

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Tata Steel Limited

#### Report on the audit of the Standalone financial statements

##### Opinion

1. We have audited the accompanying standalone financial statements of Tata Steel Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

##### Basis for Opinion

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

#### Emphasis of Matter

4. We draw your attention to the following matters:

- (a) Note 7 (iv) to the standalone financial statements which states that the ability of the Tata Steel Europe (TSE), the step-down subsidiary of T Steel Holdings Pte Ltd (TSH), a subsidiary of the Company, to continue as a going concern is dependent on the outcome of measures taken as stated therein and the availability of future funding requirements, which could have a consequential impact on the carrying amount of investment of ₹20,854.89 crores (net of provision for impairment amounting to ₹860.00 crores) in TSH as at March 31, 2020. Further, the auditors of TSE have, without modifying the opinion, reported a Material Uncertainty Related to Going Concern vide their report dated June 24, 2020 on the financial information of TSE for the year ended March 31, 2020.
- (b) Note 2(c) to the standalone financial statements which explains the uncertainties and management's assessment of the financial impact due to lockdown / restrictions related to the COVID-19 pandemic imposed by the Governments, for which a definitive assessment of the impact is dependent upon future economic conditions.

Our opinion is not modified in respect of these matters.

## Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of litigations and related disclosure of contingent liabilities</b></p> <p>[Refer to Note 2 (c) to the Standalone financial statements– “Use of estimates and critical accounting judgements – Provisions and contingent liabilities”, Note 37 (A) to the Standalone Financial Statements – “Contingencies” and Note 38 to the Standalone financial statements – “Other significant litigations”].</p> <p>As at March 31, 2020, the Company has exposures towards litigations relating to various matters as set out in the aforesaid Notes.</p> <p>Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised, or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate.</p> <p>As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a Key Audit Matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations;</li> <li>• We discussed with management the recent developments and the status of the material litigations which were reviewed and noted by the audit committee;</li> <li>• We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/ other significant litigations made in the Standalone Financial Statements;</li> <li>• We used auditor’s experts to gain an understanding and to evaluate the disputed tax matters;</li> <li>• We considered external legal opinions, where relevant, obtained by management;</li> <li>• We met with the Company’s external legal counsel to understand the interpretation of laws/regulations considered by the management in their assessment relating to a material litigation;</li> <li>• We evaluated management’s assessments by understanding precedents set in similar cases and assessed the reliability of the management’s past estimates/judgements;</li> <li>• We evaluated management’s assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered to be remote by the management; and</li> <li>• We assessed the adequacy of the Company’s disclosures.</li> </ul> <p>Based on the above work performed, assessment in respect of litigations and related disclosures relating to contingent liabilities/ other significant litigations in the Standalone Financial Statements are considered to be reasonable.</p>

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Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of carrying value of equity investments in subsidiaries, associates and joint ventures and fair value of other investments</b></p> <p>[Refer to Note 2 (c) to the Standalone Financial Statements – “Use of estimates and critical accounting judgements – Impairment and fair value measurements of financial instruments”, Note 2 (m) to the Standalone Financial Statements – “Investments in subsidiaries, associates and joint ventures”, Note 2(n)(l) to the Standalone Financial Statements – “Financial assets”, Note 7 to the Standalone Financial Statements – Investments in subsidiaries, associates and joint ventures”, Note 8 to the Standalone Financial Statements – “Investments” and Note 40 (b) to the Standalone Financial Statements – “Fair value hierarchy”]</p> <p>The Company has equity investments in various subsidiaries, associates, joint ventures and other companies. It also has made investments in preference shares in certain subsidiaries /associates and debentures in a joint venture.</p> <p>The Company accounts for equity investments in subsidiaries, associates and joint ventures at cost (subject to impairment assessment) and other investments at fair value.</p> <p>For investments carried at cost amounting to ₹27,798.56 crores where an indication of impairment exists, the carrying value of investment is assessed for impairment and where applicable an impairment provision is recognised amounting to ₹ 1,220.15 crores, in case the recoverable amount is lower than the carrying value.</p> <p>For investments carried at fair values, a fair valuation is done at the year-end as required by Ind AS 109. In case of certain investments, cost is considered as an appropriate estimate of fair value since there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range as permitted under Ind AS 109.</p> <p>The accounting for investments is a Key Audit Matter as the determination of recoverable value for impairment assessment/ fair valuation involves significant management judgement.</p> <p>The impairment assessment and fair valuation for such investments have been done by the management in accordance with Ind AS 36 and Ind AS 113 respectively. The key inputs and judgements involved in the impairment/fair valuation assessment of unquoted investments include:</p> <ul style="list-style-type: none"> <li>• Forecast cash flows including assumptions on growth rates</li> <li>• Discount rates</li> <li>• Terminal growth rate</li> </ul> <p>Economic and entity specific factors are incorporated in valuation used in the impairment assessment.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding from the management, assessed and tested the design and operating effectiveness of the Company's key controls over the impairment assessment and fair valuation of material investments.</li> <li>• We evaluated the Company's process regarding impairment assessment and fair valuation by involving auditor's valuation experts to assist in assessing the appropriateness of the valuation model including the independent assessment of the underlying assumptions relating to discount rate, terminal value etc.</li> <li>• We assessed the carrying value/fair value calculations of all individually material investments, where applicable, to determine whether the valuations performed by the Company were within an acceptable range determined by us and the auditor's valuation experts.</li> <li>• We evaluated the cash flow forecasts (with underlying economic growth rate) by comparing them to the approved budgets and our understanding of the internal and external factors.</li> <li>• We checked the mathematical accuracy of the impairment model and agreed relevant data back to the latest budgets, actual past results and other supporting documents.</li> <li>• We assessed the Company's sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment or material change in fair valuation.</li> <li>• We discussed with the component auditors of certain entities to develop an understanding of the operating performance and outlook used in their own valuation model and to assess consistency with the assumptions used in the model.</li> <li>• We had discussions with management to obtain an understanding of the relevant factors in respect of certain investments carried at fair value where a wide range of fair values were possible due to various factors such as absence of recent observable transactions, restrictions on transfer of shares, existence of multiple valuation techniques, investee's varied nature of portfolio of investments for which significant estimates/judgements are required to arrive at fair value.</li> <li>• We evaluated the adequacy of the disclosures made in the Standalone Financial Statements.</li> </ul> <p>Based on the above procedures performed, we did not identify any significant exceptions in the management's assessment in relation to the carrying value of equity investments in subsidiaries, associates and joint ventures and fair value of other investments.</p>

## Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Integrated Report, Board's Report along with its Annexures and Financial Highlights included in the Company's Annual Report (titled as 'Tata Steel Integrated Report & Annual Accounts 2019-20') but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

## Responsibilities of management and those charged with governance for the standalone financial statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do

so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's responsibilities for the audit of the standalone financial statements

9. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's

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report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations as on March 31, 2020, on its financial position in its standalone financial statements – Refer Notes 37(A) and 38 to the standalone financial statements;
  - ii. The Company has long-term contracts including derivative contracts as at March 31, 2020 for which there were no material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020 except for amounts aggregating to ₹5.71 crores, which according to the information and explanations provided by the management is held in abeyance due to dispute/pending legal cases.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.
16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

### For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration Number: 304026E/ E-300009  
Chartered Accountants

**Russell I Parera**

Partner

Place: Mumbai

Membership Number 042190

Date: June 29, 2020

UDIN: 20042190AAAABW3347

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

### **Referred to in paragraph 15(f) of the Independent Auditors' Report of even date to the members of Tata Steel Limited on the standalone financial statements as on and for the year ended March 31, 2020**

### **Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls with reference to standalone financial statements of Tata Steel Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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

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

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financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also refer paragraph 4(b) of our report.

**For Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/ E-300009

Chartered Accountants

**Russell I Parera**

Partner

Place: Mumbai

Date: June 29, 2020

Membership Number 042190

UDIN: 20042190AAAABW3347

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

### Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Tata Steel Limited on the standalone financial statements as of and for the year ended March 31, 2020

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us, the title deeds of immovable properties, as disclosed in Note 3 on property, plant and equipment to the Standalone Financial Statements, are held in the name of the Company, except for:
  - (i) title deeds of freehold land with gross and net carrying amount of ₹60.44 crore and title deeds of buildings with gross carrying amount and net carrying amount of ₹83.48 crore and ₹72.24 crore respectively, which are held in the name of erstwhile companies which have subsequently been amalgamated with the Company;
  - (ii) title deeds of freehold land with gross and net carrying amount of ₹202.67 crore and title deeds of buildings with gross carrying amount and net carrying amount of ₹95.62 crore and ₹72.40 crore respectively, which are not readily available.
- ii. The physical verification of inventory [excluding stocks with third parties] have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In respect of inventories of stores and spares, the Management has a verification programme designed to cover the items over a period of three years. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it, as applicable.
- v. The Company has not accepted any deposits from the public within the meaning of section 73, 74, 75 and 76. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 73, 74, 75 and 76 or any other relevant provisions of the Act and the Rules framed thereunder to the extent notified, with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees's state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. We are informed that the Company has applied for exemption from operations of Employee's State Insurance Act at some locations. We are also informed that actions taken by the authorities at some locations to bring the employees of the Company under the Employees' State Insurance Scheme has been contested by the Company and payment has not been made of the contribution demanded.

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- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or goods and service tax as at March 31, 2020, which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of dues	Amount (net of payments) (₹ crore)	Amount paid (₹ crore)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income Tax	426.92*	1065.00*	1998-1999, 2006-2008, 2009-2012, 2013-2014	Tribunal
		235.82	100.00	2010-2011, 2014-2015	Commissioner (Appeal)
Customs Act, 1962	Customs duty	3.20	0.82	2002-2003	High Court
		322.50	59.53	2005-2010	Tribunal
Central Excise Act, 1944	Excise Duty	33.12	0.10	1988-1990, 2003-2009	High Court
		909.49	46.32	2002-2017	Tribunal
		5.51	3.85	1988-1990, 1996-1997, 1998-1999, 2013-2017	Commissioner
Sales Tax Laws	Sales Tax	27.85	11.05	1977-1979, 1983-1984, 1991-1994, 1995-1997, 2000-2004, 2008-2009	High Court
		60.92	7.18	1977-1978, 1980-1981, 1983-1985, 1987-1988, 1989-1999, 2000-2002, 2003-2011, 2013-2015, 2016-2017	Tribunal
		212.91	5.06	1988-1990, 1991-1992, 1993-1995, 2001-2004, 2013-2015, 2016-2017	Commissioner
		124.17	2.11	1993-1994, 2002-2004, 2006-2007, 2011-2013, 2014-2018	Joint Commissioner
		8.05	1.00	1975-1976, 1983-1988, 1994-1995, 1997-2003, 2004-2005, 2006-2009, 2011-2012, 2013-2014, 2016-2019	Deputy Commissioner
		27.14	2.36	1983-1984, 2002-2003, 2012-2014	Additional Commissioner
		7.87	2.30	1973-1974, 1980-1997, 2004-2005, 2008-2009, 2015-2016	Assistant Commissioner
Value Added Tax Laws	Value Added Tax	252.84	1.07	2001-2002, 2003-2004, 2007-2008, 2012-2016	High Court
		22.10	2.68	2005-2010, 2012-2015, 2016-2017	Tribunal
		67.40	0.13	2006-2011, 2012-2015	Commissioner
		142.68	6.67	2011-2014, 2015-2018	Joint Commissioner
		133.51	3.86	2005-2017	Deputy Commissioner
		2.53	0.46	2005-2006, 2012-2015	Additional Commissioner
Finance Act, 1994	Service tax	0.33	0.01	1997-1998, 2014-2015, 2016-2018	Assistant Commissioner
		0.30	-	2010-2011	High Court
		713.12	20.67	2006-2018	Tribunal
Goods and Service tax Act, 2017	Goods and Service tax	2.76	0.10	2005-2009, 2012-2013, 2015-2017	Commissioner
		0.05	-	2017-2018	Commissioner
		0.75	0.04	2018-2020	Assistant Commissioner

\*excluding net excess payments/adjustments for the years 2008-2009 aggregating ₹123.21 crores.

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

Name of the Statute	Nature of dues	Amount (net of payments) (₹ crore)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty	235.48	2004-2005	Supreme Court
		16.98	2009-2010, 2013-2014	Tribunal

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer. In our opinion, and according to the information and explanations given to us, the moneys raised by way of further public offer (including debt instruments) and term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

**Russell I Parera**  
Partner

Place: Mumbai  
Date: June 29, 2020

Membership Number 042190  
UDIN: 20042190AAAABW3347

Standalone

## BALANCE SHEET

as at March 31, 2020

	Note	Page	As at March 31, 2020	As at March 31, 2019
(₹ crore)				
<b>Assets</b>				
<b>I Non-current assets</b>				
(a) Property, plant and equipment	3	240	66,392.35	70,416.82
(b) Capital work-in-progress			8,070.41	5,686.02
(c) Right-of-use assets	5	244	4,113.31	-
(d) Intangible assets	6	245	727.72	805.20
(e) Intangible assets under development			176.64	110.27
(f) Investments in subsidiaries, associates and joint ventures	7	246	26,578.41	4,437.76
(g) Financial assets				
(i) Investments	8	250	20,282.50	34,491.49
(ii) Loans	9	255	199.26	231.16
(iii) Derivative assets			162.46	9.05
(iv) Other financial assets	10	257	60.42	310.65
(h) Non-current tax assets (net)			1,557.82	1,428.38
(i) Other assets	12	261	2,062.07	2,535.98
<b>Total non-current assets</b>			<b>1,30,383.37</b>	<b>1,20,462.78</b>
<b>II Current assets</b>				
(a) Inventories	13	263	10,716.66	11,255.34
(b) Financial assets				
(i) Investments	8	250	3,235.16	477.47
(ii) Trade receivables	14	263	1,016.73	1,363.04
(iii) Cash and cash equivalents	15	265	993.64	544.85
(iv) Other balances with banks	16	265	233.23	173.26
(v) Loans	9	255	1,607.32	55.92
(vi) Derivative assets			209.96	14.96
(vii) Other financial assets	10	257	230.41	940.76
(c) Other assets	12	261	1,715.92	2,209.98
<b>Total current assets</b>			<b>19,959.03</b>	<b>17,035.58</b>
<b>III Assets held for sale</b>			<b>50.16</b>	<b>-</b>
<b>Total assets</b>			<b>1,50,392.56</b>	<b>1,37,498.36</b>
<b>Equity and liabilities</b>				
<b>IV Equity</b>				
(a) Equity share capital	17	266	1,146.13	1,146.12
(b) Hybrid perpetual securities	18	269	2,275.00	2,275.00
(c) Other equity	19	269	73,416.99	69,308.59
<b>Total equity</b>			<b>76,838.12</b>	<b>72,729.71</b>
<b>V Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	20	273	31,381.96	26,651.19
(ii) Derivative liabilities			122.55	59.82
(iii) Other financial liabilities	21	276	293.59	125.07
(b) Provisions	22	276	2,113.56	1,918.18
(c) Retirement benefit obligations	23	277	2,224.44	1,430.35
(d) Deferred income	24	278	-	747.23
(e) Deferred tax liabilities (net)	11	258	5,862.28	7,807.00
(f) Other liabilities	25	278	684.76	436.16
<b>Total non-current liabilities</b>			<b>42,683.14</b>	<b>39,175.00</b>
<b>VI Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	20	273	7,857.27	8.09
(ii) Trade payables	26	279		
(a) Total outstanding dues of micro and small enterprises			118.62	149.49
(b) Total outstanding dues of creditors other than micro and small enterprises			10,482.34	10,820.07
(iii) Derivative liabilities			81.69	139.57
(iv) Other financial liabilities	21	276	5,401.55	6,872.35
(b) Provisions	22	276	663.86	778.23
(c) Retirement benefit obligations	23	277	106.61	102.12
(d) Deferred income	24	278	6.15	-
(e) Current tax liabilities (net)			277.26	358.14
(f) Other liabilities	25	278	5,875.95	6,365.59
<b>Total current liabilities</b>			<b>30,871.30</b>	<b>25,593.65</b>
<b>Total equity and liabilities</b>			<b>1,50,392.56</b>	<b>1,37,498.36</b>
<b>Notes forming part of the financial statements</b>	1 - 46			

In terms of our report attached

For and on behalf of the Board of Directors

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

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

sd/-  
**Mallika Srinivasan**  
Director  
DIN: 00037022

sd/-  
**O. P. Bhatt**  
Director  
DIN: 00548091

sd/-  
**Peter Blauwhoff**  
Director  
DIN: 07728872

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

sd/-  
**Aman Mehta**  
Director  
DIN: 00009364

sd/-  
**Russell I Parera**  
Partner  
Membership Number 042190

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

sd/-  
**Saurabh Agrawal**  
Director  
DIN: 02144558

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

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

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

Mumbai, June 29, 2020



## STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

(₹ crore)

	Note	Page	Year ended March 31, 2020	Year ended March 31, 2019
<b>I</b> Revenue from operations	27	279	60,435.97	70,610.92
<b>II</b> Other income	28	280	404.12	2,405.08
<b>III</b> <b>Total income</b>			<b>60,840.09</b>	<b>73,016.00</b>
<b>IV</b> <b>Expenses:</b>				
(a) Cost of materials consumed			17,407.03	19,840.29
(b) Purchases of stock-in-trade			1,563.10	1,807.85
(c) Changes in inventories of finished and semi-finished goods, stock-in-trade and work-in-progress	29	281	(564.40)	(554.33)
(d) Employee benefits expense	30	281	5,036.62	5,131.06
(e) Finance costs	31	282	3,031.01	2,823.58
(f) Depreciation and amortisation expense	32	282	3,920.12	3,802.96
(g) Other expenses	33	282	23,803.18	24,622.81
			<b>54,196.66</b>	<b>57,474.22</b>
Less: Expenditure (other than interest) transferred to capital and other accounts			1,671.13	799.70
<b>Total expenses</b>			<b>52,525.53</b>	<b>56,674.52</b>
<b>V</b> <b>Profit before exceptional items and tax (III-IV)</b>			<b>8,314.56</b>	<b>16,341.48</b>
<b>VI</b> <b>Exceptional items:</b>	34	283		
(a) Profit/(loss) on sale of non-current investments			-	262.28
(b) Provision for impairment of investments/doubtful advances			(1,149.80)	(12.53)
(c) Provision for demands and claims			(196.41)	(328.64)
(d) Employee separation compensation			(107.37)	(35.34)
(e) Fair value gain/(loss) on preference share investments (net)			(250.00)	-
<b>Total exceptional items</b>			<b>(1,703.58)</b>	<b>(114.23)</b>
<b>VII</b> <b>Profit before tax (V+VI)</b>			<b>6,610.98</b>	<b>16,227.25</b>
<b>VIII</b> <b>Tax expense:</b>				
(a) Current tax			1,787.95	6,297.11
(b) Deferred tax			(1,920.77)	(603.05)
<b>Total tax expense</b>			<b>(132.82)</b>	<b>5,694.06</b>
<b>IX</b> <b>Profit for the year (VII-VIII)</b>			<b>6,743.80</b>	<b>10,533.19</b>
<b>X</b> <b>Other comprehensive income/(loss)</b>				
<b>A</b> <b>(i) Items that will not be reclassified subsequently to profit and loss</b>				
(a) Remeasurement gain/(loss) on post-employment defined benefit plans			(461.27)	5.95
(b) Fair value changes of investments in equity shares			(244.30)	(46.63)
<b>(ii) Income tax on items that will not be reclassified subsequently to profit and loss</b>			<b>116.65</b>	<b>(2.63)</b>
<b>B</b> <b>(i) Items that will be reclassified subsequently to profit and loss</b>				
(a) Fair value changes of cash flow hedges			(79.76)	(10.62)
<b>(ii) Income tax on items that will be reclassified subsequently to profit and loss</b>			<b>19.81</b>	<b>3.71</b>
<b>Total other comprehensive income/(loss) for the year</b>			<b>(648.87)</b>	<b>(50.22)</b>
<b>XI</b> <b>Total comprehensive income/(loss) for the year (IX+X)</b>			<b>6,094.93</b>	<b>10,482.97</b>
<b>XII</b> <b>Earnings per share</b>	35	284		
Basic (₹)			57.11	90.41
Diluted (₹)			57.11	90.40
<b>XIII</b> <b>Notes forming part of the financial statements</b>	1 - 46			

In terms of our report attached

For and on behalf of the Board of Directors

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

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

sd/-  
**Mallika Srinivasan**  
Director  
DIN: 00037022

sd/-  
**O. P. Bhatt**  
Director  
DIN: 00548091

sd/-  
**Peter Blauwhoff**  
Director  
DIN: 07728872

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

sd/-  
**Aman Mehta**  
Director  
DIN: 00009364

sd/-  
**Russell I Parera**  
Partner  
Membership Number 042190

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

sd/-  
**Saurabh Agrawal**  
Director  
DIN: 02144558

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

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

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

Mumbai, June 29, 2020

Standalone

## STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

## A. Equity share capital

(₹ crore)		
Balance as at April 1, 2019	Changes during the year	Balance as at March 31, 2020
1,146.12	0.01	1,146.13

(₹ crore)		
Balance as at April 1, 2018	Changes during the year	Balance as at March 31, 2019
1,146.12	0.00*	1,146.12

\* represents value less than ₹0.01 crore.

## B. Hybrid perpetual securities

(₹ crore)		
Balance as at April 1, 2019	Changes during the year	Balance as at March 31, 2020
2,275.00	-	2,275.00

(₹ crore)		
Balance as at April 1, 2018	Changes during the year	Balance as at March 31, 2019
2,275.00	-	2,275.00

## C. Other equity

(₹ crore)					
	Retained earnings (refer note 19A, page 269)	Items of other comprehensive income (refer note 19B, page 269)	Other reserves (refer note 19C, page 271)	Share application money pending allotment (refer not 19D, page 272)	Total
<b>Balance as at April 1, 2019</b>	<b>27,694.90</b>	<b>53.27</b>	<b>41,560.42</b>	<b>-</b>	<b>69,308.59</b>
Profit for the year	6,743.80	-	-	-	6,743.80
Other comprehensive income for the year	(345.18)	(303.69)	-	-	(648.87)
<b>Total comprehensive income for the year</b>	<b>6,398.62</b>	<b>(303.69)</b>	<b>-</b>	<b>-</b>	<b>6,094.93</b>
Issue of Ordinary Shares	-	-	0.03	(0.04)	(0.01)
Dividend <sup>(i)</sup>	(1,489.67)	-	-	-	(1,489.67)
Tax on dividend	(297.71)	-	-	-	(297.71)
Distribution on hybrid perpetual securities	(266.15)	-	-	-	(266.15)
Tax on distribution on hybrid perpetual securities	66.97	-	-	-	66.97
Application money received	-	-	-	0.04	0.04
<b>Balance as at March 31, 2020</b>	<b>32,106.96</b>	<b>(250.42)</b>	<b>41,560.45</b>	<b>-</b>	<b>73,416.99</b>



## STATEMENT OF CHANGES IN EQUITY (CONTD.)

for the year ended March 31, 2020

					(₹ crore)
	Retained earnings (refer note 19A, page 269)	Items of other comprehensive income (refer note 19B, page 269)	Other reserves (refer note 19C, page 271)	Share application money pending allotment (refer note 19D, page 272)	Total
<b>Balance as at April 1, 2018</b>	<b>18,700.25</b>	<b>108.86</b>	<b>41,559.59</b>	<b>0.02</b>	<b>60,368.72</b>
Profit for the year	10,533.19	-	-	-	10,533.19
Other comprehensive income for the year	3.88	(54.10)	-	-	(50.22)
<b>Total comprehensive income for the year</b>	<b>10,537.07</b>	<b>(54.10)</b>	<b>-</b>	<b>-</b>	<b>10,482.97</b>
Issue of Ordinary Shares	-	-	0.26	(0.26)	-
Equity issue expenses written (off)/back	-	-	0.57	-	0.57
Dividend <sup>(i)</sup>	(1,145.92)	-	-	-	(1,145.92)
Tax on dividend	(224.86)	-	-	-	(224.86)
Distribution on hybrid perpetual securities	(266.12)	-	-	-	(266.12)
Tax on distribution on hybrid perpetual securities	92.99	-	-	-	92.99
Transfers within equity	1.49	(1.49)	-	-	-
Application money received	-	-	-	0.24	0.24
<b>Balance as at March 31, 2019</b>	<b>27,694.90</b>	<b>53.27</b>	<b>41,560.42</b>	<b>-</b>	<b>69,308.59</b>

- (i) Dividend paid during the year ended March 31, 2020 is ₹13.00 per Ordinary Share (face value ₹10 each, fully paid up) and ₹3.25 per Ordinary Share (face value ₹10 each, partly paid up ₹2.504 per share) (March 31, 2019 ₹10.00 per Ordinary Share of face value ₹10 each, fully paid up and ₹2.504 per Ordinary Share of face value ₹10 each, partly paid up ₹2.504 per share).

### D. Notes forming part of the financial statements

Note 1-46

In terms of our report attached

For and on behalf of the Board of Directors

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

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

sd/-  
**Mallika Srinivasan**  
Director  
DIN: 00037022

sd/-  
**O. P. Bhatt**  
Director  
DIN: 00548091

sd/-  
**Peter Blauwhoff**  
Director  
DIN: 07728872

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

sd/-  
**Aman Mehta**  
Director  
DIN: 00009364

sd/-  
**Russell I Parera**  
Partner  
Membership Number 042190

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

sd/-  
**Saurabh Agrawal**  
Director  
DIN: 02144558

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

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

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

Mumbai, June 29, 2020

Standalone

## STATEMENT OF CASH FLOWS

for the year ended March 31, 2020

	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ crore)	
<b>A. Cash flows from operating activities:</b>		
<b>Profit before tax</b>	<b>6,610.98</b>	<b>16,227.25</b>
Adjustments for:		
Depreciation and amortisation expense	3,920.12	3,802.96
Dividend income	(89.73)	(96.25)
(Gain)/loss on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off)	1.20	1.42
Exceptional (income)/expenses	1,703.58	114.23
(Gain)/loss on cancellation of forwards, swaps and options	1.26	(36.95)
Interest income and income from current investments and guarantees	(171.58)	(2,273.30)
Finance costs	3,031.01	2,823.58
Foreign exchange (gain)/loss	(85.86)	(1.27)
Other non-cash items	(1,152.70)	(612.79)
	<b>7,157.30</b>	<b>3,721.63</b>
<b>Operating profit before changes in non-current/current assets and liabilities</b>	<b>13,768.28</b>	<b>19,948.88</b>
Adjustments for:		
Non-current/current financial and other assets	1,441.64	(611.22)
Inventories	533.21	(214.60)
Non-current/current financial and other liabilities/provisions	(470.69)	602.59
	<b>1,504.16</b>	<b>(223.23)</b>
<b>Cash generated from operations</b>	<b>15,272.44</b>	<b>19,725.65</b>
Income taxes paid	(1,818.78)	(4,532.54)
<b>Net cash from/(used in) operating activities</b>	<b>13,453.66</b>	<b>15,193.11</b>
<b>B. Cash flows from investing activities:</b>		
Purchase of capital assets	(4,749.28)	(3,676.86)
Sale of capital assets	173.07	18.94
Purchase of investments in subsidiaries <sup>(i)</sup>	(8,945.16)	(29,076.49)
Purchase of other non-current investments	(61.20)	(403.02)
Sale of other non-current investments	-	306.63
(Purchase)/sale of current investments (net)	(2,661.50)	14,759.69
Loans given	(1,527.02)	(18,908.41)
Repayment of loans given	7.76	18,914.72
Principal receipts under sub-lease	1.83	-
Fixed/restricted deposits with banks (placed)/realised	(80.23)	(78.29)
Interest and guarantee commission received	117.34	1,696.86
Dividend received from subsidiaries	35.38	39.38
Dividend received from associates and joint ventures	34.20	38.62
Dividend received from others	20.15	18.25
<b>Net cash from/(used in) investing activities</b>	<b>(17,634.66)</b>	<b>(16,349.98)</b>

## STATEMENT OF CASH FLOWS (CONTD.)

for the year ended March 31, 2020

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
<b>C. Cash flows from financing activities:</b>		
Proceeds from issue of equity shares (net of issue expenses <sup>(iii)</sup> )	0.04	(6.03)
Proceeds from long-term borrowings (net of issue expenses)	5,052.88	5,911.02
Repayment of long-term borrowings	(2,866.18)	(4,448.06)
Proceeds/(repayments) of short-term borrowings (net)	7,846.07	(26.35)
Payment of lease obligations	(260.66)	(89.25)
Amount received/(paid) on utilisation/cancellation of derivatives	(5.19)	15.55
Distribution on hybrid perpetual securities	(265.76)	(265.39)
Interest paid	(3,084.03)	(2,607.88)
Dividend paid	(1,489.67)	(1,145.92)
Tax on dividend paid	(297.71)	(224.86)
<b>Net cash from/(used in) financing activities</b>	<b>4,629.79</b>	<b>(2,887.17)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>448.79</b>	<b>(4,044.04)</b>
<b>Opening cash and cash equivalents</b>	<b>544.85</b>	<b>4,588.89</b>
<b>Closing cash and cash equivalents (refer note 15, page 265)</b>	<b>993.64</b>	<b>544.85</b>

- (i) During the year ended March 31, 2019, includes investments in preference shares ₹28,686.09 crore.
- (ii) During the year ended March 31, 2019, expenses incurred in connection with Rights Issue, 2018 pending adjustment against actual utilisation from the issue proceeds and was fully utilised.
- (iii) Significant non-cash movements in borrowings during the year include:
- amortisation/effective interest rate adjustments of upfront fees ₹219.82 crore (2018-19: ₹204.23 crore).
  - exchange loss ₹268.69 crore (2018-19: loss ₹59.12 crore).
  - adjustments to lease obligations, increase ₹1,440.60 crore (2018-19: decrease ₹34.35 crore).

## D. Notes forming part of the financial statements

Note 1-46

In terms of our report attached

For and on behalf of the Board of Directors

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

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

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

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

Mumbai, June 29, 2020

# NOTES

forming part of the financial statements

## 1. Company information

Tata Steel Limited ("the Company") is a public limited Company incorporated in India with its registered office in Mumbai, Maharashtra, India. The Company is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

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

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

As on March 31, 2020, Tata Sons Private Limited owns 32.93 % of the Ordinary Shares of the Company, and has the ability to influence the Company's operations.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on June 29, 2020.

## 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) Statement of compliance

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

### (b) Basis of preparation

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

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

### (c) 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 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 and contingent liabilities, fair value measurements of financial instruments and retirement benefit obligations as discussed below:

#### Impairment

The Company estimates the value in use of the cash generating unit (CGU) based on future cash flows after considering current economic conditions and trends, estimated future operating results and growth rates and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate in order to calculate the present value. Further details of the Company's impairment review and key assumptions are set out in note 3, page 240, note 5, page 244, note 6, page 245, and note 7, page 246.

#### Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods. The policy has been detailed in note 2(i), page 231.

#### Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been detailed in note 2(u), page 237 and its further information are set out in note 11, page 258.

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### 2. Significant accounting policies (Contd.)

#### Provisions and 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. Further details are set out in note 22, page 276 and note 37A, page 291.

#### Fair value measurements of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair value. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Further details are set out in note 40, page 297.

#### Retirement benefit obligations

The Company's retirement benefit obligations are subject to number of judgements including discount rates, inflation and salary growth. Significant judgements are required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Company's balance sheet and the statement of profit and loss. The Company sets these judgements based on previous experience and third party actuarial advice. Further details on the Company's retirement benefit obligations, including key judgements are set out in note 36, page 284.

#### Estimation of uncertainties relating to COVID-19

Post declaration of COVID-19 as a pandemic by the World Health Organization, the Government in India have taken significant measures to curtail the wide 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 have been scaled down from the end week of March 2020.

In view of the impact of COVID-19, the Company has assessed the carrying amounts of property, plant and equipment, right-of-use assets, intangible assets, inventories, trade receivables,

investments and other financial assets. In assessing the recoverable value of such assets, the Company has considered various internal and external information such as existing long-term arrangements with customer and vendor partners, long-term business plan, cash flow forecasts and possible future uncertainties in economic conditions because of the pandemic including lockdowns and supply chain disruptions.

As per the Company's current assessment of recoverability of these assets, other than the impairment recorded, no significant impact on carrying amounts of these assets is expected.

The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these financial statements and the Company continues to closely monitor the situation including any material changes to future economic conditions and consequential impact on its financial statements.

#### (d) 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 de-recognised. 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 is stated at cost or deemed cost applied on transition to Ind AS, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (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.

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

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

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## 2. Significant accounting policies (Contd.)

evaluation assets: The following expenditure comprises cost of exploration and evaluation assets:

- obtaining of the rights to explore and evaluate mineral reserves and resources including costs directly related to this acquisition
- researching and analysing existing exploration data
- conducting geological studies, exploratory drilling and sampling
- examining and testing extraction and treatment methods
- compiling pre-feasibility and feasibility studies
- activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource

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

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

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

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

### (f) Development expenditure for mineral reserves

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

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

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

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

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

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

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

### (h) Intangible assets

Patents, trademarks and software costs are included in the balance sheet as intangible assets when it is probable that associated future economic benefits would flow to the Company. In this case they are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives. All other costs on patents, trademarks and software are expensed in the statement of profit and loss as and when incurred.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Costs incurred on individual

## NOTES

forming part of the financial statements

### 2. Significant accounting policies (Contd.)

development projects are recognised as intangible assets from the date when all of the following conditions are met:

- (i) completion of the development is technically feasible.
- (ii) it is the intention to complete the intangible asset and use or sell it.
- (iii) ability to use or sell the intangible asset.
- (iv) it is clear that the intangible asset will generate probable future economic benefits.
- (v) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available.
- (vi) it is possible to reliably measure the expenditure attributable to the intangible asset during its development.

Recognition of costs as an asset is ceased when the project is complete and available for its intended use, or if these criteria are no longer applicable.

Where development activities do not meet the conditions for recognition as an asset, any associated expenditure is treated as an expense in the period in which it is incurred.

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

#### (i) Depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets

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

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

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

	Estimated useful life (years)
Buildings	upto 60 years*
Roads	5 years
Plant and machinery	upto 40 years*
Railway sidings	upto 35 years*
Vehicles and aircraft	5 to 20 years
Furniture, fixtures and office equipments	4 to 6 years
Computer software	5 years
Assets covered under Electricity Act (life as prescribed under the Electricity Act)	3 to 34 years

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

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

Freehold land is not depreciated.

Assets value upto ₹25,000 are fully depreciated in the year of acquisition.

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

#### (j) Impairment

At each balance sheet date, the Company reviews the carrying value of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted. An

## NOTES

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### 2. Significant accounting policies (Contd.)

impairment loss is recognised in the statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the statement of profit and loss immediately.

#### (k) Leases

Ind AS 116 "Leases" replaces Ind AS 17 "Leases" with effect from April 1, 2019.

The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach, with the right-of-use asset recognised at an amount equal to the present value of lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to those leases. Prior periods have not been restated.

For contracts in place at the date of initial application, the Company has elected not to carry forward the definition of leases as per Ind AS 17 and has therefore, applied the definition of a lease as per Ind AS 116 to all such arrangements.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Company has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date of initial application at the same amounts as under Ind AS 17 'Leases' immediately before the date of initial application.

Refer note 2(k) - Significant accounting policies – Leases in the Annual report of the Company for the year ended March 31, 2019, page 219 for the policy as per Ind AS 17 "Leases".

#### The Company as lessee

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

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

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

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

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

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

## NOTES

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### 2. Significant accounting policies (Contd.)

The Company accounts for sale and lease back transaction, recognising right-of-use assets and lease liability, measured in the same way as other right-of-use assets and lease liability. Gain or loss on the sale transaction is recognised in statement of profit and loss.

#### The Company as lessor

- (i) **Operating lease** – Rental income from operating leases is recognised in the statement of profit and loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset is diminished. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognised on a straight-line basis over the lease term.
- (ii) **Finance lease** – When assets are leased out under a finance lease, the present value of minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method before tax, which reflects a constant periodic rate of return.

#### (I) Stripping costs

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

- developmental stripping costs and
- production stripping costs

Developmental stripping costs which are incurred in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

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

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

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

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

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

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

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

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

# NOTES

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## 2. Significant accounting policies (Contd.)

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

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

### (n) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

#### (l) Financial assets

##### Cash and bank balances

Cash and bank balances consist of:

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

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

#### Financial assets at amortised cost

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

#### Financial assets measured at fair value

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

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

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

#### Interest income

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

#### Dividend income

Dividend income from investments is recognised when the right to receive payment has been established.

## NOTES

forming part of the financial statements

### 2. Significant accounting policies (Contd.)

#### Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

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

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

#### De-recognition of financial assets

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

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

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

### (II) Financial liabilities and equity instruments

#### Classification as debt or equity

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

#### Equity instruments

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

#### Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost,

using the effective interest rate method where the time value of money is significant.

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

#### De-recognition of financial liabilities

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

#### Derivative financial instruments and hedge accounting

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

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

The Company adopts hedge accounting for forward foreign exchange and interest rate contracts wherever possible. At inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, *inter alia*, items such as identification of the hedged item and transaction and nature of the risk being hedged. At inception, each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the statement of profit and loss.

When hedge accounting is applied:

- for fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognised in the statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.

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## 2. Significant accounting policies (Contd.)

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

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

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

### (o) Employee benefits

#### Defined contribution plans

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

#### Defined benefit plans

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

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

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

### Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

### (p) Inventories

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

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

### (q) Provisions

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

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

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

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### 2. Significant accounting policies (Contd.)

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

#### (r) Onerous contracts

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

#### (s) Government grants

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

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

#### (t) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

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

Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a

single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, then it is treated as a discontinued operation. The post-tax profit or loss of the discontinued operation together with the gain or loss recognised on its disposal are disclosed as a single amount in the statement of profit and loss, with all prior periods being presented on this basis.

#### (u) Income taxes

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

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

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

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

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

Current and deferred tax are recognised as an expense or income in the statement of profit and loss, except when they relate to items credited or debited either in other

# NOTES

forming part of the financial statements

## 2. Significant accounting policies (Contd.)

comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

### (v) Revenue

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

#### Sale of products

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

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

The Company does not have any contracts where the period between the transfer of the promised goods or services to the

customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

#### Sale of power

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

### (w) Foreign currency transactions and translations

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

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

Exchange differences arising on translation of long-term foreign currency monetary items recognised in the financial statements before the beginning of the first Ind AS financial reporting period in respect of which the Company has elected to recognise such exchange differences in equity or as part of cost of assets as allowed under Ind AS 101 "First-time adoption of Indian Accounting Standards" are added/deducted to/from the cost of assets as the case may be. Such exchange differences recognised as part of cost of assets is recognised in the statement of profit and loss on a systematic basis.

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

### (x) Borrowing costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

## NOTES

forming part of the financial statements

### 2. Significant accounting policies (Contd.)

Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is recognised in the statement of profit and loss.

Discounts or premiums and expenses on the issue of debt securities are amortised over the term of the related securities and included within borrowing costs. Premiums payable on early redemptions of debt securities, in lieu of future finance costs, are recognised as borrowing costs.

All other borrowing costs are recognised as expenses in the period in which it is incurred.

#### (y) Earnings per share

Basic earnings per share is computed by dividing profit or loss for the year attributable to equity holders by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up.

Diluted earnings per share is computed using the weighted average number of shares and dilutive potential shares except where the result would be anti-dilutive.

#### (z) Recent accounting pronouncements

##### **Amendment to Ind AS 12 "Income Tax" - Insertion of Appendix C, "Uncertainty over Income tax treatments"**

The amendment intends to bring clarity to the accounting for uncertainties on income tax treatments that have yet to be accepted by tax authorities, and to reflect it in the measurement of current and deferred taxes.

The Company has applied the amendments prospectively for annual reporting periods beginning on or after April 1, 2019. There is no material impact on the Company due to the application of the above amendment.

##### **Amendment to Ind AS 23 "Borrowing Costs"**

The amendment clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

The Company has applied the amendments prospectively for annual reporting periods beginning on or after April 1, 2019. There is no material impact on the Company due to the application of the above amendment.

There is no new standard or amendment to the existing standards which would have been applicable from April 1, 2020.

## NOTES

forming part of the financial statements

### 3. Property, plant and equipment

[Item No. I(a), Page 222]

	(₹ crore)						
	Land including roads	Buildings	Plant and machinery	Furniture, fixtures and office equipments	Vehicles	Railway sidings	Total
Cost/deemed cost as at April 1, 2019	14,192.96	6,109.34	63,468.68	548.90	369.92	1,080.39	85,770.19
Additions	60.44	277.26	1,425.81	44.77	73.85	15.37	1,897.50
Disposals	-	(16.70)	(204.17)	(21.15)	(9.86)	-	(251.88)
Classified as held for sale	-	(37.09)	(73.81)	(5.32)	(3.45)	-	(119.67)
Other re-classifications	-	40.25	(3,892.60)	0.11	-	-	(3,852.24)
<b>Cost/deemed cost as at March 31, 2020</b>	<b>14,253.40</b>	<b>6,373.06</b>	<b>60,723.91</b>	<b>567.31</b>	<b>430.46</b>	<b>1,095.76</b>	<b>83,443.90</b>
Impairment as at April 1, 2019	0.15	1.32	0.09	-	-	-	1.56
<b>Accumulated impairment as at March 31, 2020</b>	<b>0.15</b>	<b>1.32</b>	<b>0.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.56</b>
Accumulated depreciation as at April 1, 2019	609.16	921.82	13,148.02	363.37	177.79	131.65	15,351.81
Charge for the year	119.49	233.37	3,035.35	77.19	31.41	38.42	3,535.23
Disposals	-	(5.80)	(32.81)	(20.04)	(7.97)	-	(66.62)
Classified as held for sale	-	(32.41)	(31.34)	(4.02)	(1.74)	-	(69.51)
Other re-classifications	-	1.58	(1,702.51)	0.01	-	-	(1,700.92)
<b>Accumulated depreciation as at March 31, 2020</b>	<b>728.65</b>	<b>1,118.56</b>	<b>14,416.71</b>	<b>416.51</b>	<b>199.49</b>	<b>170.07</b>	<b>17,049.99</b>
<b>Total accumulated depreciation and impairment as at March 31, 2020</b>	<b>728.80</b>	<b>1,119.88</b>	<b>14,416.80</b>	<b>416.51</b>	<b>199.49</b>	<b>170.07</b>	<b>17,051.55</b>
Net carrying value as at April 1, 2019	13,583.65	5,186.20	50,320.57	185.53	192.13	948.74	70,416.82
<b>Net carrying value as at March 31, 2020</b>	<b>13,524.60</b>	<b>5,253.18</b>	<b>46,307.11</b>	<b>150.80</b>	<b>230.97</b>	<b>925.69</b>	<b>66,392.35</b>

	(₹ crore)						
	Land including roads	Buildings	Plant and machinery	Furniture, fixtures and office equipments	Vehicles	Railway sidings	Total
Cost/deemed cost as at April 1, 2018	14,117.17	5,902.00	60,846.29	431.26	304.62	1,056.94	82,658.28
Additions	75.79	221.14	2,613.71	118.90	86.83	23.45	3,139.82
Disposals	-	(13.80)	(0.37)	(1.26)	(12.48)	-	(27.91)
Other re-classifications	-	-	9.05	-	(9.05)	-	-
<b>Cost/deemed cost as at March 31, 2019</b>	<b>14,192.96</b>	<b>6,109.34</b>	<b>63,468.68</b>	<b>548.90</b>	<b>369.92</b>	<b>1,080.39</b>	<b>85,770.19</b>
Impairment as at April 1, 2018	0.15	1.32	0.09	-	-	-	1.56
<b>Accumulated impairment as at March 31, 2019</b>	<b>0.15</b>	<b>1.32</b>	<b>0.09</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.56</b>
Accumulated depreciation as at April 1, 2018	493.55	690.56	9,980.12	291.37	164.42	93.80	11,713.82
Charge for the year	115.61	233.32	3,162.19	73.19	30.51	37.85	3,652.67
Disposals	-	(2.06)	(0.29)	(1.19)	(11.14)	-	(14.68)
Other re-classifications	-	-	6.00	-	(6.00)	-	-
<b>Accumulated depreciation as at March 31, 2019</b>	<b>609.16</b>	<b>921.82</b>	<b>13,148.02</b>	<b>363.37</b>	<b>177.79</b>	<b>131.65</b>	<b>15,351.81</b>
<b>Total accumulated depreciation and impairment as at March 31, 2019</b>	<b>609.31</b>	<b>923.14</b>	<b>13,148.11</b>	<b>363.37</b>	<b>177.79</b>	<b>131.65</b>	<b>15,353.37</b>
Net carrying value as at April 1, 2018	13,623.47	5,210.12	50,866.08	139.89	140.20	963.14	70,942.90
<b>Net carrying value as at March 31, 2019</b>	<b>13,583.65</b>	<b>5,186.20</b>	<b>50,320.57</b>	<b>185.53</b>	<b>192.13</b>	<b>948.74</b>	<b>70,416.82</b>

## NOTES

forming part of the financial statements

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

[Item No. I(a), Page 222]

- (i) During the year ended March 31, 2020, other re-classifications primarily include assets under finance leases of ₹2,151.32 crore (net of accumulated depreciation and impairment), reclassified to right-of-use assets on adoption of Ind AS 116 "Leases".
- (ii) Buildings include ₹2.32 crore (March 31, 2019: ₹2.32 crore) being cost of shares in co-operative housing societies and limited companies.
- (iii) During the year ended March 31, 2020, the Company has classified certain items of property, plant and equipment in respect of one of its mining locations as assets held for sale. As at March 31, 2020, the net carrying value of these assets ₹50.16 crore is expected to be recovered principally through a sale transaction, rather than through continuing use.
- (iv) Net carrying value of furniture, fixtures and office equipments comprises of:

	As at March 31, 2020	As at March 31, 2019
<b>Furniture and fixtures</b>		
Cost/deemed cost	123.65	118.24
Accumulated depreciation and impairment	104.97	94.67
	<b>18.68</b>	<b>23.57</b>
<b>Office equipments</b>		
Cost/deemed cost	443.66	430.66
Accumulated depreciation and impairment	311.54	268.70
	<b>132.12</b>	<b>161.96</b>
	<b>150.80</b>	<b>185.53</b>

- (v) ₹103.58 crore (2018-19: ₹88.68 crore) of borrowing costs has been capitalised during the year against qualifying assets under construction using a capitalisation rate of 6.84% (2018-19: 9.00%).
- (vi) Rupee liability has increased by ₹128.72 crore (March 31, 2019: ₹106.56 crore) arising out of re-translation of the value of long-term foreign currency loans and liabilities for procurement of property, plant and equipment, generally plant and machinery. This increase is adjusted against the carrying cost of assets and depreciated over their remaining useful life. The depreciation for the current year is higher by ₹4.31 crore (2018-19: ₹3.50 crore) on account of this adjustment.
- (vii) Property, plant and equipment (including capital work-in-progress) were tested for impairment during the year where indicators of impairment existed. During the year ended March 31, 2020, the Company has recognised an impairment reversal of ₹45.97 crore (net of charge) (2018-19: ₹8.54 crore, impairment charge) in respect of expenditure incurred (included within capital work-in-progress) at one of its mining sites. The impairment recognised/reversed is included within other expenses in the statement of profit and loss.

## NOTES

forming part of the financial statements

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

[Item No. I(a), Page 222]

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

	Land including roads	Buildings	Plant and machinery	Furniture, fixtures and office equipments	Vehicles	Total
Cost/deemed cost as at April 1, 2019	-	6.35	92.93	8.24	0.09	107.61
	-	6.35	72.72	7.01	0.09	86.17
Additions	-	-	0.03	1.03	-	1.06
	-	-	20.21	1.23	-	21.44
Other re-classifications*	1.88	-	-	(1.61)	-	0.27
	-	-	-	-	-	-
Deductions	-	-	-	(0.43)	-	(0.43)
	-	-	-	-	-	-
Cost/deemed cost as at March 31, 2020	1.88	6.35	92.96	7.23	0.09	108.51
	-	6.35	92.93	8.24	0.09	107.61
Capital work-in-progress						3.50
						1.12

Figures in italics represent comparative figures for previous year.

\* Other re-classifications represents ₹0.27 crore relating to in-house research facilities, regrouped from intangible assets to land including roads.

(ix) Details of property, plant and equipment pledged against borrowings is presented in note 20, page 273.

### 4. Leases

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

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

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

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

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

## NOTES

forming part of the financial statements

### 4. Leases (Contd.)

On adoption of Ind AS 116 "Leases" with effect from April 1, 2019, the Company elected to apply the modified retrospective transition method.

Accordingly, on transition, right-of-use assets of ₹1,200.13 crore were measured at an amount equal to lease liabilities. In addition, an amount of ₹832.92 (net of accumulated amortisation) crore in respect of right-of-use of land was re-classified from other assets to right-of-use assets. The right-of-use assets was reduced by ₹8.95 crore on account of sub-leases recognised on transition.

The weighted average incremental borrowing rate applied to lease liabilities recognised on transition to Ind AS 116 "Leases" was 8.98%

The reconciliation of total operating lease commitments as at March 31, 2019 to the lease liabilities recognised on transition is as below:

(₹ crore)	
Particulars	Amount
<b>Operating lease commitments as at March 31, 2019</b>	<b>1,511.23</b>
Short-term leases	(3.08)
Extension and termination options	131.15
Changes in the index or rate affecting variable payments	143.79
Contracts recognised as leases on transition to Ind AS 116 "Leases"	185.12
<b>Undiscounted operating lease commitments as at April 1, 2019</b>	<b>1,968.21</b>
Effect of discounting	(768.08)
<b>Lease liabilities for operating leases as at April 1, 2019</b>	<b>1,200.13</b>
Finance lease obligation as at March 31, 2019	2,129.86
<b>Lease liabilities as at April 1, 2019</b>	<b>3,329.99</b>

During the year ended March 31, 2020, the Company recognised the following in the statement of profit and loss:

- expense in respect of short-term leases and leases of low-value assets ₹32.18 crore and ₹1.21 crore respectively.
- expense in respect of variable lease payments not included in the measurement of lease liabilities ₹81.99 crore.
- income in respect of sub-leases of right-of-use assets ₹0.71 crore.
- loss on sale and leaseback transaction entered during the year ₹0.45 crore.

During the year ended March 31, 2020, total cash outflow in respect of leases amounted to ₹729.29 crore.

As at March 31, 2020, commitments for leases not yet commenced was ₹335.44 crore.

## NOTES

forming part of the financial statements

## 5. Right-of-use assets

[Item No. I(c), Page 222]

(₹ crore)

	Right-of-use land	Right-of-use buildings	Right-of-use plant and machinery	Right-of-use vehicles	Right-of-use railway sidings	Total
Cost as at April 1, 2019	-	-	-	-	-	-
Addition on account of transition to Ind AS 116 "Leases"	27.29	77.27	1,074.49	-	12.13	1,191.18
Additions	20.17	16.74	191.20	7.97	5.26	241.34
Disposals	-	(0.87)	-	-	-	(0.87)
Other re-classifications	897.62	0.59	3,851.65	-	-	4,749.86
<b>Cost as at March 31, 2020</b>	<b>945.08</b>	<b>93.73</b>	<b>5,117.34</b>	<b>7.97</b>	<b>17.39</b>	<b>6,181.51</b>
<b>Accumulated impairment as at March 31, 2020</b>	-	-	-	-	-	-
Accumulated depreciation as at April 1, 2019	-	-	-	-	-	-
Charge for the year	16.97	23.29	255.48	0.53	6.55	302.82
Disposals	-	(0.24)	-	-	-	(0.24)
Other re-classifications	64.70	0.59	1,700.33	-	-	1,765.62
<b>Accumulated depreciation as at March 31, 2020</b>	<b>81.67</b>	<b>23.64</b>	<b>1,955.81</b>	<b>0.53</b>	<b>6.55</b>	<b>2,068.20</b>
<b>Total accumulated depreciation and impairment as at March 31, 2020</b>	<b>81.67</b>	<b>23.64</b>	<b>1,955.81</b>	<b>0.53</b>	<b>6.55</b>	<b>2,068.20</b>
Net carrying value as at April 1, 2019	-	-	-	-	-	-
<b>Net carrying value as at March 31, 2020</b>	<b>863.41</b>	<b>70.09</b>	<b>3,161.53</b>	<b>7.44</b>	<b>10.84</b>	<b>4,113.31</b>

- (a) Other re-classifications represent assets under finance leases of ₹2,151.32 crore (net of accumulated depreciation and impairment) and prepaid payment with respect to land leases of ₹832.92 crore (net of accumulated amortisation), reclassified under right-of-use assets on adoption of Ind AS 116 "Leases".
- (b) Vehicle cost used for in-house research and development included within right-of-use vehicles is ₹0.28 crore.

## NOTES

forming part of the financial statements

### 6. Intangible assets

[Item No. I(d), Page 222]

	Software costs	Mining assets	(₹ crore) Total
Cost/deemed cost as at April 1, 2019	266.66	1,929.01	2,195.67
Additions	4.57	0.02	4.59
<b>Cost/deemed cost as at March 31, 2020</b>	<b>271.23</b>	<b>1,929.03</b>	<b>2,200.26</b>
Accumulated impairment as at April 1, 2019	-	40.11	40.11
<b>Accumulated impairment as at March 31, 2020</b>	<b>-</b>	<b>40.11</b>	<b>40.11</b>
Accumulated amortisation as at April 1, 2019	195.75	1,154.61	1,350.36
Charge for the year	24.74	57.33	82.07
<b>Accumulated amortisation as at March 31, 2020</b>	<b>220.49</b>	<b>1,211.94</b>	<b>1,432.43</b>
<b>Total accumulated amortisation and impairment as at March 31, 2020</b>	<b>220.49</b>	<b>1,252.05</b>	<b>1,472.54</b>
Net carrying value as at April 1, 2019	70.91	734.29	805.20
<b>Net carrying value as at March 31, 2020</b>	<b>50.74</b>	<b>676.98</b>	<b>727.72</b>

	Software costs	Mining assets	(₹ crore) Total
Cost/deemed cost as at April 1, 2018	240.89	1,782.41	2,023.30
Additions	25.77	146.60	172.37
<b>Cost/deemed cost as at March 31, 2019</b>	<b>266.66</b>	<b>1,929.01</b>	<b>2,195.67</b>
Accumulated impairment as at April 1, 2018	-	37.05	37.05
Charge for the year	-	3.06	3.06
<b>Accumulated impairment as at March 31, 2019</b>	<b>-</b>	<b>40.11</b>	<b>40.11</b>
Accumulated amortisation as at April 1, 2018	167.74	1,032.33	1,200.07
Charge for the year	28.01	122.28	150.29
<b>Accumulated amortisation as at March 31, 2019</b>	<b>195.75</b>	<b>1,154.61</b>	<b>1,350.36</b>
<b>Total accumulated amortisation and impairment as at March 31, 2019</b>	<b>195.75</b>	<b>1,194.72</b>	<b>1,390.47</b>
Net carrying value as at April 1, 2018	73.15	713.03	786.18
<b>Net carrying value as at March 31, 2019</b>	<b>70.91</b>	<b>734.29</b>	<b>805.20</b>

- (i) Mining assets represent expenditure incurred in relation to acquisition of mines, mine development expenditure post establishment of technical and commercial feasibility and restoration obligations as per applicable regulations.
- (ii) During the year ended March 31, 2019, the Company has recognised an impairment charge of ₹5.17 crore (including intangible assets under development) for expenditure incurred in respect of certain mines which are not in operation.
- (iii) Software costs related to in-house research and development included within software costs is ₹0.01 crore (2018-19: ₹0.28 crore). During the year ended March 31, 2020, ₹0.27 crore relating to in-house research facilities has been regrouped to land including roads.

Standalone

## NOTES

forming part of the financial statements

## 7. Investments in subsidiaries, associates and joint ventures

[Item No. I(f), Page 222]

	No. of shares as at March 31, 2020 (face value of ₹10 each fully paid up unless otherwise specified)	As at March 31, 2020	As at March 31, 2019
(₹ crore)			
<b>A. Investments carried at cost/deemed cost</b>			
<b>(a) Equity investment in subsidiary companies</b>			
<b>(i) Quoted</b>			
(1) Tata Metaliks Ltd.	1,54,64,590	205.87	205.87
(2) Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited)	3,42,37,521	1,378.74	86.54
(pursuant to rights issue, 2,58,43,967 right equity shares at an issue price of ₹500 each has been subscribed during the year)			
(3) Tayo Rolls Limited	55,87,372	-	-
(4) The Tinplate Company of India Ltd	7,84,57,640	395.02	395.02
		<b>1,979.63</b>	<b>687.43</b>
<b>(ii) Unquoted</b>			
(1) ABJA Investment Co. Pte Ltd. (Face value of USD 1 each)	2,00,000	1.08	1.08
(2) Adityapur Toll Bridge Company Limited	4,14,00,000	26.40	26.40
(3) Bamnibal Steel Limited	25,88,95,798	258.89	258.89
(4) Bhubaneswar Power Private Limited	23,69,86,703	321.73	321.73
(5) Bistupur Steel Limited^	40,000	0.04	0.01
(30,000 shares purchased during the year)			
(6) Creative Port Development Private Limited	1,27,500	91.88	91.88
(7) Dimna Steel Limited^	40,000	0.04	0.01
(30,000 shares purchased during the year)			
(8) Jamadoba Steel Limited^	40,000	0.04	0.01
(30,000 shares purchased during the year)			
(9) Jamshedpur Football and Sporting Private Limited	4,08,00,000	40.80	32.00
(88,00,000 shares purchased during the year)			
(10) Jugsalai Steel Limited^	40,000	0.04	0.01
(30,000 shares purchased during the year)			
(11) Mohar Exports Services Pvt Ltd*	3,352	-	-
(12) NatSteel Asia Pte. Ltd. (Face value of SGD 1 each)	28,14,37,128	773.86	773.86
(13) Noamundi Steel Limited^	40,000	0.04	0.01
(30,000 shares purchased during the year)			
(14) Rujuvalika Investments Limited	13,28,800	60.40	60.40
(15) Sakchi Steel Limited^	40,000	0.04	0.01
(30,000 shares purchased during the year)			
(16) Straight Mile Steel Limited^	40,000	0.04	0.01
(30,000 shares purchased during the year)			
(17) Subarnarekha Port Private Limited	4,24,183	17.01	17.01

## NOTES

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### 7. Investments in subsidiaries, associates and joint ventures (Contd.)

[Item No. I(f), Page 222]

	No. of shares as at March 31, 2020 (face value of ₹10 each fully paid up unless otherwise specified)	As at March 31, 2020	As at March 31, 2019
(₹ crore)			
(18) T Steel Holdings Pte. Ltd. (Face value of GBP 1 each) (55,41,31,297 shares received on conversion of preference shares and 82,62,22,307 shares are purchased during the year)	7,31,21,21,292	12,724.26	-
(19) T Steel Holdings Pte. Ltd. (Face value of GBP 0.78 each) (1,25,80,00,000 shares received on conversion of preference shares during the year)	1,25,80,00,000	8,990.63	-
(20) Tata Korf Engineering Services Ltd *#	3,99,986	-	-
(21) Tata Steel (KZN) (Pty) Ltd. *# (Face value of ZAR 1 each)	12,96,00,000	-	-
(22) Tata Steel Downstream Products Limited (formerly Tata Steel Processing and Distribution Limited)	6,82,50,000	274.45	274.45
(23) Tata Steel Foundation	10,00,000	1.00	1.00
(24) Tata Steel Mining Limited (formerly T S Alloys Limited)	6,57,07,544	78.64	78.64
(25) Tata Steel Odisha Limited	25,67,000	2.57	2.57
(26) Tata Steel Special Economic Zone Limited (21,42,17,870 shares purchased during the year)	39,94,60,501	374.54	160.32
(27) Tata Steel Utilities and Infrastructure Services Limited (formerly Jamshedpur Utilities & Services Company Limited)	2,43,50,000	24.35	24.35
(28) The Indian Steel & Wire Products Ltd	56,92,651	3.08	3.08
(29) The Tata Pigments Limited (Face value of ₹100 each)	75,000	0.70	0.70
		<b>24,066.55</b>	<b>2,128.43</b>
Aggregate provision for impairment in value of investments		(1,195.08)	(50.00)
		<b>22,871.47</b>	<b>2,078.43</b>
		<b>24,851.10</b>	<b>2,765.86</b>
<b>(b) Investment in equity share warrants of subsidiary companies</b>			
<b>(i) Unquoted</b>			
(1) Tata Metaliks Ltd.	34,92,500	56.05	56.05
		<b>56.05</b>	<b>56.05</b>
<b>(c) Equity investment in associate companies</b>			
<b>(i) Quoted</b>			
(1) TRF Limited	37,53,275	5.79	5.79
		<b>5.79</b>	<b>5.79</b>
Aggregate provision for impairment in value of investments		(5.79)	-
		<b>-</b>	<b>5.79</b>

## NOTES

forming part of the financial statements

### 7. Investments in subsidiaries, associates and joint ventures (Contd.)

[Item No. I(f), Page 222]

	No. of shares as at March 31, 2020 (face value of ₹10 each fully paid up unless otherwise specified)	As at March 31, 2020	As at March 31, 2019
			(₹ crore)
<b>(ii) Unquoted</b>		-	
(1) Kalinga Aquatic Ltd*	10,49,920	-	-
(2) Malusha Travels Pvt Ltd. ₹33,520 (March 31, 2019 : ₹33,520)	3,352	-	-
(3) Nicco Jubilee Park Limited*	3,40,000	-	-
(4) Strategic Energy Technology Systems Private Limited	2,56,14,500	0.91	0.91
		<b>0.91</b>	<b>0.91</b>
Aggregate provision for impairment in value of investments		(0.91)	(0.91)
		-	-
		-	<b>5.79</b>
<b>(d) Equity investment in joint ventures</b>			
<b>(i) Unquoted</b>			
(1) Himalaya Steel Mill Services Private Limited	36,19,945	3.62	3.62
(2) Industrial Energy Limited	17,31,60,000	173.16	173.16
(3) Jamipol Limited	36,75,000	8.38	8.38
(4) Jamshedpur Continuous Annealing & Processing Company Private Limited	68,95,20,000	689.52	628.32
(6,12,00,000 shares purchased during the year)			
(5) Medica TS Hospital Private Limited	2,60,000	0.26	0.26
(6) mjunction services limited	40,00,000	4.00	4.00
(7) S & T Mining Company Private Limited	1,81,41,400	18.14	12.94
(Amount receivable converted into 52,00,000 shares during the year)			
(8) T M Mining Company Limited #	2,29,116	0.23	0.23
(9) Tata BlueScope Steel Private Limited	43,30,00,000	433.00	433.00
(10) Tata NYK Shipping Pte Ltd. (Face value of USD 1 each)	6,51,67,500	350.14	350.14
(11) TM International Logistics Limited	91,80,000	9.18	9.18
		<b>1,689.63</b>	<b>1,623.23</b>
Aggregate provision for impairment in value of investments		(18.37)	(13.17)
		<b>1,671.26</b>	<b>1,610.06</b>
<b>Total investments in subsidiaries, associates and joint ventures</b>		<b>26,578.41</b>	<b>4,437.76</b>

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

#As on March 31, 2020, Tata Steel (KZN) (Pty) Ltd. is under liquidation, Tata Korf Engineering Services Ltd is non-operative and T M Mining Company Limited is under strike off.

^ These companies have applied to Registrar of Companies (ROC), Mumbai for striking off their names from the ROC and the same is pending ROC's approval.

- (i) The Company holds more than 50% of the equity share capital in TM International Logistics Limited, Jamshedpur Continuous Annealing & Processing Company Private Limited and T M Mining Company Limited. However, decisions in respect of activities which significantly affect the risks and rewards of these businesses, require unanimous consent of all the shareholders. These entities have therefore been considered as joint ventures.

## NOTES

forming part of the financial statements

### 7. Investments in subsidiaries, associates and joint ventures (Contd.)

[Item No. I(f), Page 222]

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

	As at March 31, 2020	As at March 31, 2019
(₹ crore)		
<b>(a) Investment in subsidiary companies:</b>		
Aggregate carrying value of quoted investments	1,979.63	687.43
Aggregate market value of quoted investments	1,761.42	2,876.68
Aggregate carrying value of unquoted investments	22,927.52	2,134.48
<b>(b) Investment in associate companies:</b>		
Aggregate carrying value of quoted investments	-	5.79
Aggregate market value of quoted investments	19.25	44.87
Aggregate carrying value of unquoted investments	-	-
<b>(c) Investment in joint ventures:</b>		
Aggregate carrying value of unquoted investments	1,671.26	1,610.06

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

(iv) During the year ended March 31, 2020, the Company considered indicators of impairment for investments in steel, mining and other business operations held either directly or indirectly, such as declines in operational performance or changes in the outlook of future profitability or weaker market conditions, among other potential indicators.

In respect of the overseas investments in T Steel Holdings Pte. Ltd. and NatSteel Asia Pte. Ltd. where indicators of impairment were identified, the Company estimated the recoverable amount based on the value in use of the underlying businesses. The computation uses cash flow forecasts based on the most recently approved financial budgets and strategic forecasts which cover a period of three years and future projections taking the analysis out into perpetuity. Key assumptions for the value in use computations are those regarding the discount rates, growth rates, exchange rates, market demand, expected changes to selling prices, raw material and other direct costs. Changes in selling prices, raw material costs, exchange rates and demand are based on historical experience and expectations of future changes in the market. Beyond the specifically forecasted period, a growth rate of **1.25%** is used to extrapolate the cash flow projections. This rate does not exceed the average long-term growth rate for the relevant markets.

The Company estimates discount rates using pre-tax rates that reflect the current market rates for investments of similar risk. The rate for these investments were estimated from the weighted average cost of capital of participants, which operate a portfolio of assets similar to those of the Company's assets. The weighted average pre-tax discount rates used for discounting the cash flows projections was **8.00%**.

The outcome of the test as on March 31, 2020 resulted in the Company recognizing an impairment loss of **₹860.00** crore with respect to investment in T Steel Holdings Pte. Ltd. and **₹126.00** crore with respect to investment in NatSteel Asia Pte. Ltd.

The operational and financial performance of Tata Steel Europe Limited (TSE), a wholly owned subsidiary of T Steel Holdings Pte. Ltd. is forecasted to be adversely impacted due to the downturn in steel demand on account of the COVID-19 pandemic, consequently, impacting the ability to meet its liquidity requirements. TSE as a whole, including its operations in the United Kingdom, continues to implement various measures aimed at conserving cash including but not limited to deferral of capital expenditures, reduction in administrative expenses, use of non-recourse securitisation programmes, seeking Government backed funding etc. The severity and length of the downturn in steel demand on account of the pandemic remains unpredictable and the ability of TSE to continue as a going concern is dependent on the outcome of the above measures taken.

## NOTES

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**7. Investments in subsidiaries, associates and joint ventures (Contd.)**

[Item No. I(f), Page 222]

The balance impairment charge recognised during the year ended March 31, 2020 amounting to ₹164.87 crore primarily relates to investments held Tata Steel Special Economic Zone Limited (₹150.00 crore), Jamshedpur Football and Sporting Private Limited (₹8.80 crore) and TRF Limited (₹5.79 crore).

During the year ended March 31, 2019, an impairment charge of ₹12.07 crore was recognised with respect to investment in Jamshedpur Football and Sporting Private Limited (₹12.00 crore) and T M Mining Company Limited (₹0.07 crore).

**8. Investments**

[Item No. I(g)(i) and II(b)(i), Page 222]

**A. Non-current**

(₹ crore)			
	No. of shares as at March 31, 2020 (face value of ₹10 each fully paid up unless otherwise specified)	As at March 31, 2020	As at March 31, 2019
<b>(I) Investments carried at fair value through other comprehensive income:</b>			
<b>Investment in equity shares</b>			
<b>(i) Quoted</b>			
(1) Credit Analysis & Research Limited	3,54,000	11.59	35.03
(2) Housing Development Finance Corporation Ltd. (Face value of ₹2 each)	7,900	1.29	1.55
(3) Steel Strips Wheels Limited	10,86,972	38.53	93.19
(4) Tata Consultancy Services Limited (Face Value of ₹1 each)	46,798	8.55	9.37
(5) Tata Investment Corporation Limited	2,28,015	15.12	19.00
(6) Tata Motors Ltd. (Face value of ₹2 each)	1,00,000	0.71	1.74
(7) The Tata Power Company Ltd. (Face value of ₹1 each)	3,91,22,725	128.52	288.73
(8) Timken India Ltd. ₹767.20 (March 31, 2019 : ₹587.25)	1	-	-
		<b>204.31</b>	<b>448.61</b>

## NOTES

forming part of the financial statements

### 8. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page 222]

(₹ crore)			
	No. of shares as at March 31, 2020 (face value of ₹10 each fully paid up unless otherwise specified)	As at March 31, 2020	As at March 31, 2019
<b>(ii) Unquoted<sup>#</sup></b>			
(1) IFCI Venture Capital Funds Ltd.	1,00,000	0.10	0.10
(2) Panatone Finvest Ltd.	45,000	0.05	0.05
(3) Steelscape Consultancy Pvt. Ltd.	50,000	-	-
(4) Taj Air Limited	42,00,000	-	-
(5) Tarapur Environment Protection Society	82,776	0.89	0.89
(6) Tata Industries Ltd. (Face value of ₹100 each)	99,80,436	202.19	202.19
(7) Tata International Ltd. (Face value of ₹1,000 each)	28,616	31.19	31.19
(8) Tata Services Ltd. (Face value of ₹1,000 each)	1,621	0.16	0.16
(9) Tata Sons Private Limited (Face value of ₹1,000 each)	12,375	68.75	68.75
(10) Tata Teleservices Ltd.	8,74,27,533	-	-
(11) Others <sup>(iii)</sup>		0.01	0.01
		<b>303.34</b>	<b>303.34</b>
		<b>507.65</b>	<b>751.95</b>
<b>(II) Investments carried at fair value through profit and loss:</b>			
<b>Investment in preference shares</b>			
<b>(a) Subsidiary companies</b>			
<b>(i) Unquoted</b>			
(1) Creative Port Development Private Limited	25,10,830	25.11	25.11
0.01% non-cumulative optionally convertible redeemable preference shares (Face value of ₹100 each)			
(2) T Steel Holdings Pte. Ltd.	-	-	5,016.25
5.00% non-cumulative convertible preference shares * (Face value of GBP 1 each)			
(55,41,31,297 shares were converted into same number of equity shares of face value GBP 1 each during the year)			
(3) T Steel Holdings Pte. Ltd.	-	-	8,698.44
5.60% non-cumulative convertible preference shares * (Face value of USD 1 each)			
(1,25,80,00,000 shares were converted into same number of equity shares of face value GBP 0.78 each during the year)			
(4) Tata Steel BSL Limited	19,70,00,00,000	19,700.00	19,700.00
10,70,00,00,000 11.09 % non-cumulative redeemable preference shares and 9,00,00,00,000 8.89 % non-cumulative optionally convertible redeemable preference shares			

## NOTES

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### 8. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page 222]

		(₹ crore)	
	No. of shares as at March 31, 2020 (face value of ₹10 each fully paid up unless otherwise specified)	As at March 31, 2020	As at March 31, 2019
(5) Tayo Rolls Limited	43,30,000	-	-
7.00% non-cumulative redeemable preference shares (Face value of ₹100 each)			
(6) Tayo Rolls Limited	64,00,000	-	-
7.17% non-cumulative redeemable preference shares (Face value of ₹100 each)			
(7) Tayo Rolls Limited	3,00,000	-	-
8% non-cumulative redeemable preference shares (Face value of ₹100 each)			
(8) Tayo Rolls Limited	2,31,00,000	-	-
8.50% non-cumulative redeemable preference shares (Face value of ₹100 each)			
		<b>19,725.11</b>	<b>33,439.80</b>
<b>(b) Associate companies</b>			
<b>(i) Unquoted</b>			
(1) TRF Limited	25,00,00,000	-	250.00
12.50 % non-cumulative redeemable preference shares			
		-	<b>250.00</b>
		<b>19,725.11</b>	<b>33,689.80</b>
<b>Investments in debentures and bonds</b>			
<b>(a) Investment in joint ventures</b>			
<b>(i) Unquoted</b>			
(1) Medica TS Hospital Private Limited	4,97,400	49.74	49.74
Secured optionally convertible redeemable debentures (Face value of ₹1,000 each)			
		<b>49.74</b>	<b>49.74</b>
<b>(b) Investments in others</b>			
<b>(i) Unquoted</b>			
(1) Bharti Airtel Limited - ₹700.00 (March 31, 2019 : Nil)	7	-	-
10.00 % non-cumulative redeemable preference shares (Face value of ₹100 each)			
(7 debentures were acquired during the year)			
		-	-
		<b>49.74</b>	<b>49.74</b>
		<b>20,282.50</b>	<b>34,491.49</b>

\* During the year ended March 31, 2020, terms of the non-cumulative redeemable preference shares of T Steel Holdings Pte. Ltd. were modified to non-cumulative convertible preference shares and these preference shares were converted to equity shares. The fair value of the preference shares on the date of conversion was considered as the cost of the equity shares.

## NOTES

forming part of the financial statements

### 8. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page 222]

#### B. Current

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
<b>Investments carried at fair value through profit and loss:</b>		
<b>Investment in mutual funds – Unquoted</b>		
(1) Nippon MF ETF Liquid Fund	0.09	0.09
(2) Tata Liquid Fund - Growth	-	477.38
(3) Tata Overnight Fund - Reg - Growth	3,235.07	-
	<b>3,235.16</b>	<b>477.47</b>

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

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
<b>(a) Investments in quoted instruments:</b>		
Aggregate carrying value	204.31	448.61
Aggregate market value	204.31	448.61
<b>(b) Investments in unquoted instruments:</b>		
Aggregate carrying value	23,313.35	34,520.35

(ii) During the year ended March 31, 2019, cumulative gain on de-recognition of investments which were carried at fair value through other comprehensive income amounted to ₹1.49 crore. Fair value of such investments as on the date of de-recognition was ₹1.97 crore.

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

Standalone

## NOTES

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## 8. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page 222]

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

	No. of shares as at March 31, 2020 (face value of ₹10 each fully paid up unless otherwise specified)	As at March 31, 2020 (₹)	As at March 31, 2019 (₹)
(a) Barajamda Iron Ore Mine Workers' Central Co-operative Stores Ltd. (Face value of ₹25 each)	200	5,000.00	5,000.00
(b) Bokaro and Ramgarh Ltd.	100	16,225.00	16,225.00
(c) Eastern Synpacks Limited (Face value of ₹25 each)	1,50,000	1.00	1.00
(d) Ferro Manganese Plant Employees' Consumer Co-operative Society Ltd. (Face value of ₹25 each)	100	2,500.00	2,500.00
(e) Investech Advisory Services (India) Limited (Face value of ₹100 each)	1,680	1.00	1.00
(f) Jamshedpur Co-operative House Building Society Ltd. (Face value of ₹100 each)	10	1,000.00	1,000.00
(g) Jamshedpur Co-operative Stores Ltd. (Face value of ₹5 each)	50	250.00	250.00
(h) Jamshedpur Educational and Culture Co-operative Society Ltd. (Face value of ₹100 each)	50	5,000.00	5,000.00
(i) Joda East Iron Mine Employees' Consumer Co-operative Society Ltd. (Face value of ₹25 each)	100	2,500.00	2,500.00
(j) Kumardhubi Fireclay and Silica Works Ltd.	1,50,001	1.00	1.00
(k) Kumardhubi Metal Casting and Engineering Ltd.	10,70,000	1.00	1.00
(l) Namtech Electronic Devices Limited	48,026	1.00	1.00
(m) Reliance Firebrick and Pottery Company Ltd. (Partly paid up)	16,800	1.00	1.00
(n) Reliance Firebrick and Pottery Company Ltd.	2,400	1.00	1.00
(o) Sanderson Industries Ltd.	3,33,876	2.00	2.00
(p) Standard Chrome Ltd.	11,16,000	2.00	2.00
(q) Sijua (Jherriah) Electric Supply Co. Ltd.	4,144	40,260.00	40,260.00
(r) Tata Construction and Projects Ltd.	11,97,699	1.00	1.00
(s) TBW Publishing and Media Pvt. Limited	100	1.00	1.00
(t) Wellman Incandescent India Ltd.	15,21,234	2.00	2.00
(u) Woodland Multispeciality Hospital Ltd.	1,25,000	1.00	1.00
(v) Unit Trust of India - Mastershares	2,229	47,477.00	47,477.00
		<b>1,20,228.00</b>	<b>1,20,228.00</b>

## NOTES

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### 9. Loans

[Item No. I(g)(ii) and II(b)(v), Page 222]

#### A. Non-current

	As at March 31, 2020	As at March 31, 2019
(₹ crore)		
<b>(a) Security deposits</b>		
Considered good - Unsecured	184.04	200.13
Credit impaired	1.96	2.02
Less: Allowance for credit losses	1.96	2.02
	<b>184.04</b>	<b>200.13</b>
<b>(b) Loans to related parties</b>		
Considered good - Unsecured	-	13.00
Credit impaired	558.95	558.95
Less: Allowance for credit losses	558.95	558.95
	<b>-</b>	<b>13.00</b>
<b>(c) Other loans</b>		
Considered good - Unsecured	15.22	18.03
Credit impaired	0.53	0.53
Less: Allowance for credit losses	0.53	0.53
	<b>15.22</b>	<b>18.03</b>
	<b>199.26</b>	<b>231.16</b>

#### B. Current

	As at March 31, 2020	As at March 31, 2019
(₹ crore)		
<b>(a) Security deposits</b>		
Considered good - Unsecured	2.47	-
<b>(b) Loans to related parties</b>		
Considered good - Unsecured	1,600.40	52.01
Credit impaired	67.66	68.72
Less: Allowance for credit losses	67.66	68.72
	<b>1,600.40</b>	<b>52.01</b>
<b>(c) Other loans</b>		
Considered good - Unsecured	4.45	3.91
Credit impaired	2.00	2.00
Less: Allowance for credit losses	2.00	2.00
	<b>4.45</b>	<b>3.91</b>
	<b>1,607.32</b>	<b>55.92</b>

- (i) Security deposits are primarily in relation to public utility services and rental agreements. It includes deposit with a subsidiary ₹14.00 crore (March 31, 2019: ₹14.00 crore) and deposits with Tata Sons Private Limited ₹1.25 crore (March 31, 2019: ₹1.25 crore).
- (ii) Non-current loans to related parties represent loans given to subsidiaries ₹558.95 crore (March 31, 2019: ₹571.95 crore), out of which ₹558.95 crore (March 31, 2019: ₹558.95 crore) is impaired.

## NOTES

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## 9. Loans (Contd.)

[Item No. I(g)(ii) and II(b)(v), Page 222]

- (iii) Current loans to related parties represent loans/advances given to subsidiaries ₹1,640.46 crore (March 31, 2019: ₹92.06 crore) and joint ventures ₹27.60 crore (March 31, 2019: ₹28.67 crore) out of which ₹67.66 crore (March 31, 2019: ₹67.65 crore) and Nil (March 31, 2019: ₹1.07 crore) is impaired respectively.
- (iv) Other loans primarily represent loans given to employees.
- (v) Disclosure as per Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186(4) of the Companies Act, 2013.
- (a) Loans/advances in the nature of loan outstanding from subsidiaries, associates and joint ventures for the year ended March 31, 2020:

Name of the Company	(₹ crore)	
	Debts outstanding as at March 31, 2020	Maximum balance outstanding during the year
<b>Subsidiaries</b>		
(1) Bamnival Steel Limited (interest rate 10.00 %)	-	-
(2) Jamshedpur Football and Sporting Private Limited (interest rate 12.25%)	-	18,631.65
(3) Subarnarekha Port Private Limited (interest rate 10.51%)	23.00 20.00	23.00 20.00
(4) T Steel Holdings Pte. Ltd. (interest rate LIBOR+2%)	1,511.80 -	1,511.80 -
(5) Tata Steel (KZN) (Pty) Ltd. <sup>(ii)</sup>	558.95 558.95	558.95 558.95
(6) Tata Steel Special Economic Zone Limited (interest rate 10.00% to 10.50%)	38.00 13.00	38.00 13.00
(7) Tata Steel Utilities and Infrastructure Services Limited (formerly Jamshedpur Utilities & Services Company Limited) (interest rate 10.50% to 12.50%)	- -	- 7.50
(8) Tayo Rolls Limited <sup>(iii)</sup> (interest rate 7.00% to 13.07%)	67.00 67.00	67.00 67.00

## NOTES

forming part of the financial statements

### 9. Loans (Contd.)

[Item No. I(g)(ii) and II(b)(v), Page 222]

(₹ crore)		
Name of the Company	Debts outstanding as at March 31, 2020	Maximum balance outstanding during the year
<b>Associate</b>		
(1) TRF Limited	-	-
(interest rate 10.00% to 10.51%)	-	242.00
<b>Joint ventures</b>		
(1) Industrial Energy Limited	27.60	27.60
(interest rate 10.00%)	27.60	46.22
(2) S & T Mining Company Private Limited	-	1.07
(interest rate 12.00% to 14.00%)	1.07	1.07
(3) T M Mining Company Limited	-	-
(interest rate 12.40%)	-	0.05

Figures in italics represents comparative figures of previous year.

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

(ii) As at March 31, 2020, loans given to Tayo Rolls Limited and Tata Steel (KZN) (Pty) Ltd. were fully impaired.

(b) Details of investments made and guarantees provided are given in note 7, page 246, note 8, page 250 and note 37B, page 293.

(vi) There are no outstanding debts from directors or other officers of the Company.

### 10. Other financial assets

[Item No. I(g)(iv) and II(b)(vii), Page 222]

#### A. Non-current

(₹ crore)		
	As at March 31, 2020	As at March 31, 2019
<b>(a) Interest accrued on deposits and loans</b>		
Considered good - Unsecured	1.68	0.50
<b>(b) Earmarked balances with banks</b>		
	54.31	34.96
<b>(c) Others</b>		
Considered good - Unsecured	4.43	275.19
	60.42	310.65

## NOTES

forming part of the financial statements

## 10. Other financial assets (Contd.)

[Item No. I(g)(iv) and II(b)(vii), Page 222]

## B. Current

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
<b>(a) Interest accrued on deposits and loans</b>		
Considered good - Unsecured	10.42	6.30
Credit impaired	14.30	14.32
Less: Allowance for credit losses	14.30	14.32
	<b>10.42</b>	<b>6.30</b>
<b>(b) Others</b>		
Considered good - Unsecured	219.99	934.46
	<b>230.41</b>	<b>940.76</b>

- (i) Non-current earmarked balances with banks represent deposits and balances in escrow account not due for realisation within 12 months from the balance sheet date. These are primarily placed as security with government bodies, margin money against issue of bank guarantees.
- (ii) During the year ended March 31, 2019, non-current other financial assets included advance against purchase of equity shares in a subsidiary ₹275.19 crore out of which ₹258.69 crore was contributed by way of transfer of assets.
- (iii) Current other financial assets include amount receivable from post-employment benefit funds ₹56.71 crore (March 31, 2019: ₹755.95 crore) on account of retirement benefit obligations paid by the Company directly.

## 11. Income tax

[Item No. V(e), Page 222]

## A. Income tax expense/(benefit)

The Company is subject to income tax in India on the basis of its standalone financial statements. The Company can claim tax exemptions/deductions under specific sections of the Income Tax Act, 1961 subject to fulfilment of prescribed conditions, as may be applicable. 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.

Section 115BAA has newly 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 a domestic company with an irrevocable option to pay tax at a lower rate of 22% (effective rate of 25.168%) for any previous year relevant to the assessment year beginning on or after April 1, 2020. The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions. MAT would be inapplicable to companies opting to apply the lower tax rate.

Business loss can be carried forward for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

## NOTES

forming part of the financial statements

### 11. Income tax (Contd.)

[Item No. V(e), Page 222]

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

	Year ended March 31, 2020	Year ended March 31, 2019
(₹ crore)		
<b>Profit before tax</b>	<b>6,610.98</b>	<b>16,227.25</b>
Expected income tax expense at statutory income tax rate of 25.168 % (2018-19 : 34.944 %)	1,663.85	5,670.45
(a) Income exempt from tax/Items not deductible	388.72	48.98
(b) Additional tax benefit for capital investment including research and development expenditures	-	(25.37)
(c) Impact of change in tax rate <sup>(i)</sup>	(2,185.39)	-
<b>Tax expense as reported</b>	<b>(132.82)</b>	<b>5,694.06</b>

- (i) The Company has elected to exercise the option permitted under new tax rate regime during the financial year ended March 31, 2020 and accordingly remeasured deferred tax balances expected to reverse in future periods based on the revised applicable tax rate.

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

- (i) Components of deferred tax assets and liabilities as at March 31, 2020 are as below:

	Balance as at April 1, 2019	Recognised/ (reversed) in profit and loss during the year	Recognised in other comprehensive income during the year	Recognised in equity during the year	Balance as at March 31, 2020
(₹ crore)					
<b>Deferred tax assets:</b>					
Investments	3,040.80	(54.30)	-	-	2,986.50
Retirement benefit obligations	186.00	(52.04)	-	-	133.96
Expenses allowable for tax purposes when paid/written off	3,011.80	(911.56)	-	-	2,100.24
	<b>6,238.60</b>	<b>(1,017.90)</b>	<b>-</b>	<b>-</b>	<b>5,220.70</b>
<b>Deferred tax liabilities:</b>					
Property, plant and equipment and intangible assets	13,700.23	(3,009.53)	-	(3.58)	10,687.12
Others	345.37	70.86	(20.37)	-	395.86
	<b>14,045.60</b>	<b>(2,938.67)</b>	<b>(20.37)</b>	<b>(3.58)</b>	<b>11,082.98</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>(7,807.00)</b>	<b>1,920.77</b>	<b>20.37</b>	<b>3.58</b>	<b>(5,862.28)</b>
<b>Disclosed as:</b>					
<b>Deferred tax liabilities (net)</b>	<b>(7,807.00)</b>				<b>(5,862.28)</b>

## NOTES

forming part of the financial statements

## 11. Income tax (Contd.)

[Item No. V(e), Page 222]

Components of deferred tax assets and liabilities as at March 31, 2019 are as below:

	Balance as at April 1, 2018	Recognised/ (reversed) in profit and loss during the year	Recognised in other comprehensive income during the year	Recognised in equity during the year	Other movements during the year	Balance as at March 31, 2019
(₹ crore)						
<b>Deferred tax assets:</b>						
Investments	3,040.80	-	-	-	-	3,040.80
Retirement benefit obligations	186.00	-	-	-	-	186.00
Expenses allowable for tax purposes when paid/written off	1,838.05	1,173.75	-	-	-	3,011.80
MAT credit entitlement/(utilisation)	2,158.92	-	-	-	(2,158.92)	-
	<b>7,223.77</b>	<b>1,173.75</b>	<b>-</b>	<b>-</b>	<b>(2,158.92)</b>	<b>6,238.60</b>
<b>Deferred tax liabilities:</b>						
Property, plant and equipment and intangible assets	13,391.83	313.21	-	(4.81)	-	13,700.23
Others	91.03	257.49	(3.15)	-	-	345.37
	<b>13,482.86</b>	<b>570.70</b>	<b>(3.15)</b>	<b>(4.81)</b>	<b>-</b>	<b>14,045.60</b>
<b>Net deferred tax assets/(liabilities)</b>	<b>(6,259.09)</b>	<b>603.05</b>	<b>3.15</b>	<b>4.81</b>	<b>(2,158.92)</b>	<b>(7,807.00)</b>
<b>Disclosed as:</b>						
<b>Deferred tax liabilities (net)</b>	<b>(6,259.09)</b>					<b>(7,807.00)</b>

- (ii) As at March 31, 2020, deferred tax assets amounting to ₹7,967.37 crore (March 31, 2019: ₹8,112.23 crore) on fair value adjustment recognised in respect of investments held in a subsidiary on transition to Ind AS has not been recognised due to uncertainty surrounding availability of future taxable income against which such loss can be offset.

## NOTES

forming part of the financial statements

### 12. Other assets

[Item No. I(i) and II(c), Page 222]

#### A. Non-current

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
<b>(a) Capital advances</b>		
Considered good - Unsecured	969.40	706.50
Considered doubtful - Unsecured	83.98	83.86
Less: Provision for doubtful advances	83.98	83.86
	<b>969.40</b>	<b>706.50</b>
<b>(b) Advances with public bodies</b>		
Considered good - Unsecured	1,016.92	919.44
Considered doubtful - Unsecured	12.23	12.21
Less: Provision for doubtful advances	12.23	12.21
	<b>1,016.92</b>	<b>919.44</b>
<b>(c) Prepaid lease payments for operating leases</b>	-	<b>821.25</b>
<b>(d) Capital advances to related parties</b>		
Considered good - Unsecured	<b>33.99</b>	<b>40.89</b>
<b>(e) Others</b>		
Considered good - Unsecured	<b>41.76</b>	<b>47.90</b>
	<b>2,062.07</b>	<b>2,535.98</b>

Standalone

## NOTES

forming part of the financial statements

## 12. Other assets (Contd.)

[Item No. I(i) and II(c), Page 222]

## B. Current

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
<b>(a) Advances with public bodies</b>		
Considered good - Unsecured	1,179.77	1,575.77
Considered doubtful - Unsecured	2.43	2.43
Less: Provision for doubtful advances	2.43	2.43
	<b>1,179.77</b>	<b>1,575.77</b>
<b>(b) Advances to related parties</b>		
Considered good - Unsecured	<b>102.27</b>	<b>140.03</b>
<b>(c) Prepaid lease payments for operating leases</b>	<b>-</b>	<b>11.67</b>
<b>(d) Others</b>		
Considered good - Unsecured	433.88	482.51
Considered doubtful - Unsecured	64.52	66.10
Less: Provision for doubtful advances	64.52	66.10
	<b>433.88</b>	<b>482.51</b>
	<b>1,715.92</b>	<b>2,209.98</b>

- (i) Advance with public bodies primarily relate to input credit entitlements and amounts paid under protest in respect of demands and claims from regulatory authorities.
- (ii) Prepaid lease payments in respect of land leases has been reclassified to right-of-use assets on adoption of Ind AS 116 "Leases".
- (iii) Others include advances against supply of goods/services and advances paid to employees.

## NOTES

forming part of the financial statements

### 13. Inventories

[Item No. II(a), Page 222]

	As at March 31, 2020	As at March 31, 2019
(a) Raw materials	3,586.21	4,496.38
(b) Work-in-progress	6.90	14.54
(c) Finished and semi-finished goods	4,663.71	4,129.28
(d) Stock-in-trade	113.15	75.54
(e) Stores and spares	2,346.69	2,539.60
	<b>10,716.66</b>	<b>11,255.34</b>
<b>Included above, goods-in-transit:</b>		
(i) Raw materials	645.00	671.23
(ii) Finished and semi-finished goods	7.07	0.71
(iii) Stock-in-trade	39.99	66.22
(iv) Stores and spares	112.91	163.35
	<b>804.97</b>	<b>901.51</b>

Value of inventories above is stated after provisions (net of reversal) ₹110.35 crore (March 31, 2019: ₹93.07 crore) for write-downs to net realisable value and provision for slow-moving and obsolete items.

### 14. Trade receivables

[Item No. II(b)(ii), Page 222]

	As at March 31, 2020	As at March 31, 2019
(a) Considered good - Unsecured	1,016.73	1,363.04
(b) Credit impaired	33.16	34.74
	<b>1,049.89</b>	<b>1,397.78</b>
Less: Allowance for credit losses	33.16	34.74
	<b>1,016.73</b>	<b>1,363.04</b>

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

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

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	34.74	30.97
Charge/(release) during the year	(1.58)	3.77
<b>Balance at the end of the year</b>	<b>33.16</b>	<b>34.74</b>

Standalone

## NOTES

forming part of the financial statements

## 14. Trade receivables (Contd.)

[Item No. II(b)(ii), Page 222]

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

	(₹ crore)		
	As at March 31, 2020		
	Gross credit risk	Allowance for credit losses	Net credit risk
Amounts not yet due	801.91	1.46	800.45
One month overdue	146.79	3.65	143.14
Two months overdue	16.84	1.70	15.14
Three months overdue	10.86	2.03	8.83
Between three to six months overdue	28.04	5.68	22.36
Greater than six months overdue	45.45	18.64	26.81
	<b>1,049.89</b>	<b>33.16</b>	<b>1,016.73</b>

	(₹ crore)		
	As at March 31, 2019		
	Gross credit risk	Allowance for credit losses	Net credit risk
Amounts not yet due	1,243.54	2.34	1,241.20
One month overdue	65.51	1.66	63.85
Two months overdue	17.34	1.19	16.15
Three months overdue	9.65	2.69	6.96
Between three to six months overdue	16.69	2.63	14.06
Greater than six months overdue	45.05	24.23	20.82
	<b>1,397.78</b>	<b>34.74</b>	<b>1,363.04</b>

(iii) The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2020 to be ₹1,016.73 crore (March 31, 2019: ₹1,363.04 crore), which is the carrying value of trade receivables after allowance for credit losses.

The Company's exposure to customers is diversified and no single customer, other than a subsidiary, contributes more than 10% of the outstanding receivables as at March 31, 2020 and March 31, 2019.

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

## NOTES

forming part of the financial statements

### 15. Cash and cash equivalents

[Item No. II(b)(iii), Page 222]

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
(a) Cash on hand	0.50	1.35
(b) Cheques, drafts on hand	0.34	7.74
(c) Remittances-in-transit	-	8.97
(d) Unrestricted balances with banks	992.80	526.79
	<b>993.64</b>	<b>544.85</b>

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

### 16. Other balances with banks

[Item No. II(b)(iv), Page 222]

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
Earmarked balances with banks	<b>233.23</b>	<b>173.26</b>

(i) Earmarked balances with banks primarily includes balances held for unpaid dividends ₹64.20 crore (March 31, 2019: ₹64.88 crore), bank guarantees and margin money ₹38.90 crore (March 31, 2019: ₹66.11 crore).

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

## NOTES

forming part of the financial statements

### 17. Equity share capital

[Item No. IV(a), Page 222]

		(₹ crore)
		As at March 31, 2020
		As at March 31, 2019
<b>Authorised:</b>		
<b>1,75,00,00,000</b>	Ordinary Shares of ₹10 each (March 31, 2019: 1,75,00,00,000 Ordinary Shares of ₹10 each)	1,750.00
<b>35,00,00,000</b>	'A' Ordinary Shares of ₹10 each* (March 31, 2019: 35,00,00,000 'A' Ordinary Shares of ₹10 each)	350.00
<b>2,50,00,000</b>	Cumulative Redeemable Preference Shares of ₹100 each* (March 31, 2019: 2,50,00,000 Shares of ₹100 each)	250.00
<b>60,00,00,000</b>	Cumulative Convertible Preference Shares of ₹100 each* (March 31, 2019: 60,00,00,000 Shares of ₹100 each)	6,000.00
		<b>8,350.00</b>
<b>Issued:</b>		
<b>1,12,75,20,570</b>	Ordinary Shares of ₹10 each (March 31, 2019: 1,12,75,20,570 Ordinary Shares of ₹10 each)	1,127.52
<b>7,76,97,280</b>	Ordinary Shares of ₹10 each (partly paid up, ₹2.504 each paid up) (March 31, 2019 : 7,76,97,280 Ordinary Shares of ₹10 each, ₹2.504 each paid up)	77.70
		<b>1,205.22</b>
<b>Subscribed and paid up:</b>		
<b>1,12,64,90,211</b>	Ordinary Shares of ₹10 each fully paid up (March 31, 2019 : 1,12,64,89,680 Ordinary Shares of ₹10 each)	1,126.49
<b>7,76,36,788</b>	Ordinary Shares of ₹10 each (partly paid up, ₹2.504 each paid up) (March 31, 2019 : 7,76,36,705 Ordinary Shares of ₹10 each, ₹2.504 each paid up)	19.44
Amount paid up on 3,89,516 Ordinary Shares of ₹10 each forfeited (March 31, 2019 : 3,89,516 Ordinary Shares of ₹10 each)		0.20
		<b>1,146.13</b>

\* 'A' class Ordinary Shares and Preference Shares included within the authorised share capital are for disclosure purposes and have not yet been issued.

- (i) Subscribed and paid up share capital includes **11,81,893** (March 31, 2019: 11,81,893) Ordinary Shares of face value ₹10 each fully paid up, held by subsidiaries of the Company.
- (ii) Details of movement in subscribed and paid up share capital other than forfeited shares is as below:

	Year ended March 31, 2020		Year ended March 31, 2019	
	No. of shares	₹ crore	No. of shares	₹ crore
<b>Ordinary Shares of ₹10 each</b>				
Balance at the beginning of the year	1,20,41,26,385	1,145.92	1,20,41,19,440	1,145.92
Fully paid shares allotted during the year <sup>(a),(b),(c)</sup>	531	0.01	4,865	0.00*
Partly paid shares allotted during the year <sup>(d)</sup>	83	0.00*	2,080	0.00*
<b>Balance at the end of the year</b>	<b>1,20,41,26,999</b>	<b>1,145.93</b>	<b>1,20,41,26,385</b>	<b>1,145.92</b>

\* represents value less than ₹0.01 crore.

## NOTES

forming part of the financial statements

### 17. Equity share capital (Contd.)

[Item No. IV(a), Page 222]

- (a) **210** Ordinary Shares of face value ₹10 each were allotted at a premium of ₹290 per share to the shareholders whose shares were kept in abeyance in the Rights Issue of 2007.
- (b) **154** Ordinary Shares of face value ₹10 each were allotted at a premium of ₹590 per share in lieu of Cumulative Convertible Preference Shares of ₹100 each to the shareholders whose shares were kept in abeyance in the Rights Issue of 2007.
- (c) **167** fully paid Ordinary Shares of face value ₹10 were allotted at a premium of ₹500 per share to the shareholders whose shares were kept in abeyance in the Rights Issue of 2018.
- (d) **83** partly paid Ordinary Shares of face value ₹10 each (₹2.504 paid up) were allotted at a premium of ₹605 (₹151.496 paid up) per share to the shareholders whose shares were kept in abeyance in the Rights Issue of 2018.
- (iii) As at March 31, 2020, **2,98,822** Ordinary Shares of face value ₹10 each (March 31, 2019: 2,99,188 Ordinary Shares) are kept in abeyance in respect of Rights Issue of 2007.
- As at March 31, 2020, **1,21,293** fully paid Ordinary Shares of face value ₹10 each (March 31, 2019: 1,21,460 fully paid Ordinary Shares) and **60,492** partly paid Ordinary Shares of face value ₹10 each, ₹2.504 paid up (March 31, 2019: 60,575 partly paid Ordinary Shares, ₹2.504 paid up) are kept in abeyance in respect of Rights Issue of 2018.
- (iv) Details of shareholders holding more than 5 percent shares in the Company is as below:

	As at March 31, 2020		As at March 31, 2019	
	No. of Ordinary Shares	% held	No. of Ordinary Shares	% held
<b>Name of shareholders</b>				
(a) Tata Sons Private Limited	39,65,08,142	32.93	38,09,73,085	31.64
(b) Life Insurance Corporation of India	10,96,96,176	9.11	10,83,88,660	9.00
(c) HDFC Trustee Company Limited	6,02,13,483	5.00	NA*	NA*

\* As on March 31, 2019, HDFC Trustee Company Limited held less than 5% shares in the Company.

- (v) **1,25,61,401** shares (March 31, 2019: 1,34,73,958 shares) of face value of ₹10 per share represent the shares underlying GDRs which were issued during 1994 and 2009. Each GDR represents one underlying Ordinary Share.
- (vi) The rights, powers and preferences relating to each class of share capital and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The principal rights are as below:

#### A. Ordinary Shares of ₹10 each

- (i) In respect of every Ordinary Share (whether fully paid or partly paid), voting right and dividend shall be in the same proportion as the capital paid up on such Ordinary Share bears to the total paid up Ordinary Capital of the Company.
- (ii) The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend.
- (iii) In the event of liquidation, the Shareholders of Ordinary Shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

## NOTES

forming part of the financial statements

## 17. Equity share capital (Contd.)

[Item No. IV(a), Page 222]

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

- (i) (a) The holders of 'A' Ordinary Shares shall be entitled to such rights of voting and/or dividend and such other rights as per the terms of the issue of such shares, provided always that:
- in the case where a resolution is put to vote on a poll, such differential voting entitlement (excluding fractions, if any) will be applicable to holders of 'A' Ordinary Shares.
  - in the case where a resolution is put to vote in the meeting and is to be decided on a show of hands, the holders of 'A' Ordinary Shares shall be entitled to the same number of votes as available to holders of Ordinary Shares.
- (b) The holders of Ordinary Shares and the holders of 'A' Ordinary Shares shall vote as a single class with respect to all matters submitted for voting by shareholders of the Company and shall exercise such votes in proportion to the voting rights attached to such shares including in relation to any scheme under Sections 391 to 394 of the Companies Act, 1956.
- (ii) The holders of 'A' Ordinary Shares shall be entitled to dividend on each 'A' Ordinary Share which may be equal to or higher than the amount per Ordinary Share declared by the Board for each Ordinary Share, and as may be specified at the time of the issue. Different series of 'A' Ordinary Shares may carry different entitlements to dividend to the extent permitted under applicable law and as prescribed under the terms applicable to such issue.

**C. Preference Shares**

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

- (i) Such shares shall confer on the holders thereof, the right to a fixed preferential dividend from the date of allotment, at a rate as may be determined by the Board at the time of the issue, on the capital for the time being paid up or credited as paid up thereon.
- (ii) Such shares shall rank for capital and dividend (including all dividend undeclared upto the commencement of winding up) and for repayment of capital in a winding up, *pari passu* inter se and in priority to the Ordinary Shares of the Company, but shall not confer any further or other right to participate either in profits or assets. However, in case of CCPS, such preferential rights shall automatically cease on conversion of these shares into Ordinary Shares.
- (iii) The holders of such shares shall have the right to receive all notices of general meetings of the Company but shall not confer on the holders thereof the right to vote at any meetings of the Company save to the extent and in the manner provided in the Companies Act, 1956, or any re-enactment thereof.
- (iv) CCPS shall be converted into Ordinary Shares as per the terms, determined by the Board at the time of issue; as and when converted, such Ordinary Shares shall rank *pari passu* with the then existing Ordinary Shares of the Company in all respects.

## NOTES

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### 18. Hybrid perpetual securities

[Item No. IV(b), Page 222]

The detail of movement in hybrid perpetual securities is as below:

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	2,275.00	2,275.00
<b>Balance at the end of the year</b>	<b>2,275.00</b>	<b>2,275.00</b>

The Company had issued hybrid perpetual securities of ₹775.00 crore and ₹1,500.00 crore in May 2011 and March 2011 respectively. These securities are perpetual in nature with no maturity or redemption and are callable only at the option of the Company. The distribution on these securities are 11.50% p.a. and 11.80% p.a. respectively, with a step up provision if the securities are not called after 10 years. The distribution on the securities may be deferred at the option of the Company if in the six months preceding the relevant distribution payment date, the Company has not made payment on, or repurchased or redeemed, any securities ranking *pari passu* with, or junior to the instrument. As these securities are perpetual in nature and the Company does not have any redemption obligation, these have been classified as equity.

### 19. Other equity

[Item No. IV(c), Page 222]

#### A. Retained earnings

The details of movement in retained earnings is as below:

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	27,694.90	18,700.25
Profit for the year	6,743.80	10,533.19
Remeasurement of post-employment defined benefit plans	(461.27)	5.95
Tax on remeasurement of post-employment defined benefit plans	116.09	(2.07)
Dividend	(1,489.67)	(1,145.92)
Tax on dividend	(297.71)	(224.86)
Distribution on hybrid perpetual securities	(266.15)	(266.12)
Tax on distribution on hybrid perpetual securities	66.97	92.99
Transfers within equity <sup>(i)</sup>	-	1.49
<b>Balance at the end of the year</b>	<b>32,106.96</b>	<b>27,694.90</b>

(i) Represents profit on sale of investments carried at fair value through other comprehensive income reclassified from investment revaluation reserve.

#### B. Items of other comprehensive income

##### (a) Cash flow hedge reserve

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

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

Standalone

## NOTES

forming part of the financial statements

## 19. Other equity (Contd.)

[Item No. IV(c), Page 222]

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

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	(1.77)	5.14
Other comprehensive income recognised during the year	(59.95)	(6.91)
<b>Balance at the end of the year</b>	<b>(61.72)</b>	<b>(1.77)</b>

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

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Fair value changes recognised during the year	(74.28)	(27.94)
Fair value changes re-classified to profit and loss/cost of hedged items	(5.48)	17.32
Tax impact on above	19.81	3.71
	<b>(59.95)</b>	<b>(6.91)</b>

During the year, ineffective portion of cash flow hedges recognised in the statement of profit and loss amounted to **Nil** (2018-19: Nil).

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

- within the next one year: loss ₹**4.24** crore (2018-19: loss ₹2.17 crore)
- later than one year: loss ₹**57.48** crore (2018-19: gain ₹0.40 crore)

## (b) Investment revaluation reserve

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

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

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	55.04	103.72
Other comprehensive income recognised during the year	(244.30)	(46.63)
Tax impact on above	0.56	(0.56)
Transfers within equity	-	(1.49)
<b>Balance at the end of the year</b>	<b>(188.70)</b>	<b>55.04</b>

## NOTES

forming part of the financial statements

### 19. Other equity (Contd.)

[Item No. IV(c), Page 222]

#### C. Other reserves

##### (a) Securities premium

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

The details of movement in securities premium is as below:

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	27,780.25	27,779.42
Received/transfer on issue of Ordinary Shares during the year	0.03	0.26
Equity issue expenses written (off)/back during the year	-	0.57
<b>Balance at the end of the year</b>	<b>27,780.28</b>	<b>27,780.25</b>

(₹ crore)

##### (b) Debenture redemption reserve

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

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

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

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	2,046.00	2,046.00
<b>Balance at the end of the year</b>	<b>2,046.00</b>	<b>2,046.00</b>

(₹ crore)

##### (c) General reserve

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

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

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	11,596.35	11,596.35
<b>Balance at the end of the year</b>	<b>11,596.35</b>	<b>11,596.35</b>

(₹ crore)

## NOTES

forming part of the financial statements

## 19. Other equity (Contd.)

[Item No. IV(c), Page 222]

## (d) Capital redemption reserve

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

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

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	20.78	20.78
<b>Balance at the end of the year</b>	<b>20.78</b>	<b>20.78</b>

## (e) Others

Others primarily represent amount appropriated out of the statement of profit and loss for unforeseen contingencies. Such appropriations are free in nature.

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

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	117.04	117.04
<b>Balance at the end of the year</b>	<b>117.04</b>	<b>117.04</b>

## D. Share application money pending allotment

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

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	-	0.02
Application money received during the year	0.04	0.24
Allotment of Ordinary Shares during the year	(0.04)	(0.26)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

## NOTES

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### 20. Borrowings

[Item No. V(a)(i) and VI(a)(i), Page 222]

#### A. Non-current

	As at March 31, 2020	As at March 31, 2019
(₹ crore)		
<b>(a) Secured</b>		
(i) Loans from Joint Plant Committee - Steel Development Fund	2,633.96	2,564.10
(ii) Lease obligations	2,941.15	-
	<b>5,575.11</b>	<b>2,564.10</b>
<b>(b) Unsecured</b>		
(i) Non-convertible debentures	12,567.07	12,195.74
(ii) Term loans from banks/financial institutions	13,239.78	9,956.98
(iii) Lease obligations	-	1,934.37
	<b>25,806.85</b>	<b>24,087.09</b>
	<b>31,381.96</b>	<b>26,651.19</b>

#### B. Current

	As at March 31, 2020	As at March 31, 2019
(₹ crore)		
<b>(a) Secured</b>		
(i) Repayable on demand from banks/financial institutions	43.67	8.09
<b>(b) Unsecured</b>		
(i) Loans from banks/financial institutions	4,800.00	-
(ii) Commercial papers	3,013.60	-
	<b>7,813.60</b>	-
	<b>7,857.27</b>	<b>8.09</b>

(i) As at March 31, 2020, ₹5,618.78 crore (March 31, 2019: ₹2,572.19 crore) of the total outstanding borrowings were secured by a charge on property, plant and equipment, right-of-use assets, inventories and receivables.

(ii) The security details of major borrowings as at March 31, 2020 is as below:

##### (a) Loans from Joint Plant Committee-Steel Development Fund

It is secured by mortgages on all present and future immovable properties wherever situated and hypothecation of movable assets, excluding land and building mortgaged in favour of Government of India under the deed of mortgage dated April 13, 1967 and in favour of Government of Bihar under two deeds of mortgage dated May 11, 1963, immovable properties and

movable assets of the Tube Division, Bearings Division, Ferro Alloys Division and Cold Rolling Complex (West) at Tarapur and all investments and book debts of the Company subject to the prior charges created and/or to be created in favour of the bankers for securing borrowing for the working capital requirement and charges created and/or to be created on specific items of machinery and equipment procured/to be procured under deferred payment schemes/bill rediscounting schemes/asset credit schemes.

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

The Company has filed a writ petition before the High Court at Kolkata in February 2006 claiming waiver of the outstanding loan and interest and refund of the balance lying with Steel Development Fund and the matter is subjudice.

## NOTES

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### 20. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page 222]

The loan includes funded interest ₹994.63 crore (March 31, 2019: ₹924.77 crore).

It includes ₹1,639.33 crore (March 31, 2019: ₹1,639.33 crore) representing repayments and interest on earlier loans for which applications of funding are awaiting sanction and is not secured by charge on movable assets of the Company.

#### (b) Lease obligations

The Company has taken certain assets on lease for business purpose. In addition, the Company has entered into long-term arrangements which conveys right to control the use of the identified assets resulting in recognition of right-of-use assets and lease obligations.

Lease obligations represent the present value of minimum lease payments payable over the lease term.

- (iii) The details of major unsecured borrowings as at March 31, 2020 is as below:

#### (a) Commercial Paper

Commercial papers raised by the Company are short-term in nature ranging between one to three months.

#### (b) Non-convertible debentures

- (i) 9.84% p.a. interest bearing 43,150 debentures of face value ₹10,00,000 each are redeemable at par in 4 equal annual instalments commencing from February 28, 2031.
- (ii) 10.25% p.a. interest bearing 25,000 debentures of face value ₹10,00,000 each are redeemable at par in 3 equal annual instalments commencing from January 6, 2029.
- (iii) 10.25% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par in 3 equal annual instalments commencing from December 22, 2028.
- (iv) 8.15% p.a. interest bearing 10,000 debentures of face value ₹10,00,000 each are redeemable at par on October 1, 2026.
- (v) 7.70% p.a. interest bearing 6,700 debentures of face value ₹10,00,000 each are redeemable at par on March 13, 2025.
- (vi) 2.00% p.a. interest bearing 15,000 debentures of face value ₹10,00,000 each are redeemable at a premium of 85.03% of the face value on April 23, 2022.

- (vii) 9.15% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par on January 25, 2021.

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

- (i) USD 330.00 million equivalent to ₹2,494.80 crore (March 31, 2019: Nil) loan is repayable in 3 equal annual instalments commencing from September 09, 2023.
- (ii) Rupee loan amounting ₹2,500.00 crore (March 31, 2019: ₹2,500.00 crore) is repayable in 9 quarterly instalments commencing from March 31, 2023.
- (iii) Rupee loan amounting ₹1,047.50 crore (March 31, 2019: ₹1,047.50 crore) is repayable in 10 semi-annual instalments, the next instalment is due on November 29, 2022.
- (iv) Rupee loan amounting ₹1,000.00 crore (March 31, 2019: Nil) is repayable in 16 semi-annual instalments, the next instalment is due on March 24, 2022.
- (v) Rupee loan amounting ₹584.58 crore (March 31, 2019: ₹584.58 crore) is repayable in 8 semi-annual instalments, the next instalment is due on June 15, 2021.
- (vi) Rupee loan amounting ₹750.00 crore (March 31, 2019: ₹750.00 crore) is repayable in 3 equal annual instalments commencing from May 29, 2021.
- (vii) USD 7.86 million equivalent to ₹59.43 crore (March 31, 2019: USD 7.86 million equivalent to ₹54.38 crore) is repayable on March 1, 2021.
- (viii) USD 133.33 million equivalent to ₹1,008.00 crore (March 31, 2019: USD 200.00 million equivalent to ₹1,383.55 crore) loan is repayable in 2 equal annual instalments, the next instalment is due on February 16, 2021.
- (ix) Rupee loan amounting ₹632.72 crore (March 31, 2019: ₹640.42 crore) is repayable in 14 semi-annual instalments, the next instalment is due on August 14, 2020.
- (x) Euro 10.81 million equivalent to ₹89.56 crore (March 31, 2019: Euro 16.21 million equivalent to ₹125.96 crore) loan is repayable in 4 equal semi-annual instalments, the next instalment is due on July 6, 2020.
- (xi) Rupee loan amounting ₹1,000.00 crore (March 31, 2019: Nil) is repayable in 15 semi-annual instalments, the next instalment is due on June 30, 2020.
- (xii) Rupee loan amounting ₹1,600.00 crore (March 31, 2019: ₹1,600.00 crore) is repayable in 8 semi-annual instalments, the next instalment is due on April 30, 2020.

## NOTES

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### 20. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page 222]

- (xiii) Euro **47.76** million equivalent to **₹395.80** crore (March 31, 2019: Euro 66.87 million equivalent to ₹519.58 crore) loan is repayable in 5 equal semi-annual instalments, the next instalment is due on April 30, 2020.
- (xiv) Rupee loan amounting **₹1,447.50** crore (March 31, 2019: ₹1,485.00 crore) is repayable in 17 semi-annual instalments, the next instalment is due on April 16, 2020.

- (iv) Currency and interest exposure of borrowings including current maturities at the end of the reporting period is as below:

	As at March 31, 2020			As at March 31, 2019		
	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
INR	24,190.31	13,225.20	37,415.51	16,476.27	11,162.42	27,638.69
EURO	325.31	156.25	481.56	425.00	212.29	637.29
USD	-	3,525.80	3,525.80	-	1,425.49	1,425.49
<b>Total</b>	<b>24,515.62</b>	<b>16,907.25</b>	<b>41,422.87</b>	<b>16,901.27</b>	<b>12,800.20</b>	<b>29,701.47</b>

INR-Indian Rupees, USD-United States Dollars.

- (v) Majority of floating rate borrowings are bank borrowings bearing interest rates based on MCLR, LIBOR and EURIBOR. Of the total floating rate borrowings as at March 31, 2020, **₹2,778.30** crore (March 31, 2019: ₹1,037.66 crore) has been hedged using interest rate swaps and interest rate caps and collars, with contracts covering period of more than one year.
- (vi) Maturity profile of borrowings including current maturities is as below:

	As at March 31, 2020		As at March 31, 2019	
	Borrowings other than lease obligations	Lease obligations	Total borrowings	Total borrowings
Not later than one year or on demand	9,675.53	753.36	10,428.89	3,325.08
Later than one year but not two years	1,672.66	611.87	2,284.53	2,033.20
Later than two years but not three years	4,014.61	528.24	4,542.85	1,912.66
Later than three years but not four years	3,291.60	451.01	3,742.61	4,206.95
Later than four years but not five years	3,464.11	417.32	3,881.43	2,611.95
More than five years	16,263.34	3,716.20	19,979.54	18,625.16
	<b>38,381.85</b>	<b>6,478.00</b>	<b>44,859.85</b>	<b>32,715.00</b>
Less: Future finance charges on leases	-	3,168.20	3,168.20	2,560.34
Less: Capitalisation of transaction costs	268.78	-	268.78	453.19
	<b>38,113.07</b>	<b>3,309.80</b>	<b>41,422.87</b>	<b>29,701.47</b>

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

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## NOTES

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## 21. Other financial liabilities

[Item No. V(a)(iii) and VI(a)(iv), Page 222]

## A. Non-current

	As at March 31, 2020	As at March 31, 2019
Creditors for other liabilities	293.59	125.07

## B. Current

	As at March 31, 2020	As at March 31, 2019
(a) Current maturities of long-term borrowings	1,814.99	2,846.70
(b) Current maturities of lease obligations	368.65	195.49
(c) Interest accrued but not due	385.24	569.36
(d) Unclaimed dividends	64.20	64.88
(e) Creditors for other liabilities	2,768.47	3,195.92
	5,401.55	6,872.35

(i) Non-current and current creditors for other liabilities include:

- (a) creditors for capital supplies and services ₹1,303.22 crore (March 31, 2019: ₹1,582.88 crore).  
 (b) liability for employee family benefit scheme ₹195.21 crore (March 31, 2019: ₹189.87 crore).

## 22. Provisions

[Item No. V(b) and VI(b), Page 222]

## A. Non-current

	As at March 31, 2020	As at March 31, 2019
(a) Employee benefits	1,756.69	1,556.66
(b) Others	356.87	361.52
	2,113.56	1,918.18

## B. Current

	As at March 31, 2020	As at March 31, 2019
(a) Employee benefits	219.52	300.80
(b) Others	444.34	477.43
	663.86	778.23

## NOTES

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### 22. Provisions (Contd.)

[Item No. V(b) and VI(b), Page 222]

- (i) Non-current and current provision for employee benefits include provision for leave salaries ₹1,158.62 crore (March 31, 2019: ₹999.39 crore) and provision for early separation scheme ₹801.46 crore (March 31, 2019: ₹843.14 crore).
- (ii) As per the leave policy of the Company, an employee is entitled to be paid the accumulated leave balance on separation. The Company presents provision for leave salaries as current and non-current based on actuarial valuation considering estimates of availment of leave, separation of employee etc.
- (iii) Non-current and current other provisions include:
  - (a) provision for compensatory afforestation, mine closure and rehabilitation obligations ₹753.88 crore (March 31, 2019: ₹791.62 crore). These amounts become payable upon closure of the mines and are expected to be incurred over a period of 1 to 32 years.
  - (b) provision for legal and constructive commitments provided by the Company in respect of a loss-making subsidiary ₹47.33 crore (March 31, 2019: ₹47.33 crore). The same is expected to be settled within one year from the reporting date.
- (iv) The details of movement in other provisions is as below:

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	838.95	676.34
Recognised/(released) during the year <sup>(a)</sup>	8.03	190.91
Utilised during the year	(45.77)	(28.30)
<b>Balance at the end of the year</b>	<b>801.21</b>	<b>838.95</b>

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

### 23. Retirement benefit obligations

[Item No. V(c) and VI(c), Page 222]

#### A. Non-current

	As at March 31, 2020	As at March 31, 2019
(a) Retiring gratuities	528.76	80.21
(b) Post-retirement medical benefits	1,446.44	1,182.12
(c) Other defined benefits	249.24	168.02
	<b>2,224.44</b>	<b>1,430.35</b>

#### B. Current

	As at March 31, 2020	As at March 31, 2019
(a) Post-retirement medical benefits	92.66	88.89
(b) Other defined benefits	13.95	13.23
	<b>106.61</b>	<b>102.12</b>

- (i) Detailed disclosure in respect post-retirement defined benefit schemes is provided in note 36, page 284.
- (ii) Other defined benefits include post-retirement lumpsum benefits, long service awards, packing and transportation, farewell gifts, etc.

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## 24. Deferred income

[Item No. V(d) and VI(d), Page 222]

## A. Non-current

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
Grants relating to property, plant and equipment	-	747.23

## B. Current

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
Other deferred income	6.15	-

- (i) Grants relating to property, plant and equipment as at March 31, 2019 relate to duty saved on import of capital goods and spares under the EPCG scheme. Under the scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities. Such grants recognised are released to the statement of profit and loss based on fulfilment of related export obligations.

During the year, an amount of ₹747.23 crore (2018-19: ₹618.38 crore) was released from deferred income to the statement of profit and loss on fulfilment of export obligations.

## 25. Other liabilities

[Item No. V(f) and VI(f), Page 222]

## A. Non-current

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
(a) Statutory dues	-	19.77
(b) Other credit balances	684.76	416.39
	684.76	436.16

## B. Current

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
(a) Advances received from customers	560.15	484.99
(b) Employee recoveries and employer contributions	27.91	70.22
(c) Statutory dues	5,287.89	5,810.38
	5,875.95	6,365.59

- (i) Statutory dues primarily relate to payables in respect of royalties, GST, excise duty, service tax, sales tax, VAT and tax deducted at source.

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### 26. Trade payables

[Item No. VI(a)(ii), Page 222]

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

	As at March 31, 2020	As at March 31, 2019
Dues of micro and small enterprises	118.62	149.49

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

	As at March 31, 2020	As at March 31, 2019
(a) Creditors for supplies and services	9,340.32	8,995.84
(b) Creditors for accrued wages and salaries	1,142.02	1,824.23
	10,482.34	10,820.07

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

	As at March 31, 2020	As at March 31, 2019
(i) Principal amount remaining unpaid to supplier at the end of the year	118.62	149.49
(ii) Interest due thereon remaining unpaid to supplier at the end of the year	3.10	3.55
(iii) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	8.67	8.09
(iv) Amount of interest accrued and remaining unpaid at the end of the year	11.77	11.64

### 27. Revenue from operations

[Item No. I, Page 223]

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Sale of products	57,167.71	67,213.85
(b) Sale of power and water	1,647.86	1,709.51
(c) Other operating revenues <sup>(iii)</sup>	1,620.40	1,687.56
	60,435.97	70,610.92

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### 27. Revenue from operations (Contd.)

[Item No. I, Page 223]

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

(₹ crore)			
Year ended March 31, 2020			
	India	Outside India	Total
(a) Steel	48,764.20	5,135.81	53,900.01
(b) Power and water	1,647.86	-	1,647.86
(c) Others	1,837.84	1,429.86	3,267.70
	<b>52,249.90</b>	<b>6,565.67</b>	<b>58,815.57</b>

(₹ crore)			
Year ended March 31, 2019			
	India	Outside India	Total
(a) Steel	58,777.12	4,342.26	63,119.38
(b) Power and water	1,709.51	-	1,709.51
(c) Others	1,801.94	2,292.53	4,094.47
	<b>62,288.57</b>	<b>6,634.79</b>	<b>68,923.36</b>

- (ii) Other operating revenues include export incentives and deferred income released to the statement of profit and loss on fulfilment of export obligations under the EPCG scheme.

### 28. Other income

[Item No. II, Page 223]

(₹ crore)		
	Year ended March 31, 2020	Year ended March 31, 2019
(a) Dividend income	89.73	96.25
(b) Interest income	73.57	1,627.24
(c) Net gain/(loss) on sale/fair value changes of mutual funds	96.19	596.79
(d) Gain/(loss) on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off)	(1.20)	(1.42)
(e) Gain/(loss) on cancellation of forwards, swaps and options	(1.26)	36.95
(f) Other miscellaneous income	147.09	49.27
	<b>404.12</b>	<b>2,405.08</b>

- (i) Dividend income includes income from investments carried at fair value through other comprehensive income ₹20.15 crore (2018-19: ₹18.25 crore).
- (ii) Interest income includes:
- income on financial assets carried at amortised cost ₹73.57 crore (2018-19: ₹874.36 crore).
  - income on financial assets carried at fair value through profit and loss Nil (2018-19: ₹752.88 crore).

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### 29. Changes in inventories of finished and semi-finished goods, stock-in-trade and work-in-progress

[Item No. IV(c), Page 223]

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Inventories at the end of the year</b>		
(a) Work-in-progress	6.90	14.54
(b) Finished and semi-finished goods	4,663.71	4,129.28
(c) Stock-in-trade	113.15	75.54
	<b>4,783.76</b>	<b>4,219.36</b>
<b>Inventories at the beginning of the year</b>		
(a) Work-in-progress	14.54	6.77
(b) Finished and semi-finished goods	4,129.28	3,602.13
(c) Stock-in-trade	75.54	56.13
	<b>4,219.36</b>	<b>3,665.03</b>
<b>Increase/(decrease)</b>	<b>564.40</b>	<b>554.33</b>

### 30. Employee benefits expense

[Item No. IV(d), Page 223]

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) Salaries and wages	4,231.14	4,306.68
(b) Contribution to provident and other funds	477.48	473.94
(c) Staff welfare expenses	328.00	350.44
	<b>5,036.62</b>	<b>5,131.06</b>

- (i) During the year ended March 31, 2020, the Company has recognised an amount of ₹32.96 crore (2018-19: ₹27.06 crore) as remuneration to key managerial personnel. The details of such remuneration is as below:

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) Short-term employee benefits	21.47	22.05
(b) Post-employment benefits	11.21	4.88
(c) Other long-term employee benefits	0.28	0.13
	<b>32.96</b>	<b>27.06</b>

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## NOTES

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## 31. Finance costs

[Item No. IV(e), Page 223]

	Year ended March 31, 2020	Year ended March 31, 2019
(₹ crore)		
Interest expense on:		
(a) Bonds, debentures, bank borrowings and others	2,767.82	2,644.94
(b) Lease obligation	366.77	267.32
	<b>3,134.59</b>	<b>2,912.26</b>
Less: Interest capitalised	103.58	88.68
	<b>3,031.01</b>	<b>2,823.58</b>

(i) Interest on income tax was **Nil** for the year ended March 31, 2020 and March 31, 2019.

## 32. Depreciation and amortisation expense

[Item No. IV(f), Page 223]

	Year ended March 31, 2020	Year ended March 31, 2019
(₹ crore)		
(a) Depreciation on property, plant and equipment	3,535.23	3,652.67
(b) Depreciation on right-of-use assets	302.82	-
(c) Amortisation of intangible assets	82.07	150.29
	<b>3,920.12</b>	<b>3,802.96</b>

## 33. Other expenses

[Item No. IV(g), Page 223]

	Year ended March 31, 2020	Year ended March 31, 2019
(₹ crore)		
(a) Consumption of stores and spares	4,616.04	4,040.28
(b) Repairs to buildings	64.64	61.34
(c) Repairs to machinery	3,181.23	2,950.18
(d) Relining expenses	93.90	87.58
(e) Fuel oil consumed	198.39	210.87
(f) Purchase of power	2,906.01	2,822.47
(g) Conversion charges	2,795.20	2,722.06
(h) Freight and handling charges	4,046.92	4,319.64
(i) Rent	58.68	72.09
(j) Royalty	1,751.32	2,002.89
(k) Rates and taxes	832.18	1,201.05
(l) Insurance charges	147.17	133.10
(m) Commission, discounts and rebates	180.22	188.63
(n) Allowance for credit losses/provision for advances	2.13	1.42
(o) Others	2,929.15	3,809.21
	<b>23,803.18</b>	<b>24,622.81</b>

## NOTES

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### 33. Other expenses (Contd.)

[Item No. IV(g), Page 223]

- (i) Others include:
- (a) net foreign exchange gain **₹53.04** crore (2018-19: foreign exchange loss ₹134.41 crore),
  - (b) gain on fair value changes of financial assets carried at fair value through profit and loss **₹356.26** crore (2018-19: loss of ₹111.31 crore),
  - (c) donations to electoral trusts **Nil** (2018-19: ₹175.00 crore).
- (ii) During the year ended March 31, 2020, the Company has recognised an amount of **₹6.95** crore (2018-19: ₹7.35 crore) towards payment to non-executive directors. The details are as below:

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Short-term benefits	6.55	6.87
(b) Sitting fees	0.40	0.48
	<b>6.95</b>	<b>7.35</b>

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

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Auditors remuneration and out-of-pocket expenses		
(i) Statutory audit fees	6.00	6.18
(ii) Tax audit fees	0.40	0.40
(iii) For other services	0.69	0.74
(iv) Out-of-pocket expenses	0.23	0.12
(b) Cost audit fees [including out of pocket expenses <b>₹58,035</b> (2018-19 : ₹6,936)]	0.21	0.18

- (iv) As per the Companies Act, 2013, amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was **₹173.53** crore (2018-19: ₹82.40 crore).

During the year ended March 31, 2020, in respect of CSR activities the Company incurred revenue expenditure which was recognised in the statement of profit and loss amounting to **₹192.99** crore [**₹192.83** crore has been paid in cash and **₹0.16** crore is yet to be paid], which includes **₹0.93** crore on construction of assets [paid in cash]. During the year ended March 31, 2019, similar expense incurred was ₹314.94 crore [₹301.04 crore was paid in cash and ₹13.90 crore was unpaid], which included ₹43.32 crore on construction of assets [₹30.92 crore was paid in cash and ₹12.40 crore was unpaid].

During the year ended March 31, 2020 amount spent on CSR activities through related parties was **₹80.16** crore (2018-19: ₹45.45 crore).

- (v) During the year ended March 31, 2020, revenue expenditure charged to the statement of profit and loss in respect of research and development activities undertaken was **₹255.64** crore (2018-19: ₹212.97 crore) including depreciation of **₹9.62** crore (2018-19: ₹7.80 crore). Capital expenditure incurred in respect of research and development activities during the year was **₹3.72** crore (2018-19: ₹2.82 crore).

### 34. Exceptional items

[Item No. VI, Page 223]

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

- (a) During the year ended March 31, 2019, profit/(loss) on sale of non-current investments ₹262.28 crore relates to profit recognised on sale of investments in TRL Krosaki Refractories Limited, an associate of the Company.

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## 34. Exceptional items (Contd.)

[Item No. VI, Page 223]

- (b) Provision for impairment of investments/doubtful advances ₹1,149.80 crore (2018-19: ₹12.53 crore) relates to provision recognised for impairment of investments in subsidiaries, joint ventures and associates, net of reversals of ₹1.07 crore on account of recovery of advances made to a joint venture.
- (c) Provision for demands and claims ₹196.41 crore (2018-19: ₹328.64 crore) relates to provision recognised in respect of certain statutory demands and claims.
- (d) Employee separation compensation ₹107.37 crore (2018-19: ₹35.34 crore) relates to provisions recognised in respect of employee separation scheme of employees.
- (e) Fair value gain/(loss) on preference share investments (net) ₹250.00 crore (2018-19: Nil) represents notional fair value loss on preference share investments held by the Company in some of its affiliates.

## 35. Earnings per share

[Item No. XII, Page 223]

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

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) Profit after tax	6,743.80	10,533.19
Less: Distribution on hybrid perpetual securities (net of tax)	199.18	173.13
Profit attributable to ordinary shareholders- for basic and diluted EPS	6,544.62	10,360.06
	Nos.	Nos.
(b) Weighted average number of Ordinary Shares for basic EPS	1,14,59,30,120	1,14,59,26,020
Add: Adjustment for shares held in abeyance	89,536	1,37,496
Weighted average number of Ordinary Shares and potential Ordinary Shares for diluted EPS	1,14,60,19,656	1,14,60,63,516
(c) Nominal value of Ordinary Share (₹)	10.00	10.00
(d) Basic earnings per Ordinary Share (₹)	57.11	90.41
(e) Diluted earnings per Ordinary Share (₹)	57.11	90.40

- (i) As at March 31, 2020, 5,81,96,450 (March 31, 2019: 5,81,95,359) options in respect of partly paid shares and 1,21,523 (March 31, 2019: Nil) options in respect of fully paid shares were excluded from weighted average number of Ordinary Shares for the computation of diluted earnings per share as these were anti-dilutive.

## 36. Employee benefits

## A. Defined contribution plans

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

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

## (a) Provident fund and pension

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

## NOTES

forming part of the financial statements

### 36. Employee benefits (Contd.)

to manage the investments and distribute the amounts entitled to employees or to state managed funds.

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

#### (b) Superannuation fund

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

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

The contributions recognised as an expense in the statement of profit and loss during the year on account of the above defined contribution plans amounted to ₹178.78 crore (2018-19: ₹191.18 crore).

#### B. Defined benefit plans

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

##### (a) Provident fund and pension

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

In accordance with an actuarial valuation of provident fund liabilities based on guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater

than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

Key assumptions used for actuarial valuation are as below:

	As at March 31, 2020	As at March 31, 2019
Discount rate	6.50%	7.50%
Guaranteed rate of return	8.50%	8.65%
Expected rate of return on investment	8.40%	8.60%

##### (b) Retiring gratuity

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

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

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

##### (d) Other defined benefits

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

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

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

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## 36. Employee benefits (Contd.)

- (ii) **Interest risk:** A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the value of plan's debt investments
- (iii) **Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

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

## C. Details of defined benefit obligations and plan assets:

## (a) Retiring gratuity:

- (i) The following table sets out the amounts recognised in the financial statements in respect of retiring gratuity plan:

	Year ended March 31, 2020	Year ended March 31, 2019
(₹ crore)		
<b>Change in defined benefit obligations:</b>		
Obligation at the beginning of the year	2,839.66	2,767.69
Current service cost	128.99	124.76
Interest cost	180.11	186.50
Remeasurement (gain)/loss	231.65	(3.93)
Adjustment for arrear wage settlement	192.01	-
Benefits paid	(569.52)	(235.36)
<b>Obligation at the end of the year</b>	<b>3,002.90</b>	<b>2,839.66</b>

	Year ended March 31, 2020	Year ended March 31, 2019
(₹ crore)		
<b>Change in plan assets:</b>		
Fair value of plan assets at the beginning of the year	2,759.45	2,706.72
Interest income	188.61	196.53
Remeasurement gain/(loss) excluding amount included within employee benefits expense	15.38	28.94
Employers' contribution	80.22	62.63
Benefits paid	(569.52)	(235.37)
<b>Fair value of plan assets at the end of the year</b>	<b>2,474.14</b>	<b>2,759.45</b>

## Amounts recognised in the balance sheet consist of:

	As at March 31, 2020	As at March 31, 2019
(₹ crore)		
Fair value of plan assets	2,474.14	2,759.45
Present value of obligations	(3,002.90)	(2,839.66)
	<b>(528.76)</b>	<b>(80.21)</b>
Recognised as:		
Retirement benefit obligations - Non-current	(528.76)	(80.21)

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### 36. Employee benefits (Contd.)

**Expense/(gain) recognised in the statement of profit and loss consists of:**

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Employee benefits expense:</b>		
Current service cost	128.99	124.76
Net interest expense	(8.50)	(10.03)
	<b>120.49</b>	<b>114.73</b>
<b>Other comprehensive income:</b>		
Return on plan assets excluding amount included in employee benefits expense	(15.38)	(28.94)
Actuarial (gain)/loss arising from changes in financial assumption	222.89	-
Actuarial (gain)/loss arising from changes in experience adjustments	8.76	(3.93)
	<b>216.27</b>	<b>(32.87)</b>
<b>Expense/(gain) recognised in the statement of profit and loss</b>	<b>336.76</b>	<b>81.86</b>

(ii) Fair value of plan assets by category of investment is as below:

	As at	
	March 31, 2020	March 31, 2019
<b>Assets category (%)</b>		
Equity instruments (quoted)	0.19	0.05
Debt instruments (quoted)	22.48	18.93
Insurance products (unquoted)	77.33	81.02
	<b>100.00</b>	<b>100.00</b>

The Company's investment policy is driven by considerations of maximising returns while ensuring credit quality of debt instruments. The asset allocation for plan assets is determined based on prescribed investment criteria and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan assets performance, the Company compares actual returns for each asset category with published benchmarks.

(iii) Key assumptions used in the measurement of retiring gratuity is as below:

	As at March 31, 2020	As at March 31, 2019
Discount rate	6.50%	7.50%
Rate of escalation in salary	7.50% to 10.00%	7.50% to 10.00%

(iv) Weighted average duration of the retiring gratuity obligation is **8.1** years (March 31, 2019: 9 years).

(v) The Company expects to contribute **₹528.76** crore to the plan during the financial year 2020-21.

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## 36. Employee benefits (Contd.)

(vi) The table below outlines the effect on retiring gratuity obligation in the event of a decrease/increase of 1% in the assumptions used:

## As at March 31, 2020

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹222.21 crore, increase by ₹258.25 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹252.24 crore, decrease by ₹222.21 crore

## As at March 31, 2019

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹178.90 crore, increase by ₹204.46 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹201.62 crore, decrease by ₹178.90 crore

The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

## (b) Post-retirement medical benefits and other defined benefits:

(i) The following table sets out the amounts recognised in the financial statements in respect of post-retirement medical benefits and other defined benefit plans:

	Year ended March 31, 2020		Year ended March 31, 2019	
	Medical	Others	Medical	Others
<b>Change in defined benefit obligation:</b>				
Obligation at the beginning of the year	1,271.01	181.25	1,204.70	72.56
Current service cost	18.58	66.61	17.46	108.99
Interest cost	92.73	12.97	87.96	5.16
Remeasurement (gain)/loss				
(i) Actuarial (gains)/losses arising from changes in financial assumptions	210.83	14.92	-	-
(ii) Actuarial (gains)/losses arising from changes in experience assumptions	15.26	3.99	24.74	2.18
Benefits paid	(69.31)	(16.55)	(63.85)	(7.64)
<b>Obligation at the end of the year</b>	<b>1,539.10</b>	<b>263.19</b>	<b>1,271.01</b>	<b>181.25</b>

## Amounts recognised in the balance sheet consist of:

	As at March 31, 2020		As at March 31, 2019	
	Medical	Others	Medical	Others
Present value of obligations	(1,539.10)	(263.19)	(1,271.01)	(181.25)
Recognised as:				
Retirement benefit obligations - Current	(92.66)	(13.95)	(88.89)	(13.23)
Retirement benefit obligations - Non-current	(1,446.44)	(249.24)	(1,182.12)	(168.02)

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### 36. Employee benefits (Contd.)

Expense/(gain) recognised in the statement of profit and loss consists of:

(₹ crore)

	Year ended March 31, 2020		Year ended March 31, 2019	
	Medical	Others	Medical	Others
<b>Employee benefits expense:</b>				
Current service cost	18.58	66.61	17.46	108.99
Net interest expense	92.73	12.97	87.96	5.16
	<b>111.31</b>	<b>79.58</b>	<b>105.42</b>	<b>114.15</b>
<b>Other comprehensive income:</b>				
Actuarial (gains)/losses arising from changes in financial assumption	210.83	14.92	-	-
Actuarial (gains)/losses arising from changes in experience adjustments	15.26	3.99	24.74	2.18
	<b>226.09</b>	<b>18.91</b>	<b>24.74</b>	<b>2.18</b>
<b>Expense recognised in the statement of profit and loss</b>	<b>337.40</b>	<b>98.49</b>	<b>130.16</b>	<b>116.33</b>

(ii) Key assumptions used in the measurement of post-retirement medical benefits and other defined benefit plans is as below:

	As at March 31, 2020		As at March 31, 2019	
	Medical	Others	Medical	Others
Discount rate	6.50%	6.50%	7.50%	7.50%
Rate of escalation in salary	N.A	10.00%-15.00%	N.A	10.00% - 15.00%
Inflation rate	8.00%	4.00%	8.00%	4.00%

(iii) Weighted average duration of post-retirement medical benefit obligation is **8** years (March 31, 2019: 8 years). Weighted average duration of other defined benefit obligation ranges from **3.3 to 13** years (March 31, 2019: 3.6 to 12 years)

(iv) The table below outlines the effect on post-retirement medical benefit obligation in the event of a decrease/increase of 1% in the assumptions used:

#### As at March 31, 2020

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹210.86 crore, increase by ₹272.42 crore
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹252.41 crore, decrease by ₹200.08 crore

#### As at March 31, 2019

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹160.15 crore, increase by ₹203.36 crore
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹189.38 crore, decrease by ₹152.52 crore

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## 36. Employee benefits (Contd.)

(v) The table below outlines the effect on other defined benefit obligations in the event of a decrease/increase of 1 % in the assumptions used:

## As at March 31, 2020

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹14.90 crore, increase by ₹17.47 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹3.29 crore, decrease by ₹2.99 crore
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹6.82 crore, decrease by ₹5.97 crore

## As at March 31, 2019

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹10.83 crore, increase by ₹12.47 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹2.37 crore, decrease by ₹2.12 crore
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹5.03 crore, decrease by ₹4.49 crore

The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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### 37. Contingencies and commitments

#### A. Contingencies

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an on-going basis with the assistance of external legal counsel, wherever necessary. The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

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

#### Litigations

The Company is involved in legal proceedings, both as plaintiff and as defendant. There are claims which the Company does not believe to be of a material nature, other than those described below:

#### Income tax

The Company has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowance of expenses, tax treatment of certain expenses claimed by the Company as deduction and the computation of or eligibility of the Company's use of certain tax incentives or allowances.

Most of these disputes and/or disallowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years.

As at March 31, 2020, there are matters and/or disputes pending in appeal amounting to ₹2,260.36 crore (March 31, 2019: ₹3,160.64 crore).

The details of demands for more than ₹100 crore is as below:

- (a) Interest expenditure on loans taken by the Company for acquisition of a subsidiary has been disallowed in

assessments with tax demand raised for ₹1,551.10 crore (inclusive of interest) (March 31, 2019: ₹1,791.29 crore).

- (b) Interest expenditure on "Hybrid Perpetual Securities" has been disallowed in assessments with tax demand raised for ₹170.54 crore (inclusive of interest) (March 31, 2019: ₹459.13 crore)

In respect of above demands, the Company has deposited an amount of ₹1,165.00 crore (March 31, 2019: ₹1,065.00 crore) as a precondition for obtaining stay. The Company expects to sustain its position on ultimate resolution of the said appeals.

#### Customs, excise duty and service tax

As at March 31, 2020, there were pending litigations for various matters relating to customs, excise duty and service taxes involving demands of ₹365.43 crore (March 31, 2019: ₹682.53 crore).

#### Sales tax/VAT

The total sales tax demands that are being contested by the Company amounted to ₹563.30 crore (March 31, 2019: ₹717.02 crore).

The details of demands for more than ₹100 crore are as below:

- (a) The Company stock transfers its goods manufactured at Jamshedpur works plant to its various depots/branches located outside the state of Jharkhand across the country and these goods are then sold to various customers outside the states from depots/branches. As per the Central Sales Tax Act, 1956, these transfers of goods to depots/branches were made without payment of Central sales tax and F-Form was submitted in lieu of the stock-transfers made during the period of assessment. The value of these sales was also disclosed in the periodical returns filed as per the Jharkhand Vat Act, 2005. The Commercial Tax Department has raised demand of Central Sales tax by levying tax on the differences between value of sales outside the states and value of F-Form submitted for stock transfers. The amount involved for various assessment years beginning 2011-2012 to 2015-2016 is amounting to ₹127.00 crore (March 31, 2019: ₹127.00 crore).
- (b) The Commercial Tax Department of Jharkhand has rejected certain Input tax credit claimed by the Company on goods purchased from the suppliers within the State of Jharkhand. The Department has alleged that the goods have not been used in accordance with the provisions of Jharkhand VAT Act, 2005. The potential exposure on account of disputed tax and interest for the period beginning 2012-2013 to 2015-2016 as on March 31, 2020 is ₹74.00 crore (March 31, 2019: ₹104.00 crore).

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### 37. Contingencies and commitments (Contd.)

#### Other taxes, dues and claims

Other amounts for which the Company may contingently be liable aggregate to ₹12,450.66 crore (March 31, 2019: ₹11,639.19 crore).

The details of demands for more than ₹100 crore are as below:

- (a) Claim by a party arising out of conversion arrangement ₹195.79 crore (March 31, 2019: ₹195.79 crore). The Company has not acknowledged this claim and has instead filed a claim of ₹141.23 crore (March 31, 2019: ₹141.23 crore) on the party. The matter is pending before the Calcutta High Court.
- (b) The State Government of Odisha introduced "Orissa Rural Infrastructure and Socio Economic Development Act, 2004" with effect from February 2005 levying tax on mineral bearing land computed on the basis of value of minerals produced from the mineral bearing land. The Company had filed a writ petition in the Odisha High Court challenging the validity of the Act. The High Court held in December 2005 that the State does not have authority to levy tax on minerals. The State of Odisha filed an appeal in the Supreme Court against the order of the High Court and the case is pending in Supreme Court. The potential liability, as at March 31, 2020 is ₹8,732.29 crore (March 31, 2019: ₹7,573.53 crore).
- (c) The Company pays royalty on iron ore on the basis of quantity removed from the leased area at the rates based on notification issued by the Ministry of Mines, Government of India and the price published by Indian Bureau of Mines (IBM) on a monthly basis.

Demand of ₹411.08 crore has been raised by Deputy Director of Mines, Joda, claiming royalty at sized ore rates on despatches of ore fines. The Company has filed a revision petition on November 14, 2013, before the Mines Tribunal, Government of India, Ministry of Mines, New Delhi, challenging the legality and validity of the demand and to grant refund of royalty paid in excess by the Company. Mines Tribunal has granted stay on the total demand with directive to Government of Odisha not to take any coercive action for realisation of this demanded amount.

The Hon'ble High Court of Odisha in a similar matter held the circulars based on which demands were raised to be valid. The Company has challenged the judgment of the High Court by a separate petition in the Hon'ble Supreme Court on April 29, 2016.

On July 16, 2019, the Company has filed rejoinders to the reply filed by State of Odisha against the revision petition. The State pressed for rejection of revision applications citing the judgment of the High Court. The Company represented before the authorities and explained that the judgment was passed under a particular set of 'facts & circumstances' which cannot have blanket application on the Company considering the case of the Company is factually different. On August 7, 2019, the Mines Tribunal decided to await the outcome of Special leave petition pending before the Hon'ble Supreme Court and adjourned the matter.

Likely demand of royalty on fines at sized ore rates as on March 31, 2020 is ₹1,965.52 crore (March 31, 2019: ₹1,630.16 crore).

- (d) Demand notices were originally issued by the Deputy Director of Mines, Odisha amounting to ₹3,827.29 crore for excess production over the quantity permitted under the mining plan, environment clearance or consent to operate, pertaining to 2000-01 to 2009-10. The demand notices have been raised under Section 21(5) of the Mines & Minerals (Development and Regulations) Act, 1957 (MMDR). The Company filed revision petitions before the Mines Tribunal against all such demand notices. Initially, a stay of demands was granted, later by order dated October 12, 2017, the issue has been remanded to the state for reconsideration of the demand in the light of Supreme Court judgement passed on August 2, 2017.

The Hon'ble Supreme Court pronounced its judgement in the Common Cause case on August 2, 2017 wherein it directed that compensation equivalent to the price of mineral extracted in excess of environment clearance or without forest clearance from the forest land be paid.

In pursuance to the Judgement of Hon'ble Supreme Court, demand/show cause notices amounting to ₹3,873.35 crore have been issued during 2017-18 by the Deputy Director of Mines, Odisha and the District Mining Office, Jharkhand.

In respect of the above demands:

- as directed by the Hon'ble Supreme Court, the Company has provided and paid for iron ore and manganese ore an amount of ₹614.41 crore during 2017-18 for production in excess of environment clearance to the Deputy Director of Mines, Odisha.
- the Company has provided and paid under protest an amount of ₹56.97 crore during 2017-18 for production in excess of environment clearance to the District Mining Office, Jharkhand.

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### 37. Contingencies and commitments (Contd.)

- the Company has challenged the demands amounting to ₹132.91 crore in 2017-18 for production in excess of lower of mining plan and consent to operate limits raised by the Deputy Director of Mines, Odisha before the Mines Tribunal and obtained a stay on the matter. Mines Tribunal, Delhi vide order dated November 26, 2018 disposed of all the revision applications with a direction to remand it to the State Government to hear all such cases afresh and pass detailed order. Demand amount of ₹132.91 crore (March 31, 2019: ₹132.91 crore) is considered contingent liability.
- the Company has made a comprehensive submission before the Deputy Director of Mines, Odisha against show cause notices amounting to ₹694.02 crore received during 2017-18 for production in violation of mining plan, Environment Protection Act, 1986 and Water (Prevention & Control of Pollution) Act, 1981. A demand amounting to ₹234.74 crore has been received in April 2018 from the Deputy Director of Mines, Odisha for production in excess of the Environmental Clearance. The Company has challenged the demand and obtained a stay on the matter from the Revisionary Authority, Mines Tribunal, New Delhi. Demand of ₹234.74 crore has been provided and show cause notice of ₹694.02 crore had been considered as contingent as at March 31, 2019.

During the year ended March 31, 2020, based on the evaluation of current facts and circumstances, the Company has assessed and concluded that the said show cause notice of ₹694.02 crore no longer qualifies to be a contingent liability.

- The Company based on its internal assessment has provided an amount of ₹1,412.89 crore against demand notices amounting to ₹2,140.30 crore received from the District Mining Office, Jharkhand for producing more than environment clearance and the balance amount of ₹727.41 crore (March 31, 2019: ₹727.41 crore) has been considered contingent. The Company has however been granted a stay by the Revisional Authority, Ministry of Coal, Government of India against such demand notices.
- (e) An agreement was executed between the Government of Odisha (GoO) and the Company in December, 1992 for drawal of water from Kundra Nalla for industrial consumption. In December 1993, the Tahsildar, Barbil issued a show-cause notice alleging that the Company has lifted more quantity of

water than the sanctioned limit under the agreement and has also not installed the water meter.

While the proceedings in this regard were in progress, the Company had applied for allocation of fresh limits. Over the years, there has also been a steep increase in the water charges against which the Company filed writ petitions before Hon'ble High Court of Odisha.

In this regard, the Company has received demand of ₹156.62 crore considering the demand for period beginning from January, 1996 upto February, 2020. The potential exposure as on March 31, 2020, ₹162.96 crore (March 31, 2019: ₹125.98 crore) is considered as contingent.

The writ petition filed in August, 1997 was listed for hearing before the Full Bench of the Odisha High Court on May 17, 2019. SAIL, one of the petitioners, sought permission to withdraw its writ petition because the settlement arrived with the State Government in the matter. The High court allowed withdrawal of writ petition of SAIL and directed other parties to negotiate with the State Government. The Company has submitted its detailed representation to Principal Secretary, Water Resource Department, GoO on June 21, 2019, which is under consideration.

#### B. Commitments

- (a) The Company has entered into various contracts with suppliers and contractors for the acquisition of plant and machinery, equipment and various civil contracts of capital nature amounting to ₹8,682.73 crore (March 31, 2019: ₹7,265.82 crore).  
Other commitments as at March 31, 2020 amount to ₹0.01 crore (March 31, 2019 : ₹0.01 crore).
- (b) The Company has given undertakings to:
  - (i) IDBI not to dispose of its investment in Wellman Incandescent India Ltd.
  - (ii) IDBI and ICICI Bank Ltd. (formerly ICICI) not to dispose of its investment in Standard Chrome Ltd
- (c) Tata Steel Limited and Bluescope Steel Limited have given undertaking to State Bank of India not to reduce collective shareholding in Tata Bluescope Steel Private Limited (TBSPL), below 51% without prior consent of the lender. Further, the Company has given an undertaking to State Bank of India to intimate them before diluting its shareholding in TBSPL below 50%.

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### 37. Contingencies and commitments (Contd.)

- (d) The Company, as a promoter, has pledged 4,41,55,800 (March 31, 2019 : 4,41,55,800) equity shares of Industrial Energy Limited with Infrastructure Development Finance Corporation Limited.
- (e) The Company has given guarantees aggregating **₹9,329.87** crore (March 31, 2019 : ₹12,096.24 crore) details of which are as below:
  - (i) in favour of Commissioner Customs for **₹1.07** crore (March 31, 2019: ₹1.07 crore) given on behalf of Timken India Limited in respect of goods imported.
  - (ii) in favour of Mizuho Corporate Bank Ltd., Japan **Nil** (March 31, 2019: ₹9.60 crore) against the loan granted to a joint venture Tata NYK Shipping Pte. Limited.
  - (iii) in favour of The President of India for **₹177.18** crore (March 31, 2019: ₹177.18 crore) against performance of export obligation under the various bonds executed by a joint venture Jamshedpur Continuous Annealing & Processing Company Private Limited.
  - (iv) in favour of the note holders against due and punctual repayment of the 100% amounts outstanding as on March 31, 2020 towards issued Guaranteed Notes by a subsidiary, ABJA Investment Co. Pte Ltd. for **₹7,560.00** crore (March 31, 2019 : ₹10,376.63 crore) and **₹1,591.47** crore (March 31, 2019 : ₹1,531.61 crore). The guarantee is capped at an amount equal to 125% of the outstanding principal amount of the Notes as detailed in "Terms and Conditions" of the Offering Memorandum.
  - (v) in favour of President of India for **₹0.15** crore (March 31, 2019 : ₹0.15 crore) against advance license.

### 38. Other significant litigations

- (a) Odisha Legislative Assembly issued an amendment to Indian Stamp Act, 1889, on May 09, 2013 and inserted a new provision (Section 3A) in respect of stamp duty payable on grant/renewal of mining leases. As per the amended provision, stamp duty is levied equal to 15% of the average royalty that would accrue out of the highest annual extraction of minerals under the approved mining plan multiplied by the period of such mining lease. The Company had filed a writ petition challenging the constitutionality of the Act on July 5, 2013. The Hon'ble High Court, Cuttack passed an order on July 9, 2013 granting interim stay on the operation of the Amendment Act, 2013. Because of the stay, as on date, the Act is not enforceable and any demand

received by the Company is not liable to be proceeded with. Meanwhile, the Company received demand notices for the various mines at Odisha totalling to **₹5,579.00** crore (March 31, 2019: ₹5,579.00 crore). The Company has concluded that it is remote that the claim will sustain on ultimate resolution of the legal case by the court.

In April 2015, the Company has received an intimation from Government of Odisha, granting extension of validity period for leases under the MMDR Amendment Act, 2015 up to March 31, 2030 in respect of eight mines and up to March 31, 2020 for two mines subject to execution of supplementary lease deed. Liability has been provided in the books of accounts as on March 31, 2020 as per the existing provisions of the Stamp Act, 1899 and the Company had paid the stamp duty and registration charges totalling **₹413.72** crore for supplementary deed execution in respect of eight mines out of the above mines.

- (b) Noamundi Iron Ore Mine of the Company was due for its third renewal with effect from January 01, 2012. The application for renewal was submitted by the Company within the stipulated time, but it remained pending consideration with the State and the mining operations were continued in terms of the prevailing law.

By a judgement of April 2014 in the case of Goa mines, the Supreme Court took a view that second and subsequent renewal of mining lease can be effected once the State considers the application and decides to renew the mining lease by issuing an express order. State of Jharkhand issued renewal order to the Company on December 31, 2014. The State, however, took a view on interpretation of Goa judgement that the mining carried out after expiry of the period of second renewal was 'illegal' and hence, issued a demand notice of **₹3,568.31** crore being the price of iron ore extracted. The said demand has been challenged by the Company before the Jharkhand High Court.

The mining operations were suspended from August 01, 2014. Upon issuance of an express order, Company paid **₹152.00** crore under protest, so that mining could be resumed.

The Mines and Minerals Development and Regulation (MMDR) Amendment Ordinance, 2015 promulgated on January 12, 2015 provides for extension of such mining leases whose applications for renewal have remained pending with the State(s). Based on the new Ordinance, Jharkhand Government revised the Express Order on February 12, 2015 for extending the period of lease up to March 31, 2030 with the following terms and conditions:

## NOTES

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### 38. Other significant litigations (Contd.)

- value of iron ore produced by alleged unlawful mining during the period January 1, 2012 to April 20, 2014 for ₹2,994.49 crore to be decided on the basis of disposal of our writ petition before Hon'ble High Court of Jharkhand.
- value of iron ore produced from April 21, 2014 to July 17, 2014 amounting to ₹421.83 crore to be paid in maximum 3 instalments.
- value of iron ore produced from July 18, 2014 to August 31, 2014 i.e. ₹152.00 crore to be paid immediately.

District Mining Officer Chaibasa on March 16, 2015 issued a demand notice for payment of ₹421.83 crore, in three monthly instalments. The Company on March 20, 2015 replied that since the lease has been extended by application of law till March 31, 2030, the above demand is not tenable. The Company paid ₹50.00 crore under protest on July 27, 2015, because the State had stopped issuance of transit permits.

The Company filed another writ petition before the Hon'ble High Court of Jharkhand which was heard on September 9, 2015. An interim order was given by the Hon'ble High Court of Jharkhand on September 17, 2015 wherein the Court has directed the Company to pay the amount of ₹371.83 crore in 3 equal instalments, first instalment by October 15, 2015, second instalment by November 15, 2015 and third instalment by December 15, 2015.

In view of the interim order of the Hon'ble High Court of Jharkhand ₹124.00 crore was paid on September 28, 2015, ₹124.00 crore on November 12, 2015 and ₹123.83 crore on December 14, 2015 under protest.

The case is pending before the Hon'ble High court for disposal. The State issued similar terms and conditions to other mining lessees in the State rendering the mining as illegal. Based on the Company's assessment of the Goa mines judgement read with the Ordinance issued in the year 2015, the Company believes that it is remote that the demand of the State would sustain.

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## 39. Capital management

The Company's capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings and issue of non-convertible debt securities.

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

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current earmarked balances) and current investments.

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

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
Equity share capital	1,146.13	1,146.12
Hybrid perpetual securities	2,275.00	2,275.00
Other equity	73,416.99	69,308.59
<b>Total equity (A)</b>	<b>76,838.12</b>	<b>72,729.71</b>
Non-current borrowings	31,381.96	26,651.19
Current borrowings	7,857.27	8.09
Current maturities of long-term borrowings and lease obligations	2,183.64	3,042.19
<b>Gross debt (B)</b>	<b>41,422.87</b>	<b>29,701.47</b>
<b>Total capital (A+B)</b>	<b>1,18,260.99</b>	<b>1,02,431.18</b>
Gross debt as above	41,422.87	29,701.47
Less: Current investments	3,235.16	477.47
Less: Cash and cash equivalents	993.64	544.85
Less: Other balances with banks (including non-current earmarked balances)	287.54	208.22
<b>Net debt (C)</b>	<b>36,906.53</b>	<b>28,470.93</b>
<b>Net debt to equity ratio<sup>(i)</sup></b>	<b>0.49</b>	<b>0.42</b>

(i) Net debt to equity ratio as at March 31, 2020 and March 31, 2019 has been computed based on average of opening and closing equity.

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### 40. Disclosures on financial instruments

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

The details of significant accounting policies, including the criteria for recognition, basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(n), page 234 to the financial statements.

#### (a) Financial assets and liabilities

The following tables presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2020 and March 31, 2019:

##### As at March 31, 2020

	Amortised cost	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
(₹ crore)							
<b>Financial assets:</b>							
Cash and bank balances	1,281.18	-	-	-	-	1,281.18	1,281.18
Trade receivables	1,016.73	-	-	-	-	1,016.73	1,016.73
Investments	-	507.65	-	-	23,010.01	23,517.66	23,517.66
Derivatives	-	-	15.59	356.83	-	372.42	372.42
Loans	1,806.58	-	-	-	-	1,806.58	1,806.58
Other financial assets	236.52	-	-	-	-	236.52	236.52
	<b>4,341.01</b>	<b>507.65</b>	<b>15.59</b>	<b>356.83</b>	<b>23,010.01</b>	<b>28,231.09</b>	<b>28,231.09</b>
<b>Financial liabilities:</b>							
Trade payables	10,600.96	-	-	-	-	10,600.96	10,600.96
Borrowings other than lease obligations	38,113.07	-	-	-	-	38,113.07	38,713.37
Lease obligations	3,309.80	-	-	-	-	3,309.80	3,309.80
Derivatives	-	-	98.07	106.17	-	204.24	204.24
Other financial liabilities	3,511.50	-	-	-	-	3,511.50	3,511.50
	<b>55,535.33</b>	<b>-</b>	<b>98.07</b>	<b>106.17</b>	<b>-</b>	<b>55,739.57</b>	<b>56,339.87</b>

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### 40. Disclosures on financial instruments (Contd.)

As at March 31, 2019

	Amortised cost	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
(₹ crore)							
<b>Financial assets:</b>							
Cash and bank balances	753.07	-	-	-	-	753.07	753.07
Trade receivables	1,363.04	-	-	-	-	1,363.04	1,363.04
Investments	-	751.95	-	-	34,217.01	34,968.96	34,968.96
Derivatives	-	-	1.27	22.74	-	24.01	24.01
Loans	287.08	-	-	-	-	287.08	287.08
Other financial assets	1,216.45	-	-	-	-	1,216.45	1,216.45
	<b>3,619.64</b>	<b>751.95</b>	<b>1.27</b>	<b>22.74</b>	<b>34,217.01</b>	<b>38,612.61</b>	<b>38,612.61</b>
<b>Financial liabilities:</b>							
Trade payables	10,969.56	-	-	-	-	10,969.56	10,969.56
Borrowings	29,701.47	-	-	-	-	29,701.47	29,543.97
Derivatives	-	-	3.83	195.56	-	199.39	199.39
Other financial liabilities	3,955.23	-	-	-	-	3,955.23	3,955.23
	<b>44,626.26</b>	<b>-</b>	<b>3.83</b>	<b>195.56</b>	<b>-</b>	<b>44,825.65</b>	<b>44,668.15</b>

- (i) Investments in mutual funds and derivative instruments (other than those designated in a hedging relationship) are mandatorily classified as fair value through profit and loss.

#### (b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

**Quoted prices in an active market (Level 1):** This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This Level consists of investment in quoted equity shares and mutual funds.

**Valuation techniques with observable inputs (Level 2):** This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices). This Level of hierarchy includes the Company's over-the-counter (OTC) derivative contracts.

**Valuation techniques with significant unobservable inputs (Level 3):** This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This Level includes investment in unquoted equity shares and preference shares.

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### 40. Disclosures on financial instruments (Contd.)

(₹ crore)

	As at March 31, 2020			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Investment in mutual funds	3,235.16	-	-	3,235.16
Investment in equity shares	204.31	-	303.34	507.65
Investment in debentures	-	49.74	-	49.74
Investment in preference shares	-	-	19,725.11	19,725.11
Derivative financial assets	-	372.42	-	372.42
	<b>3,439.47</b>	<b>422.16</b>	<b>20,028.45</b>	<b>23,890.08</b>
<b>Financial liabilities:</b>				
Derivative financial liabilities	-	204.24	-	204.24
	-	<b>204.24</b>	-	<b>204.24</b>

(₹ crore)

	As at March 31, 2019			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Investment in mutual funds	477.47	-	-	477.47
Investment in equity shares	448.61	-	303.34	751.95
Investment in debentures	-	49.74	-	49.74
Investment in preference shares	-	-	33,689.80	33,689.80
Derivative financial assets	-	24.01	-	24.01
	<b>926.08</b>	<b>73.75</b>	<b>33,993.14</b>	<b>34,992.97</b>
<b>Financial liabilities:</b>				
Derivative financial liabilities	-	199.39	-	199.39
	-	<b>199.39</b>	-	<b>199.39</b>

- (i) Current financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.
- (ii) Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.
- (iii) Investments carried at fair value are generally based on market price quotations. Investments in equity shares included in Level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value. Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.  
  
Fair value of investment in preference shares is estimated through a valuation model incorporating assumptions which includes unobservable market data and by discounting the expected future cash flows using a discount rate equivalent to the expected rate of return for a similar instrument and maturity as on the reporting date. Key inputs to the valuation model are expected cash flows and discount rate expected for an instrument with similar terms and maturity as on the reporting date.
- (iv) Fair value of investments in preference share of Tata Steel BSL Limited is dependent on its profitability and cash flows available for distribution. The expected cash flows have been discounted considering a pre-tax discount rate of **11.90%**. The fair value is sensitive to changes in discount rate and profitability. An increase in cash flow by 1% would lead to an increase in fair value of preference shares by ₹**169.30** crore and increase in discount rate by 1% would lead to decrease in fair value by ₹**1,444.90** crore.

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## 40. Disclosures on financial instruments (Contd.)

- (v) Fair value of borrowings which have a quoted market price in an active market is based on its market price which is categorised as Level 1. Fair value of borrowings which do not have an active market or are unquoted is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities which is categorised as Level 2 in the fair value hierarchy.
- (iv) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.
- (vii) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2020 and March 31, 2019.
- (viii) Reconciliation of Level 3 fair value measurement is as below:

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	33,993.14	5,423.37
Additions during the year	-	28,698.08
Fair value changes through profit or loss	106.26	(111.31)
Reclassification within investments*	(14,070.95)	(17.00)
<b>Balance at the end of the year</b>	<b>20,028.45</b>	<b>33,993.14</b>

\* represents investment held in preference shares of a subsidiary converted into equity shares during the year. During the year ended March 31, 2019, reclassification represents investments in Subarnarekha Port Private Limited which had become a subsidiary.

## (c) Derivative financial instruments

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

The following table sets out the fair value of derivatives held by the Company as at the end of each reporting period:

	(₹ crore)			
	As at March 31, 2020		As at March 31, 2019	
	Assets	Liabilities	Assets	Liabilities
(i) Foreign currency forwards, swaps and options	372.42	105.29	19.93	199.32
(ii) Interest rate swaps and collars	-	98.95	4.08	0.07
	<b>372.42</b>	<b>204.24</b>	<b>24.01</b>	<b>199.39</b>
<b>Classified as:</b>				
Non-current	162.46	122.55	9.05	59.82
Current	209.96	81.69	14.96	139.57

As at the end of the reporting period total notional amount of outstanding foreign currency contracts, interest rate swaps and collars that the Company has committed to is as below:

	(US\$ million)	
	As at March 31, 2020	As at March 31, 2019
(i) Foreign currency forwards, swaps and options	1,345.71	1,148.92
(ii) Interest rate swaps and collars	367.50	150.00
	<b>1,713.21</b>	<b>1,298.92</b>

## NOTES

forming part of the financial statements

### 40. Disclosures on financial instruments (Contd.)

#### (d) Transfer of financial assets

The Company transfers certain trade receivables under discounting arrangements with banks/financial institutions. Some of such arrangements do not qualify for de-recognition due to recourse arrangements being in place. Consequently, the proceeds received from transfer are recorded as short-term borrowings from banks and financial institutions. As at March 31, 2020 and March 31, 2019, there has been no such transfer of trade receivables.

#### (e) Financial risk management

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

- (i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- (ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

#### (i) Market risk:

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

#### (a) Market risk - Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. Such movements may also impact the fair value of preference shares investments held by the Company in its foreign subsidiaries.

A 10% appreciation/depreciation of foreign currencies with respect to functional currency of the Company would result in an increase/decrease in the Company's net profit/equity before considering tax impacts by approximately ₹158.75 crore for the year ended March 31, 2020 (2018-19: ₹1,491.07 crore) and an increase/decrease in carrying value of property, plant and equipment (before considering depreciation) by approximately ₹109.94 crore as at March 31, 2020 (March 31, 2019: ₹145.38 crore).

The foreign exchange rate sensitivity is calculated by assuming a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the Company.

The sensitivity analysis has been based on the composition of the Company's financial assets and liabilities as at March 31, 2020 and March 31, 2019 excluding trade payables, trade receivables, other derivative and non-derivative financial instruments (except investment in preference shares and loans receivable) not forming part of debt and which do not present a material exposure. The period end balances are not necessarily representative of the average balance outstanding during the period.

#### (b) Market risk - Interest rate risk:

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations.

Based on the composition of debt as at March 31, 2020 and March 31, 2019, a 100 basis points increase in interest rates would increase the Company's finance costs (before considering interest eligible for capitalisation) and thereby consequently reduce net profit/equity before considering tax impacts by approximately ₹149.37 crore for the year ended March 31, 2020 (2018-19: ₹128.33 crore).

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## 40. Disclosures on financial instruments (Contd.)

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

### (c) Market risk - Equity price risk:

Equity price risk is related to change in market reference price of investments in equity securities held by the Company.

The fair value of quoted investments held by the Company exposes the Company to equity price risks. In general, these investments are not held for trading purposes.

The fair value of quoted investments in equity, classified as fair value through other comprehensive income as at March 31, 2020 and March 31, 2019 was ₹204.31 crore and ₹448.61 crore, respectively.

A 10% change in equity prices of such securities held as at March 31, 2020 and March 31, 2019, would result in an impact of ₹20.43 crore and ₹44.86 crore respectively on equity before considering tax impact.

### (ii) Credit risk:

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

The Company has a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults.

Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments in debt securities and mutual funds, balances with bank, bank deposits, derivatives and financial guarantees provided by the Company. None of the financial instruments of the Company result in material concentration of credit risk except preference shares investments, the Company made in its subsidiary companies.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹27,722.94 crore and ₹37,584.12 crore, as at March 31, 2020 and March 31, 2019 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments in debt securities, mutual funds, loans, derivative assets and other financial assets.

The risk relating to trade receivables is presented in note 14, page 263.

The Company's exposure to customers is diversified and no single customer, other than a subsidiary, contributes to more than 10% of outstanding trade receivables as at March 31, 2020 and March 31, 2019.

In respect of financial guarantees provided by the Company to banks/financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

### (iii) Liquidity risk:

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company have access to undrawn lines of committed and uncommitted borrowing/ facilities, funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Company invests its surplus funds in bank fixed deposits and in mutual funds, which carry low market risk. The Company has also invested 15% of the non-convertible debentures (issued by the Company) falling due for repayment in the next 12 months in bank deposits, to meet the regulatory norms of liquidity requirements. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

The Company's liquidity position remains strong at ₹8,315.34 crore as at March 31, 2020, comprising ₹4,516.34 crore in the form of current investments, cash and cash equivalents and other balances with banks (including non-current earmarked balances) and ₹3,799.00 crore in committed undrawn bank lines.

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### 40. Disclosures on financial instruments (Contd.)

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

(₹ crore)

	As at March 31, 2020				
	Carrying value	Contractual cash flows	Less than one year	Between one to five years	More than five years
<b>Non-derivative financial liabilities:</b>					
Borrowings other than lease obligation including interest obligations	38,461.28	53,465.41	11,715.26	19,407.02	22,343.13
Lease obligations including interest obligations	3,346.83	6,478.00	753.36	2,008.44	3,716.20
Trade payables	10,600.96	10,600.96	10,600.96	-	-
Other financial liabilities	3,126.26	3,126.26	2,832.67	191.49	102.10
	<b>55,535.33</b>	<b>73,670.63</b>	<b>25,902.25</b>	<b>21,606.95</b>	<b>26,161.43</b>
<b>Derivative financial liabilities</b>	<b>204.24</b>	<b>204.24</b>	<b>81.69</b>	<b>115.42</b>	<b>7.13</b>

(₹ crore)

	As at March 31, 2019				
	Carrying value	Contractual cash flows	Less than one year	Between one to five years	More than five years
<b>Non-derivative financial liabilities:</b>					
Borrowings including interest obligations	30,270.83	47,984.98	5,366.27	18,284.95	24,333.76
Trade payables	10,969.56	10,969.56	10,969.56	-	-
Other financial liabilities	3,385.88	3,385.88	3,260.81	15.47	109.60
	<b>44,626.27</b>	<b>62,340.42</b>	<b>19,596.64</b>	<b>18,300.42</b>	<b>24,443.36</b>
<b>Derivative financial liabilities</b>	<b>199.39</b>	<b>199.39</b>	<b>139.57</b>	<b>59.82</b>	<b>-</b>

### 41. Segment reporting

The Company is primarily engaged in the business of manufacture and distribution of steel products and is operated out of India. In accordance with Ind AS 108 "Operating Segments", the Company has presented segment information on the basis of its consolidated financial statements which forms part of this report.

## NOTES

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## 42. Related party transactions

The Company's related parties primarily consist of its subsidiaries, associates, joint ventures and Tata Sons Private Limited including its subsidiaries and joint ventures. The Company routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms.

The following table summarises related party transactions and balances included in the financial statements of the Company for the year ended as at March 31, 2020 and March 31, 2019:

	(₹ crore)				
	Subsidiaries	Associates	Joint ventures	Tata Sons Private Limited, its subsidiaries and joint ventures	Total
<b>Purchase of goods</b>	<b>10,409.01</b>	<b>24.33</b>	<b>222.91</b>	<b>75.55</b>	<b>10,731.80</b>
	11,805.15	268.35	133.63	153.37	12,360.50
<b>Sale of goods</b>	<b>6,878.15</b>	<b>1.00</b>	<b>2,338.13</b>	<b>208.93</b>	<b>9,426.21</b>
	8,958.58	13.71	2,500.24	138.36	11,610.89
<b>Services received</b>	<b>1,963.43</b>	<b>86.32</b>	<b>746.71</b>	<b>217.80</b>	<b>3,014.26</b>
	1,867.90	39.66	909.62	237.69	3,054.87
<b>Services rendered</b>	<b>434.53</b>	<b>4.62</b>	<b>80.77</b>	<b>1.01</b>	<b>520.93</b>
	478.74	5.82	135.94	1.13	621.63
<b>Interest income recognised</b>	<b>4.33</b>	<b>-</b>	<b>2.91</b>	<b>-</b>	<b>7.24</b>
	1,576.03	7.81	4.13	-	1,587.97
<b>Interest expenses recognised</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.54</b>	<b>17.54</b>
	-	-	-	19.23	19.23
<b>Dividend paid</b>	<b>1.54</b>	<b>-</b>	<b>-</b>	<b>470.41</b>	<b>471.95</b>
	1.18	-	-	361.45	362.63
<b>Dividend received</b>	<b>35.38</b>	<b>-</b>	<b>34.20</b>	<b>13.59</b>	<b>83.17</b>
	39.38	3.67	34.95	10.88	88.88
<b>Provision/(reversal) recognised for receivables during the year</b>	<b>5.76</b>	<b>0.03</b>	<b>(6.62)</b>	<b>0.01</b>	<b>(0.82)</b>
	15.33	(0.01)	(1.03)	0.02	14.31
<b>Management contracts</b>	<b>108.63</b>	<b>27.91</b>	<b>1.60</b>	<b>100.00</b>	<b>238.14</b>
	53.34	16.61	2.50	100.00	172.45
<b>Sale of investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	-	-	-	1.97	1.97

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### 42. Related party transactions (Contd.)

	Subsidiaries	Associates	Joint ventures	Tata Sons Private Limited, its subsidiaries and joint ventures	(₹ crore) Total
<b>Finance provided during the year (net of repayments)</b>	<b>10,471.64</b>	<b>-</b>	<b>60.13</b>	<b>-</b>	<b>10,531.77</b>
	<i>29,349.55</i>	<i>250.00</i>	<i>134.91</i>	<i>-</i>	<i>29,734.46</i>
<b>Outstanding loans and receivables</b>	<b>2,702.13</b>	<b>12.45</b>	<b>119.96</b>	<b>6.19</b>	<b>2,840.73</b>
	<i>1,489.08</i>	<i>10.06</i>	<i>57.09</i>	<i>9.22</i>	<i>1,565.45</i>
<b>Provision for outstanding loans and receivables</b>	<b>656.76</b>	<b>0.06</b>	<b>0.84</b>	<b>0.03</b>	<b>657.69</b>
	<i>651.00</i>	<i>0.03</i>	<i>7.46</i>	<i>0.02</i>	<i>658.51</i>
<b>Outstanding payables</b>	<b>4,841.64</b>	<b>41.78</b>	<b>183.48</b>	<b>116.83</b>	<b>5,183.73</b>
	<i>4,764.18</i>	<i>16.54</i>	<i>213.13</i>	<i>132.86</i>	<i>5,126.71</i>
<b>Guarantees provided outstanding</b>	<b>9,151.47</b>	<b>-</b>	<b>177.18</b>	<b>-</b>	<b>9,328.65</b>
	<i>11,908.24</i>	<i>-</i>	<i>186.78</i>	<i>-</i>	<i>12,095.02</i>
<b>Sale of fixed assets</b>		<b>-</b>	<b>267.71</b>	<b>-</b>	<b>267.71</b>
	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>

Figures in italics represent comparative figures of previous year.

- (i) The details of remuneration paid to key managerial personnel and payment to non-executive directors are provided in note 30, page 281 and note 33, page 282 respectively.  
The Company has paid dividend of ₹42,048.50 (2018-19: ₹32,345.87) to key managerial personnel and ₹8,313.50 (2018-19: ₹3,895.10) to relatives of key managerial personnel during the year ended March 31, 2020.
- (ii) During the year ended March 31, 2020, the Company has contributed ₹346.76 crore (2018-19: ₹281.57 crore) to post-employment benefit plans.  
As at March 31, 2020, amount receivable from post-employment benefit fund is ₹56.71 crore (March 31, 2019: ₹755.95 crore) on account of retirement benefit obligations paid by the Company directly.  
As at March 31, 2020, amount payable to post-employment benefit fund is ₹13.29 crore (March 31, 2019: ₹0.06 crore) on account of retirement benefit obligations.
- (iii) Details of investments made by the Company in preference shares of its subsidiaries and associates is disclosed in note 8, page 250.
- (iv) Commitments with respect to subsidiaries, associates and joint ventures is disclosed in note 37B page 293.
- (v) Transactions with joint ventures have been disclosed at full value and not at their proportionate share.

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**43.** The Board of Directors of the Company have approved a merger of Bamnival Steel Limited and Tata Steel BSL Limited (formerly Bhushan Steel Limited) into the Company by way of a composite scheme of amalgamation and have recommended a merger ratio of 1 equity share of 10/- each fully paid up of the Company for every 15 equity shares of 2/- each fully paid up held by the public shareholders of Tata Steel BSL Limited. As part of the scheme, the equity shares held by Bamnival Steel Limited and the preference shares held by the Company in Tata Steel BSL Limited shall stand cancelled. The equity shares held by the Company in Bamnival Steel Limited shall also stand cancelled. The merger is subject to shareholders and other regulatory approvals.

### 44. Details of significant investments in subsidiaries, associates and joint ventures

			(% direct holding)
	Country of incorporation	As at March 31, 2020	As at March 31, 2019
(a) Subsidiary companies			
(1) ABJA Investment Co. Pte Ltd.	Singapore	100.00	100.00
(2) Adityapur Toll Bridge Company Limited	India	88.50	88.50
(3) Bamnival Steel Limited	India	100.00	100.00
(4) Bhubaneswar Power Private Limited	India	93.58	93.58
(5) Bistupur Steel Limited	India	100.00	100.00
(6) Creative Port Development Private Limited	India	51.00	51.00
(7) Dimna Steel Limited	India	100.00	100.00
(8) Jamadoba Steel Limited	India	100.00	100.00
(9) Jamshedpur Football and Sporting Private Limited	India	100.00	100.00
(10) Jugsalai Steel Limited	India	100.00	100.00
(11) Mohar Exports Services Pvt Ltd	India	33.23	33.23
(12) NatSteel Asia Pte. Ltd.	Singapore	100.00	100.00
(13) Noamundi Steel Limited	India	100.00	100.00
(14) Rujvalika Investments Limited	India	100.00	100.00
(15) Sakchi Steel Limited	India	100.00	100.00
(16) Straight Mile Steel Limited	India	100.00	100.00
(17) Subarnarekha Port Private Limited	India	7.07	7.07
(18) T Steel Holdings Pte. Ltd.	Singapore	100.00	100.00
(19) Tata Korf Engineering Services Ltd	India	100.00	100.00
(20) Tata Metaliks Ltd.	India	55.06	55.06
(21) Tata Steel (KZN) (Pty) Ltd.	South Africa	90.00	90.00
(22) Tata Steel Downstream Products Limited (formerly Tata Steel Processing and Distribution Limited)	India	100.00	100.00
(23) Tata Steel Foundation	India	100.00	100.00
(24) Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited)	India	75.91	54.50
(25) Tata Steel Mining Limited (formerly T S Alloys Limited)	India	100.00	100.00
(26) Tata Steel Odisha Limited	India	100.00	100.00
(27) Tata Steel Special Economic Zone Limited	India	100.00	100.00
(28) Tata Steel Utilities and Infrastructure Services Limited (formerly Jamshedpur Utilities & Services Company Limited)	India	100.00	100.00
(29) Tayo Rolls Limited	India	54.91	54.91
(30) The Indian Steel & Wire Products Ltd.	India	95.01	95.01

## NOTES

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### 44. Details of significant investments in subsidiaries, associates and joint ventures (Contd.)

	Country of incorporation	(% direct holding)	
		As at March 31, 2020	As at March 31, 2019
(31) The Tata Pigments Limited	India	100.00	100.00
(32) The Tinplate Company of India Limited	India	74.96	74.96
<b>(b) Associate companies</b>			
(1) Kalinga Aquatics Ltd.	India	30.00	30.00
(2) Malusha Travels Pvt Ltd	India	33.23	33.23
(3) Nicco Jubilee Park Limited	India	20.99	20.99
(4) Strategic Energy Technology Systems Private Limited	India	25.00	25.00
(5) TRF Limited	India	34.11	34.11
<b>(c) Joint ventures</b>			
(1) Himalaya Steel Mill Services Private Limited	India	26.00	26.00
(2) Industrial Energy Limited	India	26.00	26.00
(3) Jamipol Limited	India	32.67	32.67
(4) Jamshedpur Continuous Annealing & Processing Company Private Limited	India	51.00	51.00
(5) Medica TS Hospital Private Limited	India	26.00	26.00
(6) mjunction services limited	India	50.00	50.00
(7) S & T Mining Company Private Limited	India	50.00	50.00
(8) T M Mining Company Limited	India	74.00	74.00
(9) Tata BlueScope Steel Private Limited	India	50.00	50.00
(10) Tata NYK Shipping Pte Ltd.	Singapore	50.00	50.00
(11) TM International Logistics Limited	India	51.00	51.00

### 45. Dividend

The dividend declared by the Company is based on profits available for distribution as reported in the standalone financial statements of the Company. On June 29, 2020 the Board of Directors of the Company have proposed a dividend of ₹10.00 per Ordinary Share of ₹10 each and ₹2.504 per partly paid Ordinary Share of ₹10 each (paid up ₹2.504 per share) in respect of the year ended March 31, 2020 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹1,145.93 crore.

### 46. Previous year figures have been recasted/restated wherever necessary.

In terms of our report attached

For and on behalf of the Board of Directors

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

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

sd/-  
**Mallika Srinivasan**  
Director  
DIN: 00037022

sd/-  
**O. P. Bhatt**  
Director  
DIN: 00548091

sd/-  
**Peter Blauwhoff**  
Director  
DIN: 07728872

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

sd/-  
**Aman Mehta**  
Director  
DIN: 00009364

sd/-  
**Russell I Parera**  
Partner  
Membership Number 042190

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

sd/-  
**Saurabh Agrawal**  
Director  
DIN: 02144558

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

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

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

Mumbai, June 29, 2020



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# INDEPENDENT AUDITOR'S REPORT

## To the Members of Tata Steel Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

1. We have audited the accompanying Consolidated Financial Statements of Tata Steel Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities [refer note 1 to the attached Consolidated Financial Statements], which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flows Statement for the year then ended, and Notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the Consolidated Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled entities as at March 31, 2020, its consolidated total comprehensive income (comprising profit and other comprehensive income), its consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 19 of the Other Matters paragraph below, other than the unaudited financial statements/ financial information as certified by the

management and referred to in paragraph 20 and financial information not available as referred to in paragraph 21 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Related to Going Concern

4. The following Material Uncertainty Relating to Going Concern (as reproduced) has been communicated to us by the auditors of Tata Steel Europe Limited, a subsidiary of the Holding Company, vide their audit report dated June 24, 2020:

"Without qualifying our opinion on the special purpose financial information, we have considered the adequacy of the disclosure made in the special purpose financial information concerning Tata Steel Europe Limited's ability to continue as a going concern. The impact of the COVID-19 global pandemic will require Tata Steel Europe Limited to access group company support in order to meet its obligations as they fall due. Tata Steel Europe Limited has received a letter from TS Global Procurement Company Pte Ltd undertaking to provide working capital and/or other cash support up to a specified amount which exceeds the amount forecast as being required by Tata Steel Europe Limited over the next twelve months. The letter states that it represents present policy, is given by way of comfort only and is not to be construed as constituting a promise as to the future conduct of TS Global Procurement Company Pte Ltd or Tata Steel Limited. Accordingly, there can be no certainty that the funds required by Tata Steel Europe Limited will in fact be made available. These conditions, along with the other matters explained in the special purpose financial information, indicate the existence of a material uncertainty which may cast significant doubt about Tata Steel Europe Limited's ability to continue as a going concern. The special purpose financial information does not include the adjustments that would result if Tata Steel Europe Limited were unable to continue as a going concern."

Also, refer note 49 to the consolidated financial statements in this regard.

#### Emphasis of Matter

5. We draw your attention to Note 2(c) to the consolidated financial statements which explains the uncertainties and management's assessment of the financial impact due to lockdown / restrictions related to the COVID-19 pandemic imposed by the Government, for which a definitive assessment of the impact is dependent upon future economic conditions. Our opinion is not modified in respect of this matter.

## Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of litigations and related disclosure of contingent liabilities</b></p> <p>[Refer to Note 2 (c) to the Consolidated financial statements– “Use of estimates and critical accounting judgements – Provisions and contingent liabilities”, Note 40 (A) to the Consolidated financial statements – “Contingencies” and Note 41 to the Consolidated financial statements – “Other significant litigations”].</p> <p>As at March 31, 2020, the Holding Company has exposures towards litigations relating to various matters as set out in the aforesaid Notes.</p> <p>Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised, or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate. As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a Key Audit Matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We understood, assessed and tested the design and operating effectiveness of the Holding Company’s key controls surrounding assessment of litigations relating to the relevant laws and regulations;</li> <li>• We discussed with management the recent developments and the status of the material litigations which were reviewed and noted by the Holding Company’s audit committee;</li> <li>• We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/ other significant litigations made in relation to the Holding Company’s Standalone Financial Statements;</li> <li>• We used auditor’s experts to gain an understanding and to evaluate the disputed tax matters;</li> <li>• We considered external legal opinions, where relevant, obtained by management;</li> <li>• We discussed with the Holding Company’s external legal counsel to understand the interpretation of laws/regulations considered by the management in their assessment relating to a material litigation;</li> <li>• We evaluated management’s assessments by understanding precedents set in similar cases and assessed the reliability of the management’s past estimates/judgements;</li> <li>• We evaluated management’s assessment around those matters that are not disclosed or not considered as contingent liability, as the probability of material outflow is considered to be remote by the management; and</li> <li>• We assessed the adequacy of the disclosures.</li> </ul> <p>Based on the above work performed, management’s assessment in respect of Holding Company’s litigations and related disclosures relating to contingent liabilities/other significant litigations in the Consolidated Financial Statements are considered to be reasonable.</p>

Key audit matter	How our audit addressed the key audit matter
<p><b>Assessment of Purchase Price Allocation on acquisition of business in accordance with Ind AS 103, Business Combination and the appropriateness of the carrying value of the acquired Property, plant and equipment, Right-of-use assets, Other intangible assets and Goodwill as at the year end</b></p> <ul style="list-style-type: none"> <li>• [Refer to Note 2 (e) to the Consolidated financial statements– “Business Combination” and Note 42. A to the Consolidated financial statements – “Acquisition of Subsidiaries”]</li> <li>• On April 9, 2019, Tata Steel Long Products Limited, a subsidiary company acquired the steel division of Usha Martin Limited, pursuant to the Business Transfer Agreement (“BTA”). The subsidiary company determined the acquisition to be a business combination in accordance with Ind AS 103 ‘Business Combinations’. Ind AS 103 requires the identified assets and liabilities be recognised at fair value at the date of acquisition with the excess of the acquisition cost over the identified fair value of recognised assets and liabilities as goodwill.</li> <li>• The subsidiary company appointed independent professional valuers to perform valuation of assets for the purpose of allocation of the consolidated purchase price to the respective assets and liabilities acquired (hereinafter referred to as ‘the purchase price allocation’ or ‘the PPA’). The Management of the subsidiary company determined that the fair values of the net identifiable assets acquired was ₹4,042.98 crores as part of the PPA and accordingly, the consideration paid in excess of the net assets acquired resulted in recognition of Goodwill of ₹5.66 crores.</li> <li>• Significant assumptions and estimates are used as of the date of acquisition in the determination of the fair values of the identified assets acquired and liabilities assumed in the transaction.</li> <li>• Further, as at the year end, significant judgements were made by the management of the subsidiary company in respect of the future projections and the discount rate used in applying the value in use method in assessing the carrying value of the acquired Property, plant and equipment, Right-of-use assets, Other intangible assets and the Goodwill.</li> <li>• Accordingly, these are considered to be a key audit matter. The Management of the subsidiary company concluded that the recoverable amount is higher than their carrying values and that no impairment provision is warranted.</li> </ul>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• We understood from the management of the subsidiary company, assessed the design and tested the operating effectiveness of the subsidiary company's key controls over the accounting of business combination and the impairment assessment.</li> <li>• We have evaluated the competence, capabilities and objectivity of the management’s expert engaged for the PPA, obtained an understanding of the work of the expert, and evaluated the appropriateness of the expert’s work as audit evidence.</li> <li>• We have traced the value of the consideration transferred with reference to the BTA.</li> <li>• We have carried out our evaluation, by involving our experts (“auditor’s expert”) to:                         <ul style="list-style-type: none"> <li>i) review the PPA and assess the reasonableness of the underlying key assumptions used in determining the fair value of assets and liabilities as at the acquisition date.</li> <li>ii) review the subsidiary company’s management’s assessment / method including the key assumptions related to the projections, the discount rate used in the assessment of the carrying values as at the year end.</li> </ul> </li> <li>• We have verified the subsidiary company’s management’s computation of goodwill.</li> <li>• We have also assessed the adequacy and appropriateness of the disclosures made.</li> </ul> <p>Based on our procedures performed above, we noted that the PPA of the consideration is in accordance with Ind-AS 103 Business Combination and that the carrying value of the acquired Property, plant and equipment, Right-of-use assets, Other intangible assets and Goodwill as at the year end was appropriate.</p>

7. The following Key Audit Matters were included in the audit report dated May 25, 2020, containing an unmodified audit opinion on the consolidated special purpose financial information of Tata Steel BSL Limited, a subsidiary of the Holding Company, issued by other auditors and reproduced by us as under:

Key audit matter	How our audit addressed the key audit matter
<p><b>“Recoverability of amounts paid against on-going litigation</b></p> <p>Refer Note 3 to the Consolidated Special Purpose Financial Information. 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 Special Purpose Financial Information.</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 judgement 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"> <li>• Verified the underlying documents related to litigation and other correspondences with statutory authorities;</li> <li>• Involved direct and indirect tax specialists to review the process used by the management to determine estimates and to test the judgements applied by management in developing the accounting estimates;</li> <li>• 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"> <li>- The method of measurement used is appropriate in the circumstances; and</li> <li>- The assumptions used by management are reasonable in light of the measurement principles of Ind AS.</li> </ul> </li> <li>• Determined whether the methods for making estimates have been applied consistently;</li> <li>• Evaluated whether the accounting principles applied by the management fairly present the amounts recoverable from relevant authorities in Consolidated Special Purpose Financial Information in accordance with the principles of Ind AS.</li> </ul>

Key audit matter	How our audit addressed the key audit matter
<p><b>Acquisition of Angul Energy Limited (formerly known as Bhushan Energy Limited)</b></p> <p>Refer Note 4 to the Consolidated Special Purpose Financial Information.</p> <p>On 1 June 2019, the Holding Company acquired Angul Energy Limited (formerly known as Bhushan Energy Limited) for a purchase consideration of ₹10 crores and provided additional funds aggregating to ₹755 crores by way of Inter Corporate Deposits ('ICD'), in accordance with the resolution plan ('the BEL Resolution Plan') under the Corporate Insolvency Resolution Process of the Insolvency and Bankruptcy Code, 2016.</p> <p>The acquisition has been accounted for as a business combination under Ind AS 103, Business Combination and includes a number of significant and complex judgements in determination of the fair value of the identifiable assets acquired and liabilities assumed.</p> <p>The acquisition resulted in recognition of capital reserve amounting to INR 804 Crores, as disclosed in the aforesaid note.</p> <p>Considering the materiality of the impact on the accompanying Consolidated Special Purpose Financial Information and aforementioned significant judgements and assumptions involved, which required substantial involvement of senior personnel including experts in valuation, this has been considered as a Key Audit Matter.</p>	<p>We have performed the following procedures, among others, to examine whether the acquisition of Angul Energy Limited (formerly known as Bhushan Energy Limited) was appropriately accounted for and presented in the Consolidated Special Purpose Financial Information;</p> <ul style="list-style-type: none"> <li>Assessed and tested the design and operating effectiveness of Holding Company's key controls over the accounting of business combination.</li> <li>Reviewed and obtained understanding of the terms of the BEL Resolution Plans to determine the assets and liabilities acquired by the Holding Company and the value of the consideration paid by the Holding Company.</li> <li>Assessed the competence, capabilities, objectivity and interdependence of management's expert;</li> <li>Involved auditor's valuation specialists to evaluate the reasonableness of the methodology and key assumptions used by management and its expert for determination of fair value of the identifiable assets acquired and liabilities assumed;</li> <li>Performed enquiries with the management's experts and inspected relevant supporting documents to test the underlying data used in valuation of tangible assets;</li> <li>Evaluate the appropriateness of the accounting in accordance with Ind AS 103, including computation of the capital reserve and disclosures in the financial statements and assessed the completeness and mathematical accuracy of relevant disclosures."</li> </ul>

## Other Information

8. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information in the Integrated Report, Board's Report along with its Annexures and Financial Highlