is used in turbine for generation of electricity.

The completion of the Gas Fired Boiler has significantly reduced the flaring of blast furnace gases with reduction in pollution load. This resulted in reduced usage of coal in coal fired boiler

(B) TECHNOLOGY ABSORPTION:

(i) Efforts towards Technology Absorption

BOG Gas Holder of 1,00,000 M³ capacity for storage of converter gas with technology supply from Motherwell Bridge, UK was commissioned in September 2019.

CDQ # 2 was commissioned in May 2018. The CDQ # 2 plant has been supplied by M/s Nippon Steel Engineering, Japan and designed for dry quenching of coke produced from Coke Oven Plant #2 with throughput of 170 ton/hr.

(ii) Details of technology imported in last three years (reckoned from beginning of the financial year)

S. No.	Technological Facilities	Plant Configuration	Year of Import	Year of Commissioning	Name of Technology/ Equipment Supplier	Remarks
1	BOF Gas Holder	1,00,000 m ³	FY2016 to FY2020	Sept 2019	Motherwell Bridge	Technology imported from United Kingdom
2	CDQ # 2	Coke throughput – 170 t/hr	FY2016 to FY2019	May 2018	Nippon Steel Engineering	Imported from Japan

Notes: The imported technology has been fully absorbed.

(iii) Benefits derived from key projects

The Company commissioned a BOF Gas Holder to store converter gas generated from BOF # 1 & 2 for further use as fuel in various plant units through distribution network in a continuous and uniform manner. The commissioning of BOF Gas Holder led to a stoppage to a large extent in the flaring of BOF gas. Further, the BOF gas (converter gas) with calorific value of 1800 Kcal/Nm³ replaced the costly Coke Oven Gas ('COG') partially which is getting used as a fuel in Reheating Furnaces. The unlocked COG will be used in Gas Fired Boiler's to generate power.

- b. The Company replaced the wet quenching facility of Coke Oven Plant # 2 with dry quenching facility by setting up the CDQ#2 Plant. The heat recovered by inert gas from hot coke is being used to produce steam. The superheated steam of around 85 ton produced from boiler of CDQ#2 is being used for generation of power. Additionally, the improved dry coal quality produced from CDQ will help to reduce the consumption of coke in Blast Furnace's which lead to lesser energy consumption in furnaces.
- c. The commissioning of the 2nd Pulverized Coke Injection (PCI) System in BF#2 with installation of new 40 tph Coal Preparation Plant enabled TSBSL to enhance the PCI rate in BF # 2.

for generation of power with increase in share of clean power generation through usage of plant gas.

(ii) Steps taken for utilizing alternate sources of energy

During the year, the Feasibility Study for potential generation of 30 MW power by harnessing solar energy was completed for the Company's ISP at Angul.

(iii) Capital investment on energy conservation equipment

The Company has initiated the installation of various energy conservation equipments through systematic phase-wise implementation with staggered investment over the years covering the projects described above.

During the year under review, capital expenditure of approximately ₹19.01 crore was incurred towards completion of energy conservation projects including environmental improvement projects.

(iv) Research and Development ('R&D') Initiatives

As a part of its R&D initiative, TSBSL with best-in-class manufacturing capabilities is incessantly focusing on designing and producing a basket of new steel products to cater the changing trend, need & demand of customers and create a stronger foot print in domestic and international market.

The Company is also actively involved in Industry - Institute partnerships and has initiated collaborative projects with leading academic and research institutes in India including IIT Mumbai & IIT Kanpur to improve the steel quality and develop new steel grades to become a reliable customer-centric brand.

During the year under review, the Metallurgical Lab was strengthened by installing following additional Microscopes:

1. Stereomicroscope Germany make, model Leica M205C optical microscope used for low magnification observation of steel sample installed in TSBSL Metallurgical Lab.
2. Polarizing Microscope Germany make, model Leica DM4P designed for qualitative and quantitative polarization microscopy examinations in laboratory and research environment installed in TSBSL Metallurgical Lab.

During the year, no significant amount was spent on R&D initiatives.

(v) Development of New Products

The Company is committed to innovate and introduce new products through continuous improvement in process and adopting new technology. The Company is committed to manufacturing better products and successfully developed the following new steel grades in FY2021:

1. Development of BSK-46 grade for Auto Component Chassis application to BELMAKS Metal Ltd.
2. Development of API 5L X-70 M PSL-2 for GAIL INDIA LTD in 6.5x1200 mm for SJHPL project.
3. Development of API 5L X-70 M PSL-2 for IOCL in 8.1x1455 mm for KASPL project.
4. Development of 50CrV4 & 58CrV4 at TSBSL Angul for replacement of POSCO materials at TSBSL Khopoli.
5. Development of HR coil at TSBSL Angul (EN 10025 S355J2) for branded product Tata Structura for square section of 400x400 mm at TSBSL, Khopoli.
6. Development of IS 10748 Gr-2, HR Coil up to 6.0 mm thickness for Mennata for auto component manufacturing.
7. Development of IS10748 Gr-2, HR coil (IS10748 Gr-2) for SSWL for Disc & Rim.
8. Trial Production of WIR019 grade for SSWL Dapper in 3.20*1245 mm & 5.0*1260 mm under HR NPD
9. Trial Production of SPFH 590 for SSWL in 3.2*1240 under HR NPD.

10. Trial production of BSK46 for Ashok Leyland in 4.80 and 5.80 mm under HR NPD for Chassis Application.
11. Development of Fe360 grade for SSWL for Wheel Rim and Disc manufacturing.
12. Development of 22 new color shade at TSBSL Angul.
13. Development of ISC 390W grade for furniture segment for sliding channel of drawer application at TSBSL Angul.

The Company is continuously engaged in various R&D initiatives for process improvements and new product developments.

As a part of improvement journey, LCA (Life Cycle Assessment) study has been initiated at all our operational locations. Phase - 1 study at Coke oven & Sinter plant is now completed. We are working with CII for Green Pro Ecolabel Certification for TSBSL Roofing Products

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of Foreign Exchange Earnings and Outgo for FY 2020-21 are given below:

	(₹ crore)
Foreign Exchange Earnings	3,999.65
Value of Direct Imports	4,505.65
Expenditure in Foreign Currency	47.14

On behalf of the Board of Directors

Jamshedpur
April 21, 2021

sd/-
T. V. NARENDRAN
Chairman
DIN: 03083605

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The following discussion and analysis should be read in conjunction with Tata Steel BSL's audited standalone / consolidated financial statements and related notes for the year ended March 31, 2021 included in this Annual Report.

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

External Environment

Global Economy & Steel Industry

The global economy was significantly impacted by COVID-19 led disruptions in 2020 resulting in contraction across the leading economies barring China. China has been the only major economy to register a growth of 2.3% in 2020, whilst other economies witnessed a contraction. Although recovery was seen in the second half of 2020 with lifting of lockdowns, it has been inconsistent across countries due to resurgence of infections, varying levels of policy support and access to medical facilities. In view of the same, the International Monetary Fund ('IMF') estimates that the global economy shall contract by -3.5% in 2020 as against a growth of 2.8% in 2019.

The steel industry (excluding China) also witnessed a significant decline in production and demand during the first half of 2020. However, an almost equally stronger recovery has been witnessed in the second half of the year. According to World Steel Association ('WSA'), global crude steel production reached 1,864 million tonnes in 2020, down by 0.9% as compared to 2019. China has produced 1,053 million tonnes of crude steel in 2020, up by 5.2% over 2019. China's share of global crude steel production has also increased from 53.3% in 2019 to 56.5% in 2020. Global steel demand has also seen only a minor contraction of ~0.2% in 2020 due to a very strong recovery in China during H12020 and a better than expected rebound in the rest of the world during H2 2020.

Indian Economy & Steel Industry

The COVID-19 pandemic resulted in a nation-wide lockdown in India in Q1FY2021 and was one of the strictest lockdowns globally. This resulted in a GDP contraction of ~24% in Q1FY2021 as most of the economic activity was halted during April-May. However, India has witnessed a gradual resumption of economic activity from Q2FY2021 onwards. The initial recovery was driven by government spending on infrastructure, exports and rural economy. The recovery has gained momentum since August 2020 with pickup in consumption demand driven by festive buying and return of urban consumption resulting in GDP growth of 0.4% in Q3 FY2021. Despite this recovery, India is estimated to see a contraction of ~8% in the annual GDP of FY2021 due to sharp fall seen in H1FY2021.

India's steel industry has also suffered from production losses due to lockdown in Q1FY2021 and recovered gradually since then, initially driven by exports followed by gradual recovery in domestic demand. A strong rebound in manufacturing and infrastructure development activity during H2FY2021 has led to a sharp rise in both production and consumption of steel in India. According to the Joint Plant Committee, India's crude steel production has reached ~92 million tonnes during the period April 2021 to February 2022 and is estimated to reach 103 million tonnes by end of FY2021, registering a decline of ~5.5% over the last year. India's finished steel demand is estimated to be ~93 million tonnes for FY2021 as against ~100 million tonnes in FY2020, a drop of ~7%.

B. OUTLOOK

Global Economy & Steel Industry

Although economic activity witnessed a strong rebound towards the end of 2020, COVID-19 is expected to have a lasting impact going forward, as many countries and sectors are going through an uneven recovery. While the current recovery momentum is well supported by ongoing vaccination and stimulus measures, renewed waves and new variants of the virus continue to pose concerns on the outlook. Against this backdrop, IMF is projecting the global economy to grow by 5.5% in 2021 as against the estimated contraction of -3.5% in 2020. In its 14th Five Year Plan, China has announced a 6% GDP target for 2021 with emphasis on reforms, innovation and high-quality development.

WSA is projecting the world steel demand to reach ~1,874 million tonnes in 2021, growing by 5.7% over 2020, supported by expected stabilization in COVID-19 infections by mid-2021 and a steady progress in vaccination resulting in gradual return to normalcy in major steel using countries by the end of the year. China's steel demand is projected to cross the billion-ton mark in 2021 with total finished steel consumption of 1,025 million tonnes, growing by 3% over 2020. With expected steel demand growth of ~9.3%, the share of the world, ex-China, in global consumption is expected to increase to 45% in 2021 from 44% in 2020. However, China will continue to dominate the global steel industry with a share of ~55%.

Indian Economy & Steel Industry

India is expected to witness a full economic recovery in H2FY2022 and is projected to grow by ~9.5% in FY2022 driven by (a) ongoing vaccination supporting the current recovery momentum; (b) restart of investment cycle with significant spending on infrastructure and (c) continued recovery in consumption supported by urban demand, accentuated by work-from-home and preferences for personal mobility along with rising rural incomes and affordability. However, normal growth levels would only be seen in FY2023, provided no further economic disruption occurs and the vaccination drive achieves its target of covering more than 30% of the population by end of 2021.

Within the steel industry, current production and consumption levels are indicating a near full recovery. Continuing the current momentum and new capacities coming on stream, India's crude steel production is expected to reach ~116 million tonnes in FY2022, growing by ~12.5% over last year. India's finished steel demand is also expected to reach 107 million tonnes in FY2022, up by ~15% over FY2021, driven by strong infrastructure spending and sustained demand of automotive and consumer durables.

C. OPPORTUNITIES AND THREATS

Opportunities

- Government focus on strengthening the domestic manufacturing base under the Atmanirbhar Bharat program presents a strong opportunity for steel consumption in India. The production linked incentive scheme, which intends to incentivise the additional production in India, is expected to boost steel demand in automobile & auto components, consumer durables, solar equipment, telecom, etc.

- The Government has announced an investment of over ₹1 trillion in infrastructure over the next 5 (five) years. This would be a key growth driver not only for steel but will also be a multiplier of growth across the sectors, boosting steel demand from sectors such as transportation, real estate and urbanization as well.
- Emergence of new trends after COVID-19, such as work from home, preference to physical distancing would create additional demand for furniture, personal mobility, etc. In addition, the rise in e-commerce activity will support the growth of warehousing and light commercial vehicles.

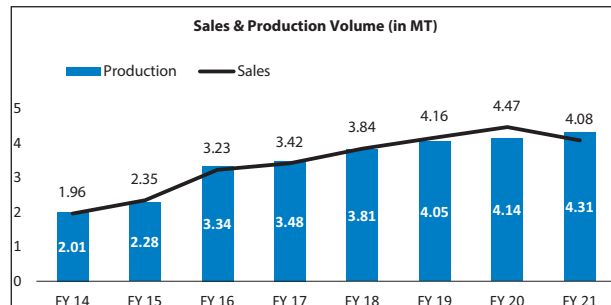
Threats

- Resurgence of infections leading to fresh lockdowns, both localized as well as at regional / national levels resulting in disruption in economic activity.
- Large dependence of the agricultural sector on monsoon. In the last 2 (two) years a normal monsoon has supported the growth in the agricultural sector.
- Slower recovery in services, which is the backbone of Indian economy.

D. CONSOLIDATED FINANCIAL PERFORMANCE

The Company is engaged in Steel business. Brief performance of the Company is as follows:

(₹ crore)			
Particulars	FY21	FY20	Variation
Turnover	21,419	18,199	3,220
PBDIT	5,448	2,350	3,098
Interest and Financial Charges	1,529	1,655	(126)
Depreciation	1,491	1,463	28
Exceptional Item(s)	-	69	(69)
Profit / (Loss) After Tax	2,518	(628)	3,146



- FY2021 production at 4.08 Mn tons was lower by 9% over FY2020, primarily due to disruption caused by the COVID-19 pandemic in H1FY2021.
- Sales during the current year was higher by 4% over the previous year as a result of improvement in the demand in domestic markets and higher exports. Total sales in FY2021 stood at 4.31 million tons as against 4.14 million tons in FY2020.

Financial Performance & State of Affairs (Consolidated):

During the year, the Company recorded a net profit of ₹2,518 crore (previous year: Loss of ₹628 crore). The basic and diluted earnings per share stood at ₹23.03 and ₹6.57 for FY2021.

The analysis of major items of the financial statements is given below:

a) Net sales and other operating income

(₹ crore)			
	FY21	FY20	Change (%)
Sale of Products	19,977	17,238	16
Other Operating Income	1,442	961	50
Total Income from Operations	21,419	18,199	18

During the year, the overall turnover was higher in line with increase in sales by 4% along with improvement in realisations driven by better market conditions. The increase in other operating income was on account of higher revenues from sale of Direct Reduced Iron, scrap and other by products.

b) Raw materials consumed

(₹ crore)			
	FY21	FY20	Change (%)
Raw materials consumed	10,024	10,775	(7)

During the year, raw material consumption decreased by 7% due to decrease in prices of various raw materials and lower production volumes.

c) Employee Benefits Expense

(₹ crore)			
	FY21	FY20	Change (%)
Employee Benefits Expense	649	409	59

The employee cost increased primarily on account of a new arrangement with the Company's subsidiaries viz., Tata Steel Technical Services Limited and Tata Steel Support Services Limited effective April 1, 2020. Both subsidiaries commenced the business of manpower supply to the Company. The employees engaged by these subsidiary companies were earlier working with the Company on contract basis.

d) Depreciation and Amortization expense

(₹ crore)			
	FY21	FY20	Change (%)
Depreciation and amortization expense	1,491	1,463	2

Depreciation and amortization expenses were marginally higher in line with additions during the year.

e) Other Expenses

(₹ crore)			
	FY21	FY20	Change (%)
Other Expenses	4,603	4,916	(6)

The details of other expenses are given below:

(₹ crore)

	FY21	FY20	Change (%)
Consumption of stores and spares	1,331	1,412	(6)
Packing material consumed	76	78	(2)
Power and fuel	1,043	1,100	(5)
Rent	1	129	(99)
Repairs & Maintenance	325	177	84
Selling and Distribution	981	997	(2)
Other Expenses	846	1,023	(17)
Total Other Expenses	4,603	4,916	(6)

Other expenses were lower as compared to the previous year mainly on account of lower production. This decrease was partially offset by higher repair and maintenance expenses incurred on account of relining and other mechanical contract jobs.

f) Finance Costs and Net Finance Costs

(₹ crore)

	FY21	FY20	Change (%)
Finance Costs	1,529	1,655	(8)
Net Finance Costs	1,470	1,604	(8)

The reduction in finance cost is on account of prepayment of term loan by ₹5,500 crore and decrease in interest rate.

g) Exceptional Items

(₹ crore)

	FY21	FY20	Change (%)
Exceptional Items	0	69	(100.00)

The gain in FY2020 represents the effects of implementation of resolution plan - ₹154 crore, partly offset by provision for impairment on property, plant and equipment and other assets (₹85 crore).

h) Fixed Assets

(₹ crore)

	FY21	FY20	Change (%)
Property, Plant and Equipment and Right-of-use assets	28,622	29,753	(4)
Capital work-in-progress	442	682	(35)
Other Intangible assets	16	21	(21)

During the year, depreciation and amortization expense amounted to ₹1,491 crore. Further, gas-based boiler plant was capitalized during the year amounting to ₹215 crore.

i) Inventories

(₹ crore)

	FY21	FY20	Change (%)
Raw Material	1,475	1,340	10
Finished Goods & Work -in-progress	1,472	2,162	(32)
Stores, Spares & Others	1,426	1,338	7
Total Inventory	4,374	4,839	(10)

The reason for decrease in inventory is mainly due to decrease in stock of finished and semi-finished goods by ₹690 crore due to liquidation of steel inventory by 252 KT from March 2020 levels.

j) Trade Receivables

(₹ crore)

	FY21	FY20	Change (%)
Gross Debtors	525	798	(34)
Less: Provision for doubtful debts	102	95	7
	423	702	(40)

There has been a decrease in the balance of net trade receivables by ₹280 crore mainly on account of faster collection from customers and better credit management.

k) Cash Flow

(₹ crore)

	FY21	FY20	Change (%)
Net Cash Flow from Operating Activities	8,160	1,866	337
Net Cash Flow from Investing Activities	(663)	293	(326)
Net Cash Flow from Financing Activities	(7,484)	(1,951)	284
Net increase / (decrease) in cash and cash equivalents	13	209	(94)

The cash flow from operating activities was ₹8,160 crore as compared to ₹1,866 crore during the previous year. The increase was mainly on account of improvement in operating performance and release of working capital.

The cash outflow from investing activities was ₹663 crore as compared to inflow of ₹293 crore during the previous year. The outflow during the year broadly represents purchase of current investments.

The cash outflow from financing activities was ₹7,484 crore as compared to ₹1,951 crore during the previous year. The outflow during the current year represents repayment of external borrowing by ₹6,137 crore and interest payment.

The Company continues to focus on liquidity management by prioritization of payments and review of collection plans and 3 months rolling cash flow forecast through daily cash calls and working capital management.

E. CHANGES IN KEY FINANCIAL RATIOS

The details of changes in the key financial ratios as compared to the previous year are stated below:

	FY21	FY20	Change (%)
Debtors Turnover (Days)	10	14	(32)
Inventory Turnover (Days)	79	95	(40)
Interest Coverage Ratio (Times)	2.69	0.55	387
Current Ratio (Times)	1.16	1.66	(30)
Debt Equity Ratio (Times)	0.51	0.91	(43)
Net Debt Equity (Times)	0.45	0.86	(48)
Return before exceptional item to Net Worth (%)	11.99	-3.77	418
EBITDA Turnover (%)	25.44	12.91	97
Net Profit before exceptional item to Turnover (%)	11.76	-3.45	440

1. **Debtors Turnover Ratio** – The fall is primarily on account of faster collection from customers and better credit management.
2. **Inventory Turnover Ratio** – The decrease is mainly due to decrease in stock of finished and semi-finished goods attributable to improved market conditions.
3. **Interest Coverage Ratio (Times)** – The increase was on account of better operating profits driven by improved margins.
4. **Current Ratio (Times)** – The drop was mainly on account of increase in trade payables.
5. **Debt Equity Ratio (Times) and Net Debt Equity (Times)** – Strengthened as the Company has made significant pre payments of the bank loan during the year. Net debt further decreased due to higher current investments.
6. **Return before Exceptional Item to Net Worth** – The return is higher on account of improvement in operating profit and lower interest cost.
7. **EBITDA turnover** – The reduction is primarily on account of higher demand, improved market conditions and significant cost savings on account of efficiencies and improvement measures.
8. **Net Profit before exceptional item to Turnover** – The return is higher on account of improvement in operating profit and lower interest cost.

F. OPERATIONAL EXCELLENCE: BE1 PROGRAM

The Be1 Program ('Program') – the flagship multi-dimensional excellence program driving operational, commercial, financial and capability excellence – continued in its 3rd year at the Company. Despite the onset of the COVID -19 pandemic, the Program has been expanded to 26 operational impact centers in FY2021 covering the entire value chain with an estimated combined savings of ~₹1,400+ crore in FY2021. This was enabled by building a robust pipeline of improvement initiatives which will continue to deliver value in FY2022, strengthening the financial position.

The idea pipeline was built by conducting 150+ idea generation workshops ensuring the engagement of employees across all levels starting from the head of the departments to the shop floor personnel. Due to restrictions during the pandemic and lockdown, the primary focus of the initiatives was on cost optimization and cash conservation, along with throughput debottlenecking and value creation for ensuring long term sustainability.

Key initiatives on cost that drove value across the organization include – coking coal blend optimization, IBRM (Iron Bearing Raw Materials) mix optimization, efficient energy management, raw materials cost optimization, fixed cost & working capital rationalization, contract consolidations, alternate sourcing of materials, rail and road network optimization and various advocacy measures.

Key initiatives on throughput include – debottlenecking across upstream units like Raw Material Handling System ('RMHS'), Steel Melting Shop ('SMS'), Hot Strip Mill ('HSM') etc. and multiple downstream units, maximizing the utilization of Direct Reduced Iron ('DRI') kilns (7 kilns in operation) and reliability improvement by horizontal deployment of standardized maintenance practices for critical equipment. Besides these, the initiatives focussed on value creation including – customer diversification in multiple segments, ramping up volumes of branded products (including launching of three new brands – ColorNova, GalvaNova, GalvaRos), increasing the sales of value added products, external sales of DRI and various by-products (1st ever dispatch by rakes).

In addition, the Program focused on leveraging group synergies with Tata Steel group companies to increase use of captive raw material, optimizing product mix to maximize system benefits, horizontal deployment of best practices across the value chain, manufacturing of Tata Steel Limited ('TSL') branded products at the plants and leveraging the channel and distribution network of TSL for increasing the share of branded products. The plant achieved multiple BPDs (best-demonstrated-performance) throughout the year across multiple cost & throughput parameters which accelerated the journey towards 5.2 MTPA of crude steel production.

To sustain the momentum of the Program, multiple capability building sessions focusing on technical and functional areas like data analytics, data visualization, quality management systems, TQM methodologies etc. were conducted. More than 1200+ personnel were covered across the value chain in these customized training modules to enable the front-line workforce to be the torch bearers of change. Through the combined efforts of the entire team, multiple shining cases have been presented and awarded in various external forums like CII (Confederation of Indian Industry), AIMA (All India Management Association), Tata Innovista etc. In addition to these, the journey towards TQM (Total Quality Management) as a way of working has been initiated through the deployment of quality circles for SGA (Small Group Activity), DM (Daily Management) practices and VWM (Visual Workplace Management).

The organization has also started deploying multiple digital initiatives in the field of automation, visualization, simulation and optimization to create sustainable value. It has developed a 5-year digital roadmap with more than 80 projects identified and several pilot projects which have already been deployed. Few key highlights from digital initiatives include the Video Wall project at Basic Oxidation Furnace ('BOF') Loco Scheduling Optimization for logistics cost reduction, Metallic Fe-Bearing IMM (Integrated Margin Management) module which led to cost reduction & optimization.

As the Be1 program enters into its 4th year, the focus is on sustaining the KPIs at the BDP levels, and achieving cost leadership with continued focus on Health, Safety & Environment and Quality. This shall be enabled by ensuring engagement of employees across all levels of the organization with a renewed focus on theme based ideation and capability building to identify and groom the next wave of change agents. Use of digital tools, advanced analytics and deployment of Centre of Excellence will further accelerate the journey by enabling TQM way of working and moving towards an innovation mindset. The Company is confident of scaling greater heights and setting industry benchmarks on this transformation journey.

G. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Post-acquisition in May 2018, a series of initiatives have been undertaken to unleash the potential of the Company. Despite being a challenging year with several months of lockdown, sales stood at 4.3 MTPA, which is 4% higher over FY2020 sales.

Focused efforts in various areas for product mix enrichment & higher capacity utilization have started giving dividend, as summarized below:

- **Development of value added products** – During the year the Company stabilized and commercialized API grades that cater to the Oil & Gas segment. Sales to this segment grew by more than 3 times in FY2021 over FY2020. Further the Company developed HR grades for the automotive wheels segment and for LM/CM for CVs during the year, helping to increase the presence in the auto segment. In the Precision Tubes business, value added products like Propeller Shaft Tube were developed & commercialized for Passenger & Commercial Vehicles and high end Cold Drawn Tubes were developed for Bobbin (Textile) and Engineering segments.

- **Development of new customers & market** – With a focus on increasing its presence with leading automakers across the country, the Company started commercial supplies to leading two-wheeler manufacturers and passenger and commercial vehicle makers in western India, developed a two-wheeler manufacturer in southern India and initiated supplies to new customers in the Drums & Barrels segment during the pandemic. The Company opened up new territories in North East and Central India for its Colour Coated Business and developed new customers for HTSS products by tying up with packaging companies. In the Precision Tubes segment, the Company received approval from a leading passenger car manufacturer for the first time in northern India. Microsegment based approach helped in identifying new segments, which enhanced reach to end users. Large Dia Pipe mill products enabled the Company to bag orders from all leading Oil & Gas companies for Cross Country Projects and City Gas Distribution Projects. Branded Products viz., Tata Structura and Tata Pipes from Large Dia pipe mill have enabled successful entry into Airport Projects, Auditorium Projects, Large Water & Irrigation Projects in Karnataka, Andhra Pradesh and Telangana. In an endeavor to develop alternate markets to spread its base and to reduce dependency on the risky African Market, new customers and markets opened up in Latin America, Bangladesh and South - East Asia for coated and hi-end products.
- **Value creation through synergy initiative with parent organization** - The technical and quality teams of TSBSL are working closely with TSL technology teams to develop new products to meet the requirements of customers. The Marketing and Sales teams of both organisations hold structured meetings to explore possibilities on enhancing customer service levels and to work on increasing share of business with common customers.
- **Launch of Branded Products** - The Company through close collaboration with Emerging Corporate Accounts ('ECA'), has been at the forefront of innovation on strategy, design and innovation and has introduced three new Coated Product Brands, named GalvaRoS, GalvaNova and ColorNova, to address the unmet requirements of the ECAs.
- **GalvaRoS – Galvanised Plain Regular Spangled** – Customers require of Galvanized Steel Sheets and Coils which are environment friendly, have superior corrosion resistance, available in customised sizes, giving better return on investments. GalvaRoS is 100% RoHS compliant and provides product authenticity. This customised product gives the customers a better yield and ROI and while strictly adhering to the BIS Standards. GalvaRoS is suited for various applications like Ducting, Heating Ventilation and Air Conditioning ('HVAC'), refrigerator back panel, PEB structures, Cable Trays etc. GalvaRoS is geared to meet the needs of value-creation, helping customers to navigate the sustainability journey.
- **ColorNova Pre-Painted Galvanised steels** has been launched to cater to the ECA customers' requirements of colours, designs and aesthetics which can be matched with home or office decors and at the same time be socio and environment friendly. The product has a superior surface finish and texture and is 100% RoHS Compliant. The Company's world-class processing facility offers customised sizes to suit the diverse customer requirements.
- **GalvaNova, a 55%Aluminium-Zinc alloy coated** product with superior performance has been developed to address the evolving needs of the Medium and Small Scale Enterprises. GalvaNova is an

all-weather durable product with superior corrosion resistance, and has a distinctive white metallic sparkle in appearance. This environment friendly product is scratch protective and has cut-edge protection. Its anti-finger print coating and brand marking adds to the brand's authenticity. The product's double layered protection coupled with excellent heat insulation properties enables longer life span of up to four times when compared to ordinary galvanised steel. The product is suitable for various segments including Appliances, HVAC, False Ceiling, Solar Applications, enabling a better yield while harnessing the power of endurance.

These brands have already proved to be the powerful products on which our ECA partners can create action plans that are eco-friendly as well as eco-effective and economic.

- **Credit to Cash Conversion:** A host of activities were carried out to reduce debtors. Customers were converted from credit to cash or to secured credit like Channel Financing, Factoring arrangement, Letter of Credit, Bank Guarantee, etc. This has helped reduce our days sales outstanding from 13 days in FY2020 to 8 days in FY2021.

Automotive & Industrial Products and Projects

- The Company worked on rationalizing and segmenting its automotive customer base to improve serviceability and customer experience. A series of products were developed in order to deliver value to our key customers. So far 30 skin panels have been approved from HR produced from the Company's Integrated Steel Plant ('ISP') for one of the leading auto manufacturers. Our auto sales have increased by 11% over FY2021. The Company has improved its share of business with its key customers by 3-4% over FY2020 and overall market share in Automotive Segment by 1%.
- Commercial supplies started to Tata Motors' facilities at Pune & Sanand from our Khopoli Plant, thereby giving locational advantage to the group.
- In a continued effort towards improving its basket of offerings, the Company has developed PPGI Embossed material for refrigerator and chest freezer application for one of its major appliance customers. This has helped to improve the market share by 3% in FY2021 over FY2020.
- Special products H&T and HTSS registered 7% growth in sales over FY2020, which was enabled by development of new & improved grades for Bandsaw application and development of new customers.
- The Company developed Antimicrobial Paint Coating for its colour coated product. These colour coated steel products are used in hospitals, clean rooms, transport, airports, cold storage, indoor infrastructure etc which need antimicrobial effect to eliminate secondary transmission of microbes (bacteria, virus etc.) through painted steel surfaces. In the present situation, many antimicrobial solutions/paints are available but with limited life time of few weeks to 2 years. The Company has developed antimicrobial paint which can be used as top coat in coil coated steel sheet products. These coated sheet products will retain the active antimicrobial functionality till the paint remains on the surface (more than 12 years). This novel antimicrobial paint kills the virus/bacteria. This addition of antimicrobial functionality in top coat paint does not require additional infrastructure to process the material in existing plant set up.

Branded Product & Retail ('BRP')

- With increased focus on branded products, the Company registered a sales growth of over 100% against FY2020 numbers.
- To meet the evolving needs of ECA customers three new coated brands namely GalvaRos, ColorNova and GalvaNova were launched in FY2021.
- Exploited unutilized capacity of HR Skin Pass by establishing value proposition and developing market for HR skin pass material enabling value added products sales through Distribution Channel.

Tubes and Pipes

- The Company has maintained its leadership position in Precision Tubes business for Automotive segment with market share of 24% in FY2021.
- In Large Diameter Pipes, the Company crossed 100 KT of annual sales volume for the first time and registered 5% increase in sales volume over FY2020.
- Bagged and completed supplies for three prestigious orders of Tata Structura for Lucknow Airport project, Safdarjung Airport project and Reliance Jamnagar Zoo (World's Largest Zoo Project).
- The Company has been focusing on Oil & Gas ('O&G') segment and water pipe line projects in domestic and exports market and has bagged and executed several orders with major O&G companies for cross country pipeline ('CCP') and city gas distribution ('CGD') projects.

Exports

- In order to mitigate the demand slowdown due to COVID -19 in the domestic market, the Company increased exports of both downstream as well as upstream products in H1 FY2021..
- Overall exports clocked sales of 1.13 MTPA, a 26% increase over FY2020. Market development and new customer additions were the key enablers for this increase.
- New customers were added in Galvanised, Galume, Colour coated, CRCA and in Hardened & Tempered steel segments which enabled TSBSL to achieve 20% higher downstream export sales over FY2020. The Company also expanded its customer base of CRCA and H&T in many other countries.

H. PRODUCT DEVELOPMENT:

Hot Rolled Product

The Company developed 50CrV4 & 58CrV4 at Angul for replacement of POSCO materials (localization strategy). In Auto segment, BSK 46 for chassis application and Fe 360 & WIR019 grades for Disc & Rim application were developed for our key customers.

Cold Rolled and Coated Product

- **CRCA:** The Company developed and obtained approval for 10 Skin Panel grades for commercial vehicle segment of Tata Motors, Pune. Further development of IF grade CRCA material for two-wheeler rear and front fenders for a leading auto maker was also achieved and the Company started commercial supplies in HSLA 340 grade steel having application in commercial vehicle floor panels.
- **Colour Coated Products:** Developed colour coated products for body panels of washing machine and refrigerators for a few leading multinational companies in the appliance business. The Company also developed colour coated coil brand named ColorNova.

- **Tubes & Pipes:** Propeller Shaft Tubes were developed and approved for commercial supplies for a leading Auto Manufacturer. The Company also developed dent resistance ERW tube (0.50 X 41.28, 0.70 X 41.28).
- **Galvanised products:** Developed high strength GPCS (Galvanised Plain Crushed Spangle) material for PEB (Pre-engineered Building) segment.

I. ENVIRONMENT

Since its acquisition in May 2018, the Company has embarked on a fundamental transformation journey. Energy Conservation, Environment Protection and maximizing reuse & recycling practices and socio-economic upliftment of communities remain the core of the business strategy of the Company. The Company has imbibed a systematic management approach for continual improvement in its operational performance through process innovation, resource efficiency and adoption of best available technologies (BAT) for sustainable development. These initiatives have resulted in significant improvement in sustainability performance.

During FY2021, the COVID-19 pandemic posed a tremendous challenge on production and sales of steel industries due to mobility restrictions, safety of employees and other stakeholders. Despite this challenge, the Company could manage to perform well in the fields of environment & sustainability.

Major highlights of environmental achievements during FY2021 are given below:

Statutory

- Consent to Operate ('CTO') has been renewed up to March 31, 2023. This is the first time since commissioning of the steel plant that a CTO for two years has been granted.
- Hosur unit has obtained CTO for 10 years which is valid till March 31, 2031.
- CTO for Sahibabad Tubes Plant received with extended production capacity of 10,000/ month, valid up to 2025.
- CTO received for Pilkhuwa Stock Yard for 5 years.
- Received permission from Central Pollution Control Board for LD sludge Briquette trial for Ardent Steel, which is an important milestone for utilization of LD sludge in our journey of exploring opportunities on circular economy principles.
- For disposal of Fly ash, CTO has been obtained for different stone queries and low-lying areas like Saptasajja, Rangagola and Tarkabeda.

Others:

- The ISP at Angul has been certified with ISO14001 (Environment Management System) & ISO 45001 (Health & Safety Management System)
- In order to increase the green coverage in all its operational locations, a total of 81,571 saplings have been planted by the Company in FY2021.
- ISP at Angul has dispatched 20 rakes with capacities of 70023 MT of Fly ash through rake. This is a unique initiative by TSBSL in consultation with East Coast Railway which has contributed to reduction in scope 3 carbon emissions of 5,000 tons in FY2021.
- The Company's plants at Sahibabad and Angul have successfully completed rainwater harvesting projects of capacity 5,70,00 cu.mm and 1,50,000 cu.mm per annum respectively.

Performance of Key Environment Indicators:

- 14% reduction in dust emission from 0.84 kg/tcs (FY2020) to 0.72 kg/tcs (FY2021).
- 2.8% reduction in Specific Water Consumption from 4.14 m³/tcs (FY2020) to 4.02 m³/tcs (FY2021).
- 50% increase in wastewater recycling from 2 MGD (FY2020) to 3 MGD (FY2021).
- 18% Increase in solid waste utilization from 78% (FY2020) to 96% (FY2021).

Initiatives to reduce Energy Consumption & CO₂ Emissions: For reducing carbon footprint, the Company is pursuing the implementation of innovative low carbon technologies. Due to the COVID-19 pandemic, crude steel production was lower in FY2021 as compared to FY2020. Nevertheless the Company has managed to reduce its overall CO₂ emissions from 12.3 million ton in FY2020 to 11.5 million ton in FY2021. In pursuit of resource efficiency and cleaning the power mix, the Company is increasingly using waste gas and waste heat for power generation which accounted for 82% of total power generation in FY2021. Energy consumption by DRI process has also been reduced to 82 kWh/t of DRI in FY2021 from 87 kWh/t of DRI in FY2020. The Company has started construction work for Coke Dry Quenching unit for Coke Oven -1 which will further enhance our energy efficiency. Commissioning of PCI injection mill, reduction in specific coal consumption in Power Plant, DCS (Distributed Control System) based process optimization in 250 TPH Boiler, enhancement of turbo blower efficiency etc. were some of the key initiatives implemented during FY2021.

Improvement in Ambient Air Quality in and around our Steel Plant Point & nonpoint source emissions are major contributors in steel industries for degrading ambient air quality.

Post-acquisition, the Company has given focussed attention towards improving its source emissions. Technological improvements like power supply to electrostatic precipitators ('ESP') using high frequency transformer rectifier/micro pulse-based rectifier, revamping of old ESPs & Bag Filters, contributed significantly in reducing the stack emissions. Implementation of dust extraction and dust suppression systems especially in Junction Houses, Lime Plants, implementation of IVC (Industrial vacuum cleaner) system and automatic wheel washing systems contributed positively to improve stack & fugitive emissions. Further, standardization of maintenance procedures, spillage reduction in conveyers by installation of new technology of sealing by using double skirt rubber hoses helped to reduce fugitive emission significantly. Completion of the above major improvement projects enabled the Company's plant at Angul to reduce its dust load from 0.84 kg/tcs (FY2020) to 0.72 kg/tcs (FY2021).

Water Conservation

Water is an essential part of steel making processes specially for power & steam generation, cooling, slag granulation etc.

The Company's Sustainability Framework and Environment Policy subscribes to water conservation philosophy which principally relies on the '5R' principles of Reduce, Reuse, Recycle, Recover and Recharge. With continuous efforts to make steel making more water efficient, the Company has taken significant initiatives for water conservation and has increased its wastewater recycling from 2 MGD (FY2020) to 3 MGD (FY2021). Use of harvested rainwater from HDPE (High Density Polyethylene) lined rainwater harvesting pond was also significant. With these initiatives, TSBSL has achieved reduction in specific water consumption from 4.14 m³/tcs in FY2020 to 4.02 m³/tcs in FY2021.

However, the most significant achievement was successful commissioning of Ultra Violet ('UV') reactor technology for removal of total cyanide from coke oven wastewater by the Environment Research & Development team. Another significant achievement was the attainment of Zero Effluent Discharge at the Khopoli Plant by installing Reverse Osmosis ('RO') and Multiple Effect Evaporator ('MEE'). Further, the Company's downstream unit at Sahibabad has successfully implemented rainwater harvesting and ground water recharge structures both inside the plant and in nearby villages by adopting ponds. Approximately 5.7 lakh m³ of rainwater has been harvested in FY2021.

Solid Waste Management:

In the area of circular economy, the Company has undertaken various initiatives to manage solid waste in an environment friendly, socially responsible and techno-commercially viable manner. Utilization of LD slag has increased significantly from 46% (FY 2020) to 66% (FY 2021). Overall solid waste utilization has increased to 96% in FY2021. The Company has put in various efforts to increase the LD slag utilization by installation of Metal Recovery Plant, developing market for sustainable use in Brick & Cement manufacturing, increasing utilisation of slag for making value added products. Ash utilisation remains 100% in FY2021 through utilisation in paver block, brick, cement and road construction. Supply of fly ash through rake to the north-east market opened a promising future of fly ash utilisation. Other Solid wastes generated from the steel plant were recycled in sinter making. To make this process more scientific, the Company has installed a process solid waste mixing and screening facility in FY2021 to make more efficient use of solid waste in sinter making.

Plantation and Greenery:

Green cover contributes towards better air quality and acts as a carbon sink. The Company is continuously increasing the percentage of green cover across its Indian operations under the stewardship of its horticulture department. The area of plantation was enhanced by incorporating places outside the plant premises and integrating plantation under CSR activities for the area beyond the plant boundary. To speed up plantation, a planned approach was adopted. The Company implemented the much sought-after Japanese method of plantation, Miyawaki method which was adopted with technical guidance from IIT Kharagpur. As a result, a thick green cover of 45,000 plants has come up near the boundary wall in Angul. Similar growth has been witnessed across the other plant locations of the Company at Khopoli, Maharashtra and Pilkhuwa, Uttar Pradesh. A project on Miyawaki method of plantation was also been successfully implemented in 3,200 sq.m area along Sarpa LD slag dump of the Company's ISP at Angul.

Accolades

Besides the above, in FY2021 the Company has received commendations for significant achievement in Environment Management from several Institutions of repute. Few of them are Global Sustainability Award 2020 in the 'Platinum Category' by Energy and Environment Foundation, **Platinum Winner of Green Leaf Award**, 2019 by Apex India Foundation for its achievement in Water Stewardship for Sahibabad unit. Whereas Khopoli & Angul have been declared as **Gold Award Winner** for their outstanding achievement in Environment Excellence. The CII has also recognized Angul unit as '**Noteworthy Water Efficient Unit**'.

J. SAFETY

As a Tata Group company, we are committed to "ZERO HARM". With this goal in mind, the Company has started its safety excellence journey by mobilizing all possible resources to establish a 360° Safety Management

System in the workplace. Following initiatives were taken under aegis of Six Step Safety Strategy.

Leadership:

- Certified with ISO 45001:2018 by Bureau Veritas.
- STOP programme: An initiative to stop unsafe practices has been introduced for the first time.
- 5 Safety campaigns (Material Handling, Positive Isolation, STF, Railroad & Logistics and COVID-19) have been organized.
- Fortnightly theme-based safety campaign was launched at all locations with specific themes.
- External Safety Audit was carried out at Angul by M/s. Dekra (India) Pvt. Ltd.

Capability & Competency Development:

- Audits by cross functional teams across the plant have been started based on six safety standards.
- E-learning programme on safety standard was launched.

Process Safety Management:

- CoE has been rolled out in seven departments.
- On-site Emergency Preparedness Plan has been revised.
- HIRA and Red SOP concept has been started.
- Mock drill conducted at LD Gas Holder in presence of the District Crisis Group members (District Authorities).

Contractor Safety Management:

- The process of New Vendor Registration and Sub-contracting has been introduced at Angul.
- Final star rating assessment for 36 vendors is being carried out by 3rd party at Angul.

Rail & Road Safety:

- CCTV cameras have been installed at major roads with monitoring centre at Safety Office.
- Driver fatigue monitoring system has been installed at Angul on an experimental basis.
- Designated arrangement to cover/uncover tarpaulin from outgoing/incoming vehicles.
- First auto-mechanized door system on locomotive has been installed at Angul to prevent accidental man slipping from a running locomotive.

Health & Hygiene

Developing health index system for employees and contractor workmen. Considering, the management's commitment of safety for all stakeholders, the organizational focus is on Risk Assessment, Ranking and Decision making for elimination of hazards and minimization of risk at workplace through safety competencies & safety processes, such as

- Development of Safety Induction Training Facility with aid of visuals and working/static model (SLDC)

- Skill development training to TSBSL contractor employees through JNTVTI.
- E-learning training on applicable safety standard to TSBSL employees.
- Learnings from fatal incidents at TSL for the past 15 years and deployment of recommendations thereof at TSBSL.
- Develop Risk Heat Map based on HIRA & HAZOP.
- CoE deployment at four new departments.
- Fencing of rail tracks.
- Procurement and Installation of heavy vehicles simulator.
- Develop high risk vendors to 3-star rated vendors.
- Contract Workforce tracking system.
- Wellness at workplace program.

It is important to note that the desired safety performance of 'ZERO HARM' can be achieved only with the involvement and commitment of all stakeholders. The Company has chosen IT as the key enabler to take the safety journey forward.

K. RISKS AND CONCERNS

The global steel output growth momentum stalled since the later half of FY2019. Steel production growth rates were down to 3% in the last quarter of FY2020 mainly due to a sharp fall in steel prices and high price of raw materials. This growth rate was thoroughly affected by the COVID-19 pandemic in 2020 and has become negative. COVID - 19 is an unprecedented crisis expected to have a multi-year effect. The lifting of the lockdown and liquidity injection has aided economic recovery from sharp contraction in the early half of 2020. Demand for steel started recovering in H2FY2021. If an effective vaccine is successfully distributed by end of 2021, demand will continue to increase in 2022. As a result of suppressed demand in 2020-22, the necessity of stock replenishment and government investments shall increase.

Steel consuming sectors were disrupted and recovery in manufacturing will likely to be moderate while construction will continue to be resilient. Steel Production recovery was also led by China in the later half of 2020, recording an all-time high production while rest of the world had a low utilization. China will continue to perform better than forecasts driven by stimulus. While China's demand will remain high, slower recovery will be seen in rest of the world. China's investment in infrastructure has led to a surge in demand for commodities, especially steel. Healthy revival in India, Iran, Turkey coupled with stable demand in South - East Asia will support recovery in 2021. Steel prices and spot spreads have increased sharply from the lows in June 2020. Domestic steel prices have witnessed significant uptick in the past few months with resurgence in demand and strong international prices. However, this sharp surge has raised concerns about sustainability with inflation having emerged as a key risk given the supply chain disruption and the excess liquidity. Other than the pandemic, geopolitical tensions abound and have the potential to escalate into a significant event which can adversely impact global economic and financial conditions. The geopolitics of COVID-19 will shape the global business environment as the debate on self-reliance will continue to heat up. Moreover, increasing coronavirus cases in USA and Europe might pose a fresh risk to the global economy.

The pandemic has taken a major toll on India's economy with real GDP contracting by an unprecedented 23.9% year-on-year in the second

quarter of 2020, the largest decline among all major economies. In H1FY2021 recovery has been largely driven by infrastructure & rural demand. Recovery paced up in H2FY2021 with pickup in urban consumption & festive demand. Recovery in FY2022 will be driven by continued stimulus and consumption supporting union budget with strong government spending in infrastructure as envisaged in NIP, NHAI projects. However, concerns will remain over soaring Government debt, fiscal deficit, relatively high inflation constraining the monetary policy, further policy rate cut.

In FY2021, the Company focused on value chain excellence, overall operational excellence, pandemic & crisis management, responsible steel, throughput maximization, enriching product mix, customer centricity with diversification of customer base, sustainable initiatives, employee engagement, synergy & integration and leveraging IT & digital to survive the most critical situation due to pandemic. The Company consolidated its position through robust liquidity management & deleveraging and working capital optimization with better inventory planning.

A Risk Management Framework was implemented in the Company in FY2020. This Enterprise Risk Management (ERM) process encapsulates risks for the functional units across all locations with robust risk identification and mitigation mechanisms for management reporting as per risk governance structure. During FY2021, Tata Steel BSL has chosen IT as the key enabler to take the ERM journey forward, by introduction of **'BRISK'** – a web based risk intelligent platform, to monitor the overall risk management process of the organization.

L. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board of Directors of the Company and Audit Committee are responsible for ensuring that Internal Financial Controls have been laid down in the Company and that such controls are adequate and operating effectively. The foundation of Internal Financial Controls (**'IFC'**) lies in the Tata Code of Conduct (**'TCoC'**), policies and procedures adopted by the Management, corporate strategies, annual business planning process, management reviews, management system certifications and the risk management framework.

The Company has an IFC framework, commensurate with the size, scale and complexity of its operations. The framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies.

The Management monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of management, process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the controls.

The Audit Committee reviews the reports submitted by the management. Also, the Audit Committee has independent sessions with the external auditor and the Management to discuss the adequacy and effectiveness of internal financial controls over financial reporting and internal financial controls respectively.

M. HUMAN RESOURCE DEVELOPMENT / INDUSTRIAL RELATIONS

With an employee strength of ~ 5,800, the Company strives to become an 'Employer of Choice'. To achieve this goal, Company HR Policies and Practices have been geared up. Safety continues to be of utmost importance and deployment of safe practices has been done with a view to develop safe behavior as well as safe workplace. The leadership has been a role model and has provided all the support to develop good HR practices, so that employees are nurtured well and are positively engaged.

While health and well-being of employees remains as an area of importance, it attracted a lot of focus during the last year due to the COVID-19 pandemic. All steps were taken to provide proper healthcare to employees including their families in the times of crisis. The work and the workplace has seen a major shift and remote working was promoted as a new normal to break the chain of the pandemic. Financial security of the direct and indirectly engaged employees was ensured during the time of crisis. Several policies to address various unique concerns of the employees during the pandemic were also deployed.

Employee Productivity continued to be the focus area during the year and various initiatives were deployed to improve the same. Specific focus was given to build talent/ capability in key areas i.e safety, environment, TQM and Data Analytics.

The Performance Management System witnessed an increased rigor by introduction of a 4-tier performance review process. Contribution of employees to ensure business continuity during the pandemic period was recognised.

A scientific process based approach was adopted to rationalize the multiple levels that was existing in the Company. The exercise empowered employees, provided parity at similar levels and roles across different functions while providing transparent career path to employees. As a result of the exercise, 6 distinct Job Band were implemented in the company.

The Company continued to focus on cultural assimilation of employees into the Tata way of life and many initiatives were rolled out during the year for promoting cultural bonding. Capability Development of employees was one of the thrust areas during the year and the mode of virtual learning was leveraged for such capability development programs.

The Company's continued focus on improving diversity has shown positive result with increase in women employees in the workforce.

For enhancing employee experience, Human Resource Information System (**'HRIS'**) has been further strengthened and various employee-friendly modules were rolled out during the year.

Industrial relations during the year were harmonious. Employees have contributed significantly towards the growth of the organization.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's estimates and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied.

CORPORATE GOVERNANCE REPORT

COMPANY'S CORPORATE GOVERNANCE PHILOSOPHY

As a part of the Tata Group, your Company places strong emphasis on Corporate Governance. Your Company's philosophy on Corporate Governance extends across its business operations to meet the needs of all stakeholders and the communities in which it operates to create long term sustainable value. Adoption and adherence to the Tata Code of Conduct further strengthens your Company's philosophy on Corporate Governance.

The Company strives to ensure compliance with the various corporate governance requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ('SEBI Listing Regulations'). We consider it our inherent responsibility to protect the rights of our stakeholders and disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

The Company is in compliance with the requirements stipulated under Regulations 17 to 27 read with Schedule V and clauses (b) to (i) of Regulation 46(2) of the SEBI Listing Regulations, as applicable, with regard to Corporate Governance.

Adherence to the various policies and codes adopted by the Company from time to time in conformity with the regulatory requirements helps your Company fulfill this responsibility. These policies are available on the Company's website at <https://tatasteelbsl.co.in/stock-exchange-filings/downloads/>

This report highlights the Company's practices for the Financial Year 2020-21.

CODE OF CONDUCT

The Company has adopted the Tata Code of Conduct ('TCoC') which is available on its website at <https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/TATA%20Code%20of%20Conduct.pdf>

The TCoC articulates the Tata Group's values, ethics and business principles and provides the guidelines by which all Tata Group companies conduct their business.

A declaration signed by the Managing Director of the Company confirming compliance by the Board Members and senior management personnel of the Company alongwith the TCoC is also annexed to this report.

TATA CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING & CODE OF CORPORATE DISCLOSURE PRACTICES

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the Board of Directors ('the Board') of the Company has adopted the revised Tata Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ('Insider Trading Code').

All our Promoters (including Promoter Group), Directors, concerned employees of the Company are identified as Designated Persons, and their Immediate Relatives and other Connected Persons such as auditors, consultants, bankers amongst others, who could have access to the unpublished price sensitive information of the Company, are governed under this Insider Trading Code.

Ms. Nisha Anil Seth, Company Secretary & Compliance Officer of the Company is the 'Compliance Officer' in terms of the Insider Trading Code.

BOARD OF DIRECTORS

The Board is at the core of our corporate governance practices and oversees and ensures that the Management serves and protects the long-term interest of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance.

SIZE AND COMPOSITION OF THE BOARD

Our policy is to have an appropriate mix of Executive Directors ('EDs'), Non-Executive Directors ('NEDs') and Independent Directors ('IDs') to maintain the Board's independence and separate its functions of governance and management.

As on March 31, 2021, the Board comprised eight (8) directors, one (1) of whom is an ED, three (3) NEDs and four (4) IDs including a Woman Independent Director. The composition of the Board of Directors of the Company is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of the Companies Act, 2013 ('Act'). The Board periodically evaluates the need for change in its composition and size. A detailed profile of our Directors is available on our website <https://tatasteelbsl.co.in/know-us/leaders/> None of our Directors serve as Director or IDs in more than 7 listed companies and none of the EDs serve as IDs on any listed company as on date. Further, none of our IDs serve as Non-Independent Director(s) of any Company on the Board of which any of our Non-Independent Director is an ID. Pursuant to Regulation 26 of the SEBI Listing Regulations, none of our Directors are members in more than 10 committees or act as chairperson of more than 5 committees (the committees being, Audit Committee and Stakeholders' Relationship Committee) across all public limited companies in which they are a Director. All Non-Independent, Non-Executive Directors are liable to retire by rotation. There are no inter-se relationships between our Board Members.

Independent Directors are NED(s) as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of the SEBI Listing Regulations, the IDs have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the IDs, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the IDs have in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014, confirmed that they have enrolled themselves in the Independent Directors' Databank maintained with the Indian Institute of Corporate Affairs.

The Company has issued formal letters of appointment to the IDs and their appointments are in compliance with Regulation 25(1) and (2) of the SEBI Listing Regulations. As required under Regulation 46 of the SEBI Listing Regulations, as amended, the terms and conditions of appointment of IDs including their role, responsibility and duties are available on our website at <https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Terms%20&%20Conditions%20of%20appointment%20of%20ID.pdf>

Table A: Composition of the Board and Directorship(s) held as on March 31, 2021:

Name of the Director	No. of directorship(s) held in other Indian Public Companies ⁽¹⁾		No. of Board Committee positions held in other Indian Public Companies ⁽²⁾		Directorship(s) in other listed entity (Category of Directorship)
	Chairperson	Member	Chairperson	Member	
Non-Executive, Non-Independent Directors					
Mr. T. V. Narendran (Chairman) DIN: 03083605	2	5	0	1	a) Tata Steel Limited (Chief Executive Officer & Managing Director) b) Tata Steel Long Products Limited (Formerly 'Tata Sponge Iron Limited') (Non-Executive, Non-Independent) c) TRF Limited (Non-Executive, Non-Independent)
Mr. Koushik Chatterjee DIN: 00004989	2	3	0	3	a) Tata Steel Limited (Executive Director & Chief Financial Officer) b) Tata Metaliks Limited (Non-Executive, Non-Independent) d) The Tinplate Company of India Limited (Non-Executive, Non-Independent) e) Tata Steel Long Products Limited (Formerly 'Tata Sponge Iron Limited') (Non-Executive, Non-Independent) e) TRF Limited (Non-Executive, Non-Independent)
Mr. Anand Sen DIN: 00237914	1	1	1	1	a) Tayo Rolls Limited Non-Executive Non-Independent b) Tata International Limited Non-Independent, Executive
Independent Directors					
Mr. Krishnav Dutt DIN: 02792753	0	5	3	5	a) Tata Metaliks Limited (Non-Executive, Independent) b) Balrampur Chini Mills Limited (Non-Executive, Independent) c) TRF Limited (Non-Executive, Independent)
Ms. Neera Saggi DIN: 00501029	0	6	0	5	a) Swaraj Engines Limited (Non-Executive, Independent) b) GE Power India Limited (Non-Executive, Independent) c) GE T&D India Limited (Non-Executive, Independent) d) Honeywell Automation India Limited (Non-Executive, Independent) e) LTIDPL INDVIT Services Limited (Non-Executive, Independent)
Mr. Shashi Kant Maudgal DIN: 00918431	0	2	0	2	a) The Tinplate Company of India Limited (Non-Executive, Independent) b) Tata Steel Long Products Limited (Formerly 'Tata Sponge Iron Limited') (Non-Executive, Independent)
Mr. Sri Kumar Menon DIN: 00470254	0	1	1	1	Tata Steel Long Products Limited (Formerly 'Tata Sponge Iron Limited') (Non-Executive, Independent)
Executive Director					
Mr. Rajeev Singhal DIN: 02719570	0	5	0	0	The Tinplate Company of India Limited (Non-Executive, Non-Independent)

Notes:

- Directorships in other Indian Public Companies (listed and unlisted) excludes Tata Steel BSL Limited and Section 8 Companies. Further, membership does not include position as chairperson of the Company.
- As required under Regulation 26(1)(b) of the SEBI Listing Regulations, the disclosure includes chairmanship/membership of the Audit Committee and Stakeholders' Relationship Committee in other Indian Public companies (listed and unlisted) excluding Tata Steel BSL Limited. Further, membership includes position as Chairperson of committees.

SELECTION OF NEW DIRECTORS AND BOARD MEMBERSHIP CRITERIA

The Nomination and Remuneration Committee ('NRC') works with the Board to determine the appropriate qualifications, positive attributes, characteristics, skills and experience required for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. The Policy for Appointment and Removal of Directors is available on our website at <https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Policy%20on%20appointment%20and%20removal%20of%20Directors.pdf>

DIRECTORS QUALIFICATIONS, SKILLS, EXPERTISE, COMPETENCIES AND ATTRIBUTES

The Board comprises qualified members with an appropriate blend of skills, competence, functional and industry expertise and diversity of perspectives appropriate to the size and nature of the Company to enable them to effectively contribute at the Board and Committee meetings.

The below matrix summarizes the key skills, expertise, competencies and attributes as identified by the NRC for recommending appointment of Directors on the Board.

Table B: Director qualifications, skills, expertise, competencies and attributes:

Name of the Director	Areas of Skills/Expertise/Competence						
	Leadership	Strategy	Operations	Technology	Finance	Governance	Government / Regulatory Affairs
Mr. T V Narendran	*	*	*	*	*	*	*
Mr. Krishnava Dutt	*	*			*	*	*
Mr. Shashi Kant Maudgal	*	*	*	*	*	*	
Ms. Neera Saggi	*	*				*	*
Mr. Srikumar Menon	*	*		*	*	*	*
Mr. Koushik Chatterjee	*	*	*		*	*	*
Mr. Anand Sen	*	*	*		*	*	*
Mr. Rajeev Singhal	*	*	*	*	*	*	*

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

Independent Directors inducted on the Board are given a formal orientation on the Company's business operations, products, organization structure, as well as the Board constitution and its procedures through various programmes / presentations. The IDs are also provided with an opportunity to visit the plant locations of the Company and interact with the members of Senior Management.

At various Board meetings held during the year, presentations were made to the Board on safety, health and environment, Company policies, changes in the regulatory environment applicable to the Company, the industry, market and customers, operations and other relevant matters.

Details of orientation given to the IDs in the areas of business, strategy, governance, operations, safety, health, environment are available on the website of the Company at <https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Safety%20Health%20and%20Environment%20Policy.pdf>

BOARD EVALUATION

The details of the Board Evaluation forms part of the Board's Report.

REMUNERATION POLICY FOR BOARD AND SENIOR MANAGEMENT

The Board has approved the Remuneration Policy for Directors, Key Managerial Personnel ('KMP') and all other employees of the Company. The same is available on our website at <https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Remuneration%20Policy%20of%20Directors%20KMPs%20&%20Employees.pdf>

Details of remuneration for Directors in FY2020-21 are provided in Table C below.

Table C: Cash compensation paid to Directors for the year ended March 31, 2021

(₹ lakh)

Name	Fixed Salary			Commission/ Bonus	Sitting Fees	Total Compensation
	Basic	Perquisite/ Allowance	Total Fixed Salary			
Non-Executive, Non-Independent Directors						
Mr. TV Narendran	—	—	—	—	—	—
Mr. Anand Sen	—	—	—	—	3.25	3.25
Mr. Koushik Chatterjee	—	—	—	—	—	—
Independent Directors						
Ms. Neera Saggi	—	—	—	27.00	3.50	30.50
Mr. Krishnava Dutt	—	—	—	25.00	3.00	28.00
Mr. Srikumar Menon	—	—	—	23.00	3.50	26.50
Mr. Shashi Kant Maudgal	—	—	—	25.00	3.25	28.25
Executive Directors						
Mr. Rajeev Singhal	53.96	85.42	139.39	126.50	-	265.89
Total	53.96	85.42	139.39	226.50	16.5	382.39

Notes:

- (1) In line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in full time employment with any other Tata Company. Accordingly, no commission is paid to Mr. T V Narendran, Mr. Anand Sen and Mr. Koushik Chatterjee.
- (2) Mr. Rajeev Singhal is not eligible for payment of any severance fees and his contract may be terminated by either party by giving to the other party six months' notice in writing of such termination or the Company paying, six months' remuneration in lieu thereof. The compensation paid to Mr. Rajeev Singhal does not include actuarial valuation of retirement.
- (3) Commission to Independent Directors relates to the financial year ended March 31, 2021, which was approved by the Board on April 21, 2021 and will be paid during the FY2021-22 subject to shareholders' approval.
- (4) During FY2020-21, there were no pecuniary relationships or transactions of any Non-Executive Directors vis-a-vis the Company.
- (5) None of the Directors hold any shares / stock options / convertible instruments of the Company as on March 31, 2021.

BOARD MEETINGS

Scheduling and selection of agenda items for Board Meetings

All agenda papers for the Board and Committee meetings are disseminated electronically on a real-time basis, by uploading them on a secured online application. The Board meets at least once a quarter to review the quarterly financial results and other items on the agenda. Additional meetings are held, as and when necessary. Committees of the Board meet before the Board Meeting, or whenever the need arises for transacting the business. The information as required under Regulation 17(7) read with Schedule II Part A of the SEBI Listing Regulations is made available to the Board. The recommendations of the Committees are placed before the Board for necessary approval and/or noting, as the case, may be.

During FY2020-21, five (5) Board Meetings were held on May 20, 2020, July 30, 2020, October 14, 2020, January 19, 2021, and March 22, 2021. The gap between any two consecutive Board Meetings during this period did not exceed one hundred and twenty days. The necessary quorum was present at all the meetings.

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

Name of Director	Category	No. of Meetings held during the tenure	No. of Meetings attended
Mr. T V Narendran (Chairperson)	NED	5	5
Mr. Koushik Chatterjee	NED	5	5
Mr. Anand Sen	NED	5	5
Mr. Krishnav Dutt	ID	5	5
Ms. Neera Saggi	ID	5	5
Mr. Shashi Kant Maudgal	ID	5	5
Mr. Sri Kumar Menon	ID	5	5
Mr. Rajeev Singhal	ED	5	5

Due to the exceptional circumstances caused by the COVID-19 pandemic and consequent relaxations granted by Ministry of Corporate Affairs ('MCA') and the Securities and Exchange Board of India ('SEBI'), all Board and Committee meetings in FY 2020-21 were held through Video Conferencing ('VC').

All the Directors were present at the Annual General Meeting ('AGM') of the Company held on Monday, September 21, 2020.

MEETING OF THE INDEPENDENT DIRECTORS

Pursuant to the provisions of Section 149(8) read with Schedule IV of the Act and Regulations 25(3) & 25(4) of the SEBI Listing Regulations, a meeting of the Independent Directors was convened on March 22, 2021 without the presence of Non-Independent Directors and Members of Management to discuss and review:

- the performance of the Chairman, Non-Independent Directors and the Board;
- the quality, quantity and timeliness of flow of information between the Company, Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

BOARD COMMITTEES

There are six (6) Committees of the Board as on March 31, 2021. The details of the Committees of the Board are given below.

Audit Committee

The primary objective of the Audit Committee ('Committee') is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

The Committee oversees the work carried out in the financial reporting process by the Management and the Company's Internal, Cost and Statutory Auditors. The Committee also assesses the adequacy and reliability of the internal control systems and risk management systems. The Committee further reviews processes and controls including compliance with laws, TCoC and Insider Trading Code, Whistle Blower Policies and related cases thereto, functioning of the Anti-Sexual Harassment Policy and guidelines and internal controls.

The Company Secretary acts as the Secretary to the Committee. The Internal Auditor reports functionally to the Committee. The Executive Director and Senior Management of the Company also attend the meetings as invitees whenever required, to address concerns raised by the Committee Members.

The Board at its Meeting held on July 11, 2018, approved and adopted the Charter of the Audit Committee.

As on March 31, 2021, the terms of reference and role of the Committee were as per Section 177(4) of the Act and Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations respectively.

During FY2020-21, the Committee met five (5) times on May 20, 2020, July 30, 2020, October 14, 2020, January 18, 2021, and March 22, 2021. The necessary quorum was present at all the meetings. All decisions at the Audit Committee meetings were taken unanimously. All the recommendations of the Committee were accepted by the Board.

Table E: The composition of the Committee and the attendance details of the Members for the year ended March 31, 2021 are given below:

Name of the Members	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. Krishnav Dutt (Chairperson)	ID	5	5
Ms. Neera Saggi	ID	5	5
Mr. Sri Kumar Menon	ID	5	5
Mr. Koushik Chatterjee	NED	5	4

Mr. Krishnav Dutt, Chairperson of the Audit Committee was present at the last AGM of the Company held on Monday, September 21, 2020.

Nomination and Remuneration Committee

The purpose of the Nomination and Remuneration Committee ('Committee') includes formulating criteria for determining qualifications, positive attributes, independence of Directors, succession planning and recommending to the Board of Directors, a policy relating to the remuneration of the Directors, Key Managerial Personnel and Employees ('Remuneration Policy') overseeing the Company's process for appointment of Senior Management and their remuneration, devising criteria for performance evaluation of the Board of Directors (including Independent Directors). The Remuneration Policy and the criteria for making payments to Non-Executive Directors is available on our website at <https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Remuneration%20Policy%20of%20directors%20KMPs%20&%20Employees.pdf>

The Committee also discharges the Board's responsibilities relating to compensation of the Company's Executive Directors and Senior Management.

The Board at its Meeting held on July 11, 2018 approved and adopted the Charter of the Nomination and Remuneration Committee. As on March 31, 2021, the terms of reference and role of the Committee were as per Section 178 of the Act and Regulation 19(4) read with part D of Schedule II of the SEBI Listing Regulations respectively.

During FY2020-21, the Committee met twice on May 20, 2020 and March 22, 2021. The necessary quorum was present at both the meetings.

Table F: The composition of the Committee and the attendance details of the Members for the year ended March 31, 2021 are given below:

Name of the Members	Category	No. of Meetings held during tenure	No. of Meetings attended
Ms. Neera Saggi (Chairperson)	ID	2	2
Mr. Shashi Kant Maudgal	ID	2	2
Mr. TV Narendran	NED	2	2
Mr. Anand Sen	NED	2	2

Ms. Neera Saggi, Chairperson of the Committee, was present at the last AGM of the Company held on Monday, September 21, 2020.

Corporate Social Responsibility and Sustainability Committee

The purpose of the Corporate Social Responsibility and Sustainability ('CSR&S') Committee ('Committee') is to assist the Board in formulating, monitoring and reviewing the CSR strategy and policy of the Company and the amount of expenditure to be incurred on CSR activities.

The Committee also assists the Management to formulate, implement and review policies, principles and practices to foster the sustainable growth of the Company that creates value consistent with the long-term preservation and enhancement of financial, manufactured, natural, social, human and intellectual capital.

The Board at its Meeting held on July 11, 2018 approved and adopted the Charter of the Committee.

The CSR&S Policy is available on our website at <https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/CSR%20and%20Sustainability%20Policy.pdf>

During FY2020-21, the Committee was reconstituted on July 30, 2020. Ms. Neera Saggi was appointed as member of the Committee in place of Mr. TV Narendran and Mr. Shashi Kant Maudgal was appointed as Chairperson of the Committee in place of Mr. TV Narendran.

During FY2020-21, one (1) Meeting of the Committee was held on March 08, 2021. The necessary quorum was present at the meeting.

Table G: The composition of the Committee and the attendance details of the Members for the year ended March 31, 2021 are given below:

Name of the Members	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. Shashi Kant Maudgal (Chairperson)	ID	1	1
Ms. Neera Saggi	ID	1	1
Mr. Anand Sen	NED	1	1
Mr. Rajeev Singhal	ED	1	1

Mr. Shashi Kant Maudgal, Chairperson of the Committee was present at the last AGM of the Company held on Monday, September 21, 2020.

Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee ('Committee') considers and resolves the grievances of our shareholders and other security holders, including complaints relating to non-receipt of annual report, transfer and transmission of securities, non-receipt of dividends/interests, issue of new/duplicate certificates, general meetings and such other grievances as may be raised by the security holders from time to time.

The Committee also reviews:

- Measures taken for effective exercise of voting rights by Shareholders;
- Service standards adopted by the Company in respect of services rendered by our Registrars & Transfer Agent;
- Measures rendered and initiatives taken for reducing quantum of unclaimed dividends and ensuring timely receipt of dividend/annual report/notices and other information by Shareholders.

The Board at its Meeting held on July 11, 2018 approved and adopted the Charter of the Committee which was revised and adopted on October 24, 2019. As on March 31, 2021, the terms of reference and role of the Committee were as per Section 178 of the Act and Regulation 20(4) read with part D of Schedule II of the SEBI Listing Regulations respectively.

During FY2020-21, one (1) Meeting of the Committee was held on March 08, 2021. The necessary quorum was present at the meeting.

Table H: The composition of the Committee and the attendance details of the Members for the year ended March 31, 2021 are given below:

Name of the Members	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. Koushik Chatterjee (Chairperson)	NED	1	1
Mr. Krishnavia Dutt	ID	1	1
Mr. Anand Sen	NED	1	1
Mr. Rajeev Singhal	ED	1	1

Mr. Koushik Chatterjee, Chairperson of the Committee was present at the last AGM of the Company held on Monday, September 21, 2020.

In terms of Regulation 6 and Schedule V of the SEBI Listing Regulations, the Board has appointed Ms. Nisha Anil Seth, Company Secretary & Compliance Officer as the Compliance Officer of the Company, the details of whom are given below:

Name of the Compliance Officer	Designation	Address
Ms. Nisha Anil Seth	Company Secretary & Compliance officer	Ground Floor, Mira Corporate Suites, Plot No 1 & 2, Ishwar Nagar, Mathura Road, New Delhi - 110065 Tel: 91 11 3919 4000 Fax: 91-11-4101 0050 email: tbsl@tatasteelbsl.co.in website: www.tatasteelbsl.co.in

During FY2020-21, the Company received three (3) shareholder complaints and the same were resolved to the satisfaction of the shareholder. As on March 31, 2021, the Company did not have any complaint pending for resolution on the online redressal portal of SEBI i.e., SCORES. The details of shareholder complaints received and redressed during FY2020-21 were as below:

Opening Balance as on April 1, 2020	Received during the year	Resolved during the year	Closing Balance as on March 31, 2021
0	3	3	0

Safety, Health and Environment Committee

The Safety, Health and Environment Committee ('SHE Committee') reviews the safety, health and sustainability policies, processes and systems, periodically and recommends measures for improvement from time to time.

The SHE Committee oversees the environmental performance and reviews Company's safety performance on a quarterly basis.

The Board at its Meeting held on August 9, 2018 approved and adopted the Charter of the Safety, Health and Environment Committee.

The Board at its Meeting held on July 11, 2018 approved and adopted the Safety Principles & Occupational Health Policy which is available on our website at <https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Safety%20Health%20and%20Environment%20Policy.pdf>

During FY2020-21, the Committee was reconstituted on July 30, 2020. Mr. Anand Sen was appointed as Member and Chairperson of the Committee in place of Mr. T.V Narendran and Mr. Srikumar Menon was appointed as Member of the Committee.

During FY2020-21, 3 (three) Meetings of the SHE Committee were held on June 17, 2020, October 14, 2020 and January 19, 2021. The necessary quorum was present at all the meetings.

Table I: The composition of the SHE Committee and the attendance details of the Members for the year ended March 31, 2021 are given below:

Name of the Members	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. T.V Narendran (Chairperson)*	NED	1	1
Mr. Anand Sen (Chairperson)*	NED	2	2
Mr. Srikumar Menon	ID	2	2
Mr. Shashi Kant Maudgal	ID	3	3
Mr. Rajeev Singhal	ED	3	3

*Ceased to be member and Chairperson effective July 30, 2020

*Appointed as member and Chairperson effective July 30, 2020

Risk Management Committee

Pursuant to the applicable provisions of the SEBI Listing Regulations, a Risk Management Committee ('RMC') of the Board was constituted on May 20, 2020. Mr. Srikumar Menon, Independent Director is the Chairperson of the RMC.

The Board at its meeting held on March 22, 2021 approved and adopted the Charter of the Risk Management Committee.

The terms of reference of the RMC are:

- overseeing key risks, including strategic, financial, operational, IT (including cyber security) and compliance risks.
- assisting the Board in framing, implementing and monitoring the risk management plan for the Company and reviewing and guiding the Risk Policy.
- developing risk management policy and risk management system / framework for the Company.

The Board has adopted a Charter for RMC on March 22, 2021.

During FY2020-21, 1 (one) meeting of the RMC was held on March 05, 2021. The necessary quorum was present at the meeting.

Table J: The composition of the RMC and the attendance details of the Members for the year ended March 31, 2021 are given below:

Name of the Members	Category	No. of Meetings held during tenure	No. of Meetings attended
Mr. Srikumar Menon (Chairperson)	ID	1	1
Mr. Shashi Kant Maudgal	ID	1	1
Mr. Anand Sen	NED	1	1
Mr. Rajeev Singhal	ED	1	1
Mr. Sanjib Nanda	CFO	1	1

GENERAL INFORMATION FOR SHAREHOLDERS

Corporate Identity Number (CIN) of the Company: The CIN of the Company is L74899DL1983PLC014942.

Disclosures regarding the re-appointment of Directors

In terms of the relevant provisions of the Act, Mr. Anand Sen (DIN: 00237914) is liable to retire by rotation at the ensuing AGM and being eligible, seek re-appointment.

The Board recommends the above re-appointment for the approval of the Members at the ensuing AGM.

The detailed profile of Mr. Sen and particulars of his experience, skills or attributes that qualify him for Board Membership is provided in the Notice convening the AGM.

Means of Communication

Timely sharing and disclosure of consistent, comparable, relevant and reliable information on the Company's performance is at the core of its Corporate Governance Policy. Steps taken by the Company in this regard are given below:

Financial Results

The Company publishes the quarterly, half-yearly and annual financial results of the Company in Business Standard (English and Hindi edition). The results are promptly disseminated to BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') (collectively referred to as 'Stock Exchanges') for display on their respective websites as well as uploaded on the website of the Company at <https://tatasteelbsl.co.in/investors/financial-reports/quarterly-results/> immediately after the Board Meetings. The statutory notices are published in 'Business Standard' (English and Hindi edition). The Company also issues press releases from time to time.

Annual Report

The Annual Report containing, *inter-alia*, Audited Financial Statements (Standalone as well as Consolidated), Board's Report, Management Discussion and Analysis along with other relevant annexures is circulated to the Members and others entitled thereto. The Annual Reports for previous years are also available on the website of the Company at <https://tatasteelbsl.co.in/investors/financial-reports/annual-reports/>

Disclosures to Stock Exchanges

All price sensitive information and matters that are material to shareholders are disclosed to the respective Stock Exchanges, where the securities of the Company are listed. All submissions to the Stock Exchanges are made through their respective electronic online filing systems. The same are also available

on the Company's website at <https://tatasteelbsl.co.in/investors/corporate-announcements/>

Website

The Company's website provides details on its leadership, management, policies, corporate governance, corporate social responsibility, investor relations, products & processes and updates & news. The section on 'Investor Relations' serves to inform the Shareholders, by giving complete financial details, stock exchange compliances and disclosures including shareholding patterns and updated credit ratings amongst others, information on unclaimed dividend of Shareholders, details of Registrars & Transfer Agent.

Share Transfer System

Pursuant to SEBI Circular Nos. D&CC/FITTC/CIR-15/2002 dated December 12, 2002 and D&CC/FITTC/CIR-18/2003 dated February 12, 2003, RCMC Share Registry Pvt. Ltd., which is already the Depository Interface of the Company for both National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'), has been appointed as Registrar and Transfer Agents ('RTA') effective March 31, 2003 for all the work related to share registry in terms of both physical and electronic holdings.

During FY2019-20, the Securities and Exchange Board of India ('SEBI') and Ministry of Corporate Affairs ('MCA') has mandated that existing members of the Company who hold securities in physical form and intend to transfer their securities after April 1, 2019, can do so only in dematerialised form. In view of the same, the Members holding shares in physical form were requested to dematerialize such shares and to update their bank accounts and email address with their respective Depository Participant ('DP').

Share transactions in electronic form can be affected in a simpler and faster manner. After a confirmation of a sale/purchase transaction from the broker, shareholders should approach the DP with a request to debit or credit their account for the transaction. The DP will immediately arrange to complete the transaction by updating the account. There is no need for a separate communication to the Company to register such share transfers.

Shareholders should communicate with RCMC Share Registry Pvt. Ltd., the Company's RTA quoting their Folio Number or DP ID and Client ID number, for any queries to their securities.

Details of non-compliance

During FY2018-19, NSE and BSE had imposed a fine of ₹9,53,474/- and ₹9,53,475.40 respectively for non-compliance with the requirement of Regulation 33 of the SEBI Listing Regulations. Apart from the said non-compliance, there have been no other instances of non-compliance by the Company nor have any penalties or strictures been imposed on the Company by the Stock Exchange(s) or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years. During the year under review, none of the Company's listed securities were suspended from trading.

Certificates from Practicing Company Secretaries

As required by Regulation 34(3) and Schedule V Part E of the SEBI Listing Regulations, the certificate given by Messrs. PI & Associates, (Firm Registration No. P2014UP035400), Practicing Company Secretaries, regarding compliance of conditions of corporate governance is annexed to this report.

As required under Clause 10(i) of Part C under Schedule V of the SEBI Listing Regulations, the Company has received a certificate from Messrs. PI & Associates, (Firm Registration No. P2014UP035400), Practicing Company Secretaries, certifying that none of our Directors have been debarred or disqualified from

being appointed or continuing as Directors of the Company by SEBI or MCA or such other statutory authority.

CEO and CFO certification

As required under Regulation 17(8) read with Schedule II Part B of the SEBI Listing Regulations, the Managing Director and Chief Financial Officer have given appropriate certifications to the Board of Directors.

Reconciliation of Share Capital Audit Report

Pursuant to the provisions of Regulation 40(9) and 61(4) of the SEBI Listing Regulations, a Company Secretary in Practice has issued half-yearly certificates with respect to due compliance of share and security transfer formalities by the Company.

Pursuant to Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, a Company Secretary in Practice carries out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL (collectively 'Depositories') and the total issued and listed capital of the Company. The audit confirms that the total listed and paid-up capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with Depositories) and total number of shares in physical form. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges where the Company's shares are listed. The quarterly Audit Report as submitted to the Stock Exchanges is available on the Company's website at <https://tatasteelbsl.co.in/stockexchange-filings/reconciliation-of-share-capital-audit-report/>

Related Party Transactions

All transactions entered into with related parties as defined under the Act and Regulation 23 of the SEBI Listing Regulations, each as amended, during the year under review were on an arm's length price basis and in the ordinary course of business. These have been approved by the Audit Committee. The Company has not entered into any materially significant related party transaction that may have potential conflict with the interests of the Company at large. The Board of Directors have approved and adopted a Policy on Related Party Transactions and the same is updated from time to time basis amendments in the regulatory provisions. The Policy is available on the Company's website at <https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Related%20Party%20Transactions%20Policy.pdf>

During the FY2020-21, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors apart from paying Director's remuneration and commission. Further, the Directors have not entered into any contracts with the Company or its subsidiaries, which will be in material conflict with the interests of the Company.

The Board has received disclosures from KMPs relating to material, financial and commercial transactions where they and/or their relatives have personal interest.

Material Subsidiary Companies

There is no material unlisted subsidiary company requiring appointment of an Independent Director of the Company on the Board of Directors of such unlisted subsidiary company.

Policy for Determining Material Subsidiaries

The Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website at <https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Material%20Subsidiaries%20Policy.pdf>

Vigil Mechanism

The Company has in place a vigil mechanism that provides a formal mechanism for the Directors, employees and vendors to approach the Chairman of the Audit Committee or the Ethics Counselor and make protective disclosures about the unethical behaviour, actual or suspected fraud or violation of the Tata Code of Conduct ('TCoC'), or ethics policy, thereby ensuring that the activities of the Company are conducted in a fair and transparent manner.

The Vigil Mechanism comprises the Whistle Blower Policy for Directors & Employees, Whistle Blower Policy for Vendors, the Whistle Blower Reward and Recognition Policy for Employees.

Apart from the above, the Company has also adopted the the Conflict of Interest Policy for employees, the Gift and Hospitality Policy, the Anti-Bribery and Anti – Corruption ('ABAC') Policy and the Anti-Money Laundering ('AML') Policy.

The Whistle Blower Policy for Directors & Employees is an extension of TCoC that requires every Director or Employee to promptly report to the Management any actual or possible violation of the TCoC or any event where he or she becomes aware of, which could affect the business or reputation of the Company.

The Whistle Blower Policy for Vendors provides protection to vendors from any victimization or unfair trade practices by the Company.

The Whistle Blower Reward and Recognition Policy for Employees has been implemented in order to encourage employees to genuinely blow the whistle on any misconduct or unethical activity taking place in the Company.

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

The key elements of the ABAC and AML policies are risk assessment, third party due diligence, training & awareness, and audit & reporting.

The Gift and Hospitality Policy requires its employees to take the right decisions when they are offered gifts or hospitality while conducting business or official transactions on behalf of the Company. The policy is in consonance with ABAC and AML policies.

For FY2020-21, the Company had in place, a Whistle Blower Policy ('Policy') establishing a Vigil Mechanism, which provides a formal mechanism to the Directors and employees to report to the Management, concerns about unethical behaviour, actual or suspected fraud or violation of the codes of conduct or policy of the Company.

The details of the Vigil Mechanism are given in the Board's Report.

The Whistle Blower Policy for Directors and Employees as adopted by the Board of Directors of the Company on July 11, 2018, is available on the Company's website at <https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Vigil%20Mechanism%20%20Policy.pdf>

During the year under review, no person has been denied access to the Chairman of the Audit Committee.

Disclosures in relation to Sexual Harassment at Workplace

The disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are given as under:

- Number of complaints filed during the financial year – **3**
- Number of complaints disposed of during the financial year – **3**
- Number of complaints pending as on end of the financial year - **Nil**.

Consolidated Fees paid to Statutory Auditors

During FY2020-21, the total fees for all services paid by the Company to M/s Walker Chandio LLP, (Firm Registration Number: 001076N/N500013), Statutory Auditors of the Company is as under:

Table K: Consolidated fees paid to statutory auditors:

(₹ lakh)	
Particulars	Amount
Services as statutory auditors	300
Taxation matters and audit	40
Other services	7.86
Out-of-pocket expenses	29.39
Total	377.25

GENERAL BODY MEETINGS

Table L: Location and time for the last three Annual General Meetings:

Particulars	FY2019-20	FY2018-19	FY2017-18
Day, Date, Time & Venue	Monday, September 21, 2020 at 3:00 p.m. (IST) The Meeting was held through two-way video-conferencing	Friday, September 6, 2019 at 4:00 p.m. (IST) at Lakshmipat Singhanian Auditorium, PHD Chamber of Commerce and Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi – 110 016.	Tuesday, September 25, 2018 at 12 noon (IST) at Kamani Auditorium, 1 Copernicus Marg, New Delhi – 110 001.
Special Resolutions passed	-	-	Change of name of the Company and consequent amendments in the Memorandum and Articles of Association of the Company.

Special Resolution passed at the Meeting of the equity shareholders of the Company, convened under the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench:

As per the directions of the Hon'ble National Company Law Tribunal, Mumbai Bench ('Hon'ble Tribunal') vide its order dated February 20, 2020 in the Company Scheme Application No. CA(CAA) 129/MB – II /2019 and the orders dated January 11, 2021, January 19, 2021 and February 5, 2021 in the Company Application No. 1081/2020, a meeting of the equity shareholders of the Company was convened. The details of the meeting are given below:

Type of Meeting	Day Date Time	Venue	Resolution
Meeting of the equity shareholders of the Company convened pursuant to the directions of the Hon'ble Tribunal	Friday, March 26, 2021 at 3:00 p.m. (IST)	The Meeting was held through two-way video-conferencing.	Approval of the Composite Scheme of Amalgamation of Bannipal Steel Limited and Tata Steel BSL Limited (formerly known as Bhushan Steel Limited) into and with Tata Steel Limited ('Scheme')

Postal Ballot and Remote e-voting – Scheme of Amalgamation

With reference to the abovementioned matter and pursuant to Sections 230(4) read with Sections 108 and 110 of the Act and Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, Rule 6(3)(xi) of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Regulation 44 and other applicable provisions of the SEBI Listing Regulations, and Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, issued by the SEBI, each as amended from time to time, (to the extent applicable) the Company had provided the facility of postal ballot and remote e-voting (prior to as well as during the Meeting) for obtaining the approval of the Members of the Company on the Scheme.

The Hon'ble Tribunal had appointed Mr. P. N. Parikh, (Membership No. FCS 327 and CP No. 1228), or failing him, Ms. Jigyasa Ved (Membership No. FCS 6488 and CP No. 6018), or failing her, Mr. Mitesh Dhaliwala (Membership No. FCS 8331 and CP No. 9511) of M/s. Parikh & Associates, Practicing Company Secretaries as Scrutinizer for the Meeting, including any adjournments thereof as well as Scrutinizer for the process of postal ballot and remote e-voting (prior to as well as during the Meeting).

The Company had sent the Notice dated February 17, 2021 together with the Explanatory Statement, to the Members only through electronic mode i.e. to those Members whose e-mail addresses were registered with the Company / RTA / Depositories. Voting rights were reckoned on the paid-up value of the equity share capital of the Company as on the close of business hours on the Cut-Off Date i.e. Friday, February 12, 2021 as per the Register of Members / Register of Beneficial Owners as furnished by the Registrar and Transfer Agents / Depositories.

The voting period for remote e-voting as well as postal ballot commenced on Wednesday, February 24, 2021 at 9.00 a.m. (IST) and ended on Thursday, March 25, 2021 at 5.00 p.m. (IST) and the e-voting platform was disabled thereafter.

The consolidated report on the result of the remote e-voting / postal ballot and remote e-voting at the Meeting in respect of the resolution for approving the Scheme was provided by the Scrutinizer on March 26, 2021.

The details of Voting on the above resolution passed by votes cast by way of postal ballot and remote e-voting (prior to as well as during the Meeting) are as under:

Resolution Type	Number and Percentage of Votes			
	Assent	%	Dissent	%
Resolution passed by majority of persons representing three-fourths in value as per the Act	85,22,26,979	99.33	57,68,106	0.67
Resolution passed by Public Shareholders as per SEBI Circular dated March 10, 2017	5,77,97,993	90.93	57,68,106	9.07

The special resolution was passed with requisite majority.

The Company did not convene any Extra-Ordinary General Meeting in the last 3 years. None of the businesses proposed to be transacted at the ensuing AGM require passing a Special Resolution through Postal Ballot.

Postal Ballot and Remote e-voting – Approval for Related Party Transactions

No other special Resolution(s) requiring a Postal Ballot was passed last year except as mentioned below:

(i) Material Related Party Transactions with Tata Steel Global Procurement Company Pte. Ltd.

During the year, pursuant to Section 110 read with Section 108 and other applicable provisions, if any, of the Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force) ('Rules'), Regulation 44 of the SEBI Listing Regulations Secretarial Standards on General Meetings issued by The Institute of Company Secretaries of India ('SS-2'), each as amended and in accordance with the guidelines prescribed by the Ministry of Corporate Affairs ('MCA') for holding general meetings / conducting postal ballot process through e-voting, in view of the COVID-19 pandemic ('MCA Circulars'), the Company had sought approval of its Members for the following material related party transactions by way of postal ballot through remote e-voting:

Particulars	Type of Resolution
Approval of material related party transaction with T S Global Procurement Company Pte. Ltd, Singapore for a value of ₹6,500 crore each for FY 21 and FY 22	Ordinary Resolution

The Board of Directors appointed Mr. P. N. Parikh (Membership No. FCS 327, CP No. 1228) or failing him Mr. Mitesh Dhaliwala (Membership No. FCS 8331, CP No. 9511) or failing him Ms. Jigyasa N. Ved (Membership No. FCS 6488, CP No. 6018) of M/s. Parikh & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

The Company had sent the Notice of Postal Ballot dated July 15, 2020 together with the Explanatory Statement, to the Members only through electronic mode i.e. to those Members whose e-mail addresses were registered with the Company / RTA / Depositories. Voting rights were reckoned on the paid-up value of the equity share capital of the Company as on the close of business hours on the Cut-Off Date i.e. Friday, July 10, 2020 as per the Register of Members / Register of Beneficial Owners as furnished by the Registrar and Transfer Agents / Depositories.

The voting period for remote e-voting as well as postal ballot commenced on Wednesday, July 22, 2020 at 9.00 a.m. (IST) and ended on Thursday, August 20, 2020 at 5.00 p.m. (IST) and the e-voting platform was disabled thereafter.

The report on the result of the remote e-voting for postal ballot for the above mentioned related party transaction was provided by the Scrutinizer on August 20, 2020.

The details of Voting on the above resolution passed by votes cast by way of postal ballot through remote e-voting are as under:

Resolution	Type	Number and Percentage of Votes			
		Assent	%	Dissent	%
Approval of material related party transaction with T S Global Procurement Company Pte. Ltd, Singapore for a value of ₹ 6,500 crores each for FY2020-21 and FY2021-22	Ordinary	1,81,30,219	99.84	29,858	0.16

The resolution was passed with requisite majority on the last day specified for remote e-voting i.e. August 20, 2020.

(ii) Material Related Party Transactions with Tata Steel Limited

During the year, pursuant to Section 110 read with Section 108 and other applicable provisions, if any, of the Companies Act, 2013, ('Act') read with Rule 22 of the Companies (Management and Administration) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force) ('Rules'), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), Secretarial Standards on General Meetings issued by The Institute of Company Secretaries of India ('SS-2'), each as amended and in accordance with the guidelines prescribed by the Ministry of Corporate Affairs ('MCA') for holding general meetings / conducting postal ballot process through e-voting, in view of the COVID-19 pandemic ('MCA Circulars'), the Company had sought approval of its Members for the following material related party transactions by way of postal ballot through remote e-voting:

Particulars	Type of Resolution
Approval of material related party transaction with Tata Steel Limited for purchase of iron ore for a value of ₹2,400 crore for FY 2020-21.	Ordinary Resolution

The Board of Directors appointed Mr. P. N. Parikh (Membership No. FCS 327, CP No. 1228) or failing him Mr. Mitesh Dhabliwala (Membership No. FCS 8331, CP No. 9511) or failing him Ms. Jigyasa N. Ved (Membership No. FCS 6488, CP No. 6018) of M/s. Parikh & Associates, Practicing Company Secretaries, as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

The Company had sent the Notice of Postal Ballot dated January 19, 2021 together with the Explanatory Statement, to the Members only through electronic mode i.e. to those Members whose e-mail addresses were registered with the Company / RTA / Depositories. Voting rights were reckoned on the paid-up value of the equity share capital of the Company as on the close of business hours on the Cut-Off Date i.e. Friday, January 15, 2021 as per the Register of Members / Register of Beneficial Owners as furnished by the Registrar and Transfer Agents / Depositories.

The voting period for remote e-voting as well as postal ballot commenced on Monday, January 25, 2021 at 9.00 a.m. (IST) and ended on Tuesday, February 23, 2021 at 5.00 p.m. (IST) and the e-voting platform was disabled thereafter.

The report on the result of the remote e-voting for postal ballot for the above mentioned related party transaction was provided by the Scrutinizer on February 23, 2021.

The details of Voting on the above resolution passed by votes cast by way of postal ballot through remote e-voting are as under:

Resolution	Type	Number and Percentage of Votes			
		Assent	%	Dissent	%
Approval of material related party transaction with Tata Steel Limited for purchase of iron ore for a value of ₹ 2,400 crore for FY 2020-21	Ordinary	5,26,61,736	99.79	1,12,794	0.21

The resolution was passed with requisite majority on the last day specified for remote e-voting i.e. February 23, 2021.

Table M: Annual General Meeting 2021

Day & Date	Friday, August 06, 2021
Time	3:00 p.m. (IST)
Venue	In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, and January 13, 2021 (collectively referred to as 'MCA Circulars') and SEBI Circular dated May 12, 2020 and January 15, 2021 (collectively referred to as 'SEBI Circulars') permitted the holding of the Annual General Meeting through video-conferencing / other audio-visual means ('VC / OAVM'), without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue of the AGM shall be Ground Floor, Mira Corporate Suites, Plot No 1 & 2, Ishwar Nagar, Mathura Road, New Delhi – 110 065.
Financial Year	April 1 to March 31
Dates of Book Closure	Saturday, July 31, 2021 to Friday, August 06, 2021 (Both days inclusive)
Dividend payment date	No dividend has been declared for the Financial Year 2020-21

Annual Listing Fees

The Annual Listing Fees for the financial year 2020-21 has been paid within the due dates to both the Stock Exchanges i.e. BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

Dematerialisation of shares and liquidity

As per the notification issued by SEBI, the Company's Equity Shares are compulsorily tradable in electronic form. The International Securities Identification Number ('ISIN') allotted to the Equity Shares of the Company under the Depository System is **INE824B01021**.

1,09,28,91,735 equity shares, representing 99.94% of the Company's paid-up equity share capital, have been dematerialized as on March 31, 2021. Further, during FY2019-20, the Securities and Exchange Board of India ('SEBI') and Ministry of Corporate Affairs ('MCA') has mandated that existing members of the Company who hold securities in physical form and intend to transfer their securities after April 1, 2019, can do so only in dematerialised form. Hence, trading in equity shares of the Company is permitted only in dematerialized form as per notification issued by SEBI. Therefore, to enable us to serve our shareholders better, we have requested Members whose shares are in physical mode to dematerialize such shares and to update their bank accounts and e-mail ids with their respective DPs.

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

As on March 31, 2021, the Company does not have any outstanding GDRs/ADRs/ Warrants. During FY19, the Company has issued 900,00,00,000 8.89% Optionally Convertible Redeemable Preference Shares.

Details of utilization of money raised through preferential allotment of Preference Shares

During FY19, the Company issued and allotted 1070,00,00,000 11.09% Non-Convertible Redeemable Preference shares ('NCRPS') and 900,00,00,000 8.89% Optionally Convertible Redeemable Preference Shares ('OCRPS'). The proceeds of the issue were utilized for repayment of Inter-Corporate Deposit of Bamnibal Steel Limited. As on March 31, 2021 there is no amount lying unutilised with the Company. The Company affirms that there has been no deviation or variation in utilisation of proceeds of the NCRPS and OCRPS of the Company.

Commodity Price Risk, Foreign Exchange Risk and Hedging Activities

The Company inherently faces risks arising out of raw material price volatility which impacts its profitability and cash flows. However, steel prices over the long term tend to track underlying raw material prices thus providing a natural hedge to the business. Further, the Company secures its iron ore requirement from Tata Steel Limited's captive iron ore mines and manage raw material price volatility.

In addition to address the short-term volatility, the Company tries to buy part of its raw materials on annual fixed price basis.

Further, to manage the raw material sourcing, the Company has a dedicated procurement team with understanding of international commodity markets including raw material required for steel industry operations. This experienced team works closely with key raw material producers across the globe and is tasked with developing a reliable and lowest cost supply chain. The team carries out a risk assessment of the supply chain and works consciously towards mitigating the risk of any disruption in supply chain. It ensures there is adequate diversification in terms of vendors, geographies etc. and also carries out risk assessment of vendors with regards reliability of supply, financial strength etc. The team also has a Value in Use ('VIU') optimization framework in place and closely monitors and analyses price movements in grades of raw materials to arrive at the most effective source and cost of supply.

Exposure of the Company to commodity and commodity risk faced by the Company throughout the year is as below:

1. Total exposure to commodities: ₹4,370 crore (approx.).
2. Exposure to various commodities (based on materiality).

Commodity Name	Exposure in INR towards the particular commodity (₹ crore)	Exposure in Quantity terms towards the particular commodity (Tonnes)	% of such exposure hedged through commodity derivatives				Total
			Domestic Market		International Market		
			OTC	Exchange	OTC	Exchange	
Coal	3,789.03	36,27,140	Nil	Nil	Nil	Nil	Nil
Limestone & Dolomite (Fluxes)	363.75	18,78,913	Nil	Nil	Nil	Nil	Nil
Refractories Materials	217.12	-	Nil	Nil	Nil	Nil	Nil

Disclosures with respect to Demat Suspense Account / Unclaimed Suspense Account

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in the suspense account are as follows:

Particulars	No. of Shareholders	No. of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2020	2	21
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year	0	0
Number of shareholders to whom shares were transferred from suspense account during the year	0	0
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	1	2,75,679
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2021	2	21

The voting right on the shares outstanding in the Suspense Account as on March 31, 2021 shall remain frozen until the rightful owner(s) of such shares claims the shares.

Designated e-mail id for investor services

To serve the investors better and as required under Regulation 46(2)(j) of the SEBI Listing Regulations, the Company has a dedicated e-mail address for investor complaints: tsbsl@tatasteelbsl.co.in which is continuously monitored by the Company's Compliance Officer.

Compliance with discretionary requirements

All mandatory requirements of the SEBI Listing Regulations have been complied with by the Company. The status of compliance with the discretionary requirements, as stated under Part E of Schedule II to the SEBI Listing Regulations, is as under:

The Board: The Non-Executive Chairman has a separate office which is not maintained by the Company.

Modified opinion(s) in Audit Report: The Auditors have expressed an unmodified opinion in their report on the financial statements of the Company.

Reporting of Internal Auditor: The Internal Auditor reports to the Audit Committee and submits quarterly presentations to the Committee on their reports.

Transfer of Unclaimed Dividend and Shares to Investor Education and Protection Fund

Pursuant to the provisions of Section 124 and 125 of the Act, read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, the dividends, unclaimed for a period of seven years

from the date of transfer to the Unpaid Dividend Account of the Company is mandatorily required to be transferred to the Investor Education and Protection Fund ('IEPF') established by the Central Government. Further, the shares pertaining to which dividend remains unclaimed / unpaid for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company are also liable to be transferred to the IEPF. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

The Company has sent individual communication to the concerned shareholders at their registered address, whose dividend remains unclaimed and whose shares are liable to be transferred to the IEPF. Notices in this regard are also published in the national English and Hindi newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website. The investors were advised to claim the un-encashed dividends lying in the Unpaid Dividend

Accounts of the Company on or before October 20, 2020 to avoid transfer of the same to the IEPF.

During the year under review, the Company has credited unclaimed dividend amounting to ₹175,966.25 (Rupees One Lakh Seventy-Five Thousand Nine Hundred Sixty-Six and Twenty five paise Only) and transferred 53,658 Equity Shares to the IEPF in respect of the unpaid / unclaimed dividend amount relating to the dividend declared in FY2012-13.

Upon transfer, the Shareholders will be able to claim the said equity shares only from the IEPF Authority by making an online application the details of which are available at www.iepf.gov.in and sending a physical copy of the same duly signed to the Nodal Officer, at the Registered Office of the Company along with the requisite documents enumerated in the 'Web Form IEPF- 5'.

No claims shall lie against the Company in respect of the dividend/shares so transferred. The Members/Claimants can file only one consolidated claim in a financial year as per the IEPF Rules.

Table N: Distribution of shareholding of Company's Shareholders as on March 31, 2021

The distribution of equity shareholding as on March 31, 2021 is as below:

Share Holding	Total No. of Shareholders as on March 31		% to total holders as on March 31		Total No. of Shares as on March 31		% to total capital as on March 31	
	2021	2020	2021	2020	2021	2020	2021	2020
Upto 5,000	1,55,298	1,02,234	97.64	96.75	6,19,76,801	5,03,73,531	5.66	4.59
5,001 to 10,000	1,938	1,810	1.22	1.71	1,47,60,954	1,33,95,066	1.35	1.23
10,001 to 20,000	948	886	0.60	0.84	1,39,11,707	1,27,69,847	1.27	1.17
20,001 to 30,000	304	239	0.19	0.23	76,17,096	60,02,064	0.70	0.55
30,001 to 40,000	104	117	0.07	0.11	36,99,510	41,29,455	0.34	0.38
40,001 to 50,000	101	75	0.06	0.07	47,03,673	34,68,272	0.43	0.32
50,001 to 1,00,000	173	139	0.11	0.13	1,22,06,426	96,98,396	1.12	0.89
1,00,001 and Above	176	170	0.11	0.16	97,45,63,601	99,36,03,137	89.13	90.87
Total	1,59,042	1,05,670	100.00	100.00	109,34,39,768	109,34,39,768	100.00	100.00

Table O: Details of date of declaration & due date for transfer to IEPF

The details relating to various outstanding dividends and the dates by which they can be claimed by the shareholders from the Company's RTA is given in the table below.

Financial Year	Dividend Per Share (In ₹)	Date of Declaration	Last date for claiming unpaid dividend
2013-14	0.5	September 20, 2014	October 21, 2021

Shareholders are requested to get in touch with the Company's RTA, RCMC Share Registry Pvt. Ltd. for encashing the unclaimed dividend / interest / principal amount, if any, standing to the credit of their account.

Nomination Facility

As per the provisions of the Act, facility for making nomination is available to the Members in respect of shares held by them. Nomination forms (SH-13/SH-14) can be obtained from the Company's RTA by Members holding shares in physical form.

Members holding shares in electronic form may obtain Nomination forms from their respective DPs.

Members holding shares in single name are especially advised to make nomination in respect of their shareholding in the Company and for cancellation and variation of nomination, if they are desirous of doing so.

Shares held in Electronic Form

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, email ids, nomination and power of attorney should be given directly to the DP.

Shares held in Physical Form

Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, emails ids, nomination and power of attorney should be given to the Company's RTA i.e., RCMC Share Registry Pvt. Limited.

Updation of bank details for remittance of dividend/cash benefits in electronic form

The SEBI vide its Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013 ('Circular') to all listed companies requires them to update bank details of their shareholders holding shares in demat mode and/or physical form, to enable usage of the electronic mode of remittance i.e., National Automated Clearing House ('NACH') and National Electronic Fund Transfer ('NEFT'), for distributing dividends and other cash benefits to the shareholders.

The Circular further states that in cases where either the bank details such as Magnetic Ink Character Recognition ('MICR') and Indian Financial System Code ('IFSC'), amongst others, that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the Bank, the Companies or its RTA may use physical payment instruments for making cash payments to the investors. Companies shall

mandatorily print the bank account details of the investors on such payment instruments.

Regulation 12 of the SEBI Listing Regulations allows the Company to pay dividend by cheque or 'payable at par' warrants, where payment by electronic mode is not possible.

Shareholders may kindly note that payment of dividend and other cash benefits through electronic mode has many advantages like prompt credit, elimination of fraudulent encashment/delay in transit and more. They are requested to opt for any of the above mentioned electronic modes of payment of dividend and other cash benefits and update their bank details:

- In case of holdings in dematerialised form - By contacting their DP and giving suitable instructions to update the bank details in their demat account.
- In case of holdings in physical form - By informing the Company's RTA i.e., RCMC Share Registry Pvt. Ltd, through a signed request letter with details such as their Folio No(s), Name and Branch of the Bank in which they wish to receive the dividend, the Bank Account type, Bank Account Number allotted by their banks after implementation of Core Banking Solutions ('CBS') the 9 digit MICR Code Number and the 11 digit IFSC Code. This letter should be supported by a cancelled cheque bearing the name of the first shareholder.

Table P: ISIN and Stock Code details

Stock Exchanges	ISIN	Stock Code
BSE Limited ('BSE') Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001, Maharashtra, India		500055
National Stock Exchange of India Limited ('NSE') Exchange Plaza, 5 th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Mumbai – 400 051, Maharashtra, India	INE824B01021	TATASTLSL

Market Information

Table Q: Market Price Data- High, Low (based on daily closing price) and volume (no. of shares traded) during each month in FY2020-21 of the Company's shares, on BSE and NSE:

Month	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume (No. of equity shares traded)	High (₹)	Low (₹)	Volume (No. of equity shares traded)
April, 2020	19.25	15.40	15,12,928	19.20	15.35	2,70,09,198
May, 2020	18.20	16.10	13,24,998	18.20	16.10	3,27,69,613
June, 2020	21.85	18.15	40,03,472	21.95	18.00	6,52,94,170
July, 2020	22.75	20.10	34,25,958	22.70	20.10	5,13,02,136
August, 2020	26.80	20.00	30,77,650	26.30	19.10	5,54,41,202

Month	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume (No. of equity shares traded)	High (₹)	Low (₹)	Volume (No. of equity shares traded)
September, 2020	25.90	19.95	23,48,933	26.00	19.85	4,11,98,076
October, 2020	26.65	21.05	44,84,959	26.30	21.05	7,21,32,411
November, 2020	35.75	24.35	56,63,865	35.70	24.35	7,94,31,869
December, 2020	40.65	35.50	76,35,132	40.70	35.50	9,80,67,375
January, 2021	45.75	37.40	1,07,16,535	45.60	37.40	17,52,17,072
February, 2021	48.30	37.45	1,41,61,356	48.30	37.35	17,90,85,294
March, 2021	53.30	43.65	1,58,09,552	53.30	43.60	17,65,01,166

The Company's shares are regularly traded on BSE and NSE as is seen from the volume of shares indicated in the above table containing market information.

Month	Closing Price of Equity Shares at BSE	BSE SENSEX	Closing Price of Equity Shares at NSE	Nifty
April, 2020	18.20	33,717.62	18.20	9,859.90
May, 2020	17.75	32,424.10	17.80	9,580.30
June, 2020	20.50	34,915.80	20.50	10,302.10
July, 2020	21.85	37,606.89	21.85	11,073.45
August, 2020	24.35	38,628.29	24.30	11,387.50
September, 2020	20.95	38,067.93	20.95	11,247.55
October, 2020	24.85	39,614.07	24.90	11,642.40
November, 2020	35.30	44,149.72	35.30	12,968.95
December, 2020	39.80	47,751.33	39.85	13,981.75
January, 2021	37.70	46,285.77	37.65	13,635.60
February, 2021	45.80	49,099.99	45.80	14,529.15
March, 2021	52.15	49,509.15	52.15	14,690.70

Secretarial Audit

The Board of Directors appointed Messrs. PI & Associates, (Firm Registration No. P2014UP035400) Practising Company Secretaries, to conduct secretarial audit of its records and documents for FY2020-21. The secretarial audit report confirms that the Company has complied with all applicable provisions of the Companies Act 2013, Secretarial Standards, Depositories Act 2018, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015, each as amended and all other regulations and guidelines of SEBI as applicable to the Company except as mentioned therein. The Secretarial Audit Report forms part of the Board's Report.

Green Initiative

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' undertaken by the Ministry of Corporate Affairs, Government of India, enabling electronic delivery of documents including the Annual Report, amongst others, to shareholders at their e-mail address previously registered with the DPs and RTAs.

Shareholders who have not registered their e-mail addresses so far, are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned DPs.

TATA STEEL BSL

Shareholders who hold shares in physical form are requested to register their e-mail addresses with the RTA, by sending a letter, duly signed by the first/sole holder quoting details of their Folio No.

Plant locations

Tata Steel BSL Sahibabad	Tata Steel BSL Khopoli	Tata Steel BSL Meramandali	Tata Steel BSL Hosur
Tata Steel BSL Limited 23, Site-IV, Sahibabad Industrial Area, Distt: Ghaziabad-201010 Uttar Pradesh	Tata Steel BSL Limited Village – Nifan, Savroli, Taluka- Khalapur, Near Khopoli, Distt.: Raigad-410203 Maharashtra	Tata Steel BSL Limited P.O. Shibapur, Meramandali, Distt.: Dhenkanal-759121 Odisha	Tata Steel BSL Limited Plot No-104/3, SIPCOT Industrial Complex SIPCOT Phase - 1 Hosur-635 126 Tamil Nadu

CREDIT RATING

There has been no change in the credit ratings assigned to the Company's facilities during the year. The details of the credit ratings of the Company are available on its <https://tatasteelbsl.co.in/stock-exchange-filings/credit-ratings/>

During FY2020-21, CARE has re-affirmed the following credit ratings:

S N	Bank Facilities	Rating
1.	Long-term Bank Facilities -Term Loan	CARE AA; Stable (Double A; Outlook: Stable)
2.	Long-term / Short-term Bank Facilities - Fund based / Non-Fund based	CARE AA; Stable / CARE A1+ (Double A; Outlook: Stable / A One Plus)

ADDRESS FOR CORRESPONDENCE:

Registered Office:	Corporate Office:	Registrar and Transfer Agent:
Ground Floor, Plot No. 1 & 2, Mira Corporate Suites, Ishwar Nagar, Mathura Road, New Delhi-110 065. Tel: 91-11-3919 4000 Fax: 91-11-4101 0050 E-mail: tsbsl@tatasteelbsl.co.in Website: www.tatasteelbsl.co.in/	Ground & First Floor Jasmine Tower, 31, Shakespeare Sarani Kolkata- 700071 Tel: 91-33-40859600	RCMC Share Registry Pvt. Ltd. B -25/1, First Floor, Okhla Industrial Area Phase II, New Delhi -110 020 Tel: 91-11-2638 7320, 2638 7321 Fax: 91-11-2638 7322 Email: investor.services@rcmcdelhi.com Website: www.rcmcdelhi.com

DETAILS OF CORPORATE POLICIES/ CODES

Particulars	Web Links
Corporate Social Responsibility and Sustainability Policy	https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/CSR%20and%20Sustainability%20Policy.pdf
Anti-Sexual Harassment Policy	https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Anti%20Sexual%20Harassment%20Policy.pdf
Determination of Materiality Policy	https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Determination%20of%20Materiality%20Policy.pdf

Particulars	Web Links
Document Retention Policy	https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Document%20Retention%20and%20archival%20policy.pdf
Material Subsidiaries Policy	https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Material%20Subsidiaries%20Policy.pdf
Related Party Transaction Policy	https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Related%20Party%20Transactions%20Policy.pdf
Familiarization programme of Independent Directors	https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Familiarisation%20Programme%20for%20Independent%20Directors.pdf
The terms and conditions of appointment of Independent Directors	https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Terms%20&%20Conditions%20of%20appointment%20of%20ID.pdf
Policy on Appointment and Removal of Directors	https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Policy%20on%20appointment%20and%20removal%20of%20Directors.pdf
Policy on Remuneration of Directors, KMPs and other employees	https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Remuneration%20Policy%20of%20directors%20KMPs%20&%20Employees.pdf
Vigil Mechanism Policy	https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Vigil%20Mechanism%20%20Policy.pdf
Anti -Bribery and Anti – Corruption Policy	https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/ABAC%20Policy%20v2.pdf
Anti – Money Laundering Policy	https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/AML%20Policy%20v2.pdf
Gift and Hospitality Policy	https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/GIFT%20Hospitality%20Policy%20Details%20v2.pdf
Safety, Health and Environment Policy	https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Safety%20Health%20and%20Environment%20Policy.pdf
Tata Code of Conduct	https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/TATA%20Code%20of%20Conduct.pdf
Code of Corporate Disclosure Practices	https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Revised%20Code%20of%20Corporate%20Disclosure%20Practices%20.pdf

On behalf of the Board of Directors

sd/-

T. V. NARENDRAN

Chairman

DIN: 03083605

Jamshedpur
April 21, 2021

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE CODE OF CONDUCT

This is to confirm that the Company has adopted the Tata Code of Conduct for its employees including the Managing Director and the Whole-time Directors. The Code is available on the Company's website at <https://tatasteelbsl.co.in>. I confirm that the Company has in respect of the financial year ended March 31, 2021, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Managing Director as on March 31, 2021.

Kolkata
April 21, 2021

sd/-
Rajeev Singhal
Managing Director
DIN: 02719570

PRACTISING COMPANY SECRETARIES' CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Tata Steel BSL Limited
(Formerly known as 'Bhushan Steel Limited')
Ground Floor, Mira Corporate Suites Plot No 1 & 2,
Ishwar Nagar, Mathura Road, New Delhi - 110065

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Tata Steel BSL Limited ("Company") (Formerly Known as Bhushan Steel Limited)** having CIN : **L74899DL1983PLC014942** and having registered office at Ground Floor, Mira Corporate Suites Plot No 1 & 2, Ishwar Nagar, Mathura Road, New Delhi-110065 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (**DIN**) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and the respective Directors, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Director of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority..

S. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Narendran Viswanath Thachat	03083605	July 11, 2018
2.	Mr. Rajeev Singhal	02719570	May 18, 2018
3.	Mr. Anand Sen	00237914	May 18, 2018
4.	Mr. Koushik Chatterjee	00004989	July 11, 2018
5.	Mr. Krishnava Satyaki Dutt	02792753	May 18, 2018
6.	Ms. Neera Saggi	00501029	June 7, 2018
7.	Mr. Shashi Kant Maudgal	00918431	June 7, 2018
8.	Mr. Srikumar Menon	00470254	August 9, 2018

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For PI & Associates,
Company Secretaries

sd/-
Nitesh Latwal
Partner

New Delhi
April 21, 2021

ACS No.: A32109 C P No.: 16276
UDIN: A032109C000152801

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Tata Steel BSL Limited
(Formerly known as 'Bhushan Steel Limited')
Ground Floor, Mira Corporate Suites Plot No 1 & 2,
Ishwar Nagar, Mathura Road, New Delhi -110065

1. We have examined the compliance of the conditions of Corporate Governance by Tata Steel BSL Limited ("**Company**") (Formerly Known as Bhushan Steel Limited) having CIN L74899DL1983PLC014942, for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation 2 of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**").
2. The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance stipulated in SEBI Listing Regulations. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.
4. We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For PI & Associates,
Company Secretaries

sd/-
Nitesh Latwal
Partner

New Delhi
April 21, 2021

ACS No.: A32109 C P No.: 16276
UDIN: A032109C000152801

BUSINESS RESPONSIBILITY REPORT

As a part of the Tata Group, Tata Steel BSL Limited ('Company' / 'TSBSL') endeavours to conduct its business responsibly, mindful of its social accountability, respecting applicable laws and with regard for human dignity. The Company's long-term objective is "to improve the quality of life of the communities we serve globally through long term value creation for all stakeholders", which is in alignment with the Tata Group Core Purpose.

Through this Business Responsibility Report ("BRR"), your Company seeks to communicate its obligations and performance to all its stakeholders.

As a responsible corporate citizen, your Company continues to actively engage with all its stakeholders to drive their growth for all.

This report conforms to the Business Responsibility Reporting requirement of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business ('NVG') released by the Ministry of Corporate Affairs ('MCA'), Government of India.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identification Number (CIN) of the Company:** L74899DL1983PLC014942
- Name of the Company:** Tata Steel BSL Limited (formerly known as 'Bhushan Steel Limited')
- Registered Office:** Ground Floor, Mira Corporate Suites, Plot No. 1&2, Ishwar Nagar, Mathura Road, New Delhi – 110 065.
- Website:** www.tatasteelbsl.co.in
- E-mail address:** tsbsl@tatasteelbsl.co.in
- Financial Year reported:** From April 1, 2020 to March 31, 2021

- Sector(s) that the Company is engaged in (industrial activity code-wise)**

NIC Code	Description
241	Manufacture of Basic Iron and Steel

- List three key products/services that the Company manufactures/ provides (as in balance sheet)**
 - Hot Rolled Products
 - Cold Rolled & Coated Products
 - Special Products – H&T, HCCR, HTSS
 - Tubes & Pipes
- Total number of locations where business activity is undertaken by the Company**
 - Number of International Locations (Provide details of major 5):** Through its subsidiaries and associate companies, the Company operates in Australia
 - Number of National Locations:** The Company's Integrated Steel Plant is located in Dhenkanal, Odisha. The Company also has manufacturing locations at Sahibabad (Uttar Pradesh) and Khopoli (Maharashtra). The Company's tube processing / cutting facilities are located in Chakan

and Aurangabad (Maharashtra), Hosur (Tamil Nadu), Gurugram (Haryana) and Ludhiana (Punjab). The Company also has a steel processing centre ('SPC') at Faridabad (Haryana).

Apart from this the Company has a pan-India network of marketing and sales offices.

10. Markets served by the Company

In addition to serving Indian Markets, the Company also exported to South East Asia, SAARC, Middle East, Africa, Europe, Latin America, Canada and China in FY2020-21.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital:** ₹218.69 crore as on March 31, 2021
- Total Turnover:** ₹21,418.63 crore as on March 31, 2021
- Total profit after taxes:** ₹2,465.98 crore as on March 31, 2021
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)**

Your Company had in the preceding 3 (three) financial years incurred losses and hence the Company was not mandatorily required to incur any expenditure towards CSR&S activities during FY2020-21.

However, as a good corporate citizen, an amount of ₹7.98 crore (0.037% of Turnover) was spent in FY2020-21 towards various CSR&S activities. These activities are in alignment with the focus initiatives of the Tata Group that lays emphasis on four thrust areas – Education, Health, Livelihood and Rural and Urban infrastructure

- List of activities in which expenditure in 4 above has been incurred:**
The areas in which the above expenditure was incurred *inter-alia* included Education, Health, Livelihood, Infrastructure, Environment and Sports .

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?**

The Company has 8 direct and indirect subsidiaries in India and abroad as on March 31, 2021.

- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).**

As on March 31, 2021 all the subsidiaries of the Company, except Angul Energy Limited (formerly Bhushan Energy Limited), Tata Steel Technical Services Limited (formerly Bhushan Steel Madhya Bharat Limited) and Tata Steel Support Services Limited [formerly Bhushan Steel (Orissa) Limited], were yet to commence operations.

As on March 31, 2021, the Company's subsidiaries were not participating in the BR initiatives of the Company.

- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

Tata Steel BSL supports and encourages standalone/independent activities by other entities. The percentage is less than 30%.

SECTION D: BUSINESS RESPONSIBILITY INFORMATION
1. Details of Director/Directors responsible for BR
a) Details of the Director/Director responsible for implementation of the BR policy/policies

SN	Particulars	Details
1.	DIN	02719570
2.	Name	Mr. Rajeev Singhal
3.	Designation	Managing Director
4.	Telephone	+91 33 4085 9665
5.	E-mail address	mdoffice@tatasteelbsl.co.in

b) Details of the BR head

SN	Particulars	Details
1.	DIN (if applicable)	02719570
2.	Name	Mr. Rajeev Singhal
3.	Designation	Managing Director
4.	Telephone Number	+91 33 4085 9665
5.	E-mail address	mdoffice@tatasteelbsl.co.in

2. Principle-wise (as per NVGs) BR Policy/policies

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1	-	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	-	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	-	Businesses should promote the well-being of all employees.
P4	-	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	-	Businesses should respect and promote human rights.
P6	-	Businesses should respect, protect, and make efforts to restore the environment.
P7	-	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	-	Businesses should support inclusive growth and equitable development.
P9	-	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a) Details of compliance (Reply in Y/N)

SN	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify?	The spirit and intent of the Tata Code of Conduct, all applicable national and international laws as well as international conventions are captured in the policies articulated by Tata Steel. In addition, they reflect the purpose and intent of the United Nation Global Compact, the World Steel Sustainable Development Charter, GRI guidelines and international standards.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	http://tatasteelbsl.co.in/Investor%20Relations%20pdf/CodeOfConduct/TATA%20Code%20of%20Conduct.pdf								

SN	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? (Refer Note 1)	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note 1: All policies applicable to the Company are evaluated internally

Principle	Applicable Policies
Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	Tata Code of Conduct
Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	Tata Code of Conduct Responsible Supply Chain Policy Energy Policy
Businesses should promote the well-being of all employees.	Tata Code of Conduct
Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	Tata Code of Conduct Corporate, Social Responsibility and Sustainability Policy
Businesses should respect and promote human rights.	Tata Code of Conduct Responsible Supply Chain Policy
Businesses should respect, protect, and make efforts to restore the environment.	Tata Code of Conduct Climate Change Policy for Tata Group Companies Safety, Health and Environment Policy Bio Diversity Policy
Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Tata Code of Conduct Anti-Bribery and Anti-Corruption Policy Gift and Hospitality Policy
Businesses should support inclusive growth and equitable development.	Tata Code of Conduct
Businesses should engage with and provide value to their customers and consumers in a responsible manner.	Tata Code of Conduct Responsible Supply Chain Policy

Link for Policies

Tata Code of Conduct	http://tatasteelbsl.co.in/Investor%20Relations%20pdf/CodeOfConduct/TATA%20Code%20of%20Conduct.pdf
Responsible Supply Chain Policy	http://tatasteelbsl.co.in/Investor%20Relations%20pdf/Policies/Responsible%20Supply%20Chain%20Policy_v4_09042020.pdf
Corporate, Social Responsibility and Sustainability Policy	http://tatasteelbsl.co.in/Investor%20Relations%20pdf/Policies/CSR%20and%20Sustainability%20Policy.pdf
Climate Change Policy for Tata Group Companies	http://tatasteelbsl.co.in/Investor%20Relations%20pdf/Policies/Climate-change-policy-of-Tata%20Companies.pdf
Safety, Health and Environment Policy	https://tatasteelbsl.co.in/wp-content/themes/bsl/pdf/Investors/Safety%20Health%20and%20Environment%20Policy.pdf
Bio Diversity Policy	http://tatasteelbsl.co.in/Investor%20Relations%20pdf/Policies/Biodiversity%20Policy.pdf
Anti-Bribery and Anti-Corruption Policy	http://tatasteelbsl.co.in/Investor%20Relations%20pdf/Policies/ABAC%20Policy%20v2.pdf
Energy Policy	http://tatasteelbsl.co.in/Investor%20Relations%20pdf/Policies/Energy%20Policy.pdf

3. Governance related to BR

- a. **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the Business Responsibility ('BR') performance of the Company. Within 3 months, 3-6 months, annually, more than 1 year.**

The Senior Management reviews the BR performance of the Company through its monthly review meetings. In addition, the Board of Directors also meets at least four times in a year and any significant development in relation to BR performance is reported to the Board.

- b. **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The Business Responsibility Report has been made part of the Annual Report 2020-21 and there is no separate section on the website

SECTION E – PRINCIPLE-WISE PERFORMANCE
Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?**

Yes. The Tata Code of Conduct (available on www.tatasteelbsl.co.in and www.tata.com) serves as the ethical roadmap for all Tata companies. All suppliers, partners and joint ventures are expected to adopt the TCoC or a joint code of conduct incorporating all elements of the TCoC

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof.**

A total of 288 stakeholders complaints* were received during FY2020-21.

Stakeholders Complaints Received	164
Stakeholders Complaints Resolved	115
Percentage of Stakeholders Complaint Resolved	70.12%

*Includes TCoC concerns and investor complaints. Customer complaints are covered under Principle 9 of the Report

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

a. **High Strength Steel**

High Strength Automotive Steel grades maintain the safety standards of vehicles whilst enhancing fuel efficiency because of their light weight. The choice of High Strength Steel as a material can substantially reduce the overall impact by pushing down the use phase emissions. Further, it has deep demand in the market because of its customization as per customers' requirement.

b. **GALUME and Color Coated Sheets**

These are preferable to asbestos sheets for roof top and are also used by automotive industries because of light weight and oxidation free properties. Because, it is recyclable, the product greatly helps in conservation of natural resource through circular economy.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

- a. **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

Tata Steel BSL takes appropriate measures during sourcing, production & distribution to minimize consumption of energy, water and raw materials. The comparative performance data is given in the table below:

Parameters	FY19	FY 20	FY21
Energy (Gcal/tcs)	6.83	6.39	6.614
Water (m ³ /tcs)	4.76	4.14	4.02
Carbon emission (ton CO ₂ /tcs)	2.93	2.76	2.84
Dust emission (Kg/tcs)	0.94	0.84	0.72

- b. **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

For reducing carbon footprint, TSBSL is pursuing the implementation of innovative low carbon technologies. Due to the COVID-19 pandemic, crude steel production was less as compared to FY2019-20. Despite the same, the Company reduced CO₂ emissions from 12.3 million ton in FY2019-20 to 11.5 million ton in FY2020-21. In our pursuit of resource efficiency and cleaning the power mix, we are increasingly using waste gas and waste heat for power generation which accounted for 82% of the total power generation of TSBSL in FY2020-21. Energy consumption of DRI has also been reduced to 82 KWH/t of DRI in FY2020-21 from 87 KWH/t of DRI in FY2019-20. TSBSL has started construction work for Coke Dry Quenching unit for Coke Oven -1 which will further enhance our energy efficiency. Commissioning of the PCI injection mill, reduction in specific coal consumption in Power plant, DCS (distributed control system) based process optimization in 250 TPH Boiler, enhancement of turbo blower efficiency etc. were some of the key initiatives implemented during FY2020-21.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.**

Tata Steel BSL ensures sustainable sourcing through its "Responsible Supply Chain Policy" which in turn ensures energy efficiency, resource efficiency & environmental performance throughout the business supply chain. Making of sintered material by using iron ore fines with low iron content and using the same in steel making, helps in natural resource conservation. Similarly, use of waste scrap steel in steel melting process conserves natural resource and also helps in reduction of CO₂ emissions.

Post-acquisition, the Company had launched two new initiatives viz., Vendor Capability Advancement Program ('VCAP') and Supplier Relationship Management ('SRM') to bring in improvements in Safety, Environment, Cost, Quality and Delivery etc.

In FY2020-21, these initiatives further contributed to enhancing the Company's performance in the above-mentioned areas.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes. Most of the service requirements of the Company such as transportation, man power intensive jobs are being carried out by engaging local producers / traders and local service providers. The Company's procurement department conducts multiple supplier engagement programmes for improving the capacity and capability of strategic suppliers including local vendors and suppliers.

SRM, a signature program of the Company is a step to build and leverage relationship with a set of strategic supplier partners at TSBSL to unlock the potential of value creation and supplier led innovation. Vendor identification is carried out through the Spend and Criticality matrix and strategic partners were selected to bring in improvements in Technology, Quality, Delivery Compliance, Spares availability and cost saving. Till FY2021, TSBSL has launched 6 SRMs with technology partners, Bulk, MRO and Services covering a total spend of ~ Rs 400 crore till date. This initiative has brought in value creation of ~ Rs. 70.61 crore and more promising Ideas are in pipeline.

VCAP was implemented to identify vendors specifically service providers with whom the Procurement division along with other user departments would prioritize, to augment their capabilities with the growing demand to work under a safer environment for all our stake holders.

VCAP is a focused training program aimed at addressing the service providers/contract workers' job skill improvement by specially designed modules which would address the key areas of development and also act as an enabler to strengthen the efficiency of entire value chain.

The 1st VCAP was launched in November 2018 at Angul with Tier-1 service providers to sensitize them on key issues like Safety, Statutory Compliance and Ethics and also to capture feedback about their expectations from the program. The feedback received from the service providers was the first step from TSBSL end to identify them as vendor partners. Since then the Company has made significant progress in this area.

FY2020-21, in person trainings were a challenge on account of the COVID-19 pandemic. To ensure the health and safety of all stakeholders, TSBSL conducted online training sessions on 26 different topics covering 780 vendors through MS Teams and Webinars. This initiative the Company towards capability building of the vendors will be extremely beneficial in the long run and ensure building a valued and long-term partnership.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.**

In the area of circular economy, the Company has undertaken various initiatives to manage solid waste in an environment friendly, socially responsible and techno-commercially viable manner. Utilization of LD slag has increased significantly from 46% (FY2019-20) to 66% (FY2020-21). Overall solid waste utilization has increased to 96% in FY2020-21. The Company has put in various efforts to increase the LD slag utilization by installation of Metal Recovery Plant, developing market for sustainable use in Brick & Cement manufacturing, increase in utilization of slag for making value added products. Ash utilization remains 100% in FY2020-21, through utilization in paver block, brick, cement and road construction. Supply of fly ash through rake to the north - eastern market opened a promising future of fly ash utilization. Other solid wastes generated from the steel plant were recycled in Sinter making. To make this process more scientific, TSBSL has installed a PSW (process solid waste) mixing and screening facility in FY2020-21 to make more efficient use of solid waste in Sinter making.

The Company has in place a mechanism for recycling and reuse of its waste, raw material rejects, unwanted by-products. 100% of the Fly Ash generated is utilized in cement making, brick manufacturing and road making. TSBSL's Metal Recovery Plant separates and segregates its metallic components into various sizes. Metallic fines are used in the Sinter plants.

There has been a significant improvement in the recycling / utilisation of waste in in FY2020-21 as compared to the previous years, details of which are given below:

Parameter	FY19	FY 20	FY 21
Fly ash Utilization (%)	100	100	100
LD Slag Utilization (%)	32	46	66
Solid waste Utilization (%)	-	78	96

Principle 3: Businesses should promote the well-being of all employees

1. **Please indicate the total number of employees**

5,757 as on March 31, 2021 (includes permanent, temporary, contractual employees and trainees).

2. **Please indicate the total number of employees hired on temporary/contractual/ casual basis**

The Company has a contract workforce comprising of approx. 27,223 employees as on March 31, 2021.

3. **Please indicate the number of permanent women employees**

86 permanent women employees as on March 31, 2021.

4. **Please indicate the number of permanent employees with disabilities**

As on March 31, 2021, the Company has 2 permanent employees with disabilities

5. **Do you have an employee association that is recognized by management?**

Yes. The Company has an employee association recognised by Management at its plant at Khopoli, Maharashtra

6. **What percentage of your permanent employees is members of this recognized employee association?**

1.88%

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

SN	Category	No. of complaints filed during the financial year	No. of complaints pending at the end of the financial year
a.	Child labour/forced labour/involuntary labour	Nil	Nil
b.	Sexual Harassment	3	Nil
c.	Discriminatory Employment	Nil	Nil

8. **What percentage of under mentioned employees were given safety & skill up-gradation training in the last year?**

SN	Category	Safety Training	Skill Upgradation Training
a.	Permanent employees	100%	50%
b.	Permanent women employees	100%	27%
c.	Casual / temporary / contractual employees	100%	7%
d.	Employees with disabilities	100%	-

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. **Has the Company mapped its internal and external stakeholders?**

Yes. The Company has mapped its internal and external stakeholders. It uses both formal and informal mechanisms to engage with various stakeholders to understand their concerns and expectations. Individual departments within the organization have roles and responsibilities identified and defined to engage with various stakeholders.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, by adopting the 'Community Need Assessment' ('CNA') approach conducted in 2018-19, the Company has identified the disadvantaged, vulnerable and marginalized stakeholders. Based on this the 'focus groups' for intervention have been identified. These focus groups for whom special projects have been initiated include women; students of school going age; farmers and youth.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof.

Post-acquisition in May 2018, the Company has undertaken various initiatives to address the needs of the communities in which it operates.

The projects to address the disadvantaged, vulnerable and marginalized stakeholders are detailed below:

A. Tata Steel BSL, Angul

1. WEE (Women Empowerment & Entrepreneurship) Project - a project for the socio-economic empowerment of women

Objectives of the project:

- Incubating and capacitating a formal community owned and controlled multi-purpose cooperative of women that offers livelihood support and facilitates its members to avail financial services from formal financial institutions.
- Enhancing income of households by enabling women to set up sustainable micro enterprises.
- Reducing the vulnerabilities of poor households and building their financial resilience to deal with risks through establishing access to financial services.
- Enhancing household productivity and well-being by improving health, hygiene and sanitation.

Coverage: 2,000 women from 192 Self Help Groups ('SHG'), spread across 12 villages coming under Dhenkanal District of Odisha.

Achievements during FY2020-21:

- Membership in Gruhalaxmi Co-operative - 1,190 members registered.
- No. of women initiated enterprises: 229 women are running different enterprises including Mushroom production; Tailoring; Poultry; Floriculture; Goat rearing; Dairy; Incense stick making; small business- grocery shop, garment shop.
- Kitchen garden activities implemented for better maternal health with 1,200 women.

2. QUEST (Quality Upgradation of Education through Strategic Thrust) project.

Coverage: 3,000 children from 33 schools spread across 6 Panchayats

Despite the prevalence of Right To Education since 2009, the structural approach to education shall not bring about the desired outcome unless the functional approach of three pillars of the education edifice viz., Access, Quality & Governance is not appropriately rejuvenated. Hence, **Quality Upgradation of Education through Strategic Thrust** was conceptualized and launched. 'Access', the 1st Pillar aims at 100% enrolment of all children within the age group of 6-14

years in schools. Accordingly, TSBSL identified all out of school children and enrolled them in their schools. The 2nd pillar, 'Quality', through the Learning Enrichment Programme, is a milestone to enhance the quality of learning among the slow learners who are ultimately accommodated in the mainstream learning. Under 'Governance', the 3rd pillar, the project empowers the School Management Committee ('SMC'), by appropriately sensitizing and orienting them to take up school development plan by themselves and take up the proper running of the village school as well as ensure that the students attend school and don't drop out.

During the COVID-19 pandemic and the imposition of the strict lockdown, the entire government school machinery was facing a challenge in reaching the students. During this time, QUEST devised a novel & effective way of imparting education to 85% students through WhatsApp and through small groups sessions in the village. Lockdown Learning Exhibitions were also organized to display the effectiveness of this model and cross learning for different groups. The youth volunteers also supplemented to this education in android phone scarce areas through their handsets. 32 SMCs have been formed who support the project and their role ensures that in spite of schools being closed, the project can reach the students.

3. PRAYAS (Participatory Rural Approach for Youth & Adolescent Sensitization) project.

Through the PRAYAS project, we have reached out to 500 adolescents in FY2020-21. Due to the pandemic, activities were conducted both online as well as offline in the form of small group sessions, whilst maintaining distancing norms.

TSBSL developed various health awareness and sensitization videos which were shared and disseminated through online platforms.

40 village level trainings were organized on subjects including physical changes during adolescence, menstruation cycle, adverse effects of early marriage and addiction awareness.

The Company organised several competitions aimed at capacity building of adolescents in a creative manner viz.:

- Drawing competition on corona virus and its effect globally,
- Debate on early marriage
- Online poetry competition on Nari Surakhya
- Celebration of youth day with the theme on Right to Education. On this topic, the Company organised a poetry competition and awareness program on importance of education in our life to achieve our goal.
- Safety awareness program was conducted for the youth on road safety.
- World Water Day was observed on March 22, 2021. Adolescents were oriented on saving water in day to day life, especially on water conservation methods.

4. Infrastructure development

- Water infrastructure: 20 tubewells were installed, each benefitting a population of approximately 200 persons. Overall approximately 4,000 people were benefitted through this initiative.
- 100 solar lights were installed across 12 villages.
- Cement Concrete road was completed at Kurunti,

benefitting around 3000 people. This road connects Kurunti village with National Highway.

- School infrastructure: 3 schools covered.

5. Youth Development through Sports: Volleyball Coaching

Sports is a way of life in Tata Steel BSL. Community coaching in volley ball, started with 11 players being placed in 10 villages resulting in induction of more than 400 youth, by the end of FY2020-21 in both the senior and junior categories. The success of comprehensive coaching was manifested in the selection of 12 players (6 Seniors & 6 Juniors) to the district level team this year. The volleyball team has been widely acclaimed because of its distinctive performance and has been invited to participate in different tournaments held across districts and outside. The coaching with intensive physical work outs has served the twin objective of instilling a career in sports for many and preparing others aspiring for defence services and para military jobs.

The massive youth engagement through motivation sessions as a part of this program has seen the beginning of a new philanthropic attitude among the youth towards exploring alternative ways of development in their respective villages. Capitalizing this attitude may go a long way in sustainable rural development.

B. Tata Steel BSL, Khopoli

1. WEE (Women Empowerment & Entrepreneurship) Project. A project for socio-economic empowerment of women

The WEE project covers 5 villages of 2 Panchayats coming under Khalapur Block of Raigad District, Maharashtra with a population of 6,000 with specific focus on women in the age group of 21 to 45 years. The objectives of the project include:

- Organising women into formal and functional self help groups ('SHG'): 30 SHGs have been formed till FY2020-21 with a total of 352 members.
- Enhancing incomes of women in SHGs by setting up micro-enterprises: 62 women have been oriented on different trades: 20 on making face masks, 20 on detergent making; 22 on poultry farming.
- Improving community health through clean drinking water and better maternal health: 2 water harvesting structures (a check dam and a 'bisarjan ghat') were renovated, resulting in enhancement of water storage and recharging water in nearby open wells. 150 pregnant/lactating women were oriented on prescribed health & nutritional care during pregnancy and during lactating period. 242 children underwent regular health check-up during FY'21. 50 persons benefitted under kitchen garden program.

2. LIVE (Learning Improvement through Vibrant Education) Project

The LIVE project is focused on qualitatively enhancing education at schools, coming within the CSR area of Khopoli through audio-visual vibrant models of learning

In FY2019-20, the project had developed 'smart classrooms' covering 7 Schools, installing e-learning aids and learning package in 15 classrooms out of total 32 classrooms in those schools.

In FY2020-21, another 16 classrooms of these 7 schools have been covered. Thus 31 classrooms out of 32 classrooms

of these schools have been transformed into 'smart class', endowed with audio-visual system with e-learning packages.

C. Tata Steel BSL, Sahibabad

IDIA (Integrated Development through Innovative Approach)

The IDIA project covers 2 schools, having around 1,000 students, in the 2 habitations of Maharajpur and Kadkad Model in Sahibabad Industrial area, Ghaziabad District, Uttar Pradesh. The project also covers 100 adolescent and youth in the age group 14 to 25 years. The two major parts of the project are: the (1) School Support Programme and (2) Youth Resource Centre.

Major accomplishments in FY2020-21:

School Support Program:

- 3 audio-visual aid systems installed in one school;
- Around 200 types of study worksheets covering varied topics of mathematics, science and english were developed and distributed amongst adolescents, youth and students to continue the teaching - learning process during the pandemic;
- In spite of the lockdown due to COVID-19, around 600 students (60% of the total) could be reached through on - line classes, distributing worksheets and home visits.

Youth Resource Centre ('YRC'):

- 120 youth were enrolled in YRC of which around 60% are girls;
- Life skills education and spoken English classes were conducted for the youth.
- Youth participated actively in the observation of special days viz., Youth Day; Environment Day etc.;
- Awareness on COVID-19: Youth were oriented post which they propagated awareness among their peers and the community by making videos and circulating them on social media.

COMBATING COVID-19 ACROSS LOCATIONS: KEY INTERVENTIONS

- ₹52.51 lakh donated to Tata Relief Committee for COVID-19 relief related work.
- Total 70 women from SHGs, associated with WEE project at Angul and Khopoli were trained on making mask. They made 85,000 masks. In addition to fetching income for the women, the masks were purchased on a large scale by TSBSL to distribute among the staff, volunteers and Panchayat representatives who were working as COVID-19 relief workers.
- Relief package in the form of dry ration distributed during lockdown through which approx. 1,600 families benefitted.
- Awareness generation through mike announcement, printed communication materials and other means were done to prevent the spread of COVID-19.
- Equipment (3 Ventilators at Khopoli) and PPE kits at Khopoli and Angul were supplied to Government hospitals.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes. The Tata Code of Conduct (available on www.tatasteelbsl.co.in and www.tata.com) serves as the ethical roadmap for all Tata companies. All suppliers, partners and joint ventures are expected to adopt TCoC or a joint code of conduct incorporating all elements of the TCoC

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the year under review, the Company did not receive any complaint with respect to human rights violation.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

1. Does the policy relate to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

The Environmental Policy of Tata Steel BSL Limited covers all manufacturing and downstream sites including both the employees and vendor partners of the Company. The senior management ensures implementation of Environment Policy to minimize pollution and to protect the environment.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes. Climate change initiatives are being adopted for specific carbon footprint reduction & environment friendly technologies, business practices, in line with the Company's vision. Various measures are being taken for energy efficiency, clean technology and use of renewable energy to lower down the carbon footprint.

Climate Change	http://tatasteelbsl.co.in/Investor%20Relations%20pdf/Policies/Climate-change-policy-of-Tata%20Companies.pdf
Biodiversity	http://tatasteelbsl.co.in/Investor%20Relations%20pdf/Policies/Biodiversity%20Policy.pdf
Safety, Health & Environment Policy	http://tatasteelbsl.co.in/Investor%20Relations%20pdf/Policies/Safety%20Health%20and%20Environment%20Policy.pdf
Energy Policy	http://tatasteelbsl.co.in/Investor%20Relations%20pdf/Policies/Energy%20Policy.pdf

3. Does the Company identify and assess potential environmental risks?

Tata Steel BSL Limited continuously identifies and assesses the potential environmental risks. The risk mitigation strategies and contingency measures are reviewed and revised annually. The Corporate Risk Management team organizes multiple workshops for various functions throughout the year to identify and review the potential environmental risks. Further, the Environmental Resource Management function is also taking steps to identify climate change related risks and opportunities for its Integrated Steel Plant at Angul.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if yes, whether any environmental compliance report is filed?

Tata Steel BSL Limited has registered one Clean Development Mechanism project (project reference no. is AMS-III.B-Ver 16) at its Khopoli Unit related to switching of fuel from Heavy Fuel Oil (HFO) to Liquefied Natural Gas (LNG) in the Boiler.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? If yes, please give hyperlink for web page etc.

Tata Steel BSL Limited has undertaken several initiatives on clean technology, energy efficiency, renewable energy, etc. during the year, details of which are given below:

- Successful commissioning of 250 TPH gas fired boiler and Coke Dry Quenching Plant 2
- Increase in share of Clean power generation from 40 % (FY2018-19) to 82 % (FY2020-21).
- Reduction in overall fuel rate in Blast furnaces from 530 kg/thm (FY2018-19) to 525 kg/thm (FY2020-21).
- Increase in Scrap charging in BOF from 5 % (FY2018-19) to 7.9 % (FY2020-21).
- Reduction of specific energy consumption at DRI from 87 kWh/t (FY2019-20) to 82 kWh/t (FY2020-21).

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions/waste generated by the Company for Financial Year 2020-21 are within permissible limits given by CPCB/SPCB(s).

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

As on March 31, 2021 there is no pending show cause or legal notice received from CPCB or SPCB, to the best of the Company's knowledge and understanding.

Principle 7: Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

During the year under review the Company was a member of (i) ASSOCHAM (ii) Confederation of Indian Industry (CII) and (iii) Engineering Export Promotion Council (EEPC) of India.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes. The Company through its parent entity, Tata Steel Limited has been driving various advocacy initiatives with the Government in the areas of

- Governance and Administration
- Economic Reforms
- Inclusive Development Policies
- Energy Security
- Sustainable Business Principles

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Tata Steel BSL focusses on responsible business practices with community-centric interventions which are aimed towards supporting inclusive growth and equitable development. Towards this end, the Company has taken up several impact driven projects for the vulnerable and underprivileged sections.

2. **Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization?**

Projects are implemented directly as well as through partner agencies having relevant expertise, the details of which are given below:

SN	Project/ Program	Location	Partner Agency
1	WEE Project	Angul	Tata Steel Foundation and Access Development Services, Delhi
2	QUEST		Tata Steel Foundation and ASPIRE, Delhi
3	PRAYAS		Directly implemented by TSBSL
4	Infrastructure development projects		Directly implemented by TSBSL through different contractors via procurement process
5	Youth Development through Sports		Directly implemented by TSBSL by deploying a full time coach
6	WEE	Khopoli	Tata Steel Foundation and Watershed Organization Trust (WOTR), Pune
7	LIVE		Navneet-esense, Mumbai
8	IDIA	Sahibabad	Tata Steel Foundation and United Way of Delhi (UWD)

Note: QUEST; WEE Angul; WEE, Khopoli and IDIA, Sahibabad were implemented through Tata Steel Foundation (TSF) which is a CSR delivery arm of Tata Steel Ltd. The Company entered into an MoU with TSF and TSF in turn executed MoU with the implementing partners.

3. **Have you done any impact assessment of your initiative?**

Impact assessment by an independent party was conducted. Towards this, XIMB, Bhubaneswar conducted impact assessment in December 2020 and submitted the report in March 2021.

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.**

The amounts spent towards major community development projects in FY2020-21 is as under:

SN	Name of project/ program	Location	Amount Spent (in ₹ Lakhs)
1	WEE Project	Angul	58.33
2	QUEST		49.64
3	PRAYAS		2.34
4	Infrastructure projects (Water; Road; Solar light & School Infra)	Angul	268.66
5	Youth Development through Sports		11.09
6	WEE	Khopoli	45.32
7	LIVE		18.06
8	IDIA	Sahibabad	54.80
9	COVID Measures	All locations	90.29

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

Post – Acquisition the New Management has continuously worked towards putting in place policies and practices commensurate with the size and nature of the Company's business.

During FY20, the Company introduced an electronic Customer Complaint Management System. Steps were taken to ensure that consumer complaints received are resolved in a timely manner and to the satisfaction of the consumer.

During the year under review, the Company received 1,033 customer complaints out of which 1,013 (98.06%) stood resolved as on March 31, 2021.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws?**

Yes. The Company provides all Information mandated by law on the label.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof. –**

The New Management has only been in office since May 18, 2018. To the best of the knowledge of the New Management, no case has been filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and no such complaint is pending as on March 31, 2021.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

We have a multi-layer listening and learning systems in place. Customer Satisfaction Study ('CSS') is one of the activities towards listening to the voice of customers. The study is conducted through an Independent research agency to check on our ability to develop and sustain relationships with customers and channel partners across all market segments and customer groups. CSS was carried out for the first time for FY2020. In the survey, TSBSL recorded an overall CSI score of 80.1 with a healthy position among branded products channel partners. Our Products, Commercials and relationship of company personnel were identified as key strengths.

Since FY2020 was the first year for which the CSS was carried out, there is no trend available as such, however our targets for customer survey for next years are given hereunder: -

Particulars	FY2020 (actual)	FY2021 (target)	FY2022 (target)
% of satisfied customers	80.10%	81%	81%
Coverage	81.00%	82%	83%

TATA STEEL BSL LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Steel BSL Limited (formerly known as Bhushan Steel Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Tata Steel BSL Limited (formerly known as Bhushan Steel Limited) ('the Company'), which comprise the Balance Sheet as at 31 March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the 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 standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

5. We have determined the matter described below to be the key audit matter to be communicated in our report.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 ('ICAI') 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 Matter

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. 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
<p>Recoverability of amounts paid against on-going litigations</p> <p>Refer Note 32A to the standalone financial statements.</p> <p>Prior to the approval of the resolution plan ('the Resolution Plan') under the Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code, 2016 on 15 May 2018 as described in the aforesaid note, the Company was a party to certain litigations. Pursuant to the approval of the Resolution Plan, it was determined that no amounts are payable in respect of those litigations as they stand extinguished.</p> <p>The Company had also made certain payments to the relevant authorities in respect of those litigations which were presented as recoverable under "Other non-current assets" in the standalone financial statements.</p> <p>The estimates related to expected outcome of litigations and recoverability of payments made in respect thereof have high degree of inherent uncertainty due to insufficient judicial precedents in India in respect of disposal of litigations involving companies admitted to Corporate Insolvency Resolution Process.</p> <p>The application of significant judgment in the aforementioned matter required substantial involvement of senior personnel on the audit engagement including individuals with expertise in tax related matters.</p>	<p>We have performed the following procedures, among others, to test the recoverability of payments made by the Company in relation to litigations instituted against it prior to the approval of the Resolution Plan:</p> <ul style="list-style-type: none"> • Verified the underlying documents related to litigations and other correspondences with the statutory authorities; • Involved direct and indirect tax specialists to review the process used by the management to determine estimates and to test the judgments applied by management in developing the accounting estimates; • Assessed management's estimate of recoverability, supported by an opinion obtained by the management from a legal expert, by determining whether; <ul style="list-style-type: none"> - The method of measurement used is appropriate in the circumstances; and - The assumptions used by management are reasonable in light of the measurement principles of Ind AS. • Determined whether the methods for making estimates have been applied consistently; • Evaluated whether the accounting principles applied by the management fairly present the amounts recoverable from relevant authorities in financial statements in accordance with the principles of Ind AS.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS 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.
8. 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.
9. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

10. 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 Standards on Auditing 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.

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism 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.
12. 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.
13. 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.
14. 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 period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing

so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - 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 standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of

the Company for the year ended on that date and our report dated 21 April 2021 as per Annexure B expressed unmodified opinion; and

- 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, as detailed in note 32A to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
 - 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 31 March 2021;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

sd/-

Siddharth Talwar

Partner

Membership No.: 512752

UDIN: 21512752AAAABB1169

Place: Faridabad

Date: 21 April 2021

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF TATA STEEL BSL LIMITED (FORMERLY KNOWN AS BHUSHAN STEEL LIMITED), ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner 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. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company except for the following properties:
 - title deeds to freehold land with gross carrying amount and net carrying amount of ₹ 1,265.55 lakhs and ₹ 1,265.55 lakhs respectively were not readily available.
 - title deeds to building with gross carrying amount and net carrying amount of ₹ 245.24 lakhs and ₹ 151.24 lakhs respectively were not readily available.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and discrepancies noticed on physical verification have been properly dealt with in the books of account.
- (iii) The Company has granted unsecured loans to a company covered in the register maintained under Section 189 of the Act and with respect to the same:
 - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.
 - (b) the schedule of repayment of principal and payment of interest has been stipulated and the repayment/receipts of principal and interest amounts are regular.
 - (c) there is no overdue amount in respect of loans granted to such company.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of investments and loans. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (b) As mentioned in note 32A to the standalone financial statements, pursuant to the implementation of the Resolution Plan, there are no dues in respect of income-tax, goods and services tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company has no loans or borrowings payable to financial institution or government and no dues payable to debenture-holders during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained though idle/surplus funds which were not required for immediate utilisation have been invested in liquid investments, payable on demand.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed during the period covered by our audit.

TATA STEEL BSL LIMITED

- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

sd/-

Siddharth Talwar

Partner

Membership No.: 512752

UDIN: 21512752AAAABB1169

Place: Faridabad

Date: 21 April 2021

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF TATA STEEL BSL LIMITED (FORMERLY KNOWN AS BHUSHAN STEEL LIMITED) ON THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Tata Steel BSL Limited (formerly known as Bhushan Steel Limited) ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors 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 the Company's business, including adherence to the 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

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 Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note 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 were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 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 include 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, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

sd/-
Siddharth Talwar
Partner
Membership No.: 512752
UDIN: 21512752AAAAB81169

Place: Faridabad
Date: 21 April 2021

TATA STEEL BSL LIMITED

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2021

(₹ in lacs)

	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3A	2,697,703.43	2,793,557.50
(b) Right-of-use assets	3B	133,931.39	150,010.86
(c) Capital work-in-progress	3C	44,231.38	68,171.13
(d) Intangible assets	4	1,640.04	2,080.16
(e) Investments in subsidiaries	6A	1,140.00	1,015.00
(f) Financial assets			
(i) Investments	6A	140.14	66.95
(ii) Loans	6B	29,914.86	37,611.03
(iii) Other financial assets	6C	1,162.45	41,763.60
(g) Other non-current assets	8	94,564.63	61,250.69
(h) Income tax assets	9	5,104.22	3,771.71
Total non current assets		3,009,532.54	3,159,298.63
II Current assets			
(a) Inventories	10	436,753.14	483,492.54
(b) Financial assets			
(i) Investments	6A	69,161.34	-
(ii) Trade receivables	11	42,265.64	70,238.62
(iii) Cash and cash equivalents	12	71,949.48	72,358.48
(iv) Other balances with banks	13	558.76	12,598.81
(v) Loans	6B	2,066.82	2,496.08
(vi) Derivative assets	7	-	5,142.54
(vii) Other financial assets	6C	49,568.88	11,924.01
(c) Other current assets	8	22,893.44	65,789.31
Total current assets		695,217.50	724,040.39
Total assets		3,704,750.04	3,883,339.02
EQUITY & LIABILITIES			
I Equity			
(a) Equity share capital	14	21,868.80	21,868.80
(b) Other equity	15	1,990,697.09	1,743,758.29
Total Equity		2,012,565.89	1,765,627.09
II Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16A	1,120,235.13	1,653,436.55
(ii) Other financial liabilities	16C	4,494.27	3,620.35
(b) Provisions	18	8,487.97	7,418.23
(c) Deferred Income	19	150.73	189.21
Total non current liabilities		1,133,368.10	1,664,664.34
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16A	25,000.00	88,700.00
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	16B	15,607.60	5,486.99
- Total outstanding dues of creditors other than micro enterprises and small enterprises	16B	409,686.82	281,484.12
(iii) Derivative liabilities	7	1,504.63	763.77
(iv) Other financial liabilities	16C	52,994.22	54,005.62
(b) Other current liabilities	17	53,774.56	22,406.23
(c) Provisions	18	248.22	200.86
Total current liabilities		558,816.05	453,047.59
Total equity and liabilities		3,704,750.04	3,883,339.02
The accompanying notes forming part of the financial statements	1-46		

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**

Chartered Accountants
Firm Registration No. :
001076N/N500013

sd/-
Siddharth Talwar

Partner
Membership No. 512752

sd/-

Mr. T. V. Narendran
Chairman (DIN: 03083605)
Place: Jamshedpur
Date: April 21, 2021

sd/-

Mr. Srikumar Menon
Independent Director (DIN: 00470254)
Place: Kolkata
Date: April 21, 2021

sd/-

Mr. Sanjib Nanda
Chief Financial Officer
Place: New Delhi
Date: April 21, 2021

sd/-

Mr. Krishnavu Dutt
Independent Director (DIN: 02792753)
Place: Mumbai
Date: April 21, 2021

sd/-

Mr. Anand Sen
Non – Executive Director (DIN: 00237914)
Place: Mumbai
Date: April 21, 2021

sd/-

Ms. Nisha Anil Seth
Company Secretary
(Membership No. 27019)
Place: New Delhi
Date: April 21, 2021

sd/-

Ms. Neera Saggi
Independent Director (DIN: 00501029)
Place: Mumbai
Date: April 21, 2021

sd/-

Mr. Koushik Chatterjee
Non – Executive Director (DIN: 00004989)
Place: Mumbai
Date: April 21, 2021

sd/-

Mr. Shashi Kant Maudgal
Independent Director (DIN: 00918431)
Place: Mumbai
Date: April 21, 2021

sd/-

Mr. Rajeev Singhal
Managing Director (DIN: 02719570)
Place: Kolkata
Date: April 21, 2021

Place: Faridabad
Date: April 21, 2021

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lacs)

	Note	Year ended March 31, 2021	Year ended March 31, 2020
I Income:			
(a) Revenue from operations	20	2,141,862.70	1,819,914.18
(b) Other income	21	11,742.10	10,651.49
Total income		2,153,604.80	1,830,565.67
II Expenses:			
(a) Raw materials consumed	22	1,002,400.10	1,059,204.21
(b) Purchases of finished, semi-finished steel and other products	23	-	287.56
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	69,431.94	(25,379.95)
(d) Employee benefit expense	25	46,525.53	40,129.87
(e) Finance costs	26	162,225.51	169,591.50
(f) Depreciation and amortisation expense	27	147,977.44	143,163.44
(g) Other expenses	28	478,445.67	515,388.32
Total expenses		1,907,006.19	1,902,384.95
III Profit/(Loss) before exceptional items and tax (I-II)		246,598.61	(71,819.28)
IV Exceptional items	29	-	6,901.84
V Profit/(Loss) before tax (III+IV)		246,598.61	(64,917.44)
VI Tax expense:			
(a) Current tax		-	-
(b) Deferred tax		-	-
Total tax expense		-	-
VII Profit/(Loss) for the year (V-VI)		246,598.61	(64,917.44)
VIII Other comprehensive income			
(a) Items that will not be reclassified to profit or loss		340.19	(746.62)
(i) Remeasurement gains/(losses) on post employment defined benefit plans		266.99	(712.70)
(ii) Fair value changes of investments in equity shares		73.20	(33.92)
(b) Income tax relating to items that will not be reclassified to profit or loss		-	-
(c) Items that will be reclassified to profit or loss		-	-
(d) Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income		340.19	(746.62)
IX Total comprehensive income for the year (VII+VIII)		246,938.80	(65,664.06)
X Earnings per share	30		
Basic (₹)		22.55	(5.94)
Diluted (₹)		6.44	(5.94)
The accompanying notes forming part of the financial statements	1-46		

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. :
001076N/N500013

sd/-
Siddharth Talwar
Partner
Membership No. 512752

sd/-
Mr. T. V. Narendran
Chairman (DIN: 03083605)
Place: Jamshedpur
Date: April 21, 2021

sd/-
Mr. Srikumar Menon
Independent Director (DIN: 00470254)
Place: Kolkata
Date: April 21, 2021

sd/-
Mr. Sanjib Nanda
Chief Financial Officer
Place: New Delhi
Date: April 21, 2021

sd/-
Mr. Krishnava Dutt
Independent Director (DIN: 02792753)
Place: Mumbai
Date: April 21, 2021

sd/-
Mr. Anand Sen
Non – Executive Director (DIN: 00237914)
Place: Mumbai
Date: April 21, 2021

sd/-
Ms. Nisha Anil Seth
Company Secretary
(Membership No. 27019)
Place: New Delhi
Date: April 21, 2021

sd/-
Ms. Neera Saggi
Independent Director (DIN: 00501029)
Place: Mumbai
Date: April 21, 2021

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Mr. Koushik Chatterjee
Non – Executive Director (DIN: 00004989)
Place: Mumbai
Date: April 21, 2021

sd/-
Mr. Shashi Kant Maudgal
Independent Director (DIN: 00918431)
Place: Mumbai
Date: April 21, 2021

sd/-
Mr. Rajeev Singhal
Managing Director (DIN: 02719570)
Place: Kolkata
Date: April 21, 2021

Place: Faridabad
Date: April 21, 2021

TATA STEEL BSL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

A. Equity Share Capital

(₹ in lacs)

	As at April 1, 2020	Changes during the period	As at March 31, 2021
Equity shares of ₹ 2 each issued, subscribed and fully paid.	21,868.80	-	21,868.80

(₹ in lacs)

	As at April 1, 2019	Changes during the period	As at March 31, 2020
Equity shares of ₹ 2 each issued, subscribed and fully paid.	21,868.80	-	21,868.80

B. Other Equity

(₹ in lacs)

	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Equity component of compound financial instruments	Capital contribution	Equity instruments at fair value through other comprehensive income	Total Equity
As at April 1, 2020	693.34	72,576.10	564,350.09	(3,142,019.99)	1,729,582.05	2,518,550.72	25.98	1,743,758.29
Profit for the year	-	-	-	246,598.61	-	-	-	246,598.61
Other comprehensive income	-	-	-	266.99	-	-	73.20	340.19
As at March 31, 2021	693.34	72,576.10	564,350.09	(2,895,154.39)	1,729,582.05	2,518,550.72	99.18	1,990,697.09

(₹ in lacs)

	Capital redemption reserve	Securities premium	General reserve	Retained earnings	Equity component of compound financial instruments	Capital contribution	Equity instruments at fair value through other comprehensive income	Total Equity
As at April 1, 2019	693.34	72,576.10	564,350.09	(3,076,389.82)	1,729,582.05	2,518,550.72	59.90	1,809,422.38
Profit for the year	-	-	-	(64,917.47)	-	-	-	(64,917.47)
Other comprehensive income	-	-	-	(712.70)	-	-	(33.92)	(746.62)
As at March 31, 2020	693.34	72,576.10	564,350.09	(3,142,019.99)	1,729,582.05	2,518,550.72	25.98	1,743,758.29

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Walker Chandio & Co LLP**

Chartered Accountants
Firm Registration No. :
001076N/N500013

sd/-
Siddharth Talwar
Partner
Membership No. 512752

sd/-
Mr. T. V. Narendran
Chairman (DIN: 03083605)
Place: Jamshedpur
Date: April 21, 2021

sd/-
Mr. Srikumar Menon
Independent Director (DIN: 00470254)
Place: Kolkata
Date: April 21, 2021

sd/-
Mr. Sanjib Nanda
Chief Financial Officer
Place: New Delhi
Date: April 21, 2021

sd/-
Mr. Krishnavu Dutt
Independent Director (DIN: 02792753)
Place: Mumbai
Date: April 21, 2021

sd/-
Mr. Anand Sen
Non – Executive Director (DIN: 00237914)
Place: Mumbai
Date: April 21, 2021

sd/-
Ms. Nisha Anil Seth
Company Secretary
(Membership No. 27019)
Place: New Delhi
Date: April 21, 2021

sd/-
Ms. Neera Saggi
Independent Director (DIN: 00501029)
Place: Mumbai
Date: April 21, 2021

sd/-
Mr. Koushik Chatterjee
Non – Executive Director (DIN: 00004989)
Place: Mumbai
Date: April 21, 2021

sd/-
Mr. Shashi Kant Maudgal
Independent Director (DIN: 00918431)
Place: Mumbai
Date: April 21, 2021

sd/-
Mr. Rajeev Singhal
Managing Director (DIN: 02719570)
Place: Kolkata
Date: April 21, 2021

Place: Faridabad
Date: April 21, 2021

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lacs)

	Year ended March 31, 2021		Year ended March 31, 2020	
(A) Cash Flow From Operating Activities:				
Profit/(Loss) before taxes		246,598.61		(64,917.47)
Adjustments for:				
Depreciation & amortisation expenses	147,977.44		143,163.43	
Finance cost	162,225.51		169,591.49	
Exceptional gains	-		(6,901.84)	
Gain on fair valuation/sale of current investments	(2,458.38)		(3,781.15)	
Loss/(Gain) on settlement/cancellation of forward exchange contracts	5,883.40		(8,306.27)	
Interest income / Dividend income	(6,250.46)		(4,920.56)	
Provision for doubtful debts / Bad debts written off (net of write back)	694.90		(3,336.87)	
Provisions (retirement benefit)	1,384.10		932.58	
Others	616.11		(4,434.12)	
		310,072.62		282,006.69
Operating cash flows before changes in inventories and operating receivables and payables		556,671.23		217,089.22
Adjustments for:				
Trade receivables	27,363.14		3,542.21	
Inventories	46,739.41		(26,202.40)	
Loans, other financial assets and other assets	13,731.95		(16,205.15)	
Trade payables, other financial liabilities and other liabilities	171,015.07		(5,818.09)	
		258,849.57		(44,683.43)
Cash generated from operations		815,520.80		172,405.79
Direct taxes paid		(1,332.51)		(589.74)
Net cash generated from operating activities		814,188.29		171,816.05
(B) Cash Flow From Investing Activities:				
Payments made for purchase of property, plant and equipment	(14,397.14)		(61,991.85)	
Proceeds from sale of property, plant and equipment	193.93		626.57	
(Purchase)/sale of current investments (Net)	(66,702.96)		163,271.43	
Loans given	-		(75,500.00)	
Repayment of loans given	7,800.00		42,900.00	
Acquisition of interest in subsidiaries	(125.00)		(1,000.00)	
Interest received	7,498.12		1,563.43	
Movement in other bank balances	11,184.75		2,922.12	
Dividend received	-		1.76	
Net cash from/(used in) investing activities		(54,548.30)		72,793.46

TATA STEEL BSL LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lacs)

	Year ended March 31, 2021		Year ended March 31, 2020	
(C) Cash Flow From Financing Activities:				
Proceeds/repayment of current borrowings (Net)	(63,716.73)		88,700.00	
Repayment of borrowings	(550,000.00)		(143,090.77)	
Payment of lease liabilities	(13,500.67)		(6,884.85)	
Interest paid (Interest paid on lease liabilities - ₹ 21,093.65 lacs (March 31, 2020 : ₹ 17,220.71 lacs))	(132,831.59)		(138,717.13)	
Net cash used in financing activities		(760,048.99)		(199,992.75)
Net (decrease)/increase in cash and cash equivalents (A+B+C)		(409.00)		44,616.76
Opening cash and cash equivalents		72,358.48		27,741.72
Closing cash and cash equivalents (Refer note no 12)		71,949.48		72,358.48

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**

Chartered Accountants
Firm Registration No. :
001076N/N500013

sd/-
Siddharth Talwar

Partner
Membership No. 512752

sd/-

Mr. T. V. Narendran
Chairman (DIN: 03083605)
Place: Jamshedpur
Date: April 21, 2021

sd/-

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Independent Director (DIN: 00470254)
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Chief Financial Officer
Place: New Delhi
Date: April 21, 2021

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Independent Director (DIN: 02792753)
Place: Mumbai
Date: April 21, 2021

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Non – Executive Director (DIN: 00237914)
Place: Mumbai
Date: April 21, 2021

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Company Secretary
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Place: New Delhi
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Independent Director (DIN: 00501029)
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Place: Mumbai
Date: April 21, 2021

sd/-

Mr. Rajeev Singhal
Managing Director (DIN: 02719570)
Place: Kolkata
Date: April 21, 2021

Place: Faridabad
Date: April 21, 2021

ACCOUNTING POLICIES UNDER IND AS

STANDALONE FINANCIAL STATEMENTS OF TATA STEEL BSL LIMITED FOR THE YEAR ENDED MARCH 31, 2021

1. Company Information and basis of preparation

TATA Steel BSL Limited ("the Company") is a public limited company incorporated at India with its registered office at Ground Floor, Mira Corporate Suites, Plot No. 1&2, Ishwar Nagar, Mathura Road, New Delhi-110065, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The Company is the 3rd largest secondary steel producer with an overall steel producing capacity of 5.6 million tonnes per annum. The Company has presence across the entire value chain of steel manufacturing. The Company offers a broad range of steel products including a portfolio of high value added downstream products such as hot rolled, cold rolled and coated steel, cold rolled full hard, galvanised coils and sheets, high tensile steel strips, colour coated tiles, precision tubes etc. The Company has the unique facilities of producing cold roll and sheets up to a width of 1700 mm and galvanised coil and steel up to a width of 1350 mm.

Statement of compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time.

Basis of preparation

The financial statements have been prepared on a historical cost basis, except:

- certain assets and liabilities that are required to be carried at fair values by Ind AS; and
- property, plant & equipment which have been fair valued at the transition date (i.e. April 01, 2015) as 'deemed cost' upon transition to Ind AS.

The financial statements are presented in INR and all values are rounded to the nearest Lacs (INR 00,000), except when otherwise indicated.

These standalone financial statements (the 'financial statements') for the year ended March 31, 2021 were approved by the Board of Directors and approved for issue on April 21, 2021. The Company has also prepared consolidated financial statements for the year ended March 31, 2021 in accordance with Ind AS 110 and the same were also approved for issue by the Board of Directors on April 21, 2021.

2. Significant accounting policies

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

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset /liability is treated as current when it is expected to be realised/ settled, sold, consumed within the normal operating cycle. Having regard to the nature of business being carried out by the Company, the Company has determined its operating cycle as twelve months. The Company classifies all other assets/liabilities as non-current.

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

b) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is derecognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset.

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the statement of profit and loss.

c) Depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets

Depreciation or amortisation is provided on a straight line basis on the cost of property, plant and equipment, intangible assets and right-of-use assets. Depreciation on all assets commences from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period or estimated useful life whichever is less. The estimated useful lives of assets and residual values are regularly reviewed and, when necessary, revised.

The estimated useful life of main category of property plant and equipment and intangible assets are:-

	Estimated useful Life (years)
Buildings	Upto 60 years*
Roads	30 years
Plant and Machinery	Upto 40 years*
Railway Sidings	Upto 30 years*
Vehicles	8 to 10 years
Furniture, Fixtures and Office Equipment	5 to 10 years
Computer Software	3 years

* for these class of assets, useful lives are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act,

2013. Based on the technical evaluation carried out by a chartered engineer and internal assessments made, the Company believes that useful lives mentioned above are best representative of the period over which the Company expects to use the assets.

d) **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Eligible transaction/ ancillary costs incurred in connection with the arrangement of borrowings are adjusted with the proceeds of the borrowings.

e) **Impairment of non-financial assets**

The Company, at each balance sheet date, reviews carrying values of its non-financial assets and assesses whether there is an indication that an asset may be impaired. If any indication exists, the recoverable amount, being higher of fair value less costs of disposal and value in use of the assets, is estimated to determine the impairment losses and are recognised in the statement of profit and loss. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs unless either the asset's fair value less costs of disposal is higher than its carrying amount; or the asset's value in use can be estimated to be close to its fair value less costs of disposal and fair value less costs of disposal can be measured.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

For assets, an assessment is made at each balance sheet date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

f) **Inventories**

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, wherever considered necessary. Cost is ascertained on a weighted average basis. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business based on market price at the balance sheet date and discounted for the time value of money if material, less estimated costs of completion and estimated costs necessary to make the sale.

Spare parts including other items are carried on weighted average basis.

g) **Revenue Recognition**

A customer of the Company is a party that has contracted with the Company to obtain goods or services that are an output of the Company's ordinary activities in exchange for consideration. The core principle of recognizing revenue from contracts with customers is that the Company recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

At contract inception, the Company assesses the goods or services promised in a contract with a customer to identify as a performance obligation each promise to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

If there is variable consideration, the Company includes in the transaction price some or all of that amount of estimated variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

"In determining the transaction price, the Company adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer".

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance

obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

For each performance obligation satisfied over time, the Company recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction is measured using appropriate methods which include input and output methods.

The Company recognises as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. However, as a practical expedient, the incremental costs of obtaining a contract are recognized as an expense when incurred if the amortisation period of the asset otherwise would have been one year or less.

The costs to fulfil a contract are recognized as an asset if the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify; the costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and the costs are expected to be recovered.

h) Foreign currency transactions and balances

The Company's financial statements are presented in INR, which is also its functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rate of exchange at the balance sheet date.

Non-monetary items denominated in a foreign currency that are measured in terms of historical cost, are translated using the exchange rates at the dates of the initial transactions. Non-monetary items denominated in a foreign currency that are measured at fair value, are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or statement of profit or loss are also recognised in other comprehensive income or statement of profit or loss, respectively).

i) Income Taxes

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the balance sheet date.

Current tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss

(either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the balance sheet liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the balance sheet date.

Deferred tax liabilities are generally recognised for all the temporary differences. On the contrary, deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses 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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

j) Employee benefits

Short-term benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the service rendered by employees are recognised during the period when the employee renders the services.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Company's contribution to state defined contribution plans namely Employee State Insurance and Maharashtra Labour Welfare Fund are

made in accordance with the relevant statute, and are recognised as an expense when employees have rendered services entitling them to the contribution.

Defined benefits plans

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. In respect of post-retirement benefit re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Re-measurements are not reclassified to statement of profit or loss in subsequent periods.

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

Other long term benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Actuarial gains/ losses on the compensated absences are immediately taken to the statement of profit and loss and are not deferred.

k) Leases

Company as a lessee

The Company assesses if a contract is or contains a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of operations on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if not readily determinable, the incremental borrowing rate specific to the country, term and currency of the contract.

Lease payments can include fixed payments, variable payments that depend on an index or rate known at the commencement date, as well as any extension or purchase options, if the Company is reasonably certain to exercise these options. The lease liability is subsequently measured at amortized cost using the effective interest method and remeasured with a corresponding adjustment to the related right-of-use asset when there is a change in future

lease payments in case of renegotiation, changes of an index or rate or in case of reassessments of options.

The right-of-use asset comprises, at inception, the initial lease liability, any initial direct costs and, when applicable, the obligations to refurbish the asset, less any incentives granted by the lessors. The right-of-use asset is subsequently depreciated, on a straight-line basis, over the lease term, if the lease transfers the ownership of the underlying asset to the Company at the end of the lease term or, if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, over the estimated useful life of the underlying asset. Right-of-use assets are also subject to testing for impairment if there is an indicator for impairment. Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of operations in the period in which the events or conditions which trigger those payments occur. In the statement of financial position right-of-use assets and lease liabilities are classified respectively as part of property, plant and equipment and short-term/long-term debt.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rentals are recognised as revenue in the period in which they are earned.

On March 30, 2019, Ministry of Corporate Affairs ("MCA") had notified the Ind AS 116, Leases which has replaced Ind AS 17 "Leases". Ind AS 116 'Leases' eliminates the classification of leases as either finance leases or operating leases. All leases are required to be reported on an entity's balance sheet as assets and liabilities. Leases are capitalised by recognising the present value of the lease payments and showing them either as right of use of the leased assets or together with property, plant and equipment. Rent expense is replaced by depreciation and interest expense in the income statement.

l) Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised

as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

m) Earnings per share

Basic earnings per equity share is computed by dividend net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

n) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

o) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost i.e. purchase cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

p) Fair value of financial instruments

In determining the fair value of its 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, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

q) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and the grants will be received.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. The benefit of a government loan at below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on the prevailing market interest rates.

r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting done to the chief operating decision maker. The Company operates in a single operating segment.

s) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Subsequent measurement

Non-derivative financial assets

i. *Financial assets carried at amortised cost* – a financial asset is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. *Investments in mutual funds* – Investments in mutual funds are subsequently measured at fair value through profit and loss (FVTPL).

iii. *Investments in equity instruments of subsidiaries, joint ventures and associates* - Investments in equity instruments of subsidiaries, joint ventures and associates are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

iv. *Investments in equity instruments* - Investments in equity instruments, where the Company has opted to classify such instruments at fair value through other comprehensive income (FVOCI) are measured at fair value through other comprehensive income. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Non-derivative financial liabilities

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

Derivative financial instruments

In the ordinary course of business, the Company uses derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange. The instruments are confined principally to forward foreign exchange contracts and these contracts do not generally extend beyond six months.

Derivatives are subsequently re-measured at their fair value at the end of each reporting period.

Compound Financial Instruments

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by issue of a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. The conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables: In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime

expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets: In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

De-recognition of financial liabilities

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

t) Accounting standards or amendments in the accounting standards adopted on/from April 1, 2020:

On 24 July 2020, the Ministry of Corporate Affairs (MCA) has notified new Company (Indian Accounting Standards) Amendment Rules, 2020. These amendments are applicable for the accounting year beginning on or after April 01, 2020.

Ind AS 116, Leases:

The amendment provides lessee with a practical expedient and an exemption to assess whether a COVID-19 related rent concession is a lease modification to payments originally due on or before June 30, 2021. Amendment also requires disclosure of the amount

recognised in statement of profit and loss to reflect changes in lease payments that arise from such concession. The Company has not recognised any amount as reversal of lease liability in the statement of profit and loss.

Ind AS 103, Business Combination

The amendment has revised the definition of 'Business' and 'Business Combination', introduced an optional concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Company does not expect that the adoption of this amendment will have a material impact to its financial statements.

Ind AS 109, Financial Instruments and Ind AS 107 "Financial Instruments: Disclosures

The amendments provide relief from the specific hedge accounting requirements assuming that the interest rate benchmark is

not altered as a result of the interest rate benchmark reform. The Company is currently evaluating the potential impact of replacement of interest rate benchmark and will accordingly manage the transition plan.

Ind AS 1 Presentation of Financial Statements

Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments refined the definition of material to be included in Ind AS 1 and Ind AS 8. The amendments clarify the impact on financial statement and Obscure information. The Company does not expect that the adoption of this amendment will have a material impact to its financial statements.

The existing amendment of materiality has been deleted from Ind AS 8. Instead, now a reference has been made to the amended definition of materiality in Ind AS 1.

(₹ in lacs)

3A. Property, Plant And Equipment

Particulars	Freehold land	Building	Railway siding	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Total
Gross carrying amount as at April 01, 2020	68,651.35	1,716,656.24	85,650.38	3,558,110.21	2,507.77	1,631.31	3,215.96	5,436,423.22
Additions during the year	-	331.84	-	34,723.43	129.27	49.69	675.13	35,909.36
Deletions during the year	-	(27.14)	-	(467.12)	-	(322.64)	(3.36)	(820.26)
Gross carrying amount as at March 31, 2021	68,651.35	1,716,960.94	85,650.38	3,592,366.52	2,637.04	1,358.36	3,887.73	5,471,512.32
Accumulated impairment & depreciation as at April 01, 2020	9,211.61	811,119.70	77,080.46	1,741,626.07	1,246.40	1,008.23	1,573.25	2,642,865.72
Depreciation for the year	-	31,919.16	997.06	97,742.49	235.11	104.68	519.87	131,518.37
Deletions during the year	-	(0.33)	-	(312.63)	-	(261.38)	(0.86)	(575.20)
Accumulated impairment & depreciation as at March 31, 2021	9,211.61	843,038.53	78,077.52	1,839,055.93	1,481.51	851.53	2,092.26	2,773,808.89
Net carrying amount as on April 01, 2020	59,439.74	905,536.54	8,569.92	1,816,484.14	1,261.37	623.08	1,642.71	2,793,557.50
Net carrying amount as on March 31, 2021	59,439.74	873,922.41	7,572.86	1,753,310.59	1,155.53	506.83	1,795.47	2,697,703.43

(₹ in lacs)

Particulars	Freehold land	Building	Railway siding	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Total
Gross carrying amount as at April 01, 2019	68,651.35	1,703,899.37	85,650.38	3,588,619.83	5,051.99	2,134.17	1,315.35	5,455,322.44
Reclassified as right-of-use assets on transition to Ind AS 116	-	-	-	(75,406.25)	-	-	-	(75,406.25)
Additions during the year	-	12,756.87	-	52,530.01	431.62	208.60	1,340.28	67,267.38
Deletions during the year	-	-	-	(6,802.72)	(2,975.84)	(711.46)	(270.33)	(10,760.35)
Other re-classifications	-	-	-	(830.66)	-	-	830.66	-
Gross carrying amount as at March 31, 2020	68,651.35	1,716,656.24	85,650.38	3,558,110.21	2,507.77	1,631.31	3,215.96	5,436,423.22
Accumulated impairment & depreciation as at April 01, 2019	9,211.61	780,218.53	76,081.90	1,668,303.90	3,864.67	1,424.21	776.59	2,539,881.41
Reclassified as right-of-use assets on transition to Ind AS 116	-	-	-	(19,050.00)	-	-	-	(19,050.00)
Depreciation for the year	-	30,901.17	998.56	97,602.86	221.24	133.07	261.89	130,118.79
Impairment for the year	-	-	-	2,174.90	-	-	-	2,174.90
Deletions during the year	-	-	-	(6,631.03)	(2,839.51)	(549.05)	(239.79)	(10,259.38)
Other re-classifications	-	-	-	(774.56)	-	-	774.56	-
Accumulated impairment & depreciation as at March 31, 2020	9,211.61	811,119.70	77,080.46	1,741,626.07	1,246.40	1,008.23	1,573.25	2,642,865.72
Net carrying amount as on April 01, 2019	59,439.74	923,680.84	9,568.48	1,920,315.94	1,187.32	709.96	538.76	2,915,441.03
Net carrying amount as on March 31, 2020	59,439.74	905,536.54	8,569.92	1,816,484.14	1,261.37	623.08	1,642.71	2,793,557.50

NOTES TO FINANCIAL STATEMENTS
3B. Right-of-Use Assets

(₹ lacs)

	Land	Building	Plant & Machinery	Total
Cost as at April 01, 2020	20,484.66	2,610.07	158,856.62	181,951.35
Derecognition of ROU assets for leases vacated during the year	(103.24)	(74.06)	-	(177.30)
Cost as at March 31, 2021	20,381.42	2,536.01	158,856.62	181,774.05
Accumulated depreciation as at April 1, 2020	306.43	572.28	31,061.78	31,940.49
Depreciation for the year	268.29	618.16	15,132.46	16,018.91
Derecognition of ROU assets for leases vacated during the year	(60.60)	(56.14)	-	(116.74)
Accumulated depreciation as at March 31, 2021	514.12	1,134.30	46,194.24	47,842.66
Net carrying value as on April 1, 2020	20,178.23	2,037.79	127,794.84	150,010.86
Net carrying value as on March 31, 2021	19,867.30	1,401.71	112,662.38	133,931.39

	Land	Building	Plant & Machinery	Total
Reclassified from Property, Plant & Equipment on transition to Ind AS 116	-	-	75,406.25	75,406.25
Additions on account of transition to Ind AS 116	19,547.13	2,124.76	169.84	21,841.73
Additions during the year	937.53	509.38	83,317.55	84,764.46
Derecognition of ROU assets for leases vacated during the year	-	(24.07)	(37.02)	(61.09)
Cost as at March 31, 2020	20,484.66	2,610.07	158,856.62	181,951.35
Reclassified from Property, Plant & Equipment on transition to Ind AS 116	-	-	19,050.00	19,050.00
Depreciation for the year	306.43	575.54	12,030.58	12,912.55
Derecognition of ROU assets for leases vacated during the year	-	(3.26)	(18.80)	(22.06)
Accumulated depreciation as at March 31, 2020	306.43	572.28	31,061.78	31,940.49
Net carrying value as on March 31, 2020	20,178.23	2,037.79	127,794.84	150,010.86

3C. Capital Work-In-Progress

Capital work in progress (CWIP) as at March 31, 2021 comprises expenditure for the plant in the course of construction. Total amount of CWIP is ₹ 44,231.38 lacs (March 31, 2020 ₹ 68,171.13 lacs). This includes expenditure capitalised and comprises of direct material cost, labour charges, supervision charges.

No borrowing cost has been capitalised during the current year. During the previous year ₹ 6,418.64 lacs of borrowing costs has been capitalised on qualifying asset using a annualized capitalisation rate of 9.34%.

Notes :

- For details of capital commitments, refer note 32.
- Property, plant and equipment are pledged against borrowings, the details relating to which have been described in Note 16A pertaining to borrowings.

NOTES TO FINANCIAL STATEMENTS

4. Intangible Assets

(₹ in lacs)

	Software Costs	Other Intangible Assets	Total
Cost as at April 01, 2020	2,270.49	978.59	3,249.08
Additions during the year	0.04	-	0.04
Gross carrying amount as at March 31, 2021	2,270.53	978.59	3,249.12
Accumulated amortisation as at April 01, 2020	190.33	978.59	1,168.92
Amortisation during the year	440.16	-	440.16
Accumulated amortisation as at March 31, 2021	630.49	978.59	1,609.08
Net carrying value as at April 01, 2020	2,080.16	-	2,080.16
Net carrying value as at March 31, 2021	1,640.04	-	1,640.04

(₹ in lacs)

	Software Costs	Other Intangible Assets	Total
Cost as at April 01, 2019	75.29	978.59	1,053.88
Additions during the year	2,195.68	-	2,195.68
Deletions during the year	(0.48)	-	(0.48)
Gross carrying amount as at March 31, 2020	2,270.49	978.59	3,249.08
Accumulated amortisation as at April 01, 2019	58.23	978.59	1,036.82
Amortisation during the year	132.10	-	132.10
Accumulated amortisation as at March 31, 2020	190.33	978.59	1,168.92
Net carrying value as at April 01, 2019	17.06	-	17.06
Net carrying value as at March 31, 2020	2,080.16	-	2,080.16

5. Leases

- (i) The Company as a lessee operates certain land, building and plant & machineries under various lease arrangements.
- (ii) Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security against the Company's other debts and liabilities. For leases over office buildings and factory premises the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.
- (iii) Expenses related to short-term leases and leases of assets of low value included in Rent expenses (Refer note 28) were ₹ 147.12 lacs (March 31, 2020: ₹ 181.23 lacs) and ₹ 1.08 lacs (March 31, 2020: ₹ 2.40 lacs) respectively, for the year ended March 31, 2021. Expenses related to variable lease payments not included in the measurement of lease liabilities were ₹ 2,463.62 lacs for the year ended March 31, 2021 (March 31, 2020: ₹ 42,507.95 lacs).

NOTES TO FINANCIAL STATEMENTS
6. Financial Assets
A. Investments

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(I) Non-current investments		
i) Investments in equity instruments of subsidiaries at cost		
Bhushan Steel (Australia) Pty Limited - 47,369,796 (March 31, 2020: 47,369,796) equity shares of AUD 1 each fully paid up - unquoted	24,441.85	24,441.85
Less: Impairment	(24,441.85)	(24,441.85)
	-	-
Tata Steel Technical Services Limited (Formerly known as Bhushan Steel Madhya Bharat Limited) - 49,990 (March 31, 2020: 49,990) equity shares of ₹ 10/- each fully paid up - unquoted	5.00	5.00
Tata Steel Support Services Limited (Formerly known as Bhushan Steel (Orissa) Limited) - 49,990 (March 31, 2020: 49,990) equity shares of ₹ 10/- each fully paid up - unquoted	5.00	5.00
Bhushan Steel (South) Limited - 1,300,000 (March 31, 2020: 50,000) equity shares of ₹10/- each fully paid up - unquoted	130.00	5.00
Angul Energy Limited (Formerly known as Bhushan Energy Limited) - 10,000,065 (March 31, 2020: 10,000,065) equity shares of ₹ 10/- each fully paid up - unquoted	1,000.00	1,000.00
Total investment in subsidiaries	1,140.00	1,015.00
ii) Other non-current investment in equity instruments at fair value through other comprehensive income		
Andal East Coal Company Private Limited - 330,000 (March 31, 2020: 330,000) equity shares of ₹ 10/- each fully paid up - unquoted (refer sub-note (ii) below)	-	-
Jawahar Credit & Holdings Private Limited - 8,643,742 (March 31, 2020: 8,643,742) equity shares of ₹ 10/- each fully paid up - unquoted (Refer sub-note (iii))	940.31	940.31
Less: Impairment	(940.31)	(940.31)
Bhushan Capital & Credit Services Private Limited - 8,643,742 (March 31, 2020: 8,643,742) equity shares of ₹ 10/- each fully paid up - unquoted (Refer sub-note (iii))	940.31	940.31
Less: Impairment	(940.31)	(940.31)
	-	-
Tata Steel Limited - 13,500 (March 31, 2020: 13,500) equity shares of ₹ 10/- each fully paid up - quoted	109.58	36.39
Bhushan Buildwell Private Limited - 4,900 (March 31, 2020: 4,900) equity shares of ₹ 10/- each fully paid up - unquoted	24.74	24.74
Saraswat Co-operative Bank Limited - 2,500 (March 31, 2020: 2,500) equity shares of ₹ 10/- each fully paid up - unquoted	0.82	0.82
Bhushan Steel Bengal Limited - 50,000 (March 31, 2020: 50,000) equity shares of ₹ 10/- each fully paid up - unquoted	5.00	5.00
Total other investment	140.14	66.95
Aggregate carrying amount and market value of quoted investments	109.58	36.39
Aggregate carrying amount of unquoted investments		
- In Subsidiaries	1,140.00	1,015.00
- In Others	30.56	30.56
Aggregate amount of impairment in value of investments	26,322.47	26,322.47

NOTES TO FINANCIAL STATEMENTS

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(II) Current investments		
(a) Investment carried at fair value through profit or loss		
Investment in mutual funds - Unquoted		
TATA Liquid Fund	7,805.22	-
Aditya Birla Sunlife Liquid Fund	9,283.84	-
DSP Liquidity Plan - Growth	6,271.65	-
SBI Mutual Fund - Growth	8,424.34	-
UTI Liquid Cash Plan - Growth	11,354.74	-
HDFC Liquid Fund - Growth	9,213.65	-
L & T Liquid Fund - Growth	6,303.42	-
IDFC Cash Fund - Growth	10,504.48	-
	69,161.34	-

Notes:

- (i) Refer note 39B for determination of fair values of current & non-current investments.
- (ii) The Company held investment in equity shares of Andar East Coal Company Private Limited ("AECPL") which was classified as a joint venture till January 24, 2017. The Company recognised impairment loss on such investment during the year 2017-2018 aggregating to ₹ 145.50 lacs which was disclosed under 'exceptional items' in statement of profit and loss. As per the order dated January 24, 2017, Calcutta High Court had directed winding-up of AECPL and subsequently liquidators were appointed to carry on such liquidation process. Pursuant to this, the Company had lost joint control over AECPL and its investment was classified as FVTOCI with fair value of ₹ Nil upon initial recognition.
- (iii) Tata Steel BSL Limited ("TSBSL") (formerly known as Bhushan Steel Limited) was being shown as promoter of Jawahar Credit & Holdings Private Limited ("JCHPL") and Bhushan Capital & Credit Services Private Limited ("BCCSPL"). These are entities connected to the previous management of the Company.
- The Company has written to JCHPL, BCCSPL and the Registrar of Companies (National Capital Territory of Delhi & Haryana) intimating that TSBSL should not be identified as promoter in these two companies. In view of this, the Company currently does not exercise significant influence on these entities, and hence, have not been considered as associates.

B. Loans

Non-Current (Unsecured, considered good unless otherwise stated)

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Security deposits	5,108.69	5,002.95
(b) Loans to employees	6.17	8.08
(c) Loans to related parties		
- Inter corporate deposits	24,800.00	32,600.00
(d) Other loans		
- Balances - credit impaired	523.75	523.75
Less: Allowance for expected credit losses	(523.75)	(523.75)
	-	-
	29,914.86	37,611.03

NOTES TO FINANCIAL STATEMENTS
Current (Unsecured, considered good unless otherwise stated)

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Security deposits		
- Unsecured, considered good	1,979.83	2,406.28
- Balances - credit impaired	8,126.78	7,751.94
Less: Allowance for expected credit losses	(8,126.78)	(7,751.94)
	1,979.83	2,406.28
(b) Loans to employees	86.99	89.80
(c) Inter corporate deposits		
- Balances - credit impaired	760.00	760.00
Less: Allowance for expected credit losses	(760.00)	(760.00)
	-	-
	2,066.82	2,496.08

(i) Carrying amounts of current loans are a reasonable approximation of their fair values.

C. Other Financial Assets
Non Current

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Recoverable for coal block (Refer sub-note (i))		
- Unsecured, considered good	-	41,456.44
- Unsecured, considered doubtful	-	14,833.52
Less: Allowance for expected credit losses	-	(14,833.52)
	-	41,456.44
(b) Earmarked bank balances (Refer sub-note (ii))	1,162.45	307.16
	1,162.45	307.16
	1,162.45	41,763.60

(i) For details of coal block advance, refer note 32C.

(ii) Non-current earmarked bank balances represent deposits and balances with bank not due for realisation within 12 months from the balance sheet date. These are primarily placed as security with government bodies and as margin money against issue of bank guarantees. Earmarked bank balances includes interest accrued but not due.

Current

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Recoverable for coal block (Refer sub-note (i))		
- Unsecured, considered good	41,456.44	-
- Unsecured, considered doubtful	13,873.52	-
Less: Allowance for expected credit losses	(13,873.52)	-
	41,456.44	-
(b) Interest accrued	2,263.15	3,459.67
(c) Export benefit receivable		
- Unsecured, considered good	5,849.28	8,014.48
- Unsecured, considered doubtful	173.81	185.98
Less: Allowance for expected credit losses	(173.81)	(185.98)
	5,849.28	8,014.48
(d) Others	-	449.86
	49,568.88	11,924.01

(i) For details of coal block advance, refer note 32C.

(ii) Carrying amounts of other current financial assets are a reasonable approximation of their fair values.

NOTES TO FINANCIAL STATEMENTS

7. Derivative Instruments

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Derivative assets		
Forward Contracts	-	5,142.54
Total derivative assets	-	5,142.54
(b) Derivative liabilities		
Forward Contracts	1,504.63	763.77
Total derivative liabilities	1,504.63	763.77

8. Other Assets

Non current (Unsecured, considered good unless otherwise stated)

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Capital advances		
Unsecured, considered good	5,065.02	3,804.80
Unsecured, considered doubtful	3,509.57	3,509.57
Less: Allowance for credit losses	(3,509.57)	(3,509.57)
	5,065.02	3,804.80
(b) Balances with statutory authorities		
Unsecured, considered good	85,831.09	53,942.29
Unsecured, considered doubtful	31,970.77	32,091.12
Less: Allowance for credit losses	(31,970.77)	(32,091.12)
	85,831.09	53,942.29
(c) Advance to suppliers	3,431.38	3,255.70
(d) Prepaid expenses	237.14	247.90
Total (a+b+c+d)	94,564.63	61,250.69

Current (Unsecured, considered good unless otherwise stated)

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Balances with statutory authorities	11,130.23	39,055.89
(b) Advance to suppliers		
Unsecured, considered good	10,185.55	25,225.40
Unsecured, considered doubtful	2,315.02	1,640.63
Less: Allowance for credit losses	(2,315.02)	(1,640.63)
	10,185.55	25,225.40
(c) Prepaid expenses	1,505.24	1,436.13
(d) Other advances	72.42	71.89
Total (a+b+c+d)	22,893.44	65,789.31

TATA STEEL BSL LIMITED

NOTES TO FINANCIAL STATEMENTS

9. Income Tax Assets

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Advance tax and tax deducted at source receivable (net of tax provisions)	5,104.22	3,771.71
	5,104.22	3,771.71

10. Inventories

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Raw materials	147,546.54	133,975.87
(b) Finished and semi-finished goods	147,215.27	216,180.84
(c) Stores and spares	129,031.67	120,143.80
Less : Provision	(664.00)	(898.00)
(d) Others	13,623.66	14,090.03
	436,753.14	483,492.54
Included above, goods-in-transit:		
(i) Raw materials	22,615.32	19,265.89
(ii) Stores and spares	3,474.39	8,442.40
	26,089.71	27,708.28

(i) Value of inventories above is stated after provisions (net of reversal) ₹ 664.00 lacs (March 31, 2020: ₹ 898.00 lacs) for write-downs to net realisable value and provision for slow moving and obsolete items.

11. Trade Receivables (Unsecured)

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Trade Receivables considered good	42,265.64	70,238.62
Trade Receivables - credit impaired	10,237.53	9,542.63
	52,503.17	79,781.25
Less: Allowance for expected credit losses	(10,237.53)	(9,542.63)
	42,265.64	70,238.62

- (i) For details of receivables from related parties, refer note 36.
- (ii) Trade receivables relate to Company's contracts with its customers, are non-interest bearing and are generally on credit terms not exceeding 12 months.
- (iii) The Company recognises lifetime expected credit losses on trade receivables using a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix.
- (iv) Movement in allowance for credit losses of receivables is as follows:

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	9,542.63	18,345.33
Charge in statement of profit & loss	694.90	-
Release to statement of profit & loss	-	(8,802.70)
Balance at the end of the year	10,237.53	9,542.63

NOTES TO FINANCIAL STATEMENTS

(v) Ageing of trade receivables and credit risk arising there from is as below:

(₹ in lacs)

	As at March 31, 2021			
	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Net carrying amount
Amount not yet due	32,041.74	0%	89.96	31,951.78
Less than three months overdue	6,142.69	1%	75.59	6,067.11
Between three to six month overdue	2,139.56	13%	275.06	1,864.50
Between six month to one year overdue	711.60	38%	271.78	439.82
Greater than one year overdue	11,467.58	83%	9,525.14	1,942.43
Balance at the end of the year	52,503.17		10,237.53	42,265.63

(₹ in lacs)

	As at March 31, 2020			
	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Net carrying amount
Amount not yet due	45,779.96	0%	89.96	45,690.00
Less than three months overdue	19,668.26	0%	82.48	19,585.78
Between three to six month overdue	1,104.40	18%	197.86	906.54
Between six month to one year overdue	527.22	27%	141.73	385.49
Greater than one year overdue	12,701.41	71%	9,030.60	3,670.81
Balance at the end of the year	79,781.25		9,542.63	70,238.62

(vi) The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2021 to be ₹ 52,503.17 lacs (March 31, 2020: ₹ 79,781.25 lacs). The Company's exposure to customers is diversified and no single customer contributes more than 10% of the outstanding receivables as at March 31, 2021 and March 31, 2020.

(vii) There are no outstanding receivable debts due from directors or other officers of the Company.

12. Cash and Cash Equivalents

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Cash in hand	4.80	50.32
(b) Balances with banks		
- In current accounts	23,920.01	37,308.16
- Deposits with original maturity of less than three months (Refer sub-note ii)	48,024.67	35,000.00
	71,949.48	72,358.48

(i) The carrying amounts of cash and cash equivalents closely approximate their fair values.

(ii) Deposits represents amount free from any restrictions and are deposited for investment purpose only.

NOTES TO FINANCIAL STATEMENTS
13. Other Balances With Banks

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Earmarked balances with banks		
- Unpaid dividend	5.00	6.85
- Deposit with original maturity of more than three months but less than twelve months	553.76	12,591.96
	558.76	12,598.81

- (i) Earmarked balances with banks represent balances held for unpaid dividends and margin money/fixed deposits against issue of bank guarantees.
- (ii) The carrying amounts of other balances with banks closely approximate their fair values.

14. Equity Share Capital

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Authorised:		
46,500,000,000 Ordinary equity shares of ₹ 2 each (March 31, 2020: 46,500,000,000)	930,000.00	930,000.00
	930,000.00	930,000.00
Issued*:		
1,097,530,242 Ordinary equity shares of ₹ 2 each (March 31, 2020: 1,097,530,242)	21,950.60	21,950.60
	21,950.60	21,950.60
Subscribed and Paid up:		
1,093,439,768 Ordinary equity shares of ₹ 2 each (March 31, 2020: 1,093,439,768)	21,868.80	21,868.80
	21,868.80	21,868.80

*Issued equity shares include 4,089,690 (March 31, 2020: 4,089,690) share warrants that were issued but not subscribed and 784 (March 31, 2020: 784) equity shares which were forfeited during financial year 2013-14.

a) Reconciliation of number of shares outstanding and the amount of share capital:

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount (₹ in lacs)	Number of shares	Amount (₹ in lacs)
Shares outstanding at the beginning of the year	1,093,439,768	21,868.80	1,093,439,768	21,868.80
Changes during the year	-	-	-	-
Shares outstanding at the end of the year	1,093,439,768	21,868.80	1,093,439,768	21,868.80

b) Rights, preferences and restrictions attached to the equity shares

The Company has only one class of issued, subscribed and paid up equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holder.

NOTES TO FINANCIAL STATEMENTS

c) Details of the shareholders holding more than 5% share in the Company

	As at March 31, 2021	
	Number of shares held	% of holding
Equity shares of ₹ 2/- each fully paid up		
Bamnipal Steel Limited	794,428,986	72.65%

	As at March 31, 2020	
	Number of shares held	% of holding
Equity shares of ₹ 2/- each fully paid up		
Bamnipal Steel Limited	794,428,986	72.65%

d) Details of shares held by the Holding Company

	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Equity shares of ₹ 2/- each fully paid up				
Bamnipal Steel Limited	794,428,986	72.65%	794,428,986	72.65%

15. Other Equity

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
a) Capital redemption reserve		
Balance as at the beginning of the period	693.34	693.34
Changes during the year	-	-
Balance as at the end of the period	693.34	693.34
b) Securities premium		
Balance as at the beginning of the period	72,576.10	72,576.10
Changes during the year	-	-
Balance as at the end of the period	72,576.10	72,576.10
c) General reserve		
Balance as at the beginning of the period	564,350.09	564,350.09
Changes during the year	-	-
Balance as at the end of the period	564,350.09	564,350.09
d) Retained earnings		
Balance as at the beginning of the period	(3,142,019.99)	(3,076,389.82)
Profit/(Loss) during the year	246,598.61	(64,917.47)
Remeasurement of defined employee benefit plans	266.99	(712.70)
Balance as at the end of the period	(2,895,154.39)	(3,142,019.99)

NOTES TO FINANCIAL STATEMENTS
e) Equity component of compound financial instruments

The compound financial instruments relate to the Optionally Convertible Redeemable Preference shares (OCRPS) and Non Convertible Redeemable Preference Shares (NCRPS) issued by the Company.

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

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Authorised:		
22,000,000 Preference shares of ₹ 100 each (March 31, 2020: 22,000,000)	22,000.00	22,000.00
12,000,000,000 Non Convertible Redeemable Preference Shares of ₹ 10 each (March 31, 2020: 12,000,000,000)	1,200,000.00	1,200,000.00
12,000,000,000 Optionally Convertible Redeemable Preference shares of ₹ 10 each (March 31, 2020: 12,000,000,000)	1,200,000.00	1,200,000.00
	2,422,000.00	2,422,000.00
Issued:		
10,700,000,000 Non Convertible Redeemable Preference Shares of ₹ 10 each (March 31, 2020: 10,700,000,000)	1,070,000.00	1,070,000.00
9,000,000,000 Optionally Convertible Redeemable Preference shares of ₹ 10 each (March 31, 2020: 9,000,000,000)	900,000.00	900,000.00
	1,970,000.00	1,970,000.00
Subscribed and Paid up:		
10,700,000,000 Non Convertible Redeemable Preference Shares of ₹ 10 each (March 31, 2020: 10,700,000,000)	1,070,000.00	1,070,000.00
9,000,000,000 Optionally Convertible Redeemable Preference shares of ₹ 10 each (March 31, 2020: 9,000,000,000)	900,000.00	900,000.00
	1,970,000.00	1,970,000.00

B. Reconciliation of number of shares outstanding:
Non Convertible Redeemable Preference Shares

	As at March 31, 2021	As at March 31, 2020
Shares outstanding at the beginning of the year	10,700,000,000	10,700,000,000.00
Changes during the year	-	-
Shares outstanding at the end of the year	10,700,000,000	10,700,000,000

Optionally Convertible Redeemable Preference shares

	As at March 31, 2021	As at March 31, 2020
Shares outstanding at the beginning of the year	9,000,000,000	9,000,000,000
Changes during the year	-	-
Shares outstanding at the end of the year	9,000,000,000	9,000,000,000

NOTES TO FINANCIAL STATEMENTS

C. Rights, preferences and restrictions attached to the preference shares

The Company has issued preference shares having a par value of ₹ 10/- 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 16A - Borrowings.

D. Equity shares reserved for issue under option to convert Optionally Convertible Redeemable Preference shares to equity shares

	As at March 31, 2021	As at March 31, 2020
Equity shares reserved for issue under option	2,957,607,624	2,957,607,624

E. Terms of conversion attached to Optionally Convertible Redeemable Preference shares

The OCRPS were initially convertible into equity shares at the option of Tata Steel Limited ("TSL") within a period of 18 months from the date of allotment at ₹ 30.43 per share. In view of the pending Composite Scheme of Amalgamation of the Company with TSL (also refer note 45), the Company has taken extension from the Securities and Exchange Board of India for the tenure of the OCRPS till the date the aforesaid Scheme becomes effective.

F. Details of the shareholders holding more than 5% preference shares in the Company

Non Convertible Redeemable Preference Shares

	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Preference shares of ₹ 10/- each fully paid up				
Tata Steel Limited	10,700,000,000	100.00%	10,700,000,000	100.00%

Optionally Convertible Redeemable Preference shares

	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Preference shares of ₹ 10/- each fully paid up				
Tata Steel Limited	9,000,000,000	100.00%	9,000,000,000	100.00%

G. Equity component of compound financial instruments

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the period	1,729,582.05	1,729,582.05
Changes during the year	-	-
Balance as at the end of the period	1,729,582.05	1,729,582.05

f) Capital contribution

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the period	2,518,550.72	2,518,550.72
Changes during the year	-	-
Balance as at the end of the period	2,518,550.72	2,518,550.72

NOTES TO FINANCIAL STATEMENTS
g) Equity instruments at fair value through other comprehensive income

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the period	25.98	59.90
Fair value changes during the period	73.20	(33.92)
Balance as at the end of the period	99.18	25.98
Total other equity	1,990,697.09	1,743,758.29

h) Description of the nature of reserves existing in the Company:-

Capital redemption reserve - The Companies Act, 2013 requires that when a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Company established this reserve pursuant to the redemption of preference shares issued in earlier year.

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

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

Retained earnings - Retained earnings are created from the profit/ loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

Equity component of compound financial instruments - The Company has issued Optionally Convertible Redeemable Preference Shares (OCRPS) & Non Convertible Redeemable Preference shares (NCRPS) during the financial year ended March 31, 2019. Considering the accounting principles to be followed in line with Indian Accounting Standards, the Company has computed the liability portion of NCRPS & OCRPS as the present value of the contractual obligations associated with the instrument. The difference between the issue amount of the OCRPS & NCRPS and the liability so computed has been treated as the 'Equity component of compound financial instruments' and grouped under other equity.

Capital contribution - During financial year 2018-19, post implementation of the approved resolution plan dated May 15, 2018, Bannipal Steel Limited (Holding Company), in its capacity as the promoter of the Company, had waived off novated debts (reduced by the cost of novation) amounting to ₹ 2,518,550.72 lacs. The Company recognised such waiver as a capital contribution made during the financial year 2018-19 as an item of 'Other equity'. Refer Note 43 for details of accounting of resolution plan.

Equity instruments at fair value through other comprehensive income - The Company has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. These changes are accumulated within FVTOCI reserve within equity. The Company transfers amount from this reserve to retained earnings when the relevant equity instruments are derecognised.

NOTES TO FINANCIAL STATEMENTS

16. Financial Liabilities

A. Borrowings

Non - Current

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Secured		
(i) Term loans from banks		
- Indian Rupees loans (Refer sub-note (i))	694,903.26	1,242,244.52
(ii) Lease liabilities (Refer sub-note (iii))	145,236.32	158,797.55
	840,139.58	1,401,042.07
(b) Unsecured		
(i) Liability component of compound financial instruments (Refer sub-note(ii))	295,711.84	265,911.64
	295,711.84	265,911.64
Less: Current maturities of lease liabilities classified under 'other financial liabilities'	15,616.31	13,517.16
	1,120,235.13	1,653,436.55

Current

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Secured (Refer sub-note(iv))		
(i) Working capital facilities from banks		
- Indian rupees loans	25,000.00	39,700.00
(ii) Cash credit / Packing credits	-	4,000.00
	25,000.00	43,700.00
(b) Unsecured		
(i) Working capital facilities from banks		
- Indian rupees loans	-	30,000.00
(ii) Other loans	-	15,000.00
	-	45,000.00
	25,000.00	88,700.00

- (i) Rupee Term Loans as at March 31, 2021 amounting to ₹ 694,903.26 lacs (March 31, 2020 : ₹ 1,242,244.52 lacs) are secured by a charge on all of the Company's immovable & movable properties including movable machinery, spares, tools & accessories, ranking *pari passu inter-se*. The term loan were originally payable across 18 half yearly instalments starting from March 2022. The interest rate on such term loans is 0.55% spread over MCLR (Marginal Cost of funds based Lending Rate). The Company has made ₹ 5,50,000 lacs (March 31, 2020 : ₹ 143,000 lacs) as prepayments during the current year, the next scheduled repayment will fall due in March 2027.
- (ii) During the financial year 2018-19, the Company had issued 11.09% Non-Convertible Redeemable Preference Shares ("NCRPS") and 8.89% Optionally Convertible Redeemable Preference Shares ("OCRPS") to Tata Steel Limited ("TSL"), on private placement basis. The NCRPS and OCRPS are redeemable at par value at maturity, i.e. 20 years from the date of allotment. The Company has an option to early redeem the NCRPS and OCRPS at 3 monthly intervals from the date of allotment. OCRPS shall be convertible into equity shares at the option of TSL at ₹ 30.43 per share. The coupon payment is discretionary and accordingly these are accounted for as compound financial instruments.
- (iii) As a result of the adoption of Ind AS 116 "Leases" as of April 1, 2019, the Company has recognised right-of-use assets and lease liabilities related to non-cancellable operating leases. Lease Liabilities are secured against the assets against which the lease liability is arising. Lease liabilities as at March 31, 2021 have been determined using an incremental borrowing rate ranging from 9% to 11.5%.
- (iv) Working capital facilities from banks as at March 31, 2021 amounting to ₹ 25,000 lacs (March 31, 2020 : ₹ 39,700 lacs) are secured by a first *pari passu* charge on all of the stock of raw materials, finished goods, stock in process, consumable stores and book debts of the Company. Cash credit / Packing credit as at March 31, 2020 amounting to ₹ 4,000 lacs was secured by a first *pari passu* charge on all of the stock of raw materials, finished goods, stock in process, consumable stores and book debts and other current assets.

NOTES TO FINANCIAL STATEMENTS

(v) Reconciliation of liabilities arising from financing activities:

(₹ in lacs)

	Term loans from banks	Liability component of compound financial instruments	Other Loans	Lease Liability (including current maturities of lease liabilities)	Total
Balance as at April 01, 2020	1,242,244.52	265,911.65	88,700.00	158,797.55	1,755,653.72
Cash Flows	(550,000.00)	-	(63,716.73)	(13,500.67)	(627,217.40)
Non-Cash Changes	2,658.74	29,800.19	16.73	(60.56)	32,415.10
Accretion of interest and other adjustments as per effective interest method	2,658.74	29,800.19	16.73	(60.56)	32,415.10
Balance as at March 31, 2021	694,903.26	295,711.84	25,000.00	145,236.32	1,160,851.42

B. Trade Payables

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 33)	15,607.60	5,486.99
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	409,686.82	281,484.12
	425,294.42	286,971.11

(i) The Company considers its maximum exposure to liquidity risk with respect to vendors as at March 31, 2021 to be ₹ 425,294.42 lacs (March 31, 2020: ₹ 286,971.11 lacs), which is the fair value of trade payables.

C. Other Financial Liabilities
Non Current

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Deferred sales tax payable	2,005.94	1,802.35
(b) Other payables	2,488.33	1,818.00
	4,494.27	3,620.35

Current

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Current maturities of lease liabilities	15,616.31	13,517.16
(b) Interest accrued on borrowings	6,138.48	9,430.02
(c) Liability for capital goods	3,119.25	4,275.07
(d) Security deposits	53.36	147.74
(e) Unclaimed dividend	5.00	6.85
(f) Other payables (Refer sub-note (i))	28,061.82	26,628.78
	52,994.22	54,005.62

(i) Other payables includes:

- (a) Trade rebate provided to customers ₹ 10,552.90 lacs (March 31, 2020: ₹ 9,738.37 lacs).
- (b) Collection from customers pending remittance to bank ₹ 3,164.71 lacs (March 31, 2020: ₹ 9,502.09 lacs).
- (c) Liability for employee payables ₹ 7,640.24 lacs. (March 31, 2020: ₹ 3,028.64 lacs).
- (d) Liability due towards Bhushan Steel (Australia) PTY Ltd. ₹ 1,449.73 lacs (March 31, 2020: ₹ 1,202.02 lacs).

(ii) Carrying amounts of other current financial liabilities are a reasonable approximation of their fair values.

NOTES TO FINANCIAL STATEMENTS

17. Other Liabilities

Current

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Advances received from customers	23,551.08	9,866.49
(b) Statutory Dues	30,223.48	12,539.74
	53,774.56	22,406.23

- (i) The advances received from customers represents contract liability balance outstanding as at the respective dates. The advance received from customers outstanding as at April 1, 2020 were fully recognised as revenue during the year ended March 31, 2021 upon satisfaction of the associated performance obligations.

18. Provisions

Non Current

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Provision for employee benefits		
- Gratuity (Refer note 35)	5,659.26	4,835.75
- Compensated absences	2,828.71	2,582.48
	8,487.97	7,418.23

Current

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Provision for employee benefits		
- Compensated absences	248.22	200.86
	248.22	200.86

19. Deferred Income

Non Current

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Deferred income	150.73	189.21
	150.73	189.21

20. Revenue From Operations

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Sale of products to customers	1,997,689.51	1,723,779.36
(b) Other operating revenue		
- Other sales to customers	116,631.59	70,517.48
- Export and other incentives (Refer sub-note (i))	21,335.89	21,988.83
- Others (Refer sub-note (ii))	6,205.71	3,628.51
	2,141,862.70	1,819,914.18

- (i) This includes amount recognised on account of Maharashtra Package Scheme of Incentives, 1993 amounting to ₹ 11,003.06 lacs (March 31, 2020: ₹ 9,599.10 lacs). Refer Note 44 for further details.

- (ii) This includes reversal of the following items :

- RPO obligation for ₹ 2,552.23 lacs (March 31, 2020: ₹ 3,628.51 lacs),
- Marketing commission liabilities written off - ₹ 1,764.60 lacs (March 31, 2020: Nil)
- Provision related to Coal Block advance for ₹ 960.00 lacs (March 31, 2020: Nil)

NOTES TO FINANCIAL STATEMENTS

Geographical information

Revenue from contracts with customers disaggregated on the basis of geographical region is as below:

	(₹ in lacs)	
	Year ended March 31, 2021	Year ended March 31, 2020
(a) India	1,714,356.38	1,464,539.52
(b) Asia excluding India	339,824.10	236,761.76
(c) Europe	37,118.00	59,776.38
(d) Rest of world	23,022.62	33,219.18
	2,114,321.10	1,794,296.84

Details of performance obligation associated with revenue recognition

Satisfaction of performance obligations:-

The Company's revenue is derived from the single performance obligation to transfer steel products. Revenue from sale of products is recognised when control of the products has transferred, being when the goods are made available to the carrier or the buyer has taken the possession of the goods, depending on the delivery terms, the risk of loss has been transferred and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

In case of export sales, for delivery conditions whereby the Company arranges the logistics of the goods to its premises, the Company charges the freight on actual basis (actuals as levied by the transporter). In this case, the Company acts as an agent in arranging such logistics services. Hence, revenue from such services are netted off with the expenses as levied by the transporter.

Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 0-60 days.

Variable considerations associated with such sales

Periodically, the Company enters into volume or other rebate programs where once a certain volume or other conditions are met, it refunds the customer some portion of the amounts previously billed or paid. For such arrangements, the Company only recognises revenue for the amounts it ultimately expects to realize from the customer. The Company estimates the variable consideration for these programs using the most likely amount method and updates its estimates in each reporting period.

21. Other Income

	(₹ in lacs)	
	Year ended March 31, 2021	Year ended March 31, 2020
(a) Interest income on:		
- Fixed deposits	2,647.18	757.86
- Others	3,603.28	4,160.94
(b) Net Gain on sale/fair valuation of investments	2,458.38	3,781.15
(c) Dividend income on long term investments	1.35	1.76
(d) Miscellaneous income	3,031.91	1,949.78
	11,742.10	10,651.49

NOTES TO FINANCIAL STATEMENTS

22. Raw Materials Consumed

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Cost of raw materials consumed	1,002,400.10	1,063,311.14
Less: Expenses transferred to CWIP	-	(4,106.93)
	1,002,400.10	1,059,204.21

23. Purchases Of Finished, Semi-Finished Steel & Other Products

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of Finished products	-	287.56
	-	287.56

24. Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Closing stock		
- Finished and semi-finished goods	147,215.27	216,180.84
- Others	13,623.66	14,090.03
	160,838.93	230,270.87
(b) Opening stock		
- Finished and semi-finished goods	216,180.84	196,304.65
- Others	14,090.03	8,586.27
	230,270.87	204,890.92
Net (Increase)/Decrease [(b) - (a)]	69,431.94	(25,379.95)

25. Employee Benefit Expense

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Salaries and wages	44,786.20	38,730.07
(b) Contribution to provident and other funds	947.02	1,074.85
(c) Staff welfare expenses	792.31	418.40
	46,525.53	40,223.32
Less: Expenses transferred to CWIP	-	(93.45)
	46,525.53	40,129.87

26. Finance Costs

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Interest on borrowings	137,693.86	154,566.16
(b) Interest on lease obligations	21,093.65	17,220.71
(c) Other borrowing cost	3,438.00	4,223.27
	162,225.51	176,010.14
Less: Expenses transferred to CWIP	-	(6,418.64)
	162,225.51	169,591.50

NOTES TO FINANCIAL STATEMENTS
27. Depreciation And Amortisation Expense

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Depreciation on tangible assets	131,518.37	130,118.79
(b) Depreciation of right-of-use assets	16,018.91	12,912.55
(b) Amortisation of intangible assets	440.16	132.10
	147,977.44	143,163.44

28. Other Expenses

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Consumption of stores, spares and consumables	132,113.34	140,872.43
(b) Packing material consumed	7,604.76	7,778.39
(c) Purchase of power and consumption of fuel	104,265.32	107,514.64
(d) Rent	2,611.82	42,691.58
(e) Insurance charges	5,129.71	4,285.01
(f) Rates and taxes	5,174.65	1,163.63
(g) Repairs and maintenance:		
Building	1,974.14	1,168.26
Machinery	29,729.41	15,996.68
(h) Payment to auditors:		
Audit fees	300.00	340.00
Tax audit fee	40.00	40.00
Out-of-pocket expenses	29.39	59.49
For other services	7.86	9.04
(i) Freight and handling charges	91,625.28	92,555.03
(j) Commission to selling agent	6,480.82	7,110.06
(k) Loss on sale of property, plant and equipment	62.66	-
(l) Administrative expenses	9,648.85	6,035.52
(m) Contractual manpower costs	34,135.23	38,337.61
(n) Miscellaneous expenses (Refer sub-note (i))	47,512.43	49,462.93
	478,445.67	515,420.30
Less: Expenses transferred to CWIP	-	(31.98)
	478,445.67	515,388.32

(i) Miscellaneous expenses include :

- Losses on account of foreign exchange fluctuation amounting to ₹ 3,795.72 lacs (March 31, 2020: ₹ 3,440.26 lacs).
- Expected credit losses on financial assets amounting to ₹ 1,057.57 lacs (March 31, 2020: ₹ (1,052.14) lacs)) and impairment of other recoverable balances amounting to ₹ 554.05 lacs (March 31, 2020: ₹ 2,080.69 lacs).

NOTES TO FINANCIAL STATEMENTS

28.1 Corporate Social Responsibility (CSR)

The Company has incurred an amount of ₹ 798.93 lacs (March 31, 2020: ₹ 920.65 lacs) towards Corporate Social Responsibility (CSR):

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Infrastructure	220.21	481.65
(b) Education	160.91	204.08
(c) Livelihood	158.29	80.45
(d) Health & Drinking water	95.42	106.91
(e) Contingency	62.50	12.31
(f) Contribution to Tata Relief Committee for COVID-19	52.51	-
(g) Sports & Community engagement	11.09	21.05
(h) Others	38.00	14.20
	798.93	920.65

29. Exceptional Items

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Effects of implementation of resolution plan (Refer sub-note - (i))	-	15,359.67
(b) Provision for impairment on property, plant and equipment and other assets (Refer sub-note - (ii))	-	(8,457.83)
	-	6,901.84

i) Effects of implementation of resolution plan during the previous year (Refer Note 43 for details of effects of resolution plan)

As per the Resolution Plan approved by the NCLT, settlement of operational creditors had been done over a period of 12 months from the Closing Date, as defined in the Resolution Plan. Further, as per the Resolution Plan, the contingent liabilities and commitments, claims and obligations, stand extinguished and accordingly no outflow of economic benefits is expected in respect thereof.

ii) Impairment provision created in previous year financial statements

During the previous year, impairment provision was created on CRM extension project in capital work in progress amounting to ₹ 2,081.30 lacs and induction furnace in Angul plant amounting to ₹ 2,174.90 lacs. Also impairment provision was created on advance to suppliers and capital advances extended prior to the corporate insolvency resolution process ('CIRP') of the Company amounting to ₹ 1,365.42 lacs and ₹ 2,836.21 lacs respectively.

30. Earning Per Share

Basic and diluted earning per share ("EPS") amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/ (loss) attributable to equity holders of the Company (including the potential savings/expenses that would result from the conversion of the dilutive potential ordinary share) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following table reflects the income and shares data used in computation of the basic and diluted earnings per share:

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Profit/ (Loss) after tax (₹ in lacs)	246,598.61	(64,917.44)
Add:- Reversal of expense that would result from the conversion of the dilutive potential ordinary share (₹ in lacs)	13,568.62	12,213.17
(b) Profit/(Loss) after tax to be considered for computation of Diluted Earnings Per Share (DEPS) (₹ in lacs)	260,167.23	(52,704.27)
(c) Weighted average number of equity shares - Basic (Nos.)	1,093,439,768	1,093,439,768
Add:- Weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares (Refer sub note (i))	2,957,607,624	2,957,607,624
(d) Weighted average number of equity shares - Diluted (Nos.)	4,051,047,392	4,051,047,392

NOTES TO FINANCIAL STATEMENTS

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Earning Per Share		
Basic (₹ / share) [(a)/(c)]	22.55	(5.94)
Diluted (₹/ share) [(b)/(d)]	6.44	(5.94)
Face value per share (₹)	2.00	2.00

(i) During the current year, the dilution is on account of:-

Potential equity shares which may be issued on account of conversion option that exists in the Optionally Convertible Redeemable Preference Shares (OCRPS). OCRPS shall be convertible into equity shares at the option of the investor (being Tata Steel Limited) at ₹ 30.43 per share.

During the previous year, earning per share is anti-dilutive hence diluted earning per share is equal to basic earning per share.

31. Tax Expenses

a) **Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for year ended March 31, 2021 and March 31, 2020:**

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Profit / (loss) before tax	246,598.61	(64,917.44)
At India's statutory income tax rate of 25.168% (March 31, 2020: 25.168%)	62,063.94	(16,338.42)
(a) Incremental deferred tax assets on losses and unabsorbed depreciation not recognised	-	7,590.53
(b) Income exempt from tax/Items not deductible	8,450.65	7,687.28
(c) Deferred tax assets on brought forward losses recognised during the year	(70,514.59)	-
(d) Others	-	1,060.61
	-	-
Tax expenses as reported	-	-

(i) The Company is subject to income tax in India on the basis of its standalone financial statements. The Company can claim tax exemptions/ deduction under the specific sections of the Income Tax Act, 1961 subject to fulfilment of prescribed conditions, as may be applicable. As per the Income Tax Act, 1961, the Company is liable to pay income tax based on higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of fifteen years and can be offset against future tax liabilities arising from regular income tax.

A new section 115BAA has been inserted in the Income Tax Act, 1961, vide Taxation Laws (Amendment) Ordinance, 2019 (subsequently enacted on December 11, 2019 as The Taxation Laws (Amendment) Act, 2019) which provides domestic company with an option to pay tax at a lower rate of 22% (effective rate of 25.168%) for any previous years relevant to the assessment year beginning on or after April 01, 2020. The rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming any deduction or exemptions. MAT would not be applicable to companies opting to apply the lower tax rate. New tax regime once opted, can not be reversed.

Based on above, the Company has opted to new tax regime and computed its tax liability on lower tax rate for assessment year 2020-21 and onwards. The statutory tax rate applicable for assessment year 2020-21 was 25.168% (including surcharge and cess).

NOTES TO FINANCIAL STATEMENTS

(b) Movement of deferred tax liability from beginning to end of financial year is as follows:

(₹ in lacs)

	As at April 01, 2019	Provided during the year	As at March 31, 2020	Provided during the year	As at March 31, 2021
Deferred tax liability:					
(a) Related to property plant & equipment	498,361.25	(174,998.90)	323,362.35	20,533.77	343,896.12
(b) Investments carried at Fair value through profit or loss	258.65	(258.65)	-	4.49	4.49
Total deferred tax liability	498,619.90	(175,257.55)	323,362.35	20,538.26	343,900.61
Deferred tax assets:					
(a) Accumulated business loss and unabsorbed depreciation	438,549.53	(174,531.75)	264,017.78	23,477.26	287,495.04
(b) Provision for doubtful debts	6,410.59	(4,008.90)	2,401.69	174.89	2,576.58
(c) Amount deductible on payment basis	31,294.32	10,589.42	41,883.74	(3,638.07)	38,245.67
(d) Others	22,365.46	(7,306.32)	15,059.14	524.18	15,583.32
Total deferred tax assets	498,619.90	(175,257.55)	323,362.35	20,538.26	343,900.61
Deferred tax liability (net)	-	-	-	-	-

- (i) Deferred tax assets have not been recognised in respect of business losses and unabsorbed depreciation aggregating to ₹ 224,944.76 lacs as at March 31, 2021 (March 31, 2020: ₹ 295,459.35 lacs), where it is not probable that sufficient taxable income will be available in the future against which such the deferred tax assets can be realised in the normal course of business of the Company.
- (ii) The amounts and expiry dates, if any, of unutilised tax losses and deductible temporary differences for which no deferred tax asset is recognised in the balance sheet are given below:

(₹ in lacs)

	Year of expiry	As at March 31, 2021	As at March 31, 2020
Unabsorbed depreciation	No expiry	893,971.54	1,159,937.08
		893,971.54	1,159,937.08

32. Commitments And Contingencies

A. Contingent liabilities

As per the approved Resolution Plan, contingent liabilities (which have / are capable of being crystallized) prior to May 18, 2018 ("Effective Date") stand extinguished.

Furthermore, the Resolution Plan, among other matters, provides that except to the extent of the amount payable to the relevant Operational Creditors in accordance with the Resolution Plan, all liabilities of the Company relating in any manner to the period prior to the Effective Date, immediately, irrevocably and unconditionally stand fully and finally discharged and settled and there being no further claims whatsoever, and all the rights of the Operational Creditors and Other Creditors to invoke or enforce the same stands waived off. It is provided that any and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors to enforce any rights or claims against the Company also stands extinguished. Further, in terms of the Resolution Plan, no Governmental Authority has any further rights or claims against the Company, in respect of the period prior to the Effective Date and / or in respect of the amounts written off and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors, to enforce any rights or claims against the Company will immediately, irrevocably and unconditionally stand withdrawn, abated, settled and/or extinguished. Further, the Operational Creditors of the Company (including Governmental Authorities) and Other Creditors will have no further rights or claims against the Company (including but not limited to, in relation to any past breaches by the Company), in respect of any liability for period prior to the Effective Date, and all such claims shall immediately, irrevocably and unconditionally stand extinguished.

The Company has been legally advised that while the Resolution Plan provides for extinguishment of all liabilities of the Company owed to Operational Creditors and Other Creditors as of the Insolvency Commencement Date i.e. July 26, 2017, the implementation of the Resolution Plan does not have any such similar effect over claims or receivables owed to the Company. Accordingly, the Company has concluded that any receivables due to the Company, evaluated based on merits of underlying litigations, from various governmental agencies (presented under Other Assets - Non current) continue to subsist.

NOTES TO FINANCIAL STATEMENTS

B. Commitments

	(₹ in lacs)
	As at March 31, 2021
	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	36,769.52
	13,653.58
	36,769.52
	13,653.58

C. Other matters

The Supreme Court of India vide its order dated September 24, 2014, cancelled coal blocks allocated to various entities which includes a coal block, namely, New Patrapara Coal Block, allocated to the Company. Subsequently, the Coal Mines (Special Provision) Act 2015 was enacted, which, *inter-alia*, deals with the payment of compensation to prior allottees in regard to investment made in their respective coal block(s).

Receivable in respect of de-allocated/cancelled coal block amounting to ₹ 56,289.95 lacs includes expenditure incurred of ₹ 14,819.92 lacs and advance given of ₹ 41,470.03 lacs. During the previous year, Company has provided for receivable in respect of expenses incurred. In the opinion of the management, the Company will receive back the payments/expenditure paid/made, including borrowing cost and other incidental expenditure relating to de-allocated coal block. The Company filed its claim for compensation with the Government of India, Ministry of Coal. Subsequently, the Company filed a Writ Petition bearing No 6293 of 2016, *inter-alia*, for compensation of the amount before the Hon'ble Delhi High Court in which notices were issued on July 22, 2016 to Ministry of Coal (MoC), Union of India and other respondents. The Counter Affidavit(s) was filed by Union of India and Odisha Industrial Infrastructure Development Corporation (IDCO). Rejoinders to the same were filed by the Company and the pleadings were accordingly completed. During the Course of proceedings before Delhi High Court, it was pointed out by the Company that an amount of ₹ 37,000 lacs (approximately) has been paid to IDCO, out of which ₹ 14,000 lacs is still lying with IDCO. On September 27, 2018, Delhi High Court passed the order, wherein it has been clarified that whether Company should be awarded interest on the money lying deposited with IDCO, rate of interest and the period for which it is payable, would be subject to final outcome of the proceedings.

While the writ petition was pending before Delhi High Court, the de-allocated Coal Block i.e. New Patrapara Coal Block, was allotted to Singareni Collieries Company Limited (SCCL) on October 30, 2019.

Pursuant thereto, the MoC vide its letter dated February 10, 2020, informed to the Company that an amount of ₹ 960.50 lacs (approximately) has been sanctioned against cost of Geological Reports and Consents and asked Company to submit undertaking in the prescribed format. The Company has submitted undertaking and thereafter above amount of ₹ 960.50 lacs (approximately) has been paid to the Company.

On February 11, 2020, MoC /Union of India, filed supplementary affidavit before Delhi High Court vide which it informed that payment of compensation can be paid to prior allottee after the mine is successfully allotted and compensation is deposited by successful allottee, following the sequence mentioned in section 9 of Coal Mine (Special Provisions) Act, 2015. It further informed that New Patrapara Coal Block has been allocated to Singareni Collieries Company Ltd (a state Government Undertaking) and compensation to the prior allottee will be released very shortly.

Subsequently, pursuant to the meeting held between representatives of MoC, Company, IDCO and Government of Odisha for resolution/working out the modalities for reimbursement of expenditure incurred by the Company towards land acquisition for New Patrapara Coal Block, Company submitted its representation dated August 04, 2020 to IDCO for refund of amount deposited by it towards land acquisition, along with interest.

On September 15, 2020, MoC, directed IDCO, to issue necessary directions for expediting the transfer of land acquired by prior allottee to SCCL, in regard to New Patrapara Coal Mine, in line with transfer of land done to NALCO for Utkal D Coal Mine.

Thereafter, Office of Nominated Authority, MoC, passed order dated December 11, 2020, pursuant thereto direction was made to prior allottee and subsequent allottee to contact IDCO and Government of Odisha for settlement of amount deposited by prior allottee for land to be acquired for New Patrapara Coal Block. Vide its letter dated January 12, 2021, MoC sought details of amount deposited by the Company with IDCO, in respect of New Patrapara Coal Mine. The Company under its letter dated January 17, 2021, furnished details of principal amount of ₹ 41,470.03 lacs as deposited by it (including ₹ 4,400 lacs with Land Acquisition Officer, Angul), along with supporting documents and requested refund of above amount along with interest @ 12% p.a.

Thereafter, IDCO vide its letter dated March 25, 2021 had communicated to the Company that prior to de-allocation of New Patrapara Coal Block, no lease deed was executed in favour of prior allottee for transfer/allotment of land, hence payment of interest for the invested amount is not considered as per the Act. In the said letter, IDCO has considered payment made to IDCO and ex-gratia as paid to District Authority i.e. ₹ 41,470.03 lacs only ("Demand Amount") and has also sought confirmation from Company on the aforesaid amount before proceeding with the further action. Accordingly, without prejudice to the Company's claims towards interest on the above amount, the said amount of ₹ 41,470.03 lacs has been classified as a current financial asset as at March 31, 2021 in these financial statements.

The Company is evaluating an appropriate course of action in response to the aforementioned communication from IDCO. The original matter is listed for hearing before the Hon'ble High Court of Delhi on April 28, 2021.

NOTES TO FINANCIAL STATEMENTS

33. Dues To Micro, Small And Medium Enterprises

The dues to micro, small and medium enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Company is given below:

(₹ in lacs)		
	As at March 31, 2021	As at March 31, 2020
a) The principal amount and the interest due thereon remaining unpaid to supplier as at the end of year		
- Principal amount due to micro, small and medium enterprises	20,120.94	5,482.75
- Interest due	-	4.24
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 (27 of 2006) along with the amounts 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 have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	6.93
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

34. Segment Reporting

The business activity of the Company falls within one operating segment viz. "Steel" and substantially sale of the product is within the country. Hence the disclosure requirement of Indian Accounting Standard 108 of "Segment Reporting" issued by the Ministry of Corporate Affairs is not considered applicable.

35. Employee Benefits

Defined Contribution Plans - General Description

Provident Fund and Employees' State Insurance Contribution:

During the year, the Company has recognised ₹ 947.02 Lacs (2019-20: ₹ 1,074.85 Lacs) as contribution to Provident Fund and Employees' State Insurance Contribution in the statement of profit and loss.

Defined Benefit Plans - General Description

Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service at the time of separation from the Company.

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Indian Parliament's approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently, on November 13, 2020, draft rules were published and stakeholders' suggestions were invited. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plan:

NOTES TO FINANCIAL STATEMENTS
a) Balance of fair value of plan assets and defined benefit obligation:

(₹ in lacs)

	Gratuity (Funded)
March 31, 2020	
Fair value of plan assets	1,769.34
Defined benefit obligation	6,605.09
Net asset/ (liability) as at March 31, 2020	(4,835.75)
March 31, 2021	
Fair value of plan assets	1,617.16
Defined benefit obligation	7,276.42
Net asset/ (liability) as at March 31, 2021	(5,659.26)

b) Changes in the present value of the defined benefit obligation are, as follows:

(₹ in lacs)

	Gratuity (Funded)
Defined benefit obligation as at April 1, 2019:	5,471.45
Current service cost	723.18
Interest expense	427.32
Benefits paid	(694.02)
Actuarial (gain)/ loss on obligations - OCI	677.16
Defined benefit obligation as at March 31, 2020	6,605.09
Current service cost	753.93
Interest expense	459.71
Benefits paid	(264.21)
Actuarial (gain)/ loss on obligations - OCI	(278.10)
Defined benefit obligation as at March 31, 2021	7,276.42

c) Changes in the fair value of plan assets are, as follows:

(₹ in lacs)

	Gratuity (Funded)
Fair value of plan assets as at April 1, 2019:	2,054.86
Claim received but not settled	(55.92)
Benefits paid	(354.54)
Expected Return	160.48
Return on plan assets excluding amounts included in net interest on net defined benefit obligation	(35.54)
Fair value of plan assets as at March 31, 2020	1,769.34
Claim received but not settled	9.90
Benefits paid	(274.11)
Expected Return	123.14
Return on plan assets excluding amounts included in net interest on net defined benefit obligation	(11.11)
Fair value of plan assets as at March 31, 2021	1,617.16

NOTES TO FINANCIAL STATEMENTS

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Break up of fair value of plan assets		
- SBI Life	575.44	635.54
- LIC	464.10	599.23
- PNB Metlife	443.54	415.03
- Trust	134.08	119.54
Total fair value of plan assets	1,617.16	1,769.34

(d) Amount recognised in Statement of Profit and Loss:

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	753.93	723.18
Net interest expense	336.57	266.84
Amount recognised in statement of profit and loss	1,090.50	990.02

(e) Remeasurement of net defined benefit obligation recognised in other comprehensive income:

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial (gain)/ loss on obligations		
Actuarial (gain)/ loss arising from change in demographic assumptions	-	(3.30)
Actuarial (gain)/ loss arising from change in financial assumptions	88.21	504.77
Actuarial (gain)/ loss arising from change in experience adjustment	(366.31)	175.69
Return on plan assets (excluding amounts included in net interest on net defined benefit obligation)	11.11	35.54
Amount recognised in other comprehensive Income	(266.99)	712.70

The principal assumptions used in determining obligations for the Company's gratuity benefit plans are shown below:

	As at March 31, 2021	As at March 31, 2020
Discount rate (in %)	6.83%	6.96%
Salary escalation (in %)	5.00%	5.00%
Rate of return on plan assets (in %)	6.33%	6.08%
Retirement age (in years)	60.00	60.00
Expected average remaining working lives of employees (in years)*	21.14	21.82
Expected contribution for the next annual reporting period (₹ in Lacs)	1,198.12	1,133.69

* Mortality & Morbidity rates - 100% of IALM (2012-14)

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A quantitative sensitivity analysis for significant assumption as at March 31, 2021 and March 31, 2020 is as shown below:

(₹ in lacs)

Gratuity	As at March 31, 2021			
	Discount rate		Salary escalation	
Sensitivity level	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%
Impact on defined benefit obligation	(330.43)	358.24	362.95	(337.51)

(₹ in lacs)

	As at March 31, 2020			
	Discount rate		Salary escalation	
Sensitivity level	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%
Impact on defined benefit obligation	(306.50)	332.52	337.32	(313.42)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Maturity profile of defined benefit obligation (gratuity)

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Within the next twelve months (next annual reporting period)	526.26	392.09
Between two and five years	2,128.20	2,212.60
Between five and ten years	2,817.51	2,823.80
Beyond ten years	5,925.79	4,819.83
Total expected payments	11,397.76	10,248.32

36. Related Party Transactions & Balances

A. Names of related parties having transactions during the year and description of relationship

i) Entity having significant influence over the Ultimate Holding Company

Tata Sons Private Limited

ii) Ultimate holding Company

Tata Steel Limited

iii) Holding Company ("Parent Company")

Bamnipal Steel Limited

iv) Subsidiary companies:

Indian subsidiaries

Tata Steel Support Services Limited (Formerly known as Bhushan Steel (Orissa) Limited)

Tata Steel Technical Services Limited (Formerly known as Bhushan Steel Madhya Bharat Limited)

Bhushan Steel (South) Ltd.

Angul Energy Limited (Formerly Bhushan Energy Limited) (w.e.f. June 01, 2019)

Overseas subsidiaries

Bhushan Steel (Australia) PTY Ltd.

Step-down subsidiaries:-

Bowen Energy PTY Ltd., Australia

Bowen Coal PTY Ltd.

Bowen Consolidated PTY Ltd.

The Company's related parties principally consist of its Ultimate Holding Company (Tata Steel Limited including its subsidiaries, associates and joint ventures), subsidiaries, joint ventures and entity having significant influence over the Ultimate Holding Company (Tata Sons Private Limited). The

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Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms. The following table summarises related party transactions and balances included in the financial statements of the Company for the year ended/ as at March 31, 2021 & March 31, 2020.

							(₹ in lacs)
Transactions	Year ended	Entity having significant influence over the Ultimate Holding Company	Ultimate Holding Company	Subsidiary companies	Key Management Personnel (KMP)/ Directors	Other related parties	Grand Total
Directors sitting fees	March 31, 2021	-	-	-	13.50	-	13.50
	March 31, 2020	-	-	-	12.00	-	12.00
Inter Corporate Deposit Given*	March 31, 2021	-	-	-	-	-	-
	March 31, 2020	-	-	74,500.00	-	-	74,500.00
Inter Corporate Deposit Returned*	March 31, 2021	-	-	7,800.00	-	-	7,800.00
	March 31, 2020	-	-	42,900.00	-	-	42,900.00
Interest on Inter Corporate Deposits Given*	March 31, 2021	-	-	2,823.44	-	-	2,823.44
	March 31, 2020	-	-	3,728.19	-	-	3,728.19
Novation Loan Given	March 31, 2021	-	-	-	-	-	-
	March 31, 2020	-	-	1,000.00	-	-	1,000.00
Investments in Equity of Subsidiary	March 31, 2021	-	-	125.00	-	-	125.00
	March 31, 2020	-	-	1,000.00	-	-	1,000.00
Purchase of goods/ services (Refer sub-note D)	March 31, 2021	5,355.58	253,533.00	33,604.01	-	348,917.45	641,410.04
	March 31, 2020	-	106,575.74	36,255.67	-	427,178.79	570,010.20
Dividend Received	March 31, 2021	-	1.35	-	-	-	1.35
	March 31, 2020	-	-	-	-	-	-
Sales of goods/ services (Refer sub-note E)	March 31, 2021	-	3,848.67	233.72	-	78,183.56	82,265.95
	March 31, 2020	-	1,549.17	2.75	-	39,516.57	41,068.48
Balances							
Inter Corporate Deposit given and interest thereon*	March 31, 2021	-	-	26,907.72	-	-	26,907.72
	March 31, 2020	-	-	37,328.19	-	-	37,328.19
Advance to supplier	March 31, 2021	-	-	-	-	7.00	7.00
	March 31, 2020	-	-	-	-	27.30	27.30
Payable (Refer sub-note D)	March 31, 2021	4,953.53	145,538.04	11,069.74	-	158,312.37	319,873.68
	March 31, 2020	-	20,293.56	6,608.60	-	136,357.91	163,260.08
Receivables	March 31, 2021	-	1,064.97	50.23	-	815.59	1,930.79
	March 31, 2020	-	161.47	1.77	-	910.80	1,074.03
Liability component of Preference shares (Refer sub-note B)	March 31, 2021	-	295,711.84	-	-	-	295,711.84
	March 31, 2020	-	265,911.64	-	-	-	265,911.64
Advance from Customer	March 31, 2021	-	-	-	-	53.77	53.77
	March 31, 2020	-	73.27	-	-	-	73.27
Dividend Receivables	March 31, 2021	-	6.48	-	-	-	6.48
	March 31, 2020	-	6.48	-	-	-	6.48

* All the transactions and balances related to Inter Corporate Deposits are with Angul Energy Limited (formerly known as Bhushan Energy Limited).

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- B.** The amount represents balances in respect of preference shares [face value of ₹ 1,970,000 lacs (March 31, 2020 : ₹ 1,970,000 lacs)] issued to Tata Steel Limited and accounted for as per Ind AS 109. Also refer note 15 and 16A for further disclosures in respect of the preference shares.
- C.** Interest accrued on the compound financial instruments (being preference shares) amounting to ₹ 29,800.20 lacs (March 31, 2020 : ₹ 26,662.70 lacs) is not considered as interest paid as the same represents unwinding of interest considered in statement of profit and loss during the year on account of accounting for compound financial instruments in accordance with Ind-AS 32. The same does not represent cash outflow in respect of interest expense payable to the holder of such instrument (being Tata Steel Limited).
- D. Purchase of goods/services from and payables to other related parties includes:-**
- Purchases of goods from TS Global Procurement Pte Limited amounting to ₹ 314,550.27 lacs and
 - Amount payable to TS Global Procurement Pte Limited amounting to ₹ 151,233.80 lacs respectively.
- Purchase of goods/services from subsidiary companies includes:-**
- Total payment to Angul Energy Limited made during the year includes ₹ 14,163.62 lacs (March 31, 2020: ₹ 5,153.48 lacs) on account of power tolling arrangement. The said arrangement has been accounted for as a Right of Use asset as per Ind AS 116. The amounts charged to the Statement of Profit and Loss in respect of this arrangement during the year includes amortisation amounting to ₹ 5,554.50 lacs (March 31, 2020: ₹ 2,433.83 lacs), interest expense amounting to ₹ 9,370.38 lacs (March 31, 2020: ₹ 4,179.05 lacs) and rent expense (variable lease payments) amounting to ₹ 2,463.62 lacs (March 31, 2020: ₹ 42,507.95 lacs).
 - Purchases of services from Angul Energy Limited, Tata Steel Technical Services Limited, Tata Steel Support Services Limited and Bhushan Steel (South) Ltd amounting to ₹ 15,092.39 lacs, ₹ 12,817.49 lacs, ₹ 5,693.25 lacs and ₹ 0.88 lacs respectively.
 - Amount payable to Angul Energy Limited, Tata Steel Technical Services Limited, Tata Steel Support Services Limited and Bhushan Steel (Australia) PTY Ltd. amounting to ₹ 4,246.80 lacs, ₹ 2,291.87 lacs, ₹ 3,081.34 lacs and ₹ 1,449.73 lacs respectively.
- E.** Sale of goods/services to other related parties includes sale made to Tata International Metal (Asia) Limited - ₹ 37,028.85 lacs, Tata Steel Downstream Products Ltd. - ₹ 26,577.88 lacs and Tata International West Asia DMCC - ₹ 8,644.38 lacs.

37. Accounting Judgements, Estimates And Assumptions

Use of estimates and critical accounting judgements

In the preparation of financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key source of estimation of uncertainty at the date of standalone financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment and intangible assets, valuation of deferred tax assets, provisions, contingent liabilities and fair value measurements of financial instruments as discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in the respective policies.

Significant management judgements

(a) Evaluation of indicators for impairment of non-financial assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. Post declaration of COVID-19 as a pandemic by the World Health Organization in year ended March 31, 2020, the Government of India took significant measures to curtail the spread of virus, including country wide lockdown and restriction in economic activities. In view of such lockdowns, operations at the Company's steel making facilities were scaled down for certain period during the year ended March 31, 2021. Further, subsequent to March 31, 2021, certain state governments in India have imposed lockdowns to curtail the second wave of spread of virus.

In view of the impact of COVID-19, the Company has assessed whether there are any indicators of impairment in the carrying amounts of its non-financial assets. That assessment included: (a) management's experience of impact on its business activity during the year particularly after the easing of lockdowns following the first wave of spread of virus, (b) domestic and international macroeconomic indicators and (c) other developments such as availability of vaccines. As per the Company's current assessment of such indicators, no significant impact on carrying amounts of these assets is expected.

(b) Provisions & contingent liabilities

A provision is recognised when the Company has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

(c) Valuation of deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

NOTES TO FINANCIAL STATEMENTS

(d) Identification of Leases

The Company enters into leasing arrangements for various assets. As a lessee, the Company assesses if a contract is or contains a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period time in exchange for consideration. The Company recognises a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of profit and loss on a straight-line basis over the lease term.

Significant management estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Allowance for expected credit loss

The allowance for expected credit loss reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

Refer Note 11 for methodology to estimate allowance for expected credit losses in respect of Company's trade receivables.

(b) Allowance for obsolete and slow-moving inventory

The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value, and has been determined on the basis of past experience and historical and expected future trends. A worsening of the economic and financial situation could cause a further deterioration in conditions compared to that taken into consideration in calculating the allowances recognised in the financial statements.

Refer Note 10 for disclosure of such allowance.

(c) Useful lives of property, plant and equipment and intangible assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain plant and equipments.

Refer Note 2(c) for management's estimate of useful lives.

(d) Defined benefit obligations (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Refer Note 35 for key assumptions used in developing estimate of DBO.

(e) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. There is significant estimation uncertainty in determining recoverable value.

38. Disclosure Of Interest In Subsidiaries:

Disclosure of interest in the following Subsidiaries:

	Country of Incorporation	Ownership interest of Tata Steel BSL Limited (%)	
		As at March 31, 2021	As at March 31, 2020
(i) Tata Steel Support Services Limited (Formerly known as Bhushan Steel (Orissa) Limited)	India	99.98%	99.98%
(ii) Tata Steel Technical Services Limited (Formerly known as Bhushan Steel Madhya Bharat Limited)	India	99.98%	99.98%
(iii) Bhushan Steel (South) Limited	India	100.00%	100.00%
(iv) Bhushan Steel (Australia) Pty Limited	Australia	100.00%	100.00%
(v) Angul Energy Limited (Formerly known as Bhushan Energy Limited)*	India	99.99%	99.99%

* The Company has invested in equity shares of Angul Energy Limited (Formerly known as Bhushan Energy Limited) and is classified as a subsidiary company w.e.f June 01, 2019.

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39. Financial Instruments

A. Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Financial assets measured at fair value		
Investments measured at		
Fair value through other comprehensive income	140.14	66.95
Fair value through profit and loss	69,161.34	-
Derivative assets	-	5,142.54
Financial assets measured at amortised cost		
Trade receivables	42,265.64	70,238.62
Loans	31,981.68	40,107.11
Cash and cash equivalents	71,949.48	72,358.48
Other bank balances	558.76	12,598.81
Other financial assets	50,731.33	53,687.62
Total	266,788.37	254,200.13
Financial liabilities measured at fair value		
Derivative liabilities	1,504.63	763.77
Financial liabilities measured at amortised cost		
Borrowings and lease liabilities (including interest accrued)	1,166,989.92	1,765,083.73
Trade payables	425,294.42	286,971.11
Other financial liabilities	35,733.71	34,678.80
Total	1,629,522.68	2,087,497.41

B Fair value hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in lacs)

	As at March 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets at fair value				
Investments measured at				
Fair value through other comprehensive income	109.58	-	30.56	140.14
Fair value through profit and loss	69,161.34	-	-	69,161.34
Liabilities at fair value				
Derivative liabilities	-	1,504.63	-	1,504.63

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(₹ in lacs)

	As at March 31, 2020			Total
	Level 1	Level 2	Level 3	
Assets at fair value				
Investments measured at Fair value through other comprehensive income	36.39	-	30.56	66.95
Derivative assets	-	5,142.54	-	5,142.54
Liabilities at fair value				
Derivative liabilities	-	763.77	-	763.77

a. Valuation process and technique used to determine fair value of financial assets and liabilities classified under fair value hierarchy other than Level 1:-

- For investments held by Company as of reporting date, costs of such unquoted equity instruments has been considered as an appropriate estimate of fair value because of wide range of fair value measurements and cost represents the best estimate of fair value within that range.
- Derivatives are fair valued using forward rates for the remaining period to expiry provided by counterparty banks which are also observable from financial markets data sources.

b. The following table presents the changes in level 3 items for the periods ended March 31, 2021 and March 31, 2020:

(₹ in lacs)

	Unquoted Equity shares
As at April 01, 2019	30.56
Change in fair value	-
As at March 31, 2020	30.56
Change in fair value	-
As at March 31, 2021	30.56

B.2 Fair value of instruments measured at amortised cost

Fair value of financial instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

(₹ in lacs)

As at March 31, 2021	Carrying value	Fair value
Loans	31,981.68	31,981.68
Trade receivables	42,265.64	42,265.64
Cash and Cash equivalents	71,949.48	71,949.48
Other balances with bank	558.76	558.76
Other financial assets	50,731.33	50,731.33
Borrowings	1,166,989.92	1,392,652.15
Trade payables	425,294.42	425,294.42
Other financial liabilities	35,733.71	35,733.71

(₹ in lacs)

As at March 31, 2020	Carrying value	Fair value
Loans	40,107.11	40,107.11
Trade receivables	70,238.62	70,238.62
Cash and Cash equivalents	72,358.48	72,358.48
Other balances with bank	12,598.81	12,598.81
Other financial assets	53,687.62	53,687.62
Borrowings	1,765,083.73	1,691,078.72
Trade payables	286,971.11	286,971.11
Other financial liabilities	34,678.80	34,678.80

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For the purpose of disclosing fair values of financial instruments measured at amortised cost, the management assessed that fair values of short term financial assets and liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. Further, the fair value of long term financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between the willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) Long-term fixed-rate receivables are evaluated by the Company based on parameters such as interest rates, individual credit worthiness of the customer and other market risk factors.
- (ii) Fair value of borrowings has been estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities.

40. Financial Risk Management

Risk Management

Particulars	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, other balances with banks, loans and other financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other financial liabilities including trade payables	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian Rupee (INR) and derivative assets and liabilities	Sensitivity analysis	Forward contract, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - price	Investments in equity securities and Mutual Funds	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

A Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

Based on business environment in which the Company operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

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The Company provides for expected credit loss based on the following:

	Type of financial asset	Measurement
Low credit risk	Cash and cash equivalents, other bank balances, derivative assets, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Other financial assets	12 month expected credit loss
High credit risk	Other financial assets	Life time expected credit loss (when there is significant increase in credit risk or objective evidence of impairment) or specific provision, whichever is higher

In respect of trade receivables that result from contracts with customers, loss allowance is always measured at lifetime expected credit losses.

Exposure to credit risk

The exposure of credit risk over the financial assets of the Company except trade receivables has been summarized below*:-

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
I. Low credit risk on financial reporting date		
Loans	31,981.68	40,107.11
Cash and cash equivalents	71,949.48	72,358.48
Other bank balances	558.76	12,598.81
Other financial assets	50,731.33	53,687.62
Derivative Assets	-	5,142.54
II. High credit risk		
Loans	9,410.53	9,035.69
Other financial assets	14,047.33	15,019.49
Total	178,679.11	207,949.74

*These represent gross carrying values of financial assets, without deduction for expected credit losses

Credit Risk Management policies

Cash and cash equivalents, bank deposits and derivatives

Credit risk related to cash and cash equivalents, bank deposits and derivatives is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees/letter of credit, from customers where credit risk is high. The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become one year past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits, inter corporate deposits and recoverable for coal block. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Expected credit losses for financial assets

i) Financial assets (other than trade receivables)

Company provides for expected credit losses on loans and advances by assessing individual financial instruments for expectation of any credit losses.

- For cash & cash equivalents and other bank balances - Since the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.

NOTES TO FINANCIAL STATEMENTS

- For loans comprising security deposits paid - Credit risk is considered low because the Company is in possession of the underlying asset or the deposits are made to government authorities.
- For other financial assets - Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The reconciliation of expected credit loss recorded for all sub categories of financial assets (other than trade receivables) are disclosed below.

(₹ in lacs)

As at March 31, 2021			
	Gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Loans	41,392.21	9,410.53	31,981.68
Other financial assets	64,778.66	14,047.33	50,731.33

(₹ in lacs)

As at March 31, 2020			
	Gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Loans	49,142.80	9,035.69	40,107.11
Other financial assets	68,707.10	15,019.49	53,687.61

ii) Trade receivables

Refer Note 11 for details

B Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

a) Financing arrangements

Undrawn borrowing facilities at the end of the reporting year to which the Company had access is ₹ 283,219.55 lacs (March 31, 2020: ₹ 95,394.69 lacs).

b) Maturities of financial liabilities

The following table shows a maturity analysis of the contractual 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:

(₹ in lacs)

As at March 31, 2021				
	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings including interest accrued thereon (excluding lease obligations)	85,373.54	108,437.24	2,932,159.73	3,125,970.51
Lease obligations	34,495.52	68,612.51	147,600.92	250,708.95
Trade payables	425,294.42	-	-	425,294.42
Derivative liabilities	1,504.63	-	-	1,504.63
Other financial liabilities	31,239.43	-	9,878.04	41,117.47
	577,907.54	177,049.75	3,089,638.69	3,844,595.98

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(₹ in lacs)

	As at March 31, 2020			Total
	Less than 1 year	1-3 year	More than 3 years	
Borrowings including interest accrued thereon (excluding lease obligations)	211,871.36	223,090.55	3,699,491.64	4,134,453.55
Lease obligations	34,610.12	68,981.33	181,774.16	285,365.61
Trade payables	286,971.11	-	-	286,971.11
Derivative liabilities	763.77	-	-	763.77
Other financial liabilities	31,058.44	-	9,207.71	40,266.15
	565,274.80	292,071.88	3,890,473.51	4,747,820.19

Borrowings include Interest on borrowings accrued during the year ended March, 31 2021 amounting to ₹ 6,138.48 lacs (March 31, 2020: ₹ 9,430.02 lacs)

C Market risk

a) Foreign currency risk

Exposures to currency exchange rates primarily arise from the business transactions carried out by the Company in other than functional currency i.e. INR.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are as follows. The amounts shown are those reported to key management personnel translated into INR at the closing exchange rate:

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Financial assets		
- USD	9,494.62	30,120.30
- EURO	3,506.09	3,219.73
- AED	536.63	960.66
	13,537.34	34,300.69
Financial liabilities		
- USD	159,541.31	141,247.48
- EURO	3,173.43	1,334.95
- GBP	205.50	78.92
- JPY	37.74	88.55
- SEK	2.22	1.41
- AUD	1,449.73	1,202.02
- CHF	0.75	-
	164,410.68	143,953.33

The following table summarises the volatility in the following exchange rates during the year.

	As at March 31, 2021	As at March 31, 2020
INR/USD	5.28%	5.45%
INR/ EUR	7.57%	7.57%
INR/ GBP	8.54%	10.26%
INR/ JPY	7.27%	10.65%
INR/ SEK	8.97%	9.34%
INR/ AUD	9.61%	9.48%
INR/AED	5.35%	6.49%
INR/CHF	7.86%	13.68%

NOTES TO FINANCIAL STATEMENTS

These percentages have been determined based on the average market volatility in exchange rates during the respective years.

The sensitivity analysis given in the table below is based on the Company's foreign currency financial instruments held at each reporting date. The table illustrates the impact of sensitivity over profit/loss and equity in regards to the Company's financial assets and financial liabilities and the movement of exchange rates of respective foreign currencies against INR, assuming 'all other variables being constant'.

Had the respective foreign currencies strengthened against the INR by the aforementioned percentage of market volatility, then this would have had the following impact on profit/(loss) and equity:

	(₹ in lacs)	
	As at March 31, 2021	As at March 31, 2020
- USD	(7,925.59)	(6,059.98)
- EURO	25.19	142.60
- GBP	(17.55)	(8.10)
- JPY	(2.74)	(9.43)
- SEK	(0.20)	(0.13)
- AUD	(139.36)	(113.90)
- AED	28.70	62.33
- CHF	(0.06)	-
Total	(8,031.61)	(5,986.61)

If the respective functional currencies had depreciated against the INR by the aforementioned percentage of market volatility, then this would have had equal and opposite effect on the basis that all other variables remain constant.

b) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on external financing. At March 31, 2021 and March 31, 2020, the Company is exposed to changes in interest rates through bank borrowings carrying variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

	(₹ in lacs)	
	As at March 31, 2021	As at March 31, 2020
Variable rate borrowing	694,903.26	1,242,244.52
Other borrowings	472,086.64	522,839.21
Total borrowings	1,166,989.90	1,765,083.73
Amount disclosed under other current financial liabilities (Refer Note - 16C)	21,754.79	22,947.18
Amount disclosed under borrowings (Refer Note - 16A)	1,145,235.11	1,742,136.55

Other borrowings of the Company include such borrowings which do not carry a variable interest rate and hence not exposed to the interest rate volatility.

	(₹ in lacs)	
	As at March 31, 2021	As at March 31, 2020
Interest sensitivity*		
Interest rates – increase by 100 basis points (March 31, 2020 100 bps)	11,218.42	13,279.41
Interest rates – decrease by 100 basis points (March 31, 2020 100 bps)	(11,218.42)	(13,279.41)

* Holding all other variables constant

ii) Assets

The Company's interest bearing financial assets consist of Inter company deposits and fixed deposits which are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

NOTES TO FINANCIAL STATEMENTS

c) Price risk

The Company is not an active investor in equity markets; It continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through other comprehensive income. The value of investments in such equity instruments as at March 31, 2021 is ₹ 140.14 lacs (2020 – ₹ 66.95 lacs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.

The Company also invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Company has invested, such price risk is not significant.

41. Capital Management

The Company's capital management objectives are :

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. Net debt includes interest bearing borrowings less cash and cash equivalents and current investments.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(a) Debt equity ratio

	As at March 31, 2021	As at March 31, 2020
Net debts	1,025,879.10	1,692,725.24
Total equity	2,012,565.89	1,765,627.09
Net debt to equity ratio	0.51	0.96

(₹ in lacs)

(b) Dividend - During the year ended March 31, 2021, no dividend has been recognised as distributions to equity shareholders (March 31, 2020: ₹ Nil).

42. In compliance of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the required information is given as under:

	As at March 31, 2021	As at March 31, 2020
I. Loans and Advances in the nature of loans:		
A) To Subsidiary Companies - Angul Energy Limited (formerly known as Bhushan Energy Limited)	24,800.00	32,600.00
B) To Associates /Joint Venture	-	-
C) To Firms/Companies in which directors are interested	-	-
D) Where there is no repayment schedule or repayment beyond seven year or no interest or interest below section 186 of Companies Act.	-	-
II. Investment by the loanee (as detailed above) in the shares of TSBSL and its subsidiaries	-	-
Total	24,800.00	32,600.00

(₹ in lacs)

NOTES TO FINANCIAL STATEMENTS

43. During the financial year 2018-19, Corporate insolvency resolution process ("CIRP") was initiated pursuant to a petition filed by one of its financial creditors, State Bank of India ("SBI") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC"). SBI filed the petition before the National Company Law Tribunal, Principal Bench, New Delhi ("Adjudicating Authority") vide Company Petition No. (IB)-201 (PB)/2017 on July 03, 2017. The Adjudicating Authority admitted the said petition and the CIRP for the Company commenced on July 26, 2017. The CIRP culminated into the approval of the Resolution Plan submitted by Tata Steel Ltd ("TSL") by the Adjudicating Authority vide its order dated May 15, 2018 ("Order").

Accordingly, keeping in view the Order dated May 15, 2018:

- i. On May 18, 2018 ("Effective Date"), Bamnival Steel Limited, (wholly owned subsidiary of TSL) ("BNPL") deposited ₹ 3,513,258 lacs, for subscription to equity shares of the Company, payment of CIRP cost and employee related dues, and payment to financial creditors in terms of the approved Resolution Plan.
 - ii. The reconstituted board of directors in its meeting held on May 17, 2018 approved allotment of 794,428,986 fully paid equity shares of ₹ 2 each to BNPL, aggregating to ₹ 15,888.58 lacs, representing 72.65% of the equity share capital of the Company.
 - iii. The remaining amount of ₹ 3,497,369.42 lacs was treated as Inter Corporate Deposits.
 - iv. Out of the amount received from BNPL, ₹ 3,258 lacs were utilised towards payment of CIRP cost and employee related dues. The balance amount of ₹ 3,510,000 lacs were paid to the Financial Creditors between May 18, 2018 to May 31, 2018.
 - v. The financial creditors invoked the pledge created in their favour by the erstwhile promoters of the Company over 67,654,810 equity shares of the Company held by them ("Pledged Shares"). The market value of Pledged Shares amounted to ₹ 18,157.58 lacs and, the same has been recorded as an exceptional item in these financial statements. Refer Note 29 for the details of exceptional items.
 - vi. The eligible financial creditors were further allotted 72,496,036 equity shares at face value of ₹ 2 each aggregating to ₹ 1,449.92 lacs.
 - vii. After adjusting the amounts as mentioned in para no. v and vi above, the balance due to Financial Creditors, amounting to ₹ 2,528,550.72 lacs were novated to BNPL for an aggregate consideration of ₹ 10,000 lacs. BNPL, in its capacity as the promoters of TSBSL, has waived off the debts less cost of novation, and the same has been considered as capital contribution. Refer Note 15 for details of other equity.
 - viii. 10% Redeemable Cumulative Preference shares of ₹ 100 each amounting to ₹ 242,557.39 lacs were redeemed for a total sum of ₹ 4,700/- only. Gain arising out of redemption of such preference shares has been recorded as an exceptional item in these financial statements. Refer Note 29 for the details of exceptional items.
 - ix. In respect of Operational Creditors, the Company has provided for liabilities based on the amount of claims admitted pursuant to CIRP. Further, the Company had proposed to pay an amount of ₹ 120,000 lacs to Operational Creditors, in the manner mentioned in the Resolution Plan, within 12 months from the closing date (May 18, 2018) i.e. on or before May 17, 2019. Accordingly, in the year ended March 31, 2020 the Company had recognised a gain of ₹ 15,359.67 lacs (March 31, 2019 - ₹ 55,212.35 lacs) on account of extinguishment of such financial liabilities as an exceptional item in these financial statements. Refer Note 29 for the details of exceptional items.
44. The Company is eligible under Package Scheme of Incentives, 1993, and accordingly as per the provisions of the Scheme the Company has obtained eligibility certificate from Directorate of Industries. As per the Scheme the Company has an option to defer the payment of sales tax for a period of fourteen years upto a specified limit (twenty one years in case the specified limit is not availed in fourteen years). The said tax collected shall be paid after fourteen years in five annual equal instalments and has been recognised as deferred sales tax liability, which as at March 31, 2021 amounts to ₹ 2,005.94 lacs (March 31, 2020: ₹ 1,802.35 lacs). Post-introduction of GST, the Maharashtra government modified the scheme, whereby the Company needs to deposit the GST & claim refunds of the same. During the year, the Company has recognised ₹ 11,003.06 lacs as an income (Refer Note 20) on account of such scheme.
45. The Board of Directors of the Company, at its meeting held on April 25, 2019, had approved a Composite Scheme of Amalgamation of TSBSL and Bamnival Steel Limited, a wholly owned subsidiary of Tata Steel Limited and TSBSL's Holding Company, into and with Tata Steel Limited ('Scheme'), subject to the requisite statutory and regulatory approvals. The Company received 'No Observation Letters' from both BSE Limited and the National Stock Exchange of India Limited on August 26, 2019. The said Scheme was also filed with the Hon'ble National Company Law Tribunal ('NCLT'). Pursuant to the orders of the Hon'ble NCLT, a meeting of the equity shareholders of the Company was convened and held on Friday, March 26, 2021 to consider and if thought fit, approve the Scheme. The Scheme was approved by the shareholders by requisite majority at the said meeting and the necessary disclosures in this regard have been made by the Company to the stock exchanges.

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

The Scheme would enable the companies to realize benefits of greater synergies between their businesses, yield beneficial results and avail pooled resources in the interest of maximizing value to the shareholders and other stakeholders. Upon implementation of the Scheme, the equity shareholders of the Company would be entitled to fully paid shares of Tata Steel Limited in the ratio as set out in the Scheme. Necessary accounting effect of the Scheme will be given upon receipt of the requisite regulatory approvals.

NOTES TO FINANCIAL STATEMENTS

Due to outbreak of Covid-19 globally and in India, the Company had on March 30, 2020 made a disclosure in terms of Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Further, the Company has carried out its initial assessment of the likely adverse impact on economic environment in general and financial risk because of Covid-19. The Company is in the business of manufacturing steel/steel products, which are connected with activities that are fundamental to the Indian economy. The demand for the Company's products are expected to be lower in the short term, though the same is not likely to have a continuing impact on the business of the Company. Further, the Management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Company, in the long-term.

- 46.** Due to outbreak of Covid-19 globally and in India, the Company had on March 30, 2020 made a disclosure in terms of Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Post declaration of COVID-19 as a pandemic by the World Health Organization in year ended March 31, 2020, the Government of India took significant measures to curtail the spread of virus, including country wide lockdown and restriction in economic activities. In view of such lockdowns, operations at the Company's steel making facilities were scaled down for certain period during the year ended March 31, 2021. Further, subsequent to March 31, 2021, certain state governments in India have imposed lockdowns to curtail the second wave of spread of virus.

Further, the Company has carried out its initial assessment of the likely adverse impact on economic environment in general and financial risk because of Covid-19. The Company is in the business of manufacturing steel/steel products, which are connected with activities that are fundamental to the Indian economy. Further, the Management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Company, in the long-term.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**

Chartered Accountants
Firm Registration No. :
001076N/N500013

sd/-

Siddharth Talwar

Partner
Membership No. 512752

sd/-

Mr. T. V. Narendran

Chairman (DIN: 03083605)
Place: Jamshedpur
Date: April 21, 2021

sd/-

Mr. Srikumar Menon

Independent Director (DIN: 00470254)
Place: Kolkata
Date: April 21, 2021

sd/-

Mr. Sanjib Nanda

Chief Financial Officer
Place: New Delhi
Date: April 21, 2021

sd/-

Mr. Krishnava Dutt

Independent Director (DIN: 02792753)
Place: Mumbai
Date: April 21, 2021

sd/-

Mr. Anand Sen

Non – Executive Director (DIN: 00237914)
Place: Mumbai
Date: April 21, 2021

sd/-

Ms. Nisha Anil Seth

Company Secretary
(Membership No. 27019)
Place: New Delhi
Date: April 21, 2021

sd/-

Ms. Neera Saggi

Independent Director (DIN: 00501029)
Place: Mumbai
Date: April 21, 2021

sd/-

Mr. Koushik Chatterjee

Non – Executive Director (DIN: 00004989)
Place: Mumbai
Date: April 21, 2021

sd/-

Mr. Shashi Kant Maudgal

Independent Director (DIN: 00918431)
Place: Mumbai
Date: April 21, 2021

sd/-

Mr. Rajeev Singhal

Managing Director (DIN: 02719570)
Place: Kolkata
Date: April 21, 2021

Place: Faridabad
Date: April 21, 2021

TATA STEEL BSL LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Tata Steel BSL Limited (formerly known as Bhushan Steel Limited)

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Tata Steel BSL Limited (formerly known as Bhushan Steel Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the 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 and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, as at 31 March 2021, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.
5. We have determined the matter described below to be the key audit matter to be communicated in our report:

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the *Other Matters* section below 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 and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Recoverability of amounts paid against on-going litigation</p> <p>Refer Note 32A to the consolidated financial statements.</p> <p>Prior to the approval of the resolution plan ('the BSL Resolution Plan') under the Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code, 2016 on 15 May 2018, the Holding Company was a party to certain litigations. Pursuant to the approval of the BSL Resolution Plan, it was determined that no amounts are payable in respect of those litigations as they stand extinguished.</p> <p>The Holding Company had also made certain payments to the relevant authorities in respect of those litigations which were presented as recoverable under "Other non-current assets" in the consolidated financial statements.</p> <p>The estimates related to expected outcome of litigations and recoverability of payments made in respect thereof have high degree of inherent uncertainty due to insufficient judicial precedents in India in respect of disposal of litigations involving companies admitted to Corporate Insolvency Resolution Process.</p> <p>The application of significant judgment in the aforementioned matter required substantial involvement of senior personnel on the audit engagement including individuals with expertise in tax related matters.</p>	<p>We have performed the following procedures, among others, to test the recoverability of payments made by the Holding Company in relation to litigations instituted against it prior to the approval of the BSL Resolution Plan:</p> <ul style="list-style-type: none"> • Verified the underlying documents related to litigations and other correspondences with the statutory authorities; • Involved direct and indirect tax specialists to review the process used by the management to determine estimates and to test the judgments applied by management in developing the accounting estimates; • Assessed management's estimate of recoverability, supported by an opinion obtained by the management from a legal expert, by determining whether; <ul style="list-style-type: none"> o The method of measurement used is appropriate in the circumstances; and o The assumptions used by management are reasonable in light of the measurement principles of Ind AS. • Determined whether the methods for making estimates have been applied consistently; • Evaluated whether the accounting principles applied by the management fairly present the amounts recoverable from relevant authorities in financial statements in accordance with the principles of Ind AS.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 Group to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and

whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. 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.
13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of four subsidiaries, whose financial statements reflects total assets of ₹ 1,197.82 crores and net assets of ₹ 834.73 crores as at 31 March 2021, total revenues of ₹ 332.84 crores and cash inflows (net) amounting to ₹ 17.23 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

16. We did not audit the financial information of four subsidiaries, whose financial information reflects total assets of ₹ 14.91 crores and net liabilities of ₹ 19.62 crores as at 31 March 2021, total revenues of ₹ Nil crore and cash inflows (net) amounting to ₹ 0.23 crores for the year ended on that date, as considered in the consolidated financial statements. These financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the aforesaid subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries are based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the management, these financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the financial information certified by the Board of Directors.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, we report that the Holding Company and one subsidiary company, covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that three subsidiary companies covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies.
18. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors,
 - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Holding company and such subsidiary companies, are disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and subsidiary companies, covered under the Act, 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 and based on the consideration of the report of the other auditors on

separate financial statements as also the other financial information of the subsidiaries:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 32A to the consolidated financial statements;
- ii. the Holding Company and such subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and such subsidiary companies during the year ended 31 March 2021;
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the

period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Siddharth Talwar
Partner
Membership No.: 512752
UDIN: 21512752AAAAAZ5385

Place: Faridabad
Date: 21 April 2021

Annexure 1

List of entities included in the Consolidated Financial Statements

1. Angul Energy Limited (formerly Bhushan Energy Limited)
2. Tata Steel Support Services Limited (formerly Bhushan Steel (Orissa) Limited)
3. Tata Steel Technical Services Limited (formerly Bhushan Steel Madhya Bharat Limited)
4. Bhushan Steel (South) Limited
5. Bhushan Steel (Australia) Pty Limited
6. Bowen Energy Pty Limited
7. Bowen Coal Pty Limited
8. Bowen Consolidated Pty Limited

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF TATA STEEL BSL LIMITED (FORMERLY KNOWN AS BHUSHAN STEEL LIMITED) ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

Annexure A

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Tata Steel BSL Limited (formerly known as Bhushan Steel Limited) ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies 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 the Company's business, including adherence to the 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note 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 were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

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 include 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 and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance note issued by the ICAI.

Other matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to four subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 1,197.82 crores and net assets of ₹ 834.73 crores as at 31 March 2021, total revenues of ₹ 332.84 crores and cash inflows (net) amounting to ₹ 17.23 crores for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with

reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditor.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Siddharth Talwar
Partner
Membership No.: 512752
UDIN: 21512752AAAAAZ5385

Place: Faridabad
Date: 21 April 2021

TATA STEEL BSL LIMITED

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2021

(₹ in lacs)

	Note	As at March 31, 2021	As at March 31, 2020
ASSETS			
I Non-current assets			
(a) Property, plant and equipment	3A	2,800,986.28	2,903,487.76
(b) Right-of-use assets	3B	61,257.41	71,818.04
(c) Capital work-in-progress	3C	44,231.38	68,171.13
(d) Intangible assets	4	1,640.28	2,080.16
(e) Investments accounted using equity method	6A	-	-
(f) Financial assets			
(i) Investments	6A	205.44	137.08
(ii) Loans	6B	5,128.91	5,014.22
(iii) Other financial assets	6C	1,406.70	41,763.59
(g) Other non-current assets	8	94,577.45	61,263.50
(h) Income tax assets	9	5,706.40	4,256.10
(i) Deferred Tax Assets		713.41	-
Total non current assets		3,015,853.66	3,157,991.58
II Current assets			
(a) Inventories	10	437,406.01	483,949.88
(b) Financial assets			
(i) Investments	6A	69,161.34	-
(ii) Trade receivables	11	42,265.63	70,238.62
(iii) Cash and cash equivalents	12	73,820.30	72,483.39
(iv) Other balances with banks	13	558.76	12,848.81
(v) Loans	6B	2,066.82	2,559.03
(vi) Derivative assets	7	-	5,142.54
(vii) Other financial assets	6C	47,488.08	9,170.70
(c) Other current assets	8	22,953.84	65,985.37
Total current assets		695,720.78	722,378.34
Total assets		3,711,574.44	3,880,369.92
EQUITY AND LIABILITIES			
I Equity			
(a) Equity share capital	14	21,868.80	21,868.80
(b) Other equity	15	2,078,547.90	1,826,681.11
(c) Non-controlling interests		2.22	2.21
Total Equity		2,100,418.92	1,848,552.12
II Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16A	1,042,668.19	1,573,257.18
(ii) Other financial liabilities	16C	2,005.94	3,620.35
(b) Provisions	18	11,216.32	7,630.35
(c) Deferred Income	19	150.73	189.21
Total non current liabilities		1,056,041.18	1,584,697.09
III Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16A	25,920.60	89,376.64
(ii) Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	16B	15,681.06	5,550.50
- Total outstanding dues of creditors other than micro enterprises and small enterprises	16B	404,361.13	277,283.19
(iii) Derivative liabilities	7	1,504.63	763.77
(iv) Other financial liabilities	16C	51,076.41	50,818.22
(b) Other current liabilities	17	55,348.37	23,121.15
(c) Provisions	18	601.34	207.24
(d) Income tax liabilities		620.80	-
Total current liabilities		555,114.34	447,120.71
Total equity and liabilities		3,711,574.44	3,880,369.92
The accompanying notes forming part of consolidated financial statements	1-46		

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No. :
001076N/N500013

sd/-
Mr. T. V. Narendran
Chairman (DIN: 03083605)
Place: Jamshedpur
Date: April 21, 2021

sd/-
Mr. Krishnavu Dutt
Independent Director (DIN: 02792753)
Place: Mumbai
Date: April 21, 2021

sd/-
Ms. Neera Saggi
Independent Director (DIN: 00501029)
Place: Mumbai
Date: April 21, 2021

sd/-
Mr. Shashi Kant Maudgal
Independent Director (DIN: 00918431)
Place: Mumbai
Date: April 21, 2021

sd/-
Siddharth Talwar
Partner
Membership No. 512752

sd/-
Mr. Srikumar Menon
Independent Director (DIN: 00470254)
Place: Kolkata
Date: April 21, 2021

sd/-
Mr. Anand Sen
Non – Executive Director (DIN: 00237914)
Place: Mumbai
Date: April 21, 2021

sd/-
Mr. Koushik Chatterjee
Non – Executive Director (DIN: 00004989)
Place: Mumbai
Date: April 21, 2021

sd/-
Mr. Rajeev Singh
Managing Director (DIN: 02719570)
Place: Kolkata
Date: April 21, 2021

sd/-
Mr. Sanjib Nanda
Chief Financial Officer
Place: New Delhi
Date: April 21, 2021

sd/-
Ms. Nisha Anil Seth
Company Secretary
(Membership No. 27019)
Place: New Delhi
Date: April 21, 2021

Place: Faridabad
Date: April 21, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lacs)

	Note	Year ended March 31, 2021	Year ended March 31, 2020
I Income:			
(a) Revenue from operations	20	2,141,862.70	1,819,914.18
(b) Other income	21	9,166.64	7,049.53
Total income		2,151,029.34	1,826,963.71
II Expenses:			
(a) Raw materials consumed	22	1,002,400.10	1,077,532.07
(b) Purchases of finished, semi-finished steel and other products	23	-	287.56
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	69,431.94	(25,379.95)
(d) Employee benefit expense	25	64,878.86	40,902.39
(e) Finance costs	26	152,920.79	165,476.54
(f) Depreciation and amortisation expense	27	149,127.86	146,340.68
(g) Other expenses	28	460,342.68	491,555.15
Total expenses		1,899,102.23	1,896,714.44
III Profit/(Loss) before exceptional items and tax (I-II)		251,927.11	(69,750.73)
IV Exceptional items	29	-	6,901.84
V Profit/(Loss) before tax (III+IV)		251,927.11	(62,848.89)
VI Tax expense:			
(a) Current tax		823.94	-
(b) Deferred tax		(713.41)	-
Total tax expense		110.53	-
VII Profit/ (Loss) for the year (V-VI)		251,816.58	(62,848.89)
VIII Profit/(Loss) for the year attributable to:			
Owners of the Company		251,816.57	(62,848.89)
Non-controlling interests		0.01	0.00
IX Other comprehensive income			
(a) Items that will not be reclassified to profit or loss		(101.65)	(823.26)
(i) Remeasurement gains/(losses) on post employment defined benefit plans		(170.01)	(732.44)
(ii) Fair value changes of investments in equity shares		68.36	(90.82)
(b) Income tax relating to items that will not be reclassified to profit or loss		-	-
(c) Items that will be reclassified to profit or loss		151.91	(39.82)
(d) Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income/(loss)		50.26	(863.08)
X Total comprehensive income/(loss) for the year (VII+IX)		251,866.84	(63,711.97)
Total Comprehensive income/(loss) for the year attributable to:			
Owners of the Company		251,866.83	(63,711.98)
Non-controlling interests		0.01	0.01
XI Earnings per share	30		
Basic (₹)		23.03	(5.75)
Diluted (₹)		6.57	(5.75)
The accompanying notes forming part of consolidated financial statements	1-46		

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. :
001076N/N500013

sd/-
Siddharth Talwar
Partner
Membership No. 512752

sd/-
Mr. T. V. Narendran
Chairman (DIN: 03083605)
Place: Jamshedpur
Date: April 21, 2021

sd/-
Mr. Srikumar Menon
Independent Director (DIN: 00470254)
Place: Kolkata
Date: April 21, 2021

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Mr. Sanjib Nanda
Chief Financial Officer
Place: New Delhi
Date: April 21, 2021

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Mr. Krishnav Dutt
Independent Director (DIN: 02792753)
Place: Mumbai
Date: April 21, 2021

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Non – Executive Director (DIN: 00237914)
Place: Mumbai
Date: April 21, 2021

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Ms. Nisha Anil Seth
Company Secretary
(Membership No. 27019)
Place: New Delhi
Date: April 21, 2021

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Independent Director (DIN: 00501029)
Place: Mumbai
Date: April 21, 2021

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Non – Executive Director (DIN: 00004989)
Place: Mumbai
Date: April 21, 2021

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Mr. Shashi Kant Maudgal
Independent Director (DIN: 00918431)
Place: Mumbai
Date: April 21, 2021

sd/-
Mr. Rajeev Singhal
Managing Director (DIN: 02719570)
Place: Kolkata
Date: April 21, 2021

Place: Faridabad
Date: April 21, 2021

TATA STEEL BSL LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2021

A. Equity Share Capital

(₹ in lacs)

	As at April 1, 2020	Changes during the period	As at March 31, 2021
Equity shares of ₹ 2 each issued, subscribed and fully paid.	21,868.80	-	21,868.80

(₹ in lacs)

	As at April 1, 2019	Changes during the period	As at March 31, 2020
Equity shares of ₹ 2 each issued, subscribed and fully paid.	21,868.80	-	21,868.80

B. Other Equity

(₹ in lacs)

	Capital redemption reserve	Securities premium reserves	Capital reserve	General reserve	Retained earnings	Equity component of compound financial instruments	Capital Contribution	Equity instruments at fair value through other comprehensive income	Foreign currency translation reserve	Non- controlling interests	Total Equity
As at April 1, 2020	693.34	72,576.10	82,356.68	564,350.09	(3,140,146.41)	1,729,582.05	2,518,550.72	(30.92)	(1,250.55)	2.21	1,826,683.32
Profit for the year	-	-	-	-	251,816.54	-	-	-	-	0.01	251,816.55
Other comprehensive income	-	-	-	-	(170.01)	-	-	68.36	151.91	-	50.26
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	693.34	72,576.10	82,356.68	564,350.09	(2,888,499.88)	1,729,582.05	2,518,550.72	37.44	(1,098.64)	2.22	2,078,550.13

(₹ in lacs)

	Capital redemption reserve	Securities premium reserves	Capital reserve	General reserve	Retained earnings	Equity component of compound financial instruments	Capital Contribution	Equity instruments at fair value through other comprehensive income	Foreign currency translation reserve	Non- controlling interests	Total Equity
As at April 1, 2019	693.34	72,576.10	1,942.03	564,350.09	(3,076,414.73)	1,729,582.05	2,518,550.72	59.90	(1,210.73)	(150.15)	1,809,978.62
Profit for the year	-	-	-	-	(62,849.09)	-	-	-	-	0.00	(62,849.09)
Other comprehensive income	-	-	-	-	(732.44)	-	-	(90.82)	(39.82)	-	(863.08)
Acquisition of subsidiary	-	-	80,414.65	-	(150.15)	-	-	-	-	152.36	80,416.87
As at March 31, 2020	693.34	72,576.10	82,356.68	564,350.09	(3,140,146.41)	1,729,582.05	2,518,550.72	(30.92)	(1,250.55)	2.21	1,826,683.32

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. :
001076N/N500013

sd/-
Mr. T. V. Narendran
Chairman (DIN: 03083605)
Place: Jamshedpur
Date: April 21, 2021

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Mr. Krishnava Dutt
Independent Director (DIN: 02792753)
Place: Mumbai
Date: April 21, 2021

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Independent Director (DIN: 00501029)
Place: Mumbai
Date: April 21, 2021

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Mr. Shashi Kant Maudgal
Independent Director (DIN: 00918431)
Place: Mumbai
Date: April 21, 2021

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Siddharth Talwar
Partner
Membership No. 512752

sd/-
Mr. Srikumar Menon
Independent Director (DIN: 00470254)
Place: Kolkata
Date: April 21, 2021

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Mr. Anand Sen
Non – Executive Director (DIN: 00237914)
Place: Mumbai
Date: April 21, 2021

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Mr. Koushik Chatterjee
Non – Executive Director (DIN: 00004989)
Place: Mumbai
Date: April 21, 2021

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Mr. Rajeev Singhal
Managing Director (DIN: 02719570)
Place: Kolkata
Date: April 21, 2021

sd/-
Mr. Sanjib Nanda
Chief Financial Officer
Place: New Delhi
Date: April 21, 2021

sd/-
Ms. Nisha Anil Seth
Company Secretary
(Membership No. 27019)
Place: New Delhi
Date: April 21, 2021

Place: Faridabad
Date: April 21, 2021

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lacs)

	Year ended March 31, 2021		Year ended March 31, 2020	
(A) Cash Flow From Operating Activities:				
Profit/(Loss) before taxes		251,927.11		(62,848.91)
Adjustments for:				
Depreciation & amortisation expenses	149,127.86		146,340.67	
Finance cost	152,920.79		165,476.53	
Exceptional gains	-		(6,901.84)	
Gain on fair valuation/sale of current investments	(2,458.38)		(3,781.15)	
Loss/(Gain) on settlement/cancellation of forward exchange contracts	5,883.40		(8,306.27)	
Interest income / Dividend income	(3,441.99)		(1,268.46)	
Provision for doubtful debts / Bad debts written off (net of write back)	694.90		(3,336.87)	
Provisions (retirement benefit)	4,430.86		910.46	
Others	1,011.98		(4,510.79)	
		308,169.42		284,622.28
Operating cash flows before changes in inventories and operating receivables and payables		560,096.53		221,773.37
Adjustments for:				
Trade receivables	27,363.14		3,542.21	
Inventories	46,543.87		(24,197.30)	
Loans, other financial assets and other assets	14,494.85		(12,977.33)	
Trade payables, other financial liabilities and other liabilities	169,821.96		(761.95)	
		258,223.82		(34,394.37)
Cash generated from operations		818,320.35		187,379.00
Direct taxes paid		(2,274.23)		(760.50)
Net cash generated from operating activities		816,046.12		186,618.50
(B) Cash Flow From Investing Activities:				
Payments made for purchase of property, plant and equipment	(14,419.33)		(62,038.87)	
Proceeds from sale of property, plant and equipment	193.93		626.57	
(Purchase)/sale of current investments (Net)	(66,702.96)		163,271.43	
Interest received	3,429.72		1,263.78	
Acquisition of interest in subsidiaries	-		(76,500.00)	
Movement in other bank balances	11,190.50		2,711.73	
Dividend received	12.25		4.68	
Net cash from/(used in) investing activities		(66,295.89)		29,339.32

TATA STEEL BSL LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2021

(₹ in lacs)

	Year ended March 31, 2021		Year ended March 31, 2020	
(C) Cash Flow From Financing Activities:				
Proceeds/repayment of current borrowings (Net)	(63,716.73)		88,700.00	
Repayment of borrowings	(550,000.00)		(143,090.77)	
Payment of lease liabilities	(11,170.71)		(6,076.28)	
Interest paid (Interest paid on lease liabilities - ₹ 11,725.13 lacs (March 31, 2020 : ₹ 13,043.46 lacs))	(123,525.88)		(134,602.17)	
Unclaimed dividend	-		-	
Net cash used in Financing Activities		(748,413.32)		(195,069.22)
Net (decrease)/increase in Cash and Cash Equivalents (A+B+C)		1,336.91		20,888.60
Opening Cash and Cash Equivalents		72,483.39		27,765.11
Add:- Cash acquired during the year		-		23,829.68
Closing Cash and Cash Equivalents (Refer note no 12)		73,820.30		72,483.39

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No. :

001076N/N500013

sd/-

Siddharth Talwar

Partner

Membership No. 512752

sd/-

Mr. T. V. Narendran

Chairman (DIN: 03083605)

Place: Jamshedpur

Date: April 21, 2021

sd/-

Mr. Srikumar Menon

Independent Director (DIN: 00470254)

Place: Kolkata

Date: April 21, 2021

sd/-

Mr. Sanjib Nanda

Chief Financial Officer

Place: New Delhi

Date: April 21, 2021

sd/-

Mr. Krishnava Dutt

Independent Director (DIN: 02792753)

Place: Mumbai

Date: April 21, 2021

sd/-

Mr. Anand Sen

Non – Executive Director (DIN: 00237914)

Place: Mumbai

Date: April 21, 2021

sd/-

Ms. Nisha Anil Seth

Company Secretary

(Membership No. 27019)

Place: New Delhi

Date: April 21, 2021

sd/-

Ms. Neera Saggi

Independent Director (DIN: 00501029)

Place: Mumbai

Date: April 21, 2021

sd/-

Mr. Koushik Chatterjee

Non – Executive Director (DIN: 00004989)

Place: Mumbai

Date: April 21, 2021

sd/-

Mr. Shashi Kant Maudgal

Independent Director (DIN: 00918431)

Place: Mumbai

Date: April 21, 2021

sd/-

Mr. Rajeev Singhal

Managing Director (DIN: 02719570)

Place: Kolkata

Date: April 21, 2021

Place: Faridabad

Date: April 21, 2021

ACCOUNTING POLICIES UNDER IND AS

CONSOLIDATED FINANCIAL STATEMENTS OF TATA STEEL BSL LIMITED FOR THE YEAR ENDED MARCH 31, 2021

1. Company Information and basis of preparation

TATA Steel BSL Limited ("the Company") is a public limited company incorporated in India with its registered office at Ground Floor, Mira Corporate Suites, Plot No. 1&2, Ishwar Nagar, Mathura Road, New Delhi-110065, India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE).

The Company is the 3rd largest secondary steel producer with an overall steel producing capacity of 5.6 million tonnes per annum. The Company has presence across the entire value chain of steel manufacturing. The Company offers a broad range of steel products including a portfolio of high value added downstream products such as hot rolled, cold rolled and coated steel, cold rolled full hard, galvanised coils and sheets, high tensile steel strips, colour coated tiles, precision tubes etc. The Company has the unique facilities of producing cold roll and sheets up to a width of 1700 mm and galvanised coil and steel up to a width of 1350 mm.

Statement of compliance

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standard) Rules, 2015 as amended from time to time.

Basis of preparation

The financial statements have been prepared on a historical cost basis, except:

- (a) certain assets and liabilities that are required to be carried at fair values by Ind AS; and
- (b) property plant & equipment which have been fair valued at the transition date (i.e. April 01, 2015) as 'deemed cost' upon transition to Ind AS.

The financial statements are presented in INR and all values are rounded to the nearest Lacs (INR 00,000), except when otherwise indicated.

These consolidated financial statements for the year ended March 31, 2021 in accordance with Ind AS 110 and the same were approved for issue by the Board of Directors on April 21, 2021.

2. Significant accounting policies

The significant accounting policies applied by the Company (The 'Parent') and its subsidiaries (collectively referred to as the 'the Group') in the preparation of its financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise indicated.

a) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Group as at March 31, 2021. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns. Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
 - The contractual arrangement with the other vote holders of the investee
 - Rights arising from other contractual arrangements
 - The Group's voting rights and potential voting rights
 - The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

b) Investment in associates

Associates are those enterprises in which the Group has significant influence, but does not have control. Investments in associates are accounted for using the equity method and are initially recognised

at cost, from the date significant influence commences until the date that significant influence ceases. Subsequent changes in the carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate and impairment charges, if any.

When the Group's share of losses exceeds the carrying value of the associate, the carrying value is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of associates are modified to confirm to the Group's accounting policies.

c) Interests in joint arrangement

A joint arrangement is a contractual arrangement whereby the Group and other parties undertake an economic activity where the strategic financial and operating policy decisions relating to the activities of the joint arrangement require the unanimous consent of the parties sharing control.

Where Group entity undertakes its activities under joint arrangements directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other parties are recognised in its financial statements and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on the accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint arrangements expenses, are recognised when it is probable that the economic benefits associated with will flow to the Group and their amount can be measured reliably.

Joint arrangements that involve the establishment of a separate entity in which each venturer has an interest are referred to as joint ventures. The Group reports its interests in joint ventures using the equity method of accounting whereby an interest in joint venture is initially recorded at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the joint venture. The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint venture.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint venture, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of joint ventures are modified to confirm to the Group's accounting policies.

d) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset /liability is treated as current when it is expected to be realised/ settled, sold, consumed within the normal operating cycle. Having regard to the nature of business being carried out by the Group, the Group has determined its operating cycle as twelve months. The Group classifies all other assets/liabilities as non-current.

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

e) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. This recognition principle is applied to costs incurred initially to acquire an item of property, plant and equipment and also to costs incurred subsequently to add to, replace part of, or service it. All other repair and maintenance costs, including regular servicing, are recognised in the statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is derecognised. Where an item of property, plant and equipment comprises major components having different useful lives, these components are accounted for as separate items.

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (net of revenue) are capitalised. Borrowing costs incurred during the period of construction is capitalised as part of cost of qualifying asset.

The gain or loss arising on disposal of an item of property, plant and equipment is determined as the difference between sale proceeds and carrying value of such item, and is recognised in the statement of profit and loss.

f) Depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use assets

Depreciation or amortisation is provided on a straight line basis on the cost of property, plant and equipment, intangible assets and right-of-use assets. Depreciation on all assets commences from the dates the assets are available for their intended use and are spread over their estimated useful economic lives or, in the case of leased assets, over the lease period or estimated useful life whichever is less. The estimated useful lives of assets and residual values are regularly reviewed and, when necessary, revised.

The estimated useful life of main category of property plant and equipment and intangible assets are:-

	Estimated useful Life (years)
Buildings	Upto 60 years*
Roads	30 years
Plant and Machinery	Upto 40 years*
Railway Sidings	Upto 30 years*
Vehicles	8 to 10 years
Furniture, Fixtures and Office Equipment	5 to 10 years
Computer Software	3 years

* for these class of assets, useful lives are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013. Based on the technical evaluation carried out by a chartered engineer and internal assessments made, the Group believes that

useful lives mentioned above are best representative of the period over which the Group expects to use the assets.

g) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Eligible transaction/ ancillary costs incurred in connection with the arrangement of borrowings are adjusted with the proceeds of the borrowings.

h) Impairment of non-financial assets

The Group, at each balance sheet date, reviews carrying values of its non-financial assets and assesses whether there is an indication that an asset may be impaired. If any indication exists, the recoverable amount, being higher of fair value less costs of disposal and value in use of the assets, is estimated to determine the impairment losses and are recognised in the statement of profit and loss. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs unless either the asset's fair value less costs of disposal is higher than its carrying amount; or the asset's value in use can be estimated to be close to its fair value less costs of disposal and fair value less costs of disposal can be measured.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

For assets, an assessment is made at each balance sheet date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

i) Inventories

Items of inventories are measured at lower of cost and net realisable value after providing for obsolescence, wherever considered

necessary. Cost is ascertained on a weighted average basis. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business based on market price at the balance sheet date and discounted for the time value of money if material, less estimated costs of completion and estimated costs necessary to make the sale.

Spare parts including other items are carried on weighted average basis.

j) Revenue Recognition

A customer of the Group is a party that has contracted with the Group to obtain goods or services that are an output of the Group's ordinary activities in exchange for consideration. The core principle of recognising revenue from contracts with customers is that the Group recognises revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

At contract inception, the Group assesses the goods or services promised in a contract with a customer to identify as a performance obligation each promise to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

If there is variable consideration, the Group includes in the transaction price some or all of that amount of estimated variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer.

For each performance obligation identified, the Group determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

For each performance obligation satisfied over time, the Group recognises revenue over time by measuring the progress towards

complete satisfaction of that performance obligation. The progress towards complete satisfaction is measured using appropriate methods which include input and output methods.

The Group recognises as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. However, as a practical expedient, the incremental costs of obtaining a contract are recognised as an expense when incurred if the amortisation period of the asset otherwise would have been one year or less.

The costs to fulfil a contract are recognised as an asset if the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify; the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and the costs are expected to be recovered.

k) Foreign currency transactions and balances

The Group's financial statements are presented in INR, which is also its functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group at functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rate of exchange at the balance sheet date.

Non-monetary items denominated in a foreign currency that are measured in terms of historical cost, are translated using the exchange rates at the dates of the initial transactions. Non-monetary items denominated in a foreign currency that are measured at fair value, are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or statement of profit or loss are also recognised in other comprehensive income or statement of profit or loss, respectively).

l) Income Taxes

Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted in India, at the balance sheet date.

Current tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts

and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the balance sheet liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the balance sheet date.

Deferred tax liabilities are generally recognised for all the temporary differences. On the contrary, deferred tax assets are recognised for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses 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 profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

m) Employee benefits

Short-term benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the service rendered by employees are recognised during the period when the employee renders the services.

Defined contribution plans

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Group's contribution to state defined contribution plans namely Employee State Insurance and Maharashtra Labour Welfare Fund are made in accordance with the relevant statute, and are recognised as an expense when employees have rendered services entitling them to the contribution.

Defined benefits plans

The Group operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. Gratuity is a defined benefit obligation.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. In respect of post-retirement benefit re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Re-measurements are not reclassified to statement of profit or loss in subsequent periods.

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

Other long term benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Actuarial gains/losses on the compensated absences are immediately taken to the statement of profit and loss and are not deferred.

n) Leases

Group as a lessee

The Group assesses if a contract is or contains a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of operations on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if not readily determinable, the incremental borrowing rate specific to the country, term and currency of the contract.

Lease payments can include fixed payments, variable payments that depend on an index or rate known at the commencement date, as well as any extension or purchase options, if the Group is reasonably certain to exercise these options. The lease liability is subsequently measured at amortized cost using the effective interest method and remeasured with a corresponding adjustment to the related right-of-use asset when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessments of options.

The right-of-use asset comprises, at inception, the initial lease liability, any initial direct costs and, when applicable, the obligations to refurbish the asset, less any incentives granted by the lessors. The right-of-use asset is subsequently depreciated, on a straight-line basis, over the lease term, if the lease transfers the ownership of the underlying asset to the Group at the end of the lease term or, if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, over the estimated useful life of the underlying asset. Right-of-use assets are also subject to testing for impairment if there is an indicator for impairment. Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of operations in the period in which the events or conditions which trigger those payments occur. In the statement of financial position right-of-use assets and lease liabilities are classified respectively as part of property, plant and equipment and short-term/long-term debt.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rentals are recognised as revenue in the period in which they are earned.

On March 30, 2019, Ministry of Corporate Affairs ("MCA") had notified the Ind AS 116, Leases which has replaced Ind AS 17 "Leases". Ind AS 116 'Leases' eliminates the classification of leases as either finance leases or operating leases. All leases are required to be reported on an entity's balance sheet as assets and liabilities. Leases are capitalised by recognising the present value of the lease payments and showing them either as right of use of the leased assets or together with property, plant and equipment. Rent expense is replaced by depreciation and interest expense in the income statement.

o) Provisions, contingent liabilities and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises when there is a presence of a legal or constructive commitment that has resulted from past events, for example, legal disputes or onerous contracts. Provisions are not recognised for future operating losses.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised. However, when inflow of economic benefits is probable, related asset is disclosed.

p) Earnings per share

Basic earnings per equity share is computed by dividend net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share is computed by dividing adjusted net profit after tax by the aggregate of weighted average number of equity shares and dilutive potential equity shares during the year.

q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand, cheques on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

r) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost i.e. purchase cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

s) Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

t) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and the grants will be received.

Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. The benefit of a government loan at below market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on the prevailing market interest rates.

u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting done to the chief operating decision maker. The Group operates in a single operating segment.

v) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Subsequent measurement

Non-derivative financial assets

i. *Financial assets carried at amortised cost* – a financial asset is measured at the amortised cost, if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest (EIR) method.

ii. *Investments in mutual funds* – Investments in mutual funds are subsequently measured at fair value through profit and loss (FVTPL).

iii. *Investments in equity instruments of subsidiaries, joint ventures and associates* - Investments in equity instruments of subsidiaries, joint ventures and associates are accounted for at cost in accordance with Ind AS 27 Separate Financial Statements.

iv. *Investments in equity instruments* - Investments in equity instruments, where the Group has opted to classify such instruments at fair value through other comprehensive income (FVOCI) are measured at fair value through other comprehensive income. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Non-derivative financial liabilities

Subsequent to initial recognition, all non-derivative financial liabilities are measured at amortised cost using the effective interest method.

Derivative financial instruments

In the ordinary course of business, the Company uses derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange. The instruments are confined principally to forward foreign exchange contracts and these contracts do not generally extend beyond six months.

Derivatives are subsequently re-measured at their fair value at the end of each reporting period.

Compound Financial Instruments

The component parts of compound instruments issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by issue of a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. The conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible instrument, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables: In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit

losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets: In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

w) Accounting standards or amendments in the accounting standards adopted on/from April 1, 2020:

On 24 July 2020, the Ministry of Corporate Affairs (MCA) has notified new Company (Indian Accounting Standards) Amendment Rules, 2020. These amendments are applicable for the accounting year beginning on or after April 01, 2020.

Ind AS 116, Leases:

The amendment provides lessee with a practical expedient and an exemption to assess whether a COVID-19 related rent concession is a lease modification to payments originally due on or before

June 30, 2021. Amendment also requires disclosure of the amount recognised in statement of profit and loss to reflect changes in lease payments that arise from such concession. The Company has not recognised any amount as reversal of lease liability in the statement of profit and loss.

Ind AS 103, Business Combination

The amendment has revised the definition of 'Business' and 'Business Combination', introduced an optional concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Company does not expect that the adoption of this amendment will have a material impact to its financial statements.

Ind AS 109, Financial Instruments and Ind AS 107 "Financial Instruments: Disclosures

The amendments provide relief from the specific hedge accounting requirements assuming that the interest rate benchmark is not altered as a result of the interest rate benchmark reform. The Company is currently evaluating the potential impact of replacement of interest rate benchmark and will accordingly manage the transition plan.

Ind AS 1 Presentation of Financial Statements

Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments refined the definition of material to be included in Ind AS 1 and Ind AS 8. The amendments clarify the impact on financial statement and Obscure information. An entity needs to assess whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole. An information is considered to be obscured if it is communicated in a way that would have a similar effect for primary users of financial statements to omitting or misstating that information. The Company does not expect that the adoption of this amendment will have a material impact to its financial statements.

The existing amendment of materiality has been deleted from Ind AS 8. Instead, now a reference has been made to the amended definition of materiality in Ind AS 1.

(₹ in lacs)

Particulars	Freehold land	Building	Railway siding	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Total
Gross carrying amount as at April 01, 2020	68,651.35	1,726,102.92	85,650.38	3,664,165.20	2,510.58	1,632.27	3,216.20	5,551,928.90
Additions during the year	-	331.84	-	34,734.01	134.69	49.69	680.75	35,930.98
Deletions during the year	-	(27.14)	-	(467.12)	-	(322.64)	(3.36)	(820.26)
Gross carrying amount as at March 31, 2021	68,651.35	1,726,407.62	85,650.38	3,698,432.09	2,645.27	1,359.32	3,893.59	5,587,039.62
Accumulated impairment & depreciation as at April 01, 2020	9,211.61	811,443.75	77,080.46	1,746,876.94	1,246.80	1,008.30	1,573.28	2,648,441.14
Depreciation for the year	-	32,308.01	997.06	104,021.94	235.62	104.75	520.02	138,187.40
Deletions during the year	-	(0.33)	-	(312.63)	-	(261.38)	(0.86)	(575.20)
Accumulated impairment & depreciation as at March 31, 2021	9,211.61	843,751.43	78,077.52	1,850,586.25	1,482.42	851.67	2,092.44	2,786,053.34
Net carrying amount as on April 01, 2020	59,439.74	914,659.17	8,569.92	1,917,288.26	1,263.78	623.97	1,642.92	2,903,487.76
Net carrying amount as on March 31, 2021	59,439.74	882,656.19	7,572.86	1,847,845.84	1,162.85	507.65	1,801.15	2,800,986.28

(₹ in lacs)

Particulars	Freehold land	Building	Railway siding	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Total
Gross carrying amount as at April 01, 2019	68,651.35	1,703,899.37	85,650.38	3,588,619.83	5,051.99	2,134.17	1,315.35	5,455,322.44
Reclassified as right-of-use assets on transition to Ind AS 116	-	-	-	(75,406.25)	-	-	-	(75,406.25)
Additions during the year	-	12,756.87	-	52,530.01	431.62	208.60	1,340.28	67,267.39
Additions related to acquisition	-	9,446.68	-	106,054.99	2.81	0.96	0.24	115,505.68
Deletions during the year	-	-	-	(6,802.72)	(2,975.84)	(711.46)	(270.33)	(10,760.36)
Other re-classifications	-	-	-	(830.66)	-	-	830.66	-
Gross carrying amount as at March 31, 2020	68,651.35	1,726,102.92	85,650.38	3,664,165.20	2,510.58	1,632.27	3,216.20	5,551,928.90
Accumulated impairment & depreciation as at April 01, 2019	9,211.61	780,218.53	76,081.90	1,668,303.90	3,864.67	1,424.21	776.59	2,539,881.41
Reclassified as right-of-use assets on transition to Ind AS 116	-	-	-	(19,050.00)	-	-	-	(19,050.00)
Depreciation for the year	-	31,225.22	998.56	102,853.73	221.64	133.14	261.92	135,694.21
Impairment for the year	-	-	-	2,174.90	-	-	-	2,174.90
Deletions during the year	-	-	-	(6,631.03)	(2,839.51)	(549.05)	(239.79)	(10,259.38)
Other re-classifications	-	-	-	(774.56)	-	-	774.56	-
Accumulated impairment & depreciation as at March 31, 2020	9,211.61	811,443.75	77,080.46	1,746,876.94	1,246.80	1,008.30	1,573.28	2,648,441.14
Net carrying amount as on April 01, 2019	59,439.74	923,680.84	9,568.48	1,920,315.93	1,187.32	709.96	538.76	2,915,441.02
Net carrying amount as on March 31, 2020	59,439.74	914,659.17	8,569.92	1,917,288.26	1,263.77	623.97	1,642.92	2,903,487.76

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3B. Right-of-Use Assets

(₹ lacs)

	Land	Building	Plant & Machinery	Total
Cost as at April 01, 2020	23,211.21	2,610.07	75,539.07	101,360.35
Derecognition of ROU assets for leases vacated during the year	(103.24)	(74.07)	-	(177.31)
Cost as at March 31, 2021	23,107.97	2,536.00	75,539.07	101,183.04
Accumulated depreciation as at April 1, 2020	342.09	572.28	28,627.94	29,542.31
Depreciation for the year	303.95	618.16	9,577.95	10,500.06
Derecognition of ROU assets for leases vacated during the year	(60.60)	(56.14)	-	(116.74)
Accumulated depreciation as at March 31, 2021	585.44	1,134.30	38,205.89	39,925.63
Net carrying value as on April 1, 2020	22,869.12	2,037.79	46,911.13	71,818.04
Net carrying value as on March 31, 2021	22,522.53	1,401.70	37,333.18	61,257.41

	Land	Building	Plant & Machinery	Total
Reclassified from Property, Plant & Equipment on transition to Ind AS 116	-	-	75,406.25	75,406.25
Additions on account of transition to Ind AS 116	19,547.13	2,124.76	169.84	21,841.73
Additions on account of acquisition of Angul Energy Limited	2,726.54	-	-	2,726.54
Additions during the year	937.54	509.38	-	1,446.92
Derecognition of ROU assets for leases vacated during the year	-	(24.07)	(37.02)	(61.09)
Cost as at March 31, 2020	23,211.21	2,610.07	75,539.07	101,360.35
Reclassified from Property, Plant & Equipment on transition to Ind AS 116	-	-	19,050.00	19,050.00
Depreciation for the year	342.09	575.54	9,596.74	10,514.37
Derecognition of ROU assets for leases vacated during the year	-	(3.26)	(18.80)	(22.06)
Accumulated depreciation as at March 31, 2020	342.09	572.28	28,627.94	29,542.31
Net carrying value as on April 1, 2019	-	-	-	-
Net carrying value as on March 31, 2020	22,869.12	2,037.79	46,911.13	71,818.04

3C. Capital Work-In-Progress

Capital work in progress (CWIP) as at March 31, 2021 comprises expenditure for the plant in the course of construction. Total amount of CWIP is ₹ 44,231.38 lacs (March 31, 2020 ₹ 68,171.13 lacs). This includes expenditure capitalised and comprises of direct material cost, labour charges, supervision charges.

No borrowing cost has been capitalised during the current year. During the previous year ₹ 6,418.64 lacs of borrowing costs has been capitalised on qualifying asset using an annualized capitalisation rate of 9.34%.

Notes :

- (i) For details of capital commitments, refer note 32.
- (ii) Property, plant and equipment are pledged against borrowings, the details relating to which have been described in Note 16A pertaining to borrowings.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
4. Intangible Assets

(₹ in lacs)

	Software Costs	Other Intangible Assets	Total
Cost as at April 01, 2020	2,270.49	978.59	3,249.08
Additions during the year	0.52	-	0.52
Gross carrying amount as at March 31, 2021	2,271.01	978.59	3,249.60
Accumulated amortisation as at April 01, 2020	190.33	978.59	1,168.92
Amortisation during the year	440.40	-	440.40
Accumulated amortisation as at March 31, 2021	630.73	978.59	1,609.32
Net carrying value as at April 01, 2020	2,080.16	-	2,080.16
Net carrying value as at March 31, 2021	1,640.28	-	1,640.28

(₹ in lacs)

	Software Costs	Other Intangible Assets	Total
Cost as at April 01, 2019	75.29	978.59	1,053.88
Additions during the year	2,195.68	-	2,195.68
Deletions during the year	(0.48)	-	(0.48)
Gross carrying amount as at March 31, 2020	2,270.49	978.59	3,249.08
Accumulated amortisation as at April 01, 2019	58.23	978.59	1,036.82
Amortisation during the year	132.10	-	132.10
Accumulated amortisation as at March 31, 2020	190.33	978.59	1,168.92
Net carrying value as at April 01, 2019	17.06	-	17.06
Net carrying value as at March 31, 2020	2,080.16	-	2,080.16

5. Leases

- (i) The Group as a lessee operates certain land, building and plant & machineries under various lease arrangements.
- (ii) Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right of use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security against the Group's other debts and liabilities. For leases over office buildings and factory premises the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.
- (iii) Expenses related to short-term leases and leases of assets of low value included in Rent expenses (Refer note 28) were ₹ 147.12 lacs (March 31, 2020: ₹ 186.80 lacs) and ₹ 1.08 lacs (March 31, 2020: ₹ 2.40 lacs) respectively, for the year ended March 31, 2021. Expenses related to variable lease payments not included in the measurement of lease liabilities were ₹ NIL for the year ended March 31, 2021 (March 31, 2020: ₹ 12,664.03 lacs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

6. Financial Assets

A. Investments

	(₹ in lacs)	
	As at March 31, 2021	As at March 31, 2020
(I) Non-current investments		
Investments in equity instruments accounted for using equity method		
Andal East Coal Company Private Limited - 330,000 (March 31, 2020: 3,30,000) equity shares of ₹ 10/- each fully paid up - unquoted (Refer sub-note (ii) below)	-	-
Jawahar Credit & Holdings Private Limited - 8,643,742 (March 31, 2020: 8,643,742) equity shares of ₹10/- each fully paid up - unquoted (Refer sub-note (iii))	940.31	940.31
Less: Share of loss	(940.31)	(940.31)
Bhushan Capital & Credit Services Private Limited - 8,643,742 (March 31, 2020: 8,643,742) equity shares of ₹ 10/- each fully paid up - unquoted (Refer sub-note (iii))	940.31	940.31
Less: Share of loss	(940.31)	(940.31)
	-	-
Tata Steel Limited - 13,500 (March 31, 2020: 13,500) equity shares of ₹10/- each fully paid up - quoted	109.58	36.39
Bhushan Buildwell Private Limited - 4,900 (March 31, 2020: 4,900) equity shares of ₹ 10/- each fully paid up - Unquoted	24.74	24.74
Saraswat Co-operative Bank Limited - 2,500 (March 31, 2020: 2,500) equity shares of ₹ 10/- each fully paid up - unquoted	0.82	0.82
Bhushan Steel Bengal Limited - 50,000 (March 31, 2020: 50,000) equity shares of ₹ 10/- each fully paid up - unquoted	5.00	5.00
United Bank of India - 2,212 (March 31, 2020: 2,212) equity shares of ₹ 10 each fully paid up - Quoted*	0.10	0.09
Coal India Limited - 50,018 (March 31, 2020: 50,018) equity shares of ₹ 10 each fully paid up - Quoted	65.20	70.04
Total other investment	205.44	137.08
Total investments (a+b)	205.44	137.08
Aggregate carrying amount and market value of quoted investments	174.88	36.39
Aggregate carrying amount of unquoted investments	30.56	100.69
*United Bank of India has merged with Punjab National Bank w.e.f April 01, 2020. Pursuant to the merger, shareholders of United Bank of India were allotted shares based on the swap ratio set out in approved scheme of merger.		
(II) Current investments		
(a) Investment carried at fair value through profit or loss		
Investment in mutual funds - Unquoted		
TATA Liquid Fund	7,805.22	-
Aditya Birla Sunlife Liquid Fund	9,283.84	-
DSP Liquidity Plan - Growth	6,271.65	-
SBI Mutual Fund - Growth	8,424.34	-
UTI Liquid Cash Plan - Growth	11,354.74	-
HDFC Liquid Fund - Growth	9,213.65	-
L & T Liquid Fund - Growth	6,303.42	-
IDFC Cash Fund - Growth	10,504.48	-
	69,161.34	-

Notes:

- Refer note 39B for determination of fair values of current & non-current investments.
- The Group held investment in equity shares of Andal East Coal Company Private Limited ("AECPL") which was classified as a joint venture till January 24, 2017. The Company recognised impairment loss on such investment during the previous years aggregating to ₹ 145.50 lacs which

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

had been disclosed under 'exceptional items' in statement of profit and loss. As per the order dated January 24, 2017, Calcutta High Court had directed winding-up of AECPL and subsequently liquidators were appointed to carry on such liquidation process. Pursuant to this, the Group had lost joint control over AECPL and its investment was classified as FVTOCI with fair value of ₹ Nil upon initial recognition.

- (iii) Tata Steel BSL Limited ("TSBSL") (formerly known as Bhushan Steel Limited) was being shown as promoter of Jawahar Credit & Holdings Private Limited ("JCHPL") and Bhushan Capital & Credit Services Private Limited ("BCCSPL").

These are entities connected to the previous management of the Company. The Company has written to JCHPL, BCCSPL and the Registrar of Companies (National capital Territory of Delhi & Haryana) intimating that TSBSL should not be identified as promoter in these two companies. In view of this, the Company currently does not exercise significant influence on these entities, and hence, have not been considered as associates.

B. Loans

Non-Current (Unsecured, considered good unless otherwise stated)

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Security deposits	5,122.74	5,006.14
(b) Loans to employees	6.17	8.08
(c) Other loans		
- Balances - credit impaired	523.75	523.75
Less: Allowance for expected credit losses	(523.75)	(523.75)
	5,128.91	5,014.22

Current (Unsecured, considered good unless otherwise stated)

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Security deposits		
- Unsecured, considered good	1,979.83	2,466.28
- Balances - credit impaired	10,185.05	9,810.20
Less: Allowance for expected credit losses	(10,185.05)	(9,810.20)
	1,979.83	2,466.28
(b) Loans to employees	86.99	92.75
(c) Inter corporate deposits		
- Balances - credit impaired	760.00	760.00
Less: Allowance for expected credit losses	(760.00)	(760.00)
	2,066.82	2,559.03

- (i) Carrying amounts of current loans are a reasonable approximation of their fair values.

C. Other Financial Assets

Non Current

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Recoverable for coal block (Refer sub-note (i))		
- Unsecured, considered good	-	41,456.43
- Unsecured, considered doubtful	-	14,833.52
Less: Allowance for expected credit losses	-	(14,833.52)
	-	41,456.43
(b) Earmarked bank balances (Refer sub-note (ii))	1,162.45	307.16
(c) Unrestricted Non-current Cash and bank balances	244.25	-
	1,406.70	307.16
	1,406.70	41,763.59

- (i) For details of coal block advance, refer note 32C.

- (ii) Non-current earmarked bank balances represent deposits and balances with bank not due for realisation within 12 months from the balance sheet date. These are primarily placed as security with government bodies and as margin money against issue of bank guarantees. Earmarked bank balances includes interest accrued but not due.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Current

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Recoverable for coal block (Refer sub-note (i))		
- Unsecured, considered good	41,456.43	-
- Unsecured, considered doubtful	13,873.52	-
Less: Allowance for expected credit losses	(13,873.52)	-
	41,456.43	-
(b) Interest accrued	155.44	104.30
(c) Export benefit receivable		
- Unsecured, considered good	5,849.28	8,014.48
- Unsecured, considered doubtful	173.81	185.98
Less: Allowance for expected credit losses	(173.81)	(185.98)
	5,849.28	8,014.48
(d) Others	26.93	1,051.92
	47,488.08	9,170.70

(i) For details of coal block advance, refer note 32C.

(ii) Carrying amounts of other current financial assets are a reasonable approximation of their fair values.

7. Derivative Instruments

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Derivative assets		
Forward Contracts	-	5,142.54
Total derivative assets	-	5,142.54
(b) Derivative liabilities		
Forward Contracts	1,504.63	763.77
Total derivative liabilities	1,504.63	763.77

8. Other Assets

Non current (Unsecured, considered good unless otherwise stated)

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Capital advances		
Unsecured, considered good	5,065.02	3,804.80
Unsecured, considered doubtful	4,649.94	4,649.94
Less: Allowance for credit losses	(4,649.94)	(4,649.94)
	5,065.02	3,804.80
(b) Balances with statutory authorities		
Unsecured, considered good	85,843.91	53,955.10
Unsecured, considered doubtful	36,338.54	36,458.88
Less: Allowance for credit losses	(36,338.54)	(36,458.88)
	85,843.91	53,955.10
(c) Advance to suppliers	3,431.38	3,255.70
(d) Prepaid expenses	237.14	247.90
Total (a+b+c+d)	94,577.45	61,263.50

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Current (Unsecured, considered good unless otherwise stated)

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Balances with statutory authorities	11,134.45	39,063.35
(b) Advance to suppliers		
Unsecured, considered good	10,228.40	25,277.71
Unsecured, considered doubtful	2,625.88	1,951.50
Less: Allowance for credit losses	(2,625.88)	(1,951.50)
	10,228.40	25,277.71
(c) Prepaid expenses	1,514.88	1,570.04
(d) Other advances	76.11	74.27
Total (a+b+c+d)	22,953.84	65,985.37

9. Income Tax Assets

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Advance tax and tax deducted at source receivable (net of tax provisions)	5,706.40	4,256.10
	5,706.40	4,256.10

10. Inventories

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Raw materials	147,546.54	133,975.87
(b) Finished and semi-finished goods	147,215.27	216,180.84
(c) Stores and spares	129,684.54	120,601.14
Less : Provision	(664.00)	(898.00)
(d) Others	13,623.66	14,090.03
	437,406.01	483,949.88
Included above, goods-in-transit:		
(i) Raw materials	22,776.88	19,265.89
(ii) Stores and spares	3,474.39	8,442.40
	26,251.27	27,708.29

(i) Value of inventories above is stated after provisions (net of reversal) ₹ 664.00 lacs (March 31, 2020: ₹ 898.00 lacs) for write-downs to net realisable value and provision for slow moving and obsolete items.

11. Trade Receivables (Unsecured)

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Trade Receivables considered good	42,265.63	70,238.62
Trade Receivables - credit impaired	10,237.53	9,542.63
	52,503.16	79,781.25
Less: Allowance for expected credit losses	(10,237.53)	(9,542.63)
	42,265.63	70,238.62

(i) For details of receivables from related parties, refer note 36.

(ii) Trade receivables relate to Group's contracts with its customers, are non-interest bearing and are generally on credit terms not exceeding 12 months.

(iii) The Group recognises lifetime expected credit losses on trade receivables using a simplified approach by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in provision matrix.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (iv) Movement in allowance for credit losses of receivables is as follows:

	As at March 31, 2021	As at March 31, 2020
Balance at the beginning of the year	9,542.63	18,345.33
Charge in statement of profit & loss	694.90	-
Release to statement of profit & loss	-	(8,802.70)
Balance at the end of the year	10,237.53	9,542.63

- (v) Ageing of trade receivables and credit risk arising there from is as below:

	As at March 31, 2021			
	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Net carrying amount
Amount not yet due	32,041.73	0%	89.96	31,951.77
Less than three months overdue	6,142.69	1%	75.59	6,067.11
Between three to six month overdue	2,139.56	13%	275.06	1,864.50
Between six month to one year overdue	711.60	38%	271.78	439.82
Greater than one year overdue	11,467.58	83%	9,525.14	1,942.43
Balance at the end of the year	52,503.16		10,237.53	42,265.63

	As at March 31, 2020			
	Gross carrying amount	% of expected credit losses	Allowance for expected credit losses	Net carrying amount
Amount not yet due	45,779.96	0%	89.96	45,690.00
Less than three months overdue	19,668.26	0%	82.48	19,585.78
Between three to six month overdue	1,104.40	18%	197.86	906.54
Between six month to one year overdue	527.22	27%	141.73	385.49
Greater than one year overdue	12,701.41	71%	9,030.60	3,670.81
Balance at the end of the year	79,781.25		9,542.63	70,238.62

- (vi) The Group considers its maximum exposure to credit risk with respect to customers as at March 31, 2021 to be ₹ 52,503.16 lacs (March 31, 2020: ₹ 79,781.25 lacs). The Group's exposure to customers is diversified and no single customer contributes more than 10% of the outstanding receivables as at March 31, 2021 and March 31, 2020.

- (vii) There are no outstanding receivable debts due from directors or other officers of the Company.

12. Cash and Cash Equivalents

	As at March 31, 2021	As at March 31, 2020
(a) Cash in hand	5.35	51.21
(b) Balances with banks		
- In current accounts	25,383.85	37,672.08
- Deposits with original maturity of less than three months (Refer sub-note (ii))	48,431.10	34,760.10
	73,820.30	72,483.39

- (i) The carrying amounts of cash and cash equivalents closely approximate their fair values.

- (ii) Deposits represents amount free from any restrictions and are deposited for investment purpose only.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

13. Other Balances With Banks

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Earmarked balances with banks		
- Unpaid dividend	5.00	6.85
- Deposits with original maturity of less than three months	553.76	12,841.96
	558.76	12,848.81

(i) Earmarked balances with banks represent balances held for unpaid dividends and margin money/fixed deposits against issue of bank guarantees.

(ii) The carrying amounts of other balances with banks closely approximate their fair values.

14. Equity Share Capital

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Authorised:		
46,500,000,000 Ordinary equity shares of ₹ 2 each (March 31, 2020: 46,500,000,000)	930,000.00	930,000.00
	930,000.00	930,000.00
Issued*:		
1,097,530,242 Ordinary equity shares of ₹ 2 each (March 31, 2020: 1,097,530,242)	21,950.60	21,950.60
	21,950.60	21,950.60
Subscribed and Paid up:		
1,093,439,768 Ordinary equity shares of ₹ 2 each (March 31, 2020: 1,093,439,768)	21,868.80	21,868.80
	21,868.80	21,868.80

*Issued equity shares include 4,089,690 (March 31, 2020: 4,089,690) share warrants that were issued but not subscribed and 784 (March 31, 2020: 784) equity shares which were forfeited during financial year 2013-14.

a) Reconciliation of number of shares outstanding and the amount of share capital:

	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount (₹ in lacs)	Number of shares	Amount (₹ in lacs)
Shares outstanding at the beginning of the year	1,093,439,768	21,868.80	1,093,439,768	21,868.80
Changes during the year	-	-	-	-
Shares outstanding at the end of the year	1,093,439,768	21,868.80	1,093,439,768	21,868.80

b) Rights, preferences and restrictions attached to the equity shares

The Group has only one class of issued, subscribed and paid up equity shares having a par value of ₹ 2/- per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividend in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holder.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

c) Details of the shareholders holding more than 5% share in the Company

As at March 31, 2021		
	Number of shares held	% of holding
Equity shares of ₹ 2/- each fully paid up		
Bamnipal Steel Limited	794,428,986	72.65%
As at March 31, 2020		
	Number of shares held	% of holding
Equity shares of ₹ 2/- each fully paid up		
Bamnipal Steel Limited	794,428,986	72.65%

d) Details of shares held by the Holding Company

As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% of holding	
Equity shares of ₹ 2/- each fully paid up			
Bamnipal Steel Limited	794,428,986	72.65%	794,428,986 72.65%

15. Other Equity

	As at March 31, 2021	As at March 31, 2020
(₹ in lacs)		
a) Capital redemption reserve		
Balance as at the beginning of the period	693.34	693.34
Changes during the year	-	-
Balance as at the end of the period	693.34	693.34
b) Securities premium reserve		
Balance as at the beginning of the period	72,576.10	72,576.10
Changes during the year	-	-
Balance as at the end of the period	72,576.10	72,576.10
c) Capital reserve		
Balance as at the beginning of the period	82,356.68	1,942.03
Changes during the year	-	80,414.65
Balance as at the end of the period	82,356.68	82,356.68
d) General reserve		
Balance as at the beginning of the period	564,350.09	564,350.09
Changes during the year	-	-
Balance as at the end of the period	564,350.09	564,350.09
e) Retained earnings		
Balance as at the beginning of the period	(3,140,146.41)	(3,076,414.73)
Profit/(Loss) during the year	251,816.54	(62,849.08)
Remeasurement of defined employee benefit plans	(170.01)	(732.44)
Acquisition of Subsidiary	-	(150.15)
Balance as at the end of the period	(2,888,499.88)	(3,140,146.41)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

f) Equity component of compound financial instruments

The compound financial Instruments relate to the Optionally Convertible Redeemable Preference shares (OCRPS) and Non Convertible Redeemable Preference Shares (NCRPS) issued by the Company.

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

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Authorised:		
22,000,000 Preference shares of ₹ 100 each (March 31, 2020: 22,000,000)	22,000.00	22,000.00
12,000,000,000 Non Convertible Redeemable Preference Shares of ₹ 10 each (March 31, 2020: 12,000,000,000)	1,200,000.00	1,200,000.00
12,000,000,000 Optionally Convertible Redeemable Preference shares of ₹ 10 each (March 31, 2020: 12,000,000,000)	1,200,000.00	1,200,000.00
	2,422,000.00	2,422,000.00
Issued:		
10,700,000,000 Non Convertible Redeemable Preference Shares of ₹ 10 each (March 31, 2020: 10,700,000,000)	1,070,000.00	1,070,000.00
9,000,000,000 Optionally Convertible Redeemable Preference shares of ₹ 10 each (March 31, 2020: 9,000,000,000)	900,000.00	900,000.00
	1,970,000.00	1,970,000.00
Subscribed and Paid up:		
10,700,000,000 Non Convertible Redeemable Preference Shares of ₹ 10 each (March 31, 2020: 10,700,000,000)	1,070,000.00	1,070,000.00
9,000,000,000 Optionally Convertible Redeemable Preference shares of ₹ 10 each (March 31, 2020: 9,000,000,000)	900,000.00	900,000.00
	1,970,000.00	1,970,000.00

B. Reconciliation of number of shares outstanding:
Non Convertible and Redeemable Preference Shares

	As at March 31, 2021	As at March 31, 2020
Shares outstanding at the beginning of the year	10,700,000,000	10,700,000,000
Changes during the year	-	-
Shares outstanding at the end of the year	10,700,000,000	10,700,000,000

Optionally Convertible and Redeemable Preference shares

	As at March 31, 2021	As at March 31, 2020
Shares outstanding at the beginning of the year	9,000,000,000	9,000,000,000
Changes during the year	-	-
Shares outstanding at the end of the year	9,000,000,000	9,000,000,000

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

C. Rights, preferences and restrictions attached to the preference shares

The Company has issued preference shares having a par value of ₹ 10/- 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 16A - Borrowings.

D. Equity shares reserved for issue under option to convert Optionally Convertible Redeemable Preference shares to equity shares

	As at March 31, 2021	As at March 31, 2020
Equity shares reserved for issue under option	2,957,607,624	2,957,607,624

E. Terms of conversion attached to Optionally Convertible Redeemable Preference shares

The OCRPS were initially convertible into equity shares at the option of Tata Steel Limited ("TSL") within a period of 18 months from the date of allotment at ₹ 30.43 per share. In view of the pending Composite Scheme of Amalgamation of the Company with TSL (also refer note 45), the Company has taken extension from the Securities and Exchange Board of India for the tenure of the OCRPS till the date the aforesaid Scheme becomes effective.

F. Details of the shareholders holding more than 5% share in the Company

Non Convertible and Redeemable Preference Shares

	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Preference shares of ₹ 10/- each fully paid up				
Tata Steel Limited	10,700,000,000	100.00%	10,700,000,000	100.00%

Optionally Convertible Redeemable Preference shares

	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Preference shares of ₹ 10/- each fully paid up				
Tata Steel Limited	9,000,000,000	100.00%	9,000,000,000	100.00%

G. Equity component of compound financial instruments

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the period	1,729,582.05	1,729,582.05
Changes during the year	-	-
Balance as at the end of the period	1,729,582.05	1,729,582.05

g) Capital contribution

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the period	2,518,550.72	2,518,550.72
Changes during the year	-	-
Balance as at the end of the period	2,518,550.72	2,518,550.72

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

h) Foreign currency translation reserve

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the period	(1,250.55)	(1,210.73)
Changes during the year	151.91	(39.82)
Balance as at the end of the period	(1,098.64)	(1,250.55)

i) Equity instruments at fair value through other comprehensive income

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the period	(30.92)	59.90
Fair value changes during the period	68.36	(90.82)
Balance as at the end of the period	37.44	(30.92)
Total other equity	2,078,547.90	1,826,681.11

j) Description of the nature of reserves existing in the Company:-

Capital redemption reserve - The Companies Act, 2013 requires that when a Company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the Company, in paying up unissued shares of the Company to be issued to shareholders of the Company as fully paid bonus shares. The Company established this reserve pursuant to the redemption of preference shares issued in earlier year.

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

Capital reserve - Capital reserves represents the difference between value of net assets transferred to the Company in the course of business combinations and the consideration paid for such combinations.

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

Retained earnings - Retained earnings are created from the profit/ loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

Equity component of compound financial instruments - The Company has issued Optionally Convertible Redeemable Preference Shares (OCRPS) & Non Convertible Redeemable Preference shares (NCRPS) during the financial year ended March 31, 2019. Considering the accounting principles to be followed in line with Indian Accounting Standards, the Company has computed the liability portion of NCRPS & OCRPS as the present value of the contractual obligations associated with the instrument. The difference between the issue amount of the OCRPS & NCRPS and the liability so computed has been treated as the 'Equity component of compound financial instruments' and grouped under other equity.

Capital contribution - During the financial year 2018-19, post implementation of the approved resolution plan dated May 15, 2018, Barnipal Steel Limited (Holding Company), in its capacity as the promoter of the Company, had waived off novated debts (reduced by the cost of novation) amounting to ₹ 2,518,550.72 lacs. The Company recognised such waiver as a capital contribution made during the financial year 2018-19 as an item of 'Other equity'. Refer Note 43 for details of accounting of resolution plan.

Equity instruments at fair value through other comprehensive income - The Group has elected to recognise changes in the fair value of certain investments in equity instruments in other comprehensive income. These changes are accumulated within FVTOCI reserve within equity. The Company transfers amount from this reserve to retained earnings when the relevant equity instruments are derecognised.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

16. Financial Liabilities

A. Borrowings

Non Current

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Secured		
(i) Term loans from banks		
- Indian Rupees loans (Refer sub-note (i))	694,903.26	1,242,244.52
(ii) Lease liabilities (Refer sub-note (iii))	65,057.29	76,288.56
	759,960.55	1,318,533.08
(b) Unsecured		
(i) Liability component of compound financial instruments (Refer sub-note (ii))	295,711.84	265,911.64
	295,711.84	265,911.64
Less: Current maturities of lease liabilities classified under 'other financial liabilities'	13,004.20	11,187.54
	1,042,668.19	1,573,257.18

Current

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Secured (Refer sub-note(iv))		
(i) Working capital facilities from banks	25,000.00	39,700.00
- Indian rupees loans	25,000.00	39,700.00
(ii) Cash Credit / Packing Credits	-	4,000.00
	25,000.00	43,700.00
(b) Unsecured		
(i) Working capital facilities from banks	-	30,000.00
- Indian rupees loans	-	30,000.00
(ii) Preference shares (redeemable on demand)	100.00	100.00
(iii) Inter corporate deposits	820.60	576.64
(iv) Other Loans	-	15,000.00
	920.60	45,676.64
	25,920.60	89,376.64

- (i) Rupee Term Loans as at March 31, 2021 amounting to ₹ 694,903.26 lacs (March 31, 2020 : ₹ 1,242,244.52 lacs) are secured by a charge on all of the Group's immovable & movable properties including movable machinery, spares, tools & accessories, ranking *pari passu inter-se*. The term loan were originally payable across 18 half yearly instalments starting from March 2022. The interest rate on such term loans is 0.55% spread over MCLR (Marginal Cost of funds based Lending Rate). The Group has made ₹ 550,000 lacs (March 31, 2020 : ₹ 143,000 lacs) as prepayments during the current year, the next scheduled repayment will fall due in March 2027.
- (ii) During the financial year 2018-19, the Company had issued 11.09% Non-Convertible Redeemable Preference Shares ("NCRPS") and 8.89% Optionally Convertible Redeemable Preference Shares ("OCRPS") to Tata Steel Limited ("TSL"), on private placement basis. The NCRPS and OCRPS are redeemable at par value at maturity, i.e. 20 years from the date of allotment. The Company has an option to early redeem the NCRPS and OCRPS at 3 monthly intervals from the date of allotment. OCRPS shall be convertible into equity shares at the option of the investor (being Tata Steel Limited) at ₹ 30.43 per share. The coupon payment is discretionary and accordingly these are accounted for as compound financial instruments.
- (iii) As a result of the adoption of Ind AS 116 "Leases" as of April 1, 2019, the Group has recognised right of use assets and lease liabilities related to non-cancellable operating leases. Lease Liabilities are secured against the assets against which the lease liability is arising. Lease liabilities as at March 31, 2021 have been determined using an incremental borrowing rate ranging from 9% to 11.5%.
- (iv) Working capital facilities from banks as at March 31, 2021 amounting to ₹ 25,000 lacs (March 31, 2020 : ₹ 39,700 lacs) are secured by a first pari passu charge on all of the stock of raw materials, finished goods, stock in process, consumable stores and book debts of the Company. Cash credit / Packing credit as at March 31, 2020 amounting to ₹ 4,000 lacs was secured by a first pari passu charge on all of the stock of raw materials, finished goods, stock in process, consumable stores and book debts and other current assets.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(v) Reconciliation of liabilities arising from financing activities:

(₹ in lacs)

	Term loans from banks	Liability component of compound financial instruments	Other Loans	Lease Liability (including current maturities of lease liabilities)	Total
Balance as at April 01, 2020	1,242,244.52	265,911.64	89,376.64	76,288.56	1,673,821.36
Cash Flows	(550,000.00)	-	(63,716.73)	(11,170.71)	(624,887.44)
Non-Cash Changes	2,658.74	29,800.20	260.69	(60.56)	32,659.07
Accretion of interest and other adjustments as per effective interest method	2,658.74	29,800.20	260.69	(60.56)	32,659.07
Balance as at March 31, 2021	694,903.26	295,711.84	25,920.60	65,057.29	1,081,592.99

B. Trade Payables

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 33)	15,681.06	5,550.50
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	404,361.13	277,283.19
	420,042.19	282,833.69

(i) The Group considers its maximum exposure to liquidity risk with respect to vendors as at March 31, 2021 to be ₹ 420,042.19 lacs (March 31, 2020: ₹ 282,833.69 lacs), which is the fair value of trade payables.

C. Other Financial Liabilities
Non Current

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Deferred sales tax payable	2,005.94	1,802.35
(b) Other payables	-	1,818.00
	2,005.94	3,620.35

Current

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Current maturities of lease liabilities	13,004.20	11,187.54
(b) Interest accrued on borrowings	6,139.46	9,430.02
(c) Liability for capital goods	3,119.25	4,275.07
(d) Security deposits	53.36	147.74
(e) Unclaimed dividend	5.00	6.85
(f) Other payables (Refer sub-note (ii))	28,755.14	25,771.00
	51,076.41	50,818.22

(i) Other payables includes:

- (a) Trade Rebate given to customers ₹ 10,552.90 lacs (March 31, 2020: ₹ 9,738.37 lacs).
- (b) Collection from customers pending remittance to bank ₹ 3,164.71 lacs (March 31, 2020: ₹ 9,502.09 lacs).
- (c) Liability for employee payables ₹ 7,640.24 lacs. (March 31, 2020: ₹ 3,028.64 lacs).

(ii) Carrying amounts of other current financial liabilities are a reasonable approximation of their fair values.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

17. Other Liabilities

Current

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Advances received from customers	23,551.07	9,866.49
(b) Statutory Dues	31,797.30	13,254.66
	55,348.37	23,121.15

(i) The advances received from customers represents contract liability balance outstanding as at the respective dates. The advance received from customers outstanding as at April 1, 2020 were fully recognised as revenue during the year ended March 31, 2021 upon satisfaction of the associated performance obligations.

18. Provisions

Non Current

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Provision for employee benefits		
- Gratuity (Refer note 35)	7,861.05	4,967.05
- Compensated absences	3,355.27	2,663.30
	11,216.32	7,630.35

Current

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Provision for employee benefits		
- Gratuity	273.71	4.16
- Compensated absences	327.63	203.08
	601.34	207.24

19. Deferred Income

Non Current

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
(a) Deferred income	150.73	189.21
	150.73	189.21

20. Revenue From Operations

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Sale of products to customers	1,997,689.51	1,723,779.36
(b) Other operating revenue		
- Other sales to customers	116,631.59	70,517.48
- Export and other incentives (Refer sub-note (i))	21,335.89	21,988.83
- Others (Refer sub-note (ii))	6,205.71	3,628.51
	2,141,862.70	1,819,914.18

(i) This includes amount recognised on account of Maharashtra Package Scheme of Incentives, 1993 amounting to ₹ 11,003.06 lacs (March 31, 2020 ₹ 9,599.10 lacs). Refer Note 44 for further details.

(ii) This includes reversal of the following items :

- RPO obligation for ₹ 2,552.23 lacs (March 31, 2020: ₹ 3,628.51 lacs),
- Marketing commission liabilities written off - ₹ 1,764.60 lacs (March 31, 2020: Nil)
- Provision related to Coal Block advance for ₹ 960.00 lacs (March 31, 2020: Nil)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Geographical information

Revenue from contracts with customers disaggregated on the basis of geographical region is as below:

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) India	1,714,356.38	1,464,539.52
(b) Asia excluding India	339,824.10	236,761.76
(c) Europe	37,118.00	59,776.38
(d) Rest of world	23,022.62	33,219.18
	2,114,321.10	1,794,296.84

Details of performance obligation associated with revenue recognition

Satisfaction of performance obligations:-

The Group's revenue is derived from the single performance obligation to transfer steel products. Revenue from sale of products is recognised when control of the products has transferred, being when the goods are made available to the carrier or the buyer has taken the possession of the goods, depending on the delivery terms, the risk of loss has been transferred and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

In case of export sales, for delivery conditions whereby the Group arranges the logistics of the goods to its premises, the Group charges the freight on actual basis (actuals as levied by the transporter). In this case, the Group acts as an agent in arranging such logistics services. Hence, revenue from such services are netted off with the expenses as levied by the transporter.

Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 0-60 days

Variable considerations associated with such sales

Periodically, the Group enters into volume or other rebate programs where once a certain volume or other conditions are met, it refunds the customer some portion of the amounts previously billed or paid. For such arrangements, the Group only recognises revenue for the amounts it ultimately expects to realize from the customer. The Group estimates the variable consideration for these programs using the most likely amount method and updates its estimates in each reporting period.

21. Other Income

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Interest income on:		
- Fixed deposits	2,649.89	829.59
- Others	779.84	434.19
(b) Net Gain on sale/fair valuation of investments	2,458.38	3,781.15
(c) Dividend income on long term investments	12.25	4.68
(d) Miscellaneous income	3,266.28	1,999.92
	9,166.64	7,049.53

22. Raw Materials Consumed

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Cost of raw materials consumed	1,002,400.10	1,081,639.00
Less: Expenses transferred to capital work in progress	-	(4,106.93)
	1,002,400.10	1,077,532.07

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

23. Purchases Of Finished, Semi-Finished Steel & Other Products

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Purchase of Finished products	-	287.56
	-	287.56

24. Changes In Inventories Of Finished Goods, Work-In-Progress And Stock-In-Trade

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Closing stock		
- Finished goods	147,215.27	216,180.84
- Others	13,623.66	14,090.03
	160,838.93	230,270.87
(b) Opening stock		
- Finished goods	216,180.84	196,304.65
- Others	14,090.03	8,586.27
	230,270.87	204,890.92
Net (Increase)/Decrease [(b) - (a)]	69,431.94	(25,379.95)

25. Employee Benefit Expense

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Salaries and wages	62,493.81	39,497.23
(b) Contribution to provident and other funds	1,592.36	1,078.97
(c) Staff welfare expenses	792.69	419.64
	64,878.86	40,995.84
Less: Expenses transferred to capital work in progress	-	(93.45)
	64,878.86	40,902.39

26. Finance Costs

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Interest on borrowings	137,695.89	154,630.04
(b) Interest on lease obligations	11,725.13	13,043.46
(c) Other borrowing cost	3,499.77	4,221.68
	152,920.79	171,895.18
Less: Expenses transferred to CWIP	-	(6,418.64)
	152,920.79	165,476.54

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

27. Depreciation And Amortisation Expense

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Depreciation on tangible assets	138,187.40	135,694.21
(b) Amortisation of intangible assets	440.40	132.10
(c) Depreciation of right of use assets	10,500.06	10,514.37
	149,127.86	146,340.68

28. Other Expenses

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Consumption of stores, spares and consumables	133,136.45	141,163.76
(b) Packing material consumed	7,604.76	7,778.39
(c) Purchase of power and consumption of fuel	104,265.32	110,040.61
(d) Rent	148.20	12,853.23
(e) Insurance charges	5,374.72	4,446.52
(f) Rates and taxes	5,228.18	1,218.26
(g) Repairs and maintenance:		
Building	1,974.14	1,168.26
Machinery	30,535.37	16,531.27
(h) Payment to auditors:		
Audit fees	332.78	392.92
Tax audit fee	45.00	40.00
Out-of-pocket expenses	30.05	59.49
For other services	9.46	9.04
(i) Freight and handling charges	91,625.28	92,555.03
(j) Commission to selling agent	6,480.82	7,110.06
(k) Loss on sale of property, plant and equipment	62.66	-
(l) Administrative expenses	9,682.64	6,109.29
(m) Contractual manpower costs	34,135.23	38,337.61
(n) Miscellaneous expenses (Refer sub-note (i))	29,671.62	51,773.39
	460,342.68	491,587.13
Less: Expenses transferred to CWIP	-	(31.98)
	460,342.68	491,555.15

(i) Miscellaneous expenses include :

- Losses on account of foreign exchange fluctuation amounting to ₹ 3,795.72 lacs (March 31, 2020: ₹ 3,579.49 lacs).
- Expected credit losses on financial assets amounting to ₹ 1,057.57 lacs (March 31, 2020: ₹ 1,052.14 lacs) and impairment of other recoverable balances amounting to ₹ 554.05 lacs (March 31, 2020: ₹ 2,080.69 lacs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

28.1 Corporate Social Responsibility (CSR)

The Group has incurred an amount of ₹ 802.42 lacs (March 31, 2020: ₹ 920.65 lacs) towards Corporate Social Responsibility (CSR) :

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Infrastructure	220.21	481.65
(b) Education	160.91	204.08
(c) Livelihood	158.29	80.45
(d) Health & Drinking water	95.42	106.91
(e) Contingency	62.50	12.31
(f) Contribution to Tata Relief Committee for COVID-19	52.51	-
(g) Sports & Community engagement	11.09	21.05
(h) Others	41.49	14.20
	802.42	920.65

29. Exceptional Items

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Effects of implementation of resolution plan (Refer sub-note - (i))	-	15,359.67
(b) Provision for impairment on property, plant and equipment and other assets (Refer sub-note - (ii))	-	(8,457.83)
	-	6,901.84

i) Effects of implementation of resolution plan during the previous year (Refer Note 43 for details of effects of resolution plan)

As per the Resolution Plan approved by the NCLT, settlement of operational creditors had been done over a period of 12 months from the Closing Date, as defined in the Resolution Plan. Further, as per the Resolution Plan, the contingent liabilities and commitments, claims and obligations, stand extinguished and accordingly no outflow of economic benefits is expected in respect thereof.

ii) Impairment provision created in previous year financial statements

During the previous year, impairment provision was created on CRM extension project in capital work in progress amounting to ₹ 2,081.30 lacs and induction furnace in Angul plant amounting to ₹ 2,174.90 lacs. Also impairment provision was created on advance to suppliers and capital advances extended prior to the corporate insolvency resolution process ('CIRP') of the Company amounting to ₹ 1,365.42 lacs and ₹ 2,836.21 lacs respectively.

30. Earning Per Share

Basic and diluted earning per share ("EPS") amounts are calculated by dividing the profit/(loss) for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/ (loss) attributable to equity holders of the Company (including the potential savings/expenses that would result from the conversion of the dilutive potential ordinary share) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following table reflects the income and shares data used in computation of the basic and diluted earnings per share:

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Profit/ (Loss) after tax (₹ in lacs)	251,816.58	(62,848.91)
(b) Add:- Reversal of expense that would result from the conversion of the dilutive potential ordinary share (₹ in lacs)	13,568.62	12,213.17
(c) Profit/(Loss) after tax to be considered for computation of Diluted Earnings Per Share (DEPS) (₹ in lacs)	265,385.20	(50,635.74)
(d) Weighted average number of equity shares - Basic (Nos.)	1,093,439,768	1,093,439,768
Add:- Weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares (Refer sub note (i))	2,957,607,624	2,957,607,624
(e) Weighted average number of equity shares - Diluted (Nos.)	4,051,047,392	4,051,047,392
Earning Per Share		
Basic (₹ / share) [(a)/(d)]	23.03	(5.75)
Diluted (₹ / share) [(c)/(e)]	6.57	(5.75)
Face value per share (₹)	2.00	2.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (i) During the current year, the dilution is on account of:-

Potential equity shares which may be issued on account of conversion option that exists in the Optionally Convertible Redeemable Preference Shares (OCRPS). OCRPS shall be convertible into equity shares at the option of the investor (being Tata Steel Limited) at ₹ 30.43 per share.

During the previous year, earning per share is anti-dilutive hence diluted earning per share is equal to basic earning per share.

31. Tax Expenses

- a) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for year ended March 31, 2021 and March 31, 2020:

	As at March 31, 2021	As at March 31, 2020
Profit / (loss) before tax	251,927.11	(62,848.89)
At India's statutory income tax rate of 25.218% (March 31, 2020: 25.101%%)	63,530.98	(15,776.26)
(a) Incremental deferred tax assets on losses and unabsorbed depreciation not recognised	-	21,705.46
(b) Income exempt from tax/Items not deductible	7,095.28	(6,989.82)
(c) Deferred tax assets on brought forward losses recognised during the year	(70,515.73)	-
(d) Others	-	1,060.62
	110.53	-
Tax expenses as reported	110.53	-

- (i) The Company is subject to income tax in India on the basis of its standalone financial statements. The Company can claim tax exemptions/ deduction under the specific sections of the Income Tax Act, 1961 subject to fulfilment of prescribed conditions, as may be applicable. As per the Income Tax Act, 1961, the Company is liable to pay income tax based on higher of regular income tax payable or the amount payable based on the provisions applicable for Minimum Alternate Tax (MAT). MAT paid in excess of regular income tax during a year can be carried forward for a period of fifteen years and can be offset against future tax liabilities arising from regular income tax.

A new section 115BAA has been inserted in the Income Tax Act, 1961, vide Taxation Laws (Amendment) Ordinance, 2019 (subsequently enacted on December 11, 2019 as The Taxation Laws (Amendment) Act, 2019) which provides domestic company with an option to pay tax at a lower rate of 22% (effective rate of 25.168%) for any previous years relevant to the assessment year beginning on or after April 01, 2020. The rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming any deduction or exemptions. MAT would not be applicable to companies opting to apply the lower tax rate. New tax regime once opted, can not be reversed.

Bases on above, the Company has opted to new tax regime and computed its tax liability on lower tax rate for assessment year 2020-21. The statutory tax rate applicable for assessment year 2019-20 was 25.101% (including surcharge and cess).

	As at April 01, 2019	Provided during the year	As at March 31, 2020	Provided during the year	As at March 31, 2021
Deferred tax liability:					
(a) Related to property plant & equipment	498,361.25	(195,355.71)	303,005.54	20,706.45	323,711.99
(b) Investments carried at Fair value through profit or loss	258.65	(258.65)	-	4.49	4.49
Total deferred tax liability	498,619.90	(195,614.36)	303,005.54	20,710.94	323,716.48
Deferred tax assets:					
(a) Accumulated business loss and unabsorbed depreciation	438,549.54	(174,531.75)	264,017.79	23,477.26	287,495.05
(b) Provision for doubtful debts	6,410.59	(4,008.90)	2,401.69	174.89	2,576.58
(c) Amount deductible on payment basis	31,294.32	(9,767.41)	21,526.91	(2,751.98)	18,774.93
(d) Others	22,365.46	(7,306.31)	15,059.15	524.18	15,583.33
Total deferred tax assets	498,619.91	(195,614.37)	303,005.54	21,424.35	324,429.89
Net deferred tax asset/ (liability)	-	-	-	713.41	713.41
Disclosed as :	-	-	-	-	-
Deferred Tax Assets	-	-	-	-	713.41

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- (i) Deferred tax assets have not been recognised in respect of business losses and unabsorbed depreciation aggregating to ₹ 294,872.48 lacs as at March 31, 2021 (March 31, 2020: ₹ 365,388.21 lacs), where it is not probable that sufficient taxable income will be available in the future against which such the deferred tax assets can be realised in the normal course of business of the Company.
- (ii) Deferred tax assets have been recognised in respect of retirement benefit obligations for which deduction is allowed on payment basis amounting to ₹ 713.41 lacs as at March 31, 2021 (March 31, 2020: Nil).
- (iii) The amounts and expiry dates, if any, of unutilised tax losses and deductible temporary differences for which no deferred tax asset is recognised in the balance sheet are given below:

	Year of expiry	(₹ in lacs) As at March 31, 2021
Carry forwards Business Losses	next 3 to 8 years	44,292.37
Unabsorbed depreciation	No expiry	1,049,649.77
		1,093,942.14

	Year of expiry	(₹ in lacs) As at March 31, 2020
Carry forwards Business Losses	2022-23	5,396.79
Carry forwards Business Losses	2027-28	16,616.80
Unabsorbed depreciation	No expiry	1,303,470.90
		1,325,484.49

32. Commitments And Contingencies

A. Contingent liabilities

As per the approved Resolution Plan, contingent liabilities (which have / are capable of being crystallized) prior to May 18, 2018 ("Effective Date") stand extinguished.

Furthermore, the Resolution Plan, among other matters, provide that except to the extent of the amount payable to the relevant Operational Creditors in accordance with the Resolution Plan, all liabilities of the Company relating in any manner to the period prior to the Effective Date, immediately, irrevocably and unconditionally stand fully and finally discharged and settled and there being no further claims whatsoever, and all the rights of the Operational Creditors and Other Creditors to invoke or enforce the same stands waived off. It is provided that any and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors to enforce any rights or claims against the Company also stands extinguished. Further, in terms of the Resolution Plan, no Governmental Authority has any further rights or claims against the Company, in respect of the period prior to the Effective Date and / or in respect of the amounts written off and all legal proceedings initiated before any forum by or on behalf of any Operational Creditor (including Governmental Authorities) or any Other Creditors, to enforce any rights or claims against the Company will immediately, irrevocably and unconditionally stand withdrawn, abated, settled and/or extinguished. Further, the Operational Creditors of the Company (including Governmental Authorities) and Other Creditors will have no further rights or claims against the Company (including but not limited to, in relation to any past breaches by the Company), in respect of any liability for period prior to the Effective Date, and all such claims shall immediately, irrevocably and unconditionally stand extinguished.

The Company has been legally advised that while the Resolution Plan provides for extinguishment of all liabilities of the Company owed to Operational Creditors and Other Creditors as of the Insolvency Commencement Date i.e. July 26, 2017, the implementation of the Resolution Plan does not have any such similar effect over claims or receivables owed to the Company. Accordingly, the Company has concluded that any receivables due to the Company, evaluated based on merits of underlying litigations, from various governmental agencies (presented under Other Assets - Non current) continue to subsist.

B. Commitments

	(₹ in lacs) As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	36,769.52	13,653.58
	36,769.52	13,653.58

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**C. Other matters**

The Supreme Court of India vide its order dated September 24, 2014, cancelled coal blocks allocated to various entities which includes a coal block, namely, New Patrapara Coal Block, allocated to the Company. Subsequently, the Coal Mines (Special Provision) Act 2015 was enacted, which, *inter-alia*, deals with the payment of compensation to prior allottees in regard to investment made in their respective coal block(s).

Receivable in respect of de-allocated/cancelled coal block amounting to ₹ 56,289.95 lacs includes expenditure incurred of ₹ 14,819.92 lacs and advance given of ₹ 41,470.03 lacs. During the previous year, Company has provided for receivable in respect of expenses incurred. In the opinion of the management, the Company will receive back the payments/expenditure paid/made, including borrowing cost and other incidental expenditure relating to de-allocated coal block. The Company filed its claim for compensation with the Government of India, Ministry of Coal. Subsequently, the Company filed a Writ Petition bearing No 6293 of 2016, *inter-alia*, for compensation of the amount before the Hon'ble Delhi High Court in which notices were issued on July 22, 2016 to Ministry of Coal (MoC), Union of India and other respondents. The Counter Affidavit(s) was filed by Union of India and Odisha Industrial Infrastructure Development Corporation (IDCO). Rejoinders to the same were filed by the Company and the pleadings were accordingly completed. During the Course of proceedings before Delhi High Court, it was pointed out by the Company that an amount of ₹ 37,000 lacs (approximately) has been paid to IDCO, out of which ₹ 14,000 lacs is still lying with IDCO. On September 27, 2018, Delhi High Court passed the order, wherein it has been clarified that whether Company should be awarded interest on the money lying deposited with IDCO, rate of interest and the period for which it is payable, would be subject to final outcome of the proceedings.

While the writ petition was pending before Delhi High Court, the de-allocated Coal Block i.e. New Patrapara Coal Block, was allotted to Singareni Collieries Company Limited (SCCL) on October 30, 2019.

Pursuant thereto, the MoC vide its letter dated February 10, 2020, informed to the Company that an amount of ₹ 960.50 lacs (approximately) has been sanctioned against cost of Geological Reports and Consents and asked Company to submit undertaking in the prescribed format. The Company has submitted undertaking and thereafter above amount of ₹ 960.50 lacs (approximately) has been paid to the Company.

On February 11, 2020, MoC /Union of India, filed supplementary affidavit before Delhi High Court vide which it informed that payment of compensation can be paid to prior allottee after the mine is successfully allotted and compensation is deposited by successful allottee, following the sequence mentioned in section 9 of Coal Mine (Special Provisions) Act, 2015. It further informed that New Patrapara Coal Block has been allocated to Singareni Collieries Company Ltd (a state Government Undertaking) and compensation to the prior allottee will be released very shortly.

Subsequently, pursuant to the meeting held between representatives of MoC, Company, IDCO and Government of Odisha for resolution/working out the modalities for reimbursement of expenditure incurred by the Company towards land acquisition for New Patrapara Coal Block, Company submitted its representation dated August 04, 2020 to IDCO for refund of amount deposited by it towards land acquisition, along with interest.

On September 15, 2020, MoC, directed IDCO, to issue necessary directions for expediting the transfer of land acquired by prior allottee to SCCL, in regard to New Patrapara Coal Mine, in line with transfer of land done to NALCO for Utkal D Coal Mine.

Thereafter, Office of Nominated Authority, MoC, passed order dated December 11, 2020, pursuant thereto direction was made to prior allottee and subsequent allottee to contact IDCO and Government of Odisha for settlement of amount deposited by prior allottee for land to be acquired for New Patrapara Coal Block. Vide its letter dated January 12, 2021, MoC sought details of amount deposited by the Company with IDCO, in respect of New Patrapara Coal Mine. The Company under its letter dated January 17, 2021, furnished details of principal amount of ₹ 41,470.03 lacs as deposited by it (including ₹ 4,400 lacs with Land Acquisition Officer, Angul), along with supporting documents and requested refund of above amount along with interest @ 12% p.a.

Thereafter, IDCO vide its letter dated March 25, 2021 had communicated to the Company that prior to de-allocation of New Patrapara Coal Block, no lease deed was executed in favour of prior allottee for transfer/allotment of land, hence payment of interest for the invested amount is not considered as per the Act. In the said letter, IDCO has considered payment made to IDCO and ex-gratia as paid to District Authority i.e. ₹ 41,470.03 lacs only ("Demand Amount") and has also sought confirmation from Company on the aforesaid amount before proceeding with the further action. Accordingly, without prejudice to the Company's claims towards interest on the above amount, the said amount of ₹ 41,470.03 lacs has been classified as a current financial asset as at March 31, 2021 in these financial statements.

The Company is evaluating an appropriate course of action in response to the aforementioned communication from IDCO. The original matter is listed for hearing before the Hon'ble High Court of Delhi on April 28, 2021.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

33. Dues To Micro, Small And Medium Enterprises

The dues to micro, small and medium enterprises as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent information available with the Company is given below:

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
a) The principal amount and the interest due thereon remaining unpaid to supplier as at the end of year		
- Principal amount due to micro, small and medium enterprises	20,193.36	5,546.26
- Interest due	1.04	4.24
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 (27 of 2006) along with the amounts 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 have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	1.04	4.24
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

34. Segment Reporting

The business activity of the Group falls within one operating segment viz. "Steel" and substantially sale of the product is within the country. Hence the disclosure requirement of Indian Accounting Standard 108 of "Segment Reporting" issued by the Ministry of Corporate Affairs is not considered applicable.

35. Employee Benefits

Defined Contribution Plans - General Description

Provident Fund and Employees' State Insurance Contribution:

During the year, the Company has recognised ₹ 1,592.36 lacs (2019-20: ₹ 1,078.97 lacs) as contribution to Provident Fund and Employees' State Insurance Contribution in the statement of profit and loss.

Defined Benefit Plans - General Description

Gratuity:

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service at the time of separation from the Company.

The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Indian Parliament's approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently, on November 13, 2020, draft rules were published and stakeholders' suggestions were invited. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plan:

a) Balance of fair value of plan assets and defined benefit obligation:

(₹ in lacs)

	Gratuity (Funded)
March 31, 2020	
Fair value of plan assets	1,769.34
Defined benefit obligation	6,740.55
Net asset/ (liability) as at March 31, 2020	(4,971.21)
March 31, 2021	
Fair value of plan assets	1,617.16
Defined benefit obligation	9,751.92
Net asset/ (liability) as at March 31, 2021	(8,134.76)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
b) Changes in the present value of the defined benefit obligation are, as follows:

(₹ in lacs)

	Gratuity (Funded)
Defined benefit obligation as at April 1, 2019:	5,471.45
Opening defined benefit obligation of subsidiaries acquired during the year	125.98
Current service cost	738.06
Interest expense	435.21
Benefits paid	(727.04)
Actuarial (gain)/ loss on obligations - OCI	696.90
Defined benefit obligation as at March 31, 2020	6,740.56
Acquisition adjustment	1,492.32
Current service cost	1,067.13
Interest expense	571.38
Benefits paid	(278.37)
Actuarial (gain)/ loss on obligations - OCI	158.90
Defined benefit obligation as at March 31, 2021	9,751.92

c) Changes in the fair value of plan assets are, as follows:

(₹ in lacs)

	Gratuity (Funded)
Fair value of plan assets as at April 1, 2019:	2,054.86
Claim received but not settled	(55.92)
Benefits paid	(354.54)
Return on plan assets	124.94
Fair value of plan assets as at March 31, 2020	1,769.34
Claim received but not settled	9.90
Benefits paid	(274.11)
Return on plan assets	112.03
Fair value of plan assets as at March 31, 2021	1,617.16

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Break up of fair value of plan assets		
- SBI Life	575.44	635.54
- LIC	464.10	599.23
- PNB Metlife	443.54	415.03
- Trust	134.08	119.54
Total fair value of plan assets	1,617.16	1,769.34

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(d) Amount recognised in Statement of Profit and Loss:

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Current service cost	1,067.13	738.06
Net interest expense	448.24	274.72
Amount recognised in statement of profit and loss	1,515.37	1,012.78

(e) Remeasurement of net defined benefit obligation recognised in other comprehensive income:

(₹ in lacs)

	Year ended March 31, 2021	Year ended March 31, 2020
Actuarial (gain)/ loss on obligations		
Actuarial (gain)/ loss arising from change in demographic assumptions	-	-
Actuarial (gain)/ loss arising from change in financial assumptions	90.34	7.47
Actuarial (gain)/ loss arising from change in experience adjustment	68.56	8.97
Return on plan assets (excluding amounts included in net interest on net defined benefit obligation)	11.11	504.77
Amount recognised in other comprehensive Income	170.01	521.21

The principal assumptions used in determining obligations for the Company's gratuity benefit plans are shown below:

	As at March 31, 2021	As at March 31, 2020
Discount rate (in %)	6.83%	6.96%
Salary escalation (in %)	5.00%	5.00%
Rate of return on plan assets (in %)	6.33%	6.08%
Retirement age (in years)	60.00	60.00
Expected average remaining working lives of employees (in years)*	21.14	21.82
Expected contribution for the next annual reporting period (₹ in Lacs)	1,692.72	1,161.91

* Mortality & Morbidity rates - 100% of IALM (2012-14)

A quantitative sensitivity analysis for significant assumption as at March 31, 2021 and March 31, 2020 is as shown below:

(₹ in lacs)

Gratuity	As at March 31, 2021			
	Discount rate		Salary escalation	
Sensitivity level	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%
Impact on defined benefit obligation	(412.08)	445.22	451.06	(420.92)

(₹ in lacs)

	As at March 31, 2020			
	Discount rate		Salary escalation	
Sensitivity level	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%
Impact on defined benefit obligation	(314.54)	341.30	346.23	(321.64)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Maturity profile of defined benefit obligation (gratuity)

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Within the next twelve months (next annual reporting period)	800.10	396.25
Between two and five years	2,933.18	2,230.91
Between five and ten years	3,470.40	2,936.80
Beyond ten years	6,669.59	4,819.83
Total expected payments	13,873.27	10,383.79

36. Related Party Transactions & Balances

A. Names of related parties having transactions during the year and description of relationship

i) Entity having significant influence over the Ultimate Holding Company

Tata Sons Private Limited

ii) Ultimate holding Company

Tata Steel Limited

iii) Holding Company ("Parent Company")

Bamnipal Steel Limited

The Company's related parties principally consists of its ultimate holding company (Tata Steel Limited including its subsidiaries, associates and joint ventures), subsidiaries, associates, joint ventures and entity having significant influence over the ultimate holding company (Tata Sons Private Limited). The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms. The following table summarises related party transactions and balances included in the financial statements of the Company for the year ended as at March 31, 2021 & March 31, 2020.

(₹ in lacs)

Transactions	Year ended	Entity having significant influence over the Ultimate Holding Company	Ultimate Holding Company	Key Management Personnel (KMP)/ Directors	Other related parties	Grand Total
Directors sitting fees	March 31, 2021	-	-	20.10	-	20.10
	March 31, 2020	-	-	12.00	-	12.00
Purchase of goods/ services (refer sub-note D)	March 31, 2021	5,355.58	253,612.57	-	348,987.78	607,955.93
	March 31, 2020	-	106,581.09	-	427,178.79	533,759.88
Dividend received	March 31, 2021	-	1.35	-	-	1.35
	March 31, 2020	-	-	-	-	-
Sales of goods/ services (Refer sub-note E)	March 31, 2021	-	3,848.67	-	78,183.56	82,032.24
	March 31, 2020	-	1,549.17	-	39,516.57	41,065.73
Balances						
Advance to supplier	March 31, 2021	-	-	-	7.00	7.00
	March 31, 2020	-	-	-	27.30	27.30
Payable (refer sub-note D)	March 31, 2021	4,953.53	145,562.16	-	158,346.70	308,862.39
	March 31, 2020	-	20,293.56	-	136,357.91	156,651.48
Receivables	March 31, 2021	-	1,064.97	-	815.59	1,880.56
	March 31, 2020	-	161.47	-	910.80	1,072.26
Liability component of Preference shares (refer sub-note B)	March 31, 2021	-	295,711.84	-	-	295,711.84
	March 31, 2020	-	265,911.64	-	-	265,911.64
Advance from customer	March 31, 2021	-	-	-	53.77	53.77
	March 31, 2020	-	73.27	-	-	73.27
Dividend Receivables	March 31, 2021	-	6.48	-	-	6.48
	March 31, 2020	-	6.48	-	-	6.48

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- B.** The amount represents balances in respect of preference shares [face value of ₹ 1,970,000 lacs (March 31, 2020 : ₹ 1,970,000 lacs)] issued to Tata Steel Limited and accounted for as per Ind AS 109. Also refer note 15 and 16A for further disclosures in respect of the preference shares.
- C.** Interest accrued on the compound financial instruments (being preference shares) amounting to ₹ 29,800.20 lacs (March 31, 2020 : ₹ 26,662.70 lacs) is not considered as interest paid as the same represents unwinding of interest considered in statement of profit and loss during the year on account of accounting for compound financial instruments in accordance with Ind-AS 32. The same does not represent cash outflow in respect of interest expense payable to the holder of such instrument (being Tata Steel Limited).
- D.** Purchase of goods/services from and payables to other related parties includes:-
 - i) Purchases of goods from TS Global Procurement Pte Limited amounting to ₹ 314,550.28 lacs and
 - ii) Amount payable to TS Global Procurement Pte Limited amounting to ₹ 151,233.80 lacs respectively.
- E.** Sale of goods/services to other related parties includes sale made to Tata International Metal (Asia) Limited - ₹ 37,028.85 lacs, Tata Steel Downstream Products Ltd. - ₹ 26,577.88 lacs and Tata International West Asia DMCC - ₹ 8,644.38 lacs.

37. Accounting Judgements, Estimates And Assumptions

Use of estimates and critical accounting judgements

In the preparation of financial statements, the Group makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key source of estimation of uncertainty at the date of standalone financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment and intangible assets, valuation of deferred tax assets, provisions, contingent liabilities and fair value measurements of financial instruments as discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in the respective policies.

Significant management judgements

(a) Evaluation of indicators for impairment of non-financial assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets. Post declaration of COVID-19 as a pandemic by the World Health Organization in year ended March 31, 2020, the Government of India took significant measures to curtail the spread of virus, including country wide lockdown and restriction in economic activities. In view of such lockdowns, operations at the Group's steel making facilities were scaled down for certain period during the year ended March 31, 2021. Further, subsequent to March 31, 2021, certain state governments in India have imposed lockdowns to curtail the second wave of spread of virus.

In view of the impact of COVID-19, the Group has assessed whether there are any indicators of impairment in the carrying amounts of its non-financial assets. That assessment included: (a) management's experience of impact on its business activity during the year particularly after the easing of lockdowns following the first wave of spread of virus, (b) domestic and international macroeconomic indicators and (c) other developments such as availability of vaccines. As per the Company's current assessment of such indicators, no significant impact on carrying amounts of these assets is expected.

(b) Provisions & contingent liabilities

A provision is recognised when the Group has a present obligation as result of a past event and it is probable that the outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. Contingent assets are neither recognised nor disclosed in the financial statements.

(c) Valuation of deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(d) Identification of Leases

The Group enters into leasing arrangements for various assets. As a lessee, the Group assesses if a contract is or contains a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period time in exchange for consideration. The Group recognises a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of profit and loss on a straight-line basis over the lease term.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Significant management estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Allowance for expected credit loss

The allowance for expected credit loss reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Group's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

Refer Note 11 for methodology to estimate allowance for expected credit losses in respect of Group's trade receivables.

(b) Allowance for obsolete and slow-moving inventory

The allowance for obsolete and slow-moving inventory reflects management's estimate of the expected loss in value, and has been determined on the basis of past experience and historical and expected future trends. A worsening of the economic and financial situation could cause a further deterioration in conditions compared to that taken into consideration in calculating the allowances recognised in the financial statements.

Refer Note 10 for disclosure of such allowance.

(c) Useful lives of property, plant and equipment and intangible assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain plant and equipments.

Refer Note 2(c) for management's estimate of useful lives.

(d) Defined benefit obligations (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Refer Note 35 for key assumptions used in developing estimate of DBO.

(e) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. There is significant estimation uncertainty in determining recoverable value.

38A. Disclosure Of Interest In Subsidiaries:

Disclosure of interest in the following Subsidiaries:

		Ownership interest of Tata Steel BSL Limited (%)	
		As at March 31, 2021	As at March 31, 2020
	Country of Incorporation		
(i) Tata Steel Support Services Limited (Formerly known as Bhushan Steel (Orissa) Limited)	India	99.98%	99.98%
(ii) Tata Steel Technical Services Limited (Formerly known as Bhushan Steel Madhya Bharat Limited)	India	99.98%	99.98%
(iii) Bhushan Steel (South) Limited	India	100.00%	100.00%
(iv) Bhushan Steel (Australia) Pty Limited	Australia	100.00%	100.00%
(v) Angul Energy Limited (Formerly known as Bhushan Energy Limited)*	India	99.99%	99.99%

* The Company has invested in equity shares of Angul Energy Limited (Formerly known as Bhushan Energy Limited) and is classified as a subsidiary company w.e.f June 01, 2019.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

38B. Information required by schedule III of the Companies Act 2013, with respect to Consolidated Financial Statements

Statement of net assets and profit or loss attributable to owners and minority interest for the period ended March 31, 2021

Name of the entity in the group	Net Assets		Share in Profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	Proportionate share	Proportionate share	Proportionate share	Proportionate share	Proportionate share	Proportionate share	Proportionate share	Proportionate share
	(₹ in lacs)	(%)	(₹ in lacs)	(%)	(₹ in lacs)	(%)	(₹ in lacs)	(%)
Holding Company	2,012,565.89	95.8%	246,598.61	98%	340.19	677%	246,938.80	98%
Subsidiaries								
Indian								
Bhushan Steel (South) Limited	20.80	0.0%	(2.82)	0%	-	-	(2.82)	0%
Tata Steel Support Services Limited (Formerly known as Bhushan Steel (Orissa) Limited)	84.50	0.0%	274.55	0%	(192.92)	-384%	81.63	0%
Tata Steel Technical Services Limited (Formerly known as Bhushan Steel Madhya Bharat Limited)	192.60	0.0%	430.23	0%	(240.50)	-479%	189.73	0%
Angul Energy Limited (Formerly Bhushan Energy Limited)	83,175.40	4.0%	1,412.71	1%	(8.43)	-17%	1,404.28	1%
Foreign								
Bhushan Steel (Australia) Pty Limited	638.43	0.0%	(120.77)	0%	131.14	260.9%	10.37	0%
Bowen Energy Pty Limited	(2,599.99)	-0.1%	(0.86)	0%	(443.63)	-882.8%	(444.49)	0%
Bowen Coal Pty Limited	-	-	-	-	-	-	-	-
Bowen Consolidated Pty Limited	-	-	-	-	-	-	-	-
Non-controlling interest- Angul Energy Limited	2.22	0.0%	0.01	-	-	-	0.01	0%
Adjustment due to consolidation	6,339.09	0.3%	3,224.87	1%	464.40	924%	3,689.27	1%
Consolidated net worth	2,100,418.94	1.00	251,816.53	1.00	50.25	1.00	251,866.78	1.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Statement of net assets and profit or loss attributable to owners and minority interest for the year ended March 31, 2020

Name of the entity in the Group	Net Assets		Share in Profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	Proportionate share	Proportionate share	Proportionate share	Proportionate share	Proportionate share	Proportionate share	Proportionate share	Proportionate share
	(₹ in lacs)	(%)	(₹ in lacs)	(%)	(₹ in lacs)	(%)	(₹ in lacs)	(%)
Holding Company	1,765,627.09	95.51%	(64,917.44)	103%	(746.62)	87%	(65,664.06)	103%
Subsidiaries								
Indian								
Bhushan Steel (South) Limited	(101.38)	-0.01%	(0.38)	0%	-	-	-	0%
Tata Steel Support Services Limited (Formerly known as Bhushan Steel (Orissa) Limited)	2.86	0.00%	(0.38)	0%	-	-	-	0%
Tata Steel Technical Services Limited (Formerly known as Bhushan Steel Madhya Bharat Limited)	2.86	0.00%	(0.38)	0%	-	-	-	0%
Angul Energy Limited (Formerly Bhushan Energy Limited)	81,771.11	4.42%	431.00	-1%	(76.64)	0.09	354.36	-1%
Foreign								
Bhushan Steel (Australia) Pty Limited	628.06	0.03%	(0.35)	0%	(40.45)	5%	(40.80)	0%
Bowen Energy Pty Limited	(2,155.50)	-0.12%	(4.48)	0%	138.76	-16%	134.28	0%
Bowen Coal Pty Limited	-	-	-	-	-	-	-	-
Bowen Consolidated Pty Limited	-	-	-	-	-	-	-	-
Non-controlling interest- Angul Energy Limited	2.22	0.00%	0.00	0%	-	0%	0.00	0%
Adjustment due to consolidation	2,774.81	0.15%	1,644.00	-3%	(138.00)	16%	1,505.00	-2%
Consolidated net worth	1,848,552.12	1.00	(62,848.89)	1.00	(863.08)	1.00	(63,711.97)	1.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

38C. Acquisition of Subsidiary

Angul Energy Limited (AEL) (Formerly known as Bhushan Energy Limited), located at Angul, Odisha with 465 MW thermal power plant. AEL's facilities are designed for captive use of Tata Steel BSL Limited, with this intent the Company had submitted the resolution plan for the acquisition of AEL under Corporate Insolvency Resolution Process. On June 01, 2019, AEL was acquired by the Company pursuant to a Corporate Insolvency Resolution Process implemented under the Insolvency and Bankruptcy Code 2016.

The impact of the Resolution Plan was given effect to on the resolution date.

Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:

	(₹ lacs)
	Fair value as on acquisition date
Non Current Assets	
Property, Plant and Equipment	115,505.68
Right-of-use assets	2,708.57
Non-current investments	127.03
Loans	7.74
Other financial assets	31.71
Other non-current assets	12.81
Income Tax asset	313.63
	118,707.16
Current Assets	
Inventories	2,462.44
Trade receivables	10,557.00
Cash and cash equivalents	23,829.68
Other balances with banks	7.91
Loans	132.99
Other current assets	3,944.77
	40,934.78
Total Assets (A)	159,641.94
Non Current Liabilities	
Long term borrowings	75,500.00
Other financial liabilities	-
Long term provisions	200.28
	75,700.28
Current Liabilities	
Short term borrowings	-
Trade payables	1,316.13
Other financial liabilities	667.50
Short term provisions	20.61
Other current liabilities	520.96
	2,525.20
Total Liabilities (B)	78,225.49
Fair value of identified Net Assets (C=A-B)	81,416.45
Consideration Paid	1,000.00
Non Controlling Interests	2.21
Consideration Paid including non controlling interests (D)	1,002.21
Capital Reserve (C-D)	80,414.23

- (i) Pursuant to the Resolution Plan, the Holding Company subscribed to 99.99% of the equity share capital of AEL for an aggregate amount of ₹ 10 crores and provided additional funds aggregating to ₹ 755 crores by way of Inter-Corporate Deposits.
- (ii) From the date of acquisition, Angul Energy Limited (Formerly Bhushan Energy Limited) contributed ₹ 35,553.94 lacs to revenue from operations and a profit of ₹ 431 lacs to the consolidated loss before tax on a pre-consolidation adjustments basis.

Had these business combination been effected at April 1, 2019, the revenue of the Group from continuing operations would have been higher by ₹ 12,824.38 lacs and loss from continuing operations would have been lower by ₹ 4,087.18 lacs on a pre-consolidation adjustments basis.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

39. Financial Instruments

A. Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Financial assets measured at fair value		
Investments measured at		
Fair value through other comprehensive income	205.44	137.08
Fair value through profit and loss	69,161.34	-
Derivative assets	-	5,142.54
Financial assets measured at amortised cost		
Trade receivables	42,265.63	70,238.62
Loans	7,195.73	7,573.24
Cash and cash equivalents	73,820.30	72,483.39
Other bank balances	558.76	12,848.81
Other financial assets	48,894.78	50,934.29
Total	242,101.98	219,357.97
Financial liabilities measured at fair value		
Derivative liabilities	1,504.63	763.77
Financial liabilities measured at amortised cost		
Borrowings and lease liabilities (including interest accrued)	1,087,732.44	1,683,251.38
Trade payables	420,042.19	282,833.69
Other financial liabilities	33,938.70	33,821.01
Total	1,543,217.96	2,000,669.85

B Fair value hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

B.1 Financial assets and liabilities measured at fair value - recurring fair value measurements

(₹ in lacs)

	As at March 31, 2021			Total
	Level 1	Level 2	Level 3	
Assets at fair value				
Investments measured at Fair value through other comprehensive income	174.88	-	30.56	205.44
Investments measured at Fair value through profit and loss	69,161.34	-	-	69,161.34
Liabilities at fair value				
Derivative liabilities	-	1,504.63	-	1,504.63

(₹ in lacs)

	As at March 31, 2020			Total
	Level 1	Level 2	Level 3	
Assets at fair value				
Investments measured at Fair value through other comprehensive income	36.39	-	100.68	137.07
Derivative assets	-	5,142.54	-	5,142.54
Liabilities at fair value				
Derivative liabilities	-	763.77	-	763.77

a. Valuation process and technique used to determine fair value of financial assets and liabilities classified under fair value hierarchy other than Level 1:-

- For investments held by Company as of reporting date, costs of such unquoted equity instruments has been considered as an appropriate estimate of fair value because of wide range of fair value measurements and cost represents the best estimate of fair value within that range.
- Derivatives are fair valued using forward rates for the remaining period to expiry provided by counterparty banks which are also observable from financial markets data sources.

b. The following table presents the changes in level 3 items for the periods ended March 31, 2021 and March 31, 2020:

(₹ in lacs)

	Unquoted Equity shares
As at April 01, 2019	30.56
Change in fair value	-
As at March 31, 2020	30.56
Change in fair value	-
As at March 31, 2021	30.56

B.2 Fair value of financial instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

(₹ in lacs)

As at March 31, 2021	Carrying value	Fair value
Loans	7,195.73	7,195.73
Trade receivables	42,265.63	42,265.63
Cash and Cash equivalents	73,820.30	73,820.30
Other balances with bank	558.76	558.76
Other financial assets	48,894.78	48,894.78
Borrowings	1,087,732.44	1,296,933.40
Trade payables	420,042.19	420,042.19
Other financial liabilities	33,938.70	33,938.70

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

As at March 31, 2020	Carrying value	Fair value
Loans	7,573.24	7,573.24
Trade receivables	70,238.62	70,238.62
Cash and Cash equivalents	72,483.39	72,483.39
Other balances with bank	12,848.81	12,848.81
Other financial assets	50,934.29	50,934.29
Borrowings	1,683,251.38	1,609,246.37
Trade payables	282,833.69	282,833.69
Other financial liabilities	33,821.01	33,821.01

For the purpose of disclosing fair values of financial instruments measured at amortised cost, the management assessed that fair values of short term financial assets and liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. Further, the fair value of long term financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between the willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate receivables are evaluated by the Group based on parameters such as interest rates, individual credit worthiness of the customer and other market risk factors.
- Fair value of borrowings has been estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities which is categorised as level 2 in the fair value hierarchy.

40. Financial Risk Management

Risk Management

The Group's activities expose it to market risk, liquidity risk and credit risk. The Group's Board of Directors have the overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Particulars	Exposure arising from	Measurement	Measurement
Credit risk	Cash and cash equivalents, trade receivables, other balances with banks, loans and other financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other financial liabilities including trade payables	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian Rupee (INR) and derivative assets and liabilities	Sensitivity analysis	Forward contract, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - price	Investments in equity securities and Mutual Funds	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

The Group's risk management is carried out by a central treasury department (of the Group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A Credit risk

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

a) Credit risk management

The Group assesses and manages credit risk based on internal credit rating system. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- (i) Low credit risk
- (ii) Moderate credit risk
- (iii) High credit risk

Based on business environment in which the Group operates, a default on a financial asset is considered when the counter party fails to make payments within the agreed time period as per contract. Loss rates reflecting defaults are based on actual credit loss experience and considering differences between current and historical economic conditions.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Group. The Group continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

The Group provides for expected credit loss based on the following:

	Type of financial asset	Measurement
Low credit risk	Cash and cash equivalents, other bank balances, derivative assets, loans and other financial assets	12 month expected credit loss
Moderate credit risk	Other financial assets	12 month expected credit loss
High credit risk	Other financial assets	Life time expected credit loss (when there is significant increase in credit risk or objective evidence of impairment) or specific provision, whichever is higher

In respect of Trade receivables that results from contracts with customers, loss allowance is always measured at lifetime expected credit losses.

Exposure to credit risk

The exposure of credit risk over the financial assets of the Group except trade receivables has been summarized below*:-

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
I. Low credit risk		
Loans	7,195.73	7,573.24
Cash and cash equivalents	73,820.30	72,483.39
Other bank balances	558.76	12,848.81
Other financial assets	48,894.78	50,934.29
Derivative assets	-	5,142.54
II. High credit risk		
Loans	11,468.80	11,093.95
Other financial assets	14,047.33	14,647.54
Total	155,985.70	174,723.76

*These represent gross carrying values of financial assets, without deduction for expected credit losses

Credit Risk Management policies

Cash and cash equivalents, bank deposits and derivatives

Credit risk related to cash and cash equivalents, bank deposits and derivatives is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks across the country.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Trade receivables

Credit risk related to trade receivables are mitigated by taking bank guarantees/letter of credit, from customers where credit risk is high. The Group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become one year past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortized cost includes loans and advances to employees, security deposits and recoverable for coal block. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Expected credit losses for financial assets

i) Financial assets (other than trade receivables)

Group provides for expected credit losses on loans and advances by assessing individual financial instruments for expectation of any credit losses.

- For cash & cash equivalents and other bank balances - Since the Group deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.
- For loans comprising security deposits paid - Credit risk is considered low because the Group is in possession of the underlying asset or the deposits are made to government authorities.
- For other financial assets - Credit risk is evaluated based on Group's knowledge of the credit worthiness of those parties and loss allowance is measured. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Group can draw to apply consistently to entire population. For such financial assets, the Group's policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The reconciliation of expected credit loss recorded for all sub categories of financial assets (other than trade receivables) are disclosed below.

(₹ in lacs)

	As at March 31, 2021		
	Gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Loans	18,664.53	11,468.80	7,195.73
Other financial assets	62,942.11	14,047.33	48,894.78

(₹ in lacs)

	As at March 31, 2020		
	Gross carrying amount	Expected credit losses	Carrying amount net of impairment provision
Loans	18,667.19	11,093.95	7,573.24
Other financial assets	65,581.84	14,647.54	50,934.29

B Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

a) Financing arrangements

Undrawn borrowing facilities at the end of the reporting year to which the Group had access is ₹ 283,219.55 lacs (March 31, 2020: ₹ 95,394.69 lacs).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

b) Maturities of financial liabilities

The following table shows a maturity analysis of the contractual 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:

(₹ in lacs)

	As at March 31, 2021			Total
	Less than 1 year	1-3 year	More than 3 years	
Borrowings including interest accrued thereon (excluding lease obligations)	86,295.11	108,437.24	2,932,159.73	3,126,892.08
Lease obligations	22,797.34	45,216.15	24,136.27	92,149.76
Trade payables	420,042.19	-	-	420,042.19
Derivative liabilities	1,504.63	-	-	1,504.63
Other financial liabilities	31,932.75	-	7,389.71	39,322.46
	562,572.02	153,653.39	2,963,685.71	3,679,911.12

(₹ in lacs)

	As at March 31, 2020			Total
	Less than 1 year	1-3 year	More than 3 years	
Borrowings including interest accrued thereon (excluding lease obligations)	212,548.00	223,090.55	3,699,491.64	4,135,130.19
Lease obligations	22,911.94	45,584.97	46,611.80	115,108.71
Trade payables	282,833.69	-	-	282,833.69
Derivative liabilities	763.77	-	-	763.77
Other financial liabilities	30,200.66	-	9,207.71	39,408.37
	549,258.06	268,675.52	3,755,311.15	4,573,244.73

Borrowings include Interest on borrowings accrued during the year ended March, 31 2021 amounting to ₹ 6,139.46 lacs (March 31, 2020: ₹ 9,430.02 lacs).

C Market risk

a) Foreign currency risk

Exposures to currency exchange rates primarily arise from the business transactions carried out by the Group in other than functional currency i.e. INR.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are as follows. The amounts shown are those reported to key management personnel translated into INR at the closing exchange rate:

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Financial assets		
- USD	9,494.62	30,120.30
- EURO	3,506.09	3,219.73
- AED	536.63	960.66
	13,537.34	34,300.69
Financial liabilities		
- USD	159,545.68	141,251.86
- EURO	3,173.43	1,334.95
- GBP	205.50	78.92
- SEK	2.22	1.41
- JPY	37.74	88.55
- CHF	0.75	-
Net exposure to foreign currency risk (liabilities)	162,965.32	142,755.69

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The following table summarises the volatility in the following exchange rates during the year.

	As at March 31, 2021	As at March 31, 2020
INR/USD	5.28%	5.45%
INR/ EUR	7.57%	7.57%
INR/ GBP	8.54%	10.26%
INR/ JPY	7.27%	10.65%
INR/ SEK	8.97%	9.34%
INR/AED	5.35%	6.49%
INR/CHF	7.86%	13.68%

These percentages have been determined based on the average market volatility in exchange rates during the respective years.

The sensitivity analysis given in the table below is based on the Group's foreign currency financial instruments held at each reporting date. The table illustrates the impact of sensitivity over profit/loss and equity in regards to the Group's financial assets and financial liabilities and the movement of exchange rates of respective foreign currencies against INR, assuming 'all other variables being constant'.

Had the respective foreign currencies had strengthened against the INR by the aforementioned percentage of market volatility, then this would have had the following impact on profit/(loss) and equity:

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
- USD	(7,925.82)	(6,060.22)
- EURO	25.19	142.60
- GBP	(17.55)	(8.10)
- JPY	(2.74)	(9.43)
- SEK	(0.20)	(0.13)
- AED	28.70	62.33
- CHF	(0.06)	-
Total	(7,892.48)	(5,872.95)

If the respective functional currencies had depreciated against the INR by the aforementioned percentage of market volatility, then this would have had equal and opposite effect on the basis that all other variables remain constant.

b) Interest rate risk
i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on external financing. At March 31, 2021 and March 31, 2020, the Group is exposed to changes in interest rates through bank borrowings carrying variable interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Variable rate borrowing	694,903.26	1,242,244.52
Fixed rate borrowing	392,829.18	441,006.86
Total borrowings	1,087,732.44	1,683,251.38
Amount disclosed under other current financial liabilities (Refer Note - 16C)	19,143.66	20,617.56
Amount disclosed under borrowings (Refer Note - 16A)	1,068,588.78	1,662,633.82

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Interest sensitivity*		
Interest rates – increase by 100 basis points (March 31, 2020 100 bps)	11,218.42	13,279.41
Interest rates – decrease by 100 basis points (March 31, 2020 100 bps)	(11,218.42)	(13,279.41)

* Holding all other variables constant

ii) Assets

The Group's financial assets are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

The Group is not an active investor in equity markets; It continues to hold certain investments in equity for long term value accretion which are accordingly measured at fair value through other comprehensive income. The value of investments in such equity instruments as at March 31, 2021 is ₹ 205.44 lacs (2020 – ₹ 137.09 lacs). Accordingly, fair value fluctuations arising from market volatility is recognised in Other Comprehensive Income.. The Group's exposure to such investments is not significant.

The Group also invests in mutual fund schemes of leading fund houses. Such investments are susceptible to market price risks that arise mainly from changes in interest rate which may impact the return and value of such investments. However, given the relatively short tenure of underlying portfolio of the mutual fund schemes in which the Group has invested, such price risk is not significant.

41. Capital Management

The Company's capital management objectives are :

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. Net debt includes interest bearing borrowings less cash and cash equivalents and current investments.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

(a) Debt equity ratio

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
Net debts	944,750.80	1,610,767.99
Total equity	2,100,418.92	1,848,552.12
Net debt to equity ratio	0.45	0.87

- (b) Dividend - During the year ended March 31, 2021, no dividend has been recognised as distributions to equity shareholders (March 31, 2020: ₹ Nil)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

42. In compliance of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the required information is given as under:

(₹ in lacs)

	As at March 31, 2021	As at March 31, 2020
I. Loans and Advances in the nature of loans:		
A) To Subsidiary Companies - Angul Energy Limited (formerly known as Bhushan Energy Limited)	24,800.00	32,600.00
B) To Associates /Joint Venture	-	-
C) To Firms/Companies in which directors are interested	-	-
D) Where there is no repayment schedule or repayment beyond seven year or no interest or interest below section 186 of Companies Act.	-	-
II. Investment by the loanee (as detailed above) in the shares of TSBSL and its subsidiaries	-	-
Total	-	-

43 During the financial year 2018-19, Corporate insolvency resolution process ("CIRP") was initiated pursuant to a petition filed by one of its financial creditors, State Bank of India ("SBI") under Section 7 of the Insolvency and Bankruptcy Code, 2016 ("IBC"). SBI filed the petition before the National Company Law Tribunal, Principal Bench, New Delhi ("Adjudicating Authority") vide Company Petition No. (IB)-201 (PB)/2017 on July 03, 2017. The Adjudicating Authority admitted the said petition and the CIRP for the Company commenced on July 26, 2017. The CIRP culminated into the approval of the Resolution Plan submitted by Tata Steel Ltd ("TSL") by the Adjudicating Authority vide its order dated May 15, 2018 ("Order").

Accordingly, keeping in view the Order dated May 15, 2018:

- On May 18, 2018 ("Effective Date"), Bamnival Steel Limited, (wholly owned subsidiary of TSL) ("BNPL") deposited ₹ 3,513,258 lacs, for subscription to equity shares of the Company, payment of CIRP cost and employee related dues, and payment to financial creditors in terms of the approved Resolution Plan.
- The reconstituted board of directors in its meeting held on May 17, 2018 approved allotment of 794,428,986 fully paid equity shares of ₹ 2 each to BNPL, aggregating to ₹ 15,888.58 lacs, representing 72.65% of the equity share capital of the Company.
- The remaining amount of ₹ 3,497,369.42 lacs was treated as Inter Corporate Deposits.
- Out of the amount received from BNPL, ₹ 3,258 lacs were utilised towards payment of CIRP cost and employee related dues. The balance amount of ₹ 3,510,000 lacs were paid to the Financial Creditors between May 18, 2018 to May 31, 2018.
- The financial creditors invoked the pledge created in their favour by the erstwhile promoters of the Company over 67,654,810 equity shares of the Company held by them ("Pledged Shares"). The market value of Pledged Shares amounted to ₹ 18,157.58 lacs and, the same has been recorded as an exceptional item in these financial statements. Refer Note 29 for the details of exceptional items.
- The eligible financial creditors were further allotted 72,496,036 equity shares at face value of ₹ 2 each aggregating to ₹ 1,449.92 lacs.
- After adjusting the amounts as mentioned in para no. v and vi above, the balance due to Financial Creditors, amounting to ₹ 2,528,550.72 lacs were novated to BNPL for an aggregate consideration of ₹ 10,000 lacs. BNPL, in its capacity as the promoters of TSBSL, has waived off the debts less cost of novation, and the same has been considered as capital contribution. Refer Note 15 for details of other equity.
- 10% Redeemable Cumulative Preference shares of ₹ 100 each amounting to ₹ 242,557.39 lacs were redeemed for a total sum of ₹ 4,700/- only. Gain arising out of redemption of such preference shares has been recorded as an exceptional item in these financial statements. Refer Note 29 for the details of exceptional items.
- In respect of Operational Creditors, the Company has provided for liabilities based on the amount of claims admitted pursuant to CIRP. Further, the Company had proposed to pay an amount of ₹ 120,000 lacs to Operational Creditors, in the manner mentioned in the Resolution Plan, within 12 months from the closing date (May 18, 2018) i.e. on or before May 17, 2019. Accordingly, in the year ended March 31, 2020 the Company had recognised a gain ₹ 15,359.67 lacs (March 31, 2019 - ₹ 55,212.35 lacs) on account of extinguishment of such financial liabilities as an exceptional item in these financial statements. Refer Note 29 for the details of exceptional items.

44 The Company is eligible under Package Scheme of Incentives, 1993, and accordingly as per the provisions of the Scheme the Company has obtained eligibility certificate from Directorate of Industries. As per the Scheme the Company has an option to defer the payment of sales tax for a period of fourteen years upto a specified limit (twenty one years in case the specified limit is not availed in fourteen years). The said tax collected shall be paid after fourteen years in five annual equal instalments and has been recognised as deferred sales tax liability, which as at March 31, 2021 amounts to ₹ 2,005.94 lacs (March 31, 2020: ₹ 1,802.35 lacs). Post-introduction of GST, the Maharashtra government modified the scheme, whereby the Company needs to deposit the GST & claim refunds of the same. During the year, the Company has recognised ₹ 11,003.06 lacs as an income (Refer Note 20) on account of such scheme.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

- 45** The Board of Directors of the Company, at its meeting held on April 25, 2019, had approved a Composite Scheme of Amalgamation of TSBSL and Bamnibal Steel Limited, a wholly owned subsidiary of Tata Steel Limited and TSBSL's Holding Company, into and with Tata Steel Limited ('Scheme'), subject to the requisite statutory and regulatory approvals. The Company received 'No Observation Letters' from both BSE Limited and the National Stock Exchange of India Limited on August 26, 2019. The said Scheme was also filed with the Hon'ble National Company Law Tribunal ('NCLT'). Pursuant to the orders of the Hon'ble NCLT, a meeting of the equity shareholders of the Company was convened and held on Friday, March 26, 2021 to consider and if thought fit, approve the Scheme. The Scheme was approved by the shareholders by requisite majority at the said meeting and the necessary disclosures in this regard have been made by the Company to the stock exchanges.

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

The Scheme would enable the companies to realize benefits of greater synergies between their businesses, yield beneficial results and avail pooled resources in the interest of maximizing value to the shareholders and other stakeholders. Upon implementation of the Scheme, the equity shareholders of the Company would be entitled to fully paid shares of Tata Steel Limited in the ratio as set out in the Scheme. Necessary accounting effect of the Scheme will be given upon receipt of the requisite regulatory approvals.

- 46** Due to outbreak of Covid-19 globally and in India, the Group had on March 30, 2020 made a disclosure in terms of Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

Post declaration of COVID-19 as a pandemic by the World Health Organization in year ended March 31, 2020, the Government of India took significant measures to curtail the spread of virus, including country wide lockdown and restriction in economic activities. In view of such lockdowns, operations at the Group's steel making facilities were scaled down for certain period during the year ended March 31, 2021. Further, subsequent to March 31, 2021, certain state governments in India have imposed lockdowns to curtail the second wave of spread of virus.

Further, the Group has carried out its initial assessment of the likely adverse impact on economic environment in general and financial risk because of Covid-19. The Group is in the business of manufacturing steel/steel products, which are connected with activities that are fundamental to the Indian economy. Further, the Management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Group, in the long-term.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. :
001076N/N500013

sd/-
Siddharth Talwar
Partner
Membership No. 512752

sd/-
Mr. T. V. Narendran
Chairman (DIN: 03083605)
Place: Jamshedpur
Date: April 21, 2021

sd/-
Mr. Srikumar Menon
Independent Director (DIN: 00470254)
Place: Kolkata
Date: April 21, 2021

sd/-
Mr. Sanjib Nanda
Chief Financial Officer
Place: New Delhi
Date: April 21, 2021

sd/-
Mr. Krishnav Dutt
Independent Director (DIN: 02792753)
Place: Mumbai
Date: April 21, 2021

sd/-
Mr. Anand Sen
Non – Executive Director (DIN: 00237914)
Place: Mumbai
Date: April 21, 2021

sd/-
Ms. Nisha Anil Seth
Company Secretary
(Membership No. 27019)
Place: New Delhi
Date: April 21, 2021

sd/-
Ms. Neera Saggi
Independent Director (DIN: 00501029)
Place: Mumbai
Date: April 21, 2021

sd/-
Mr. Koushik Chatterjee
Non – Executive Director (DIN: 00004989)
Place: Mumbai
Date: April 21, 2021

sd/-
Mr. Shashi Kant Maudgal
Independent Director (DIN: 00918431)
Place: Mumbai
Date: April 21, 2021

sd/-
Mr. Rajeev Singhal
Managing Director (DIN: 02719570)
Place: Kolkata
Date: April 21, 2021

Place: Faridabad
Date: April 21, 2021

Tata Steel BSL Limited

Regd. Office: Ground Floor, Mira Corporate Suites, Plot No. 1&2, Ishwar Nagar, Mathura Road, New Delhi - 110065

Corporate Identification No. (CIN) : L74899DL1983PLC014942 **Tel:** +91-11-3919 4000; **Fax:** +91-11-4101 0050;

E-mail: tsbsl@tatasteelbsl.co.in; **Website:** www.tatasteelbsl.co.in

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 38TH ANNUAL GENERAL MEETING OF THE MEMBERS OF TATA STEEL BSL LIMITED WILL BE HELD ON FRIDAY, AUGUST 06, 2021 AT 3:00 P.M. (IST) THROUGH VIDEO CONFERENCING/ OTHER AUDIO-VISUAL MEANS, TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

Item No. 1 – Adoption of Audited Standalone Financial Statements

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2021 together with the Reports of the Board of Directors and the Auditors thereon.

Item No. 2 – Adoption of Audited Consolidated Financial Statements

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2021 together with the Report of the Auditors thereon.

Item No. 3 – Re-appointment of a Director

To appoint a Director in the place of Mr. Anand Sen (DIN: 00237914), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, seeks re-appointment.

SPECIAL BUSINESS:

Item No. 4 - Re-appointment of Mr. Rajeev Singhal as Managing Director of the Company

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 (**‘Act’**) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, [including any statutory modification(s), amendment(s) or re-enactment(s) thereof, for the time being in force], and Article 191 of the Articles of Association of the Company, and the recommendations of the Nomination and Remuneration Committee, the consent of the Members, be and is hereby accorded to the re-appointment of Mr. Rajeev Singhal (DIN: 02719570) as the Managing Director of the Company for a further period of one year with effect from May 18, 2021 to May 17, 2022, not liable to retire by rotation, upon the terms and conditions as set out in the Statement annexed to the Notice, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his said tenure (subject to provisions of the Act and the overall limits and conditions set out in Section 197 read with Schedule V of the Act, by undertaking such compliances as provided therein), with liberty and power to the Board of Directors (hereinafter referred to as the **‘Board’**, which expression shall also include the ‘Nomination and Remuneration Committee’ of the Board) to grant increments and to alter and vary from time to time, the terms and conditions of the said re-appointment, including remuneration, within the overall limits prescribed under the Act as it may deem fit and in such manners, as may be agreed to between the Board and Mr. Rajeev Singhal.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, things and execute all such documents, instruments, writings, as it may, in its absolute discretion, deem necessary, expedient or desirable, including the power to sub-delegate, in order to give effect to the foregoing resolution or otherwise, as considered by the Board, to be in the best interest of the Company.”

Item No. 5 - Payment of Commission to Non-Executive Directors of the Company

To consider, and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013 (**‘Act’**) and the Rules made thereunder and Regulation 17(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended from time to time, consent of the Members be and is hereby accorded for the payment of a sum not exceeding one percent of the net profits of the Company per annum, calculated in accordance with the provisions of Section 198 of the Act, as commission and the same be paid to and distributed amongst the Directors of the Company or some or any of them (other than the Managing Director and/or Whole-time Directors) in such amounts or proportions and in such manner and in all respects, as may be decided by the Board of Directors of the Company and such payments shall be made in respect of the profits of the Company for each year, commencing April 1, 2020 onwards.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds, things and execute all such documents, instruments, writings, as it may, in its absolute discretion, deem necessary, expedient or desirable, including the power to sub-delegate, in order to give effect to the foregoing resolution or otherwise, as considered by the Board, to be in the best interest of the Company”

Item No. 6 - Approval of Material Related Party Transaction(s) with Tata Steel Limited

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended till date, (**‘Listing Regulations’**) and the Company's policy on Related Party Transaction(s), approval of the Members, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as **‘Board’**), to enter into contract(s)/arrangement(s)/ transaction(s) with Tata Steel Limited, a related party within the meaning of Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations, for purchase of iron ore, on such terms and conditions, as the Board may deem fit, up to a maximum aggregate value of ₹ 6,500 crore for the financial year 2021-22, provided that the said contract(s)/arrangement(s)/transaction(s) shall be carried out at arm's length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing the terms and conditions, methods and modes in respect thereof and finalizing and executing necessary documents, including contracts, schemes, agreements and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including Governmental authorities in this regard and deal with any matters, take necessary steps, as the Board may in its absolute discretion deem necessary, desirable or expedient, to give effect to this Resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Director(s), Chief Financial Officer, Company Secretary or any other Officer(s) / Authorized Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution(s).

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions, be are hereby approved, ratified and confirmed in all respects."

Item No. 7 - Ratification of remuneration of the Cost Auditors

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force), the Company hereby ratifies the remuneration of ₹7 lakh plus applicable taxes and reimbursement of out of pocket expenses payable to Messrs. Shome & Banerjee, Cost Accountants (Firm Registration Number: 000001), who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as the Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company, for the Financial Year ending March 31, 2022."

NOTES:

1. The Statement, pursuant to Section 102 of the Companies Act, 2013, as amended ('Act') setting out material facts concerning the business with respect to Items No. 4 to 7 forms part of this Notice. Additional information, pursuant to Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Secretarial Standard 2 on General Meetings issued by The Institute of Company Secretaries of India, in respect of Directors seeking re-appointment at this Annual General Meeting ('Meeting' or 'AGM') is furnished as an annexure to this Notice.
2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') vide its Circular Nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, read with Circular Nos. 20/2020 dated May 5, 2020 and 02/2021 dated January 13, 2021 (collectively referred to as 'MCA Circulars'), and Securities and Exchange Board of India ('SEBI') vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, and SEBI/HO/CFD/ CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively referred to as 'SEBI Circulars'), have permitted the holding of AGM through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM'), without the physical presence of the Members at a common venue. In accordance with the MCA Circulars and SEBI Circulars,

the 38th AGM of the Company is being held through VC/OAVM on Friday, August 06, 2021 at 3:00 p.m. (IST). The deemed venue for the 38th AGM will be the registered office of the Company i.e., Ground Floor, Mira Corporate Suites, Plot No. 1&2, Ishwar Nagar, Mathura Road, New Delhi – 110 065.

3. **PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS AND SEBI CIRCULARS THROUGH VC / OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.**
4. The Members can join the AGM in the VC / OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the National Securities Depository Limited's ('NSDL') e-Voting website at www.evoting.nsdl.com. The facility of participation at the AGM through VC / OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars.
5. Pursuant to the provisions of the Act, the Institutional/Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer at tsbsl.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.
6. The Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
7. In case of joint holders, the Member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote at the meeting.
8. In accordance with the aforesaid MCA Circulars and SEBI Circulars, the Notice of the AGM along with the Annual Report & Annual Accounts 2020-21 are being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. The Notice convening the 38th AGM along with the Annual Report & Annual Accounts 2020-21 will also be available on the website of the Company at www.tatasteelbsl.co.in, websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the website of NSDL at www.evoting.nsdl.com.
9. **Book Closure**
The Register of Members and Share Transfer Books of the Company will be closed from **Saturday, July 31, 2021 to Friday, August 06, 2021 (both days inclusive)** for the purpose of the AGM.
10. **Nomination facility:** As per the provisions of Section 72 of the Act, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to cancel the earlier nomination and record a fresh nomination, he / she may submit the same in Form SH-14. The said forms can be downloaded from the Company's website at www.tatasteelbsl.co.in. Members are requested to submit the said form to their DPs in case the shares are held in electronic form and to the

Registrar and Transfer Agent ('RTA') at investor.services@rcmcdelhi.com in case the shares are held in physical form, quoting their folio no(s).

11. **Consolidation of Physical Share Certificates:** Members holding shares in physical form, in identical order of names, in more than one folio, are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members / Claimants are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends / shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 available on www.iepf.gov.in. The attention of Members is particularly drawn to the Corporate Governance Report forming part of the Board's Report in respect of unclaimed dividends and transfer of dividends / shares to the IEPF.
13. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, PAN, registering of nomination, power of attorney registration, Bank Mandate details, etc., to their DPs in case the shares are held in electronic form and to the RTA at investor.services@rcmcdelhi.com in case the shares are held in physical form, quoting their folio no(s). Further, Members may note that SEBI has mandated the submission of PAN by every participant in securities market.
14. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of the listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition and re-lodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR /P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members may contact the Company's RTA, RCMC Share Registry Private Limited at investor.services@rcmcdelhi.com for assistance in this regard.
15. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

PROCESS FOR REGISTERING E-MAIL ADDRESS:

- i. **One time registration of e-mail address with RTA for receiving the Annual Report and Annual Accounts 2020-21 and casting votes electronically:**

The Company has made special arrangements with its RTA for registration of e-mail address of those Members (holding shares either in electronic or physical form) who wish to receive this Annual Report and Annual Accounts for FY 2020-21 and cast votes electronically. Eligible Members whose e-mail addresses are not registered with the Company/ RTA/ DPs

are required to provide the same to RTA on or before **5.00 p.m. (IST) on Friday, July 30, 2021.**

Process to be followed for one time registration of e-mail address is as follows:

- i. **For Members who holding shares in Electronic form:**
 - a) Visit the link: <https://www.rcmcdelhi.com/updates/?cid=tsbl>
 - b) Enter the DP ID & Client ID, PAN details and Captcha Code.
 - c) System will verify the Client ID and PAN Details.
 - d) On successful verification, the system will allow you to enter your e-mail address and mobile number.
 - e) Enter your e-mail address and mobile number.
 - f) The system will then confirm the e-mail address for the purpose of service of this AGM Notice and Annual Report and Annual Accounts for FY 2020-21.
- ii. **For Members who hold shares in Physical form:**
 - a) Visit the link: <https://www.rcmcdelhi.com/updates/?cid=tsbl>
 - b) Enter the physical Folio Number, PAN details and Captcha Code.
 - c) In the event the PAN details are not available on record, Member to enter one of the share certificate number.
 - d) System will verify the Folio Number and PAN details or the share certificate number.
 - e) On successful verification, system will allow you to enter your e-mail address and mobile number.
 - f) Enter your e-mail address and mobile number.
 - g) If PAN details are not available, the system will prompt the Member to upload a self-attested copy of the PAN card.
 - h) The system will then confirm the e-mail address for the purpose of service of this AGM Notice and Annual Report and Annual Accounts for FY2020-21.

After successful submission of the e-mail address, NSDL will e-mail a copy of this AGM Notice and Annual Report and Annual Accounts for FY2020-21 along with the e-voting user ID and password. In case of any queries, Members may write to investor.services@rcmcdelhi.com or evoting@nsdl.co.in.

- ii. **Registration of e-mail address permanently with Company/DP:**

Members are requested to register their e-mail address with their concerned DPs, in respect of electronic holdings and with the Company's RTA, in respect of physical holdings, by writing to them at investor.services@rcmcdelhi.com. Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs/RTA to enable servicing of notices/documents/ Annual Reports and other communications electronically to their e-mail address in future.

- iii. Alternatively, Members may also send an e-mail request to evoting@nsdl.co.in along with the following documents for procuring user id and password and registration of e-mail addresses for remote e-voting for the resolutions set out in this Notice:

- In case shares are held in physical form, please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), self-attested scanned copy of PAN card, and self-attested scanned copy of Aadhaar Card.

- In case shares are held in demat form, please provide DP ID-Client ID (8 digit DP ID + 8 digit Client ID or 16 digit Beneficiary ID), Name, client master or copy of Consolidated Account statement, self-attested scanned copy of PAN card, and self-attested scanned copy of Aadhaar Card.

INSTRUCTIONS FOR E-VOTING AND JOINING THE AGM ARE AS FOLLOWS:

A. PROCESS AND MANNER FOR VOTING THROUGH ELECTRONIC MEANS:

1. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of the SEBI Listing Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system (before the AGM) as well as remote e-Voting during the AGM will be provided by NSDL.
2. Members of the Company holding shares either in physical form or in electronic form as on the cut-off date of **Friday, July 30, 2021** may cast their vote by remote e-Voting. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting before the AGM as well as remote e-Voting during the AGM.

Any shareholder(s) holding shares in physical form or non-individual shareholders who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. **Friday, July 30, 2021**, may obtain the User ID and Password by sending a request at evoting@nsdl.co.in. However, if a person is already registered with NSDL for remote e-Voting then he / she can use his / her existing User ID and password for casting the vote.

In case of Individual Shareholder who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holds shares in demat mode as on the cut-off date may follow the steps mentioned under '**Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode.**'

3. The remote e-Voting period commences on **Monday, August 02, 2021 at 9.00 a.m. (IST)** and ends on **Thursday, August 05, 2021 at 5.00 p.m. (IST)**. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the **cut-off date i.e. Friday, July 30, 2021**.
4. Members will be provided with the facility for voting through electronic voting system during the VC / OAVM proceedings at the AGM and Members participating at the AGM, who have not already cast their vote on the resolution(s) by remote e-Voting, will be eligible to exercise their right to vote on such resolution(s) upon announcement by the Chairman. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC / OAVM but shall not be entitled to cast their vote on such resolution(s) again. The remote

e-Voting module on the day of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM AND REMOTE E-VOTING (BEFORE AND DURING THE AGM) ARE AS UNDER:

1. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com/> by following the steps mentioned under 'Access NSDL e-Voting system'. After successful login, Member(s) can click on link of VC / OAVM placed under "Join General Meeting" menu against Company name. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of the Company i.e. **116381** will be displayed. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID / Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice.
2. Members are encouraged to submit their questions in advance with respect to the accounts or the business to be transacted at the AGM. These queries may be submitted from their registered e-mail address, mentioning their name, DP ID and Client ID / folio number and mobile number, to reach the Company's e-mail address at tsbsl@tatasteelbsl.co.in before 3.00 p.m. (IST) on **Friday, July 30, 2021**.
3. The Register of Directors and Key Managerial Personnel and their Shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act and all other documents referred in this Notice, will be available electronically for inspection by the Members during the AGM. Members seeking to inspect such documents can send an e-mail to tsbsl@tatasteelbsl.co.in.
4. Members who would like to express their views or ask questions during the AGM may pre-register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at tsbsl@tatasteelbsl.co.in between **Friday, July 30, 2021 (9.00 a.m. IST) to Monday, August 02, 2021 (5:00 p.m. IST)**. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
5. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in /1800 1020 990/ 1800 224 430 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in.

THE INSTRUCTIONS FOR REMOTE E-VOTING BEFORE/DURING THE AGM

The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Access NSDL e-Voting system

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

Details on Step 1 are mentioned below:

A. Login method for e-Voting and joining virtual meeting for individual shareholders holding securities in demat mode

In order to increase the efficiency of the voting process and in pursuance of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, e-Voting facility is being provided to all the demat

account holders, by way of single login credential, through their demat accounts / websites of Depositories / Depository Participants. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider ('ESP') thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

Shareholders are advised to update their mobile number and e-mail-id with their DPs in order to access e-Voting facility.

Login method for individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>A. NSDL IDeAS facility</p> <p>If you are already registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ 2. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. 3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. 4. Click on "Access to e-Voting" appearing on left hand side under e-Voting services and you will be able to see e-Voting page. 5. Click on options available against company name or e-Voting service provider – NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting and remote e-Voting during the meeting. <p>If you are not registered, follow the below steps:</p> <ol style="list-style-type: none"> 1. Option to register is available at https://eservices.nsdl.com. 2. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Please follow steps given in points 1-5. <p>B. Visit the e-Voting website of NSDL</p> <ol style="list-style-type: none"> 1. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ 2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. 3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. 4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider – NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and remote e-Voting during the meeting.
Individual Shareholders holding securities in demat mode with Central Depository Services (India) Limited ('CDSL')	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will see the e-Voting Menu. The Menu will have links of ESP i.e. NSDL Portal. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and E-mail as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) logging through their depository participants	<ol style="list-style-type: none"> 1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. 2. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 3. Click on options available against company name or e-Voting service provider – NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and remote voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and forget Password option available at respective website.

Helpdesk for individual shareholders holding securities in demat mode for any technical issues related to login through Depositories i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B. Login Method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>
2. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder / Member' section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is :
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example, if folio number is 001*** and EVEN is 116381 then user ID is 116381001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to log-in and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- (c) How to retrieve your 'initial password'?

- i) If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Open the e-mail sent to you by NSDL and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
- ii. If your e-mail ID is not registered, please follow steps mentioned in process for those shareholders whose e-mail ids are not registered.

6. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
 - a) Click on 'Forgot User Details/Password?' (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Click on 'Physical User Reset Password?' (If you are holding shares in physical mode) option available on <https://www.evoting.nsdl.com/>.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box.
8. Now, you will have to click on 'Login' button.
9. After you click on the 'Login' button, Home page of e-Voting will open.

Details on Step 2 are mentioned below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see "EVEN" of all the companies in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. After clicking on Active Voting Cycles, Select 'EVEN' of the Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. The EVEN No. for Tata Steel BSL Limited is **116381**. For joining virtual meeting, you need to click on 'VC/ OAVM' link placed under 'Join General Meeting'.

3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
5. Upon confirmation, the message 'Vote cast successfully' will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

The instructions for e-Voting during the AGM are as under:

1. The procedure for remote e-Voting during the AGM is same as the instructions mentioned above for remote e-Voting since the Meeting is being held through VC/OAVM.
2. Only those Members/Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote on such resolution(s) through remote e-Voting system at the AGM.

General Guidelines for Shareholders:

1. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through the 'Forgot User Details/Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password.
2. In case of any queries/grievances pertaining to remote e-Voting (before the AGM and during the AGM), you may refer to the Frequently Asked Questions ('FAQs') for Shareholders and e-Voting user manual for Shareholders available in the 'Download' section of <https://www.evoting.nsdl.com/> or call on the toll-free number: 1800 1020 990/1800 224 430 or send a request at evoting@nsdl.co.in or contact Mr. Amit Vishal or Ms. Pallavi Mhatre from NSDL at the designated e-mail IDs: amitv@nsdl.co.in or pallavid@nsdl.co.in.

Other Instructions:

- i. The Board of Directors has appointed Mr. P. N. Parikh (Membership No. FCS 327) or failing him, Ms. Jigyasa Ved (Membership No. FCS 6488) or failing her, Mr. Mitesh Dhabliwala (Membership No. FCS 8331) of M/s. Parikh & Associates, Practising Company Secretaries, as the Scrutinizer to scrutinise the remote e-Voting process as well as voting during the AGM in a fair and transparent manner.
- ii. The Scrutinizer shall immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting (votes cast during the AGM and votes cast prior to the AGM) and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutiniser's Report of the total votes cast in favor or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.
- iii. The results declared along with the Scrutiniser's Report shall be placed on the website of the Company www.tatasteelbsl.co.in and on the website of NSDL www.evoting.nsdl.com immediately. The Company shall simultaneously communicate the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

By order of the Board of Directors

Sd/-

Nisha Anil Seth

Company Secretary & Compliance Officer

ACS: 27019

New Delhi
July 13, 2021

Registered Office:

Ground Floor, Mira Corporate Suites,
Plot No. 1 & 2, Ishwar Nagar, Mathura Road,
New Delhi – 110 065.
Tel: +91-11-3919 4000, Fax: +91-11-4101 0050
CIN: L74899DL1983PLC014942
Website: www.tatasteelbsl.co.in,
Email: tsbsl@tatasteelbsl.co.in

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, AS AMENDED ('ACT')

The following Statement sets out all material facts relating to the special business set out under Item Nos. 4 to 7 of the accompanying Notice.

Item No. 4: Re-appointment of Mr. Rajeev Singhal as Managing Director of the Company

Members are aware that, pursuant to the order dated May 15, 2018 of the National Company Law Tribunal, Principal Bench, New Delhi, Tata Steel BSL Limited ('TSBSL'/'Company'), was acquired by Bamnival Steel Limited, a wholly owned subsidiary of Tata Steel Limited, on May 18, 2018 through the corporate insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 ('Acquisition').

Post the Acquisition, Mr. Rajeev Singhal was appointed as Managing Director of the Company for a period of 3 (three) years from May 18, 2018 to May 17, 2021.

The terms and conditions of appointment (including remuneration) of Mr. Rajeev Singhal were approved by the Members through Postal Ballot on August 20, 2018.

Under Mr. Singhal's leadership and guidance, the new management has been successful in integrating the Company into the Tata Steel Group with focus on operational excellence, health & safety, environment, financial and risk management, governance & compliance and human resource development whilst balancing the interest of all concerned stakeholders. Further, during Mr. Singhal's tenure as Managing Director, the Company has seen significantly strong business performance in all quarters and has performed exceedingly well.

In view of the excellent performance of the Company under the leadership of Mr. Singhal and based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on May 14, 2021, approved the re-appointment of Mr. Rajeev Singhal as the Managing Director of the Company, not liable to retire by rotation, for a further period of one year effective May 18, 2021 through May 17, 2022, subject to approval of the Members.

The Board, while re-appointing Mr. Singhal as the Managing Director of the Company, considered his background, experience and contributions to the Company.

Mr. Singhal joined Tata Steel Limited as a Graduate Trainee in 1985. He is a mechanical engineer from IT, Banaras Hindu University and holds a PGDBM in Marketing from XLRI, Jamshedpur. He has completed CEDEP's General Management Program at INSEAD, France and has nearly 20 years' experience in Marketing & Sales. His professional journey that spans a little over three decades has seen several milestones in various departments such as Information Technology, Marketing, Sales, Human Resources and Raw Materials. He also worked in the International Business Exports and subsequently as Chief Sales Manager (North) and Chief M&S - Long Products. He is a director on the boards of several Tata Steel Group companies such as Tata Steel Downstream Products Limited and The Tinplate Company of India Limited.

The main terms and conditions relating to the re-appointment (including remuneration) of Mr. Singhal as Managing Director are as follows:

I. Period of Appointment: With effect from May 18, 2021 to May 17, 2022.

II. Duties

Mr. Rajeev Singhal shall devote his whole time and attention to the business of the Company and carry out such duties as may be entrusted to him by the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its associated companies and/or joint venture

companies and/or subsidiaries including performing duties as assigned to him from time to time by serving on the boards of such associated companies and / or subsidiaries or any other managing body or any committee of such a company.

III. Remuneration

(a) Basic Salary: ₹5,66,600/- per month

(b) Annual increment and/or performance bonus and other benefits as may be recommended by the Nomination and Remuneration Committee and approved by the Board from time to time.

However, the basic salary and annual increment and/or performance bonus and other benefits collectively shall not exceed ₹4 crore per annum.

(c) Minimum Remuneration: In the event of absence or inadequacy of profits of the Company in any financial year during Mr. Singhal's tenure as Managing Director, the Company shall pay to Mr. Singhal remuneration by way of salary, benefits, perquisites and allowances, performance linked bonus/commission etc., subject to the provisions of the Companies Act, 2013 ('Act') and Schedule V of the Act.

(d) Mr. Singhal shall not, so long as he functions as the Managing Director of the Company, be entitled to receive any fee for attending any meetings of the Board or any Committee thereof.

(e) The entire remuneration package shall, however, be subject to the overall ceiling laid down under Sections 196 and 197 of the Act and conditions of Schedule V of the Act.

IV. The terms and conditions of Mr. Singhal's appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, irrespective of the limits stipulated under Schedule V of the Act, or any amendments made hereinafter in this regard in such manner as may be agreed to between the Board and him, subject to such approvals as may be required.

V. The employment of Mr. Singhal may be terminated by the Company without notice or payment in lieu of notice:

(a) if he is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required to render services; or

(b) in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by him of any of the stipulations contained in the Agreement; or

(c) in the event the Board expresses its loss of confidence in him.

VI. If and when the term of Mr. Singhal's employment expires or is terminated for any reason whatsoever, he will cease to be the Managing Director and also cease to be a Director of the Company. If at any time he ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Managing Director and his employment shall forthwith terminate. If at any time, Mr. Singhal ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and Managing Director of the Company.

VII. Mr. Singhal's appointment may be terminated by either party giving to the other party six months' notice in writing of such termination or the Company paying six months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Bonus/Performance Linked Incentive/ Commission (paid at the discretion of the Board), in lieu of such notice.

VIII. Upon the termination of Mr. Singhal's employment by whatever means:

- (a) he shall immediately cease to hold offices held by him in any holding company, subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1) (h) of the Act and shall resign as trustee of any trusts connected with the Company.
- (b) he shall not without the consent of the Board at any time thereafter represent himself as connected with the Company or any of its subsidiaries and associated companies.

IX. Mr. Singhal, so long as he functions as Managing Director, undertakes not to become interested or otherwise concerned, directly or through his spouse and / or children, in any selling agency of the Company.

X. The terms and conditions of appointment of Managing Director also include clauses pertaining to adherence to the Tata Code of Conduct, intellectual property, non-competition, no conflict of interest with the Company and maintenance of confidentiality.

The relevant disclosure as required in accordance with the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India ('SS-2'), also forms part of this Notice.

The Company has received from Mr. Rajeev Singhal (i) Consent in writing to act as Director and Managing Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V of the Act as amended, approval of the Members is sought for the re-appointment and terms of appointment (including remuneration) of Mr. Rajeev Singhal as the Managing Director as set out above.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Rajeev Singhal and his relatives (to the extent of their shareholding in the Company, if any), is concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set forth at Item No. 4 in the Notice for approval of the Members.

Item No. 5: Commission to Non-Executive Directors of the Company

Pursuant to Section 197 of the Act and Regulation 17(6)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended from time to time, the Board of Directors of a company are authorised to recommend payment of remuneration to its Non-Executive Directors ('NED'), including Independent Directors, by way of commission, subject to approval of members at a general meeting.

Post the acquisition of the Company on May 18, 2018, a new Board of Directors and a new management was put in place. However, due to the financial performance and state of affairs of the Company, no commission was paid to the NEDs for FY2018-19 and FY2019-20.

Considering the rich experience and expertise brought to the Board by the NEDs, it is proposed that, remuneration by way of commission, not exceeding 1 (One) percent of the net profits of the Company per annum calculated in accordance with provisions of the Act, be paid and distributed amongst the NEDs of the Company for each financial year commencing April 1, 2020 and onwards, in accordance with the recommendations of the Nomination and Remuneration Committee and as approved by the Board of Directors of the Company. The above commission shall be in addition to sitting fees payable to the NEDs for attending meetings of the Board and / or Committees or for any other purpose whatsoever as may be decided by the Board.

This commission will be distributed amongst all or some of the NEDs, taking into consideration parameters such as overall performance of the Company, attendance at Board and Committee meetings, contribution at or other than at meetings etc., and in accordance with the directions given by the Board as prescribed under the 'Remuneration Policy of Directors, Key Managerial Personnel and Other Employees' of the Company.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except the NEDs of the Company to the extent of remuneration that may be received by such Directors, are concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

The Board recommends the Ordinary Resolution set forth at Item No. 5 for the approval of the Members.

Item No. 6: Approval of Material Related Party Transaction(s) with Tata Steel Limited

Context

The Members of the Audit Committee of Tata Steel BSL Limited ('TSBSL'/'Company'), had, on June 15, 2021, granted an omnibus approval for related party contract(s) / arrangement(s) for a value of ₹6,500 crore for FY2021-22 for procurement of Iron Ore from Tata Steel Limited ('TSL'). The estimated value of the contract(s) / arrangement(s) exceeds the threshold limit of 10% of the annual consolidated turnover i.e. ₹2,141.86 crore as per the last audited financial statements of the Company for FY2020-21, tantamounting to a material related party transaction in terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

To ensure that the operations of the Company are not interrupted, approval of the Members is being sought, for entering into related party transaction(s) with TSL for a maximum aggregate value of ₹ 6,500 crore for FY2021-22.

Background and details of the Transaction

Members are aware that the Company was acquired by TSL on May 18, 2018 under the corporate insolvency resolution process of the Insolvency and Bankruptcy Code, 2016 ('Acquisition').

Cost effective and assured supply of iron ore of desired quality is the most important requirement for ensuring uninterrupted operations and increased productivity of the Company. Since the Acquisition, the Company has been sourcing its iron ore from TSL as a part of group strategy for economies of scale.

The Company shall be procuring Iron Ore from TSL for a maximum aggregate value of ₹6,500 crore for FY2021-22.

Rationale / Benefits of procuring Iron Ore from Tata Steel Limited

The strategic advantages for the Company in procuring Iron Ore from TSL are:

1. TSBSL is engaged in manufacture and sale of steel and related products, thereby requiring iron ore for consumption in its manufacturing process. TSBSL does not have its own captive mines and is thereby dependent upon procurement of iron ore from external sources.
2. TSL, the ultimate holding company of TSBSL, has leases for iron ore mines located in the states of Jharkhand and Odisha. These iron ore mines cater to the needs of TSL and its subsidiary companies. Mining Regulations permit TSL to supply iron ore from its existing leases to the plants owned by TSL and its subsidiary companies for captive consumption.
3. Since the Acquisition, TSBSL has been purchasing its iron ore from TSL as a part of group strategy for economies of scale. Accordingly, TSL supplies iron ore to TSBSL at an arm's length price based on its requirement.

Approval Sought

As per the requirements of Regulation 23(4) of the Listing Regulations, all material related party transactions shall require the approval of members through a Resolution. Further, explanation to Regulation 23(1) of the Listing

Regulations provides that a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during the financial year, exceeds 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company.

TSL is a related party in terms of Regulation 2(1)(zb) of the Listing Regulations. The estimated maximum aggregate value of the above-mentioned transaction(s) with TSL for FY2021-22 is expected to be ₹6,500 crore, which would breach the materiality threshold of 10% of the annual consolidated turnover of the Company i.e. ₹2,141.86 crore as per the last audited financial statements of the Company for FY2020-21.

Hence, to ensure uninterrupted operations of the Company, it is proposed to secure the Members' approval for related party contract(s)/arrangement(s) to be entered into with TSL for a maximum aggregate value of ₹6,500 crore for FY2021-22.

Pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) etc. are as under:

SN	Description	Details
1.	Name of Related Party	Tata Steel Limited
2.	Name of the Director or Key Managerial Personnel, who is related	i. Mr. T V Narendran, Chairman and Non-Executive Director of Tata Steel BSL Limited is the Chief Executive Officer & Managing Director of Tata Steel Limited. ii. Mr. Koushik Chatterjee, Non-Executive Director of Tata Steel BSL Limited is the Executive Director and Chief Financial Officer of Tata Steel Limited.
3.	Nature of Relationship	Tata Steel Limited, is the ultimate holding company of Tata Steel BSL Limited and is a part of its Promoter Group.
4.	Nature, material terms, monetary value and particulars of contracts or arrangements	The transaction involves procurement of Iron Ore from Tata Steel Limited for a maximum aggregate value of ₹6,500 crore during FY2021-22.
5.	Any other information relevant or important for Members to take a decision on the proposed resolution	All important information forms part of the statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013 which has been mentioned in the foregoing paragraphs.

Detail(s) about Arm's Length Pricing/Ordinary Course of Business

The related party transaction(s)/contract(s)/arrangement(s) mentioned in this proposal has been evaluated by a reputed external independent accounting/consulting firm and the firm has confirmed that the pricing mechanism meets the arm's length testing criteria. The related party transaction(s)/ contract(s)/ arrangement(s) also qualifies as contract under ordinary course of business.

The said transaction(s)/contract(s)/arrangement(s) have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members.

It is pertinent to note that no related party shall vote to approve this Resolution whether the entity is a related party to the particular transaction or not.

Mr. T V Narendran who is the Chairman and Non-Executive Director of the Company is also the Chief Executive Officer & Managing Director of Tata Steel Limited. Mr. Koushik Chatterjee, Non-Executive Director of the Company is also

the Executive Director & Chief Financial Officer of Tata Steel Limited. Their and their relatives' interest or concern, if any, is limited to the extent of them holding directorship position in both, Tata Steel BSL Limited and Tata Steel Limited.

Except the above, none of the Directors and/or Key Managerial Personnel of the Company and/or their relatives (to the extent of their shareholding in the Company, if any) are concerned or interested, either directly or indirectly, in the Resolution mentioned at Item No. 6 of the Notice.

The Board recommends the Ordinary Resolution set forth at Item No. 6 in the Notice for approval of the Members.

Item No. 7 - Ratification of remuneration of the Cost Auditors

The Company is required under Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have the audit of its cost records for products covered under the Companies (Cost Records and Audit) Rules, 2014 conducted by a Cost Accountant in Practice. Based on the documents available and the discussions held at the meeting of the Audit Committee, it considered and recommended the appointment and remuneration of the Cost Auditor to the Board of Directors ('Board'). The Board has, on the recommendation of the Audit Committee, approved the appointment and remuneration of Messrs Shome & Banerjee, Cost Accountants (Firm Registration Number - 000001) as the Cost Auditor of the Company for the FY2021-22.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company. The Board of Directors has fixed the remuneration payable to the Cost Auditors for FY2021-22 at ₹7 lakh plus applicable taxes and reimbursement of out of pocket expenses, to cover the cost audit of different divisions of the Company, including Tubes and Steel Products. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditor of the Company for the Financial Year ending March 31, 2022.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 7 of the Notice.

The Board recommends the Resolution set forth at Item No. 7 for the approval of the Members.

By order of the Board of Directors

Sd/-
Nisha Anil Seth
Company Secretary &
Compliance Officer
ACS: 27019

New Delhi
July 13, 2021

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Annexure to the Notice

Details of Director seeking re-appointment at the forthcoming Annual General Meeting

[Pursuant to Regulation 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standard – 2 on General Meetings]

Mr. Anand Sen (DIN 00237914)



Mr. Anand Sen (DIN: 00237914) (62) was appointed as a Member of the Board effective May 18, 2018. Presently, he is Whole-time Director of Tata International Limited.

Prior to this, Mr. Sen was the President TQM & Steel Business in Tata Steel Limited. He served on the Board of various Tata Steel Group companies including NatSteel Holdings Pvt. Ltd., Tata Blue Scope Ltd., The Tinplate Company of India Ltd. He was

also a board member of Xavier Institute of Management, Bhubaneswar.

He has served as Chairman of the India Chapter of Association of Iron & Steel Technology; represented India in the Manufacturing Working Group under the BRICS Business Council, and co-chairs the CII National Committee on Steel, and Department of Industrial Policy & Promotion.

Mr Sen is an engineer from IIT Kharagpur and holds a postgraduate diploma in Business Management (Marketing) from IIM, Kolkata. He also has an Executive MBA from CEDEP at INSEAD, France.

Indian Institute of Technology, Kharagpur has conferred on him the Distinguished Alumnus Award 2017 for his exceptional professional achievements in the industry. He had been awarded with AIST 2018 Steel Maker of the Year award to recognize his exceptional contributions to the steel industry.

Particulars of experience, attributes or skills that qualify the candidate for Board Membership

Mr. Sen has valuable experience in managing the issues faced by large organisation by virtue of his almost four decades tenure at Tata Steel Limited.

He brings to the Board extensive experience in the areas of Marketing and Sales, Strategy and Business Leadership, Operations, Maintenance, Supply Chain and Projects.

His re-appointment will strengthen the Board's knowledge, capability, experience and execution of the Company's strategy.

Board Meeting Attendance and Remuneration

Details regarding the attendance at the Board Meeting and remuneration paid to Mr. Anand Sen are provided in the Board's Report and in the Corporate Governance Report.

Shareholding in the Company

Mr. Anand Sen does not hold any Equity Shares of the Company.

Bodies Corporate (other than Tata BSL Steel Limited and foreign companies) in which Mr. Anand Sen holds Directorships and Committee Memberships

Directorships

Tayo Rolls Limited

Tata International Limited

Tata International DLT Private Limited

Chairman of Board Committees

Tayo Rolls Limited

Shareholders Grievance Committee / Stakeholders Relationship Committee

Member of Board Committees

Tayo Rolls Limited

Nomination & Remuneration Committee

Mr. Rajeev Singhal (DIN: 02719570)



Mr. Rajeev Singhal (DIN: 02719570) (58) was appointed as Managing Director of Tata Steel BSL Limited effective May 18, 2018.

Prior to this Mr. Singhal was the Vice President – Raw Materials, Tata Steel Limited. Mr. Singhal joined Tata Steel Limited as a Graduate Trainee in 1985. He is a mechanical engineer from IT, Banaras Hindu University and

holds a PGDBM in Marketing from XLRI, Jamshedpur. He has completed CEDEP's General Management Program at INSEAD, France and has nearly 20 years' experience in Marketing & Sales.

His professional journey that spans a little over three decades has seen several milestones in various departments such as Information Technology, Marketing, Sales, Human Resources and Raw Materials. He also worked in the International Business Exports and subsequently as Chief Sales Manager (North) and Chief M&S - Long Products. He is a director on the Boards of several Tata Steel Group companies such as Tata Steel Downstream Products Limited and The Tinplate Company of India Limited.

Particulars of experience, attributes or skills that qualify the candidate for Board Membership

Mr. Singhal has valuable experience in managing the issues faced by large organisations by virtue of his more than three decades tenure at Tata Steel Limited. He brings to the Board extensive experience in the areas of Marketing and Sales, Strategy and Business Leadership, Operations, Maintenance, Supply Chain and Projects.

Under Mr. Singhal's leadership and guidance, the integration of Company into the Tata Steel Group has been successful with focus on operational excellence, health & safety, environment, financial and risk management, governance & compliance and human resource development whilst balancing the interest of all concerned stakeholders. Further, during Mr. Singhal's tenure as Managing Director, the Company has seen significantly strong business performance in all quarters and has performed exceedingly well.

His re-appointment will strengthen the Board's knowledge, capability, experience and execution of the Company's strategy.

Board Meeting Attendance and Remuneration

Details regarding the remuneration paid to Mr. Rajeev Singhal are provided in Corporate Governance Report.

Shareholding in the Company

Mr. Rajeev Singhal does not hold any Equity Shares of the Company.

Bodies Corporate (other than Tata BSL Steel Limited and foreign companies) in which Mr. Rajeev Singhal holds Directorships and Committee Membership

Directorships

Tata Steel Support Services Limited (formerly known as Bhushan Steel (Orissa) Limited)

Tata Steel Technical Services Limited (formerly known as Bhushan Steel Madhya Bharat Limited)

Bhushan Steel (South) Limited

The Tinplate Company of India Limited

Tata Steel Downstream Products Limited

Jamshedpur Continuous Annealing & Processing Company Private Limited

Tata Bluescope Steel Private Limited

Chairman of Board Committees

The Tinplate Company of India Limited

Corporate Social Responsibility Committee

Tata Steel Downstream Products Limited

Corporate Social Responsibility Committee

Jamshedpur Continuous Annealing & Processing Company Private Limited

Nomination and Remuneration Committee

Tata Bluescope Steel Private Limited

Nomination and Remuneration Committee

Corporate Social Responsibility Committee

Member of Board Committees

Jamshedpur Continuous Annealing & Processing Company Private Limited

Audit Committee

Tata Steel Downstream Products Limited

Nomination and Remuneration Committee

Indian Steel Association

Apex Committee

Confederation of Indian Industry

National Committee on Steel

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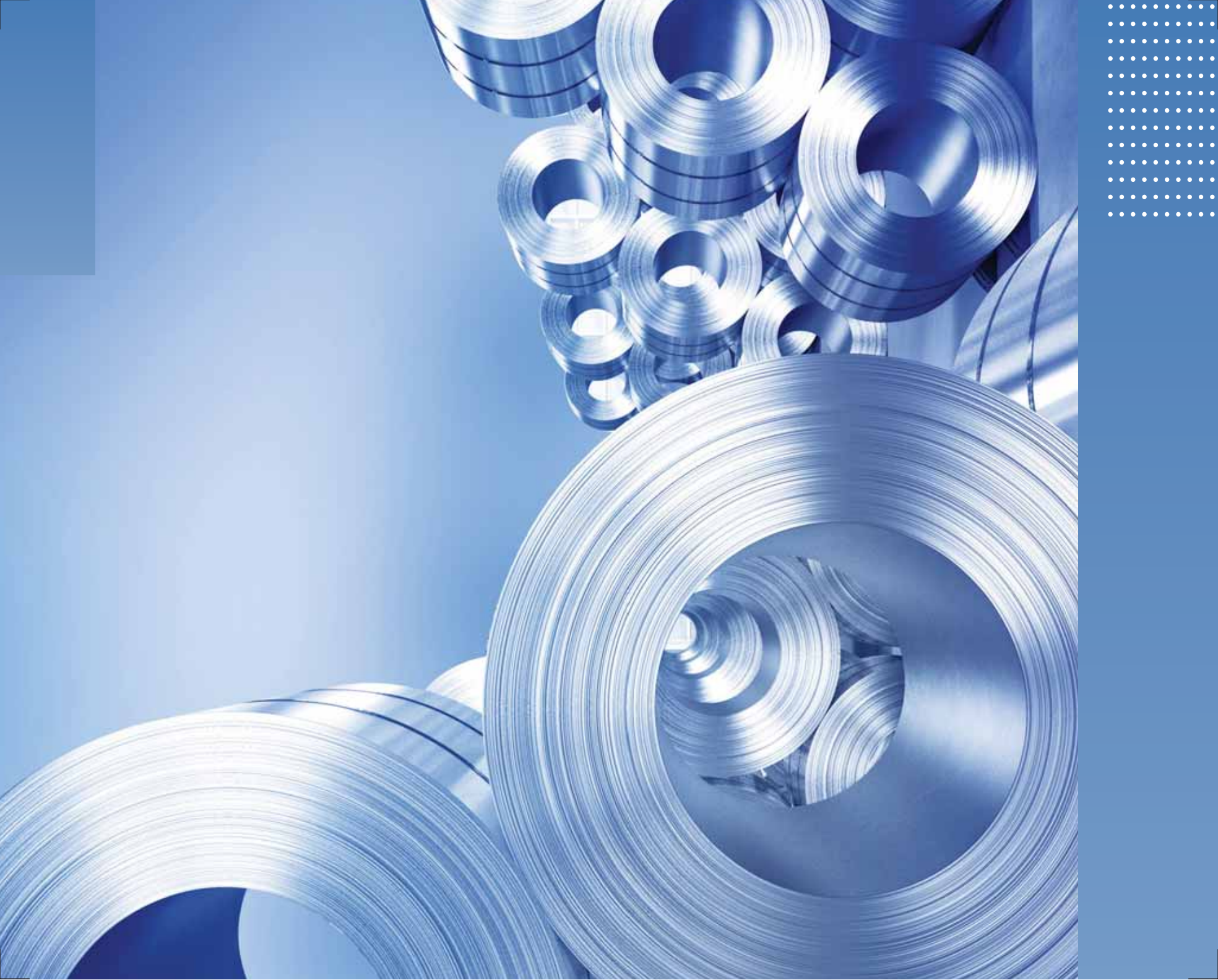
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Tata Steel BSL Limited

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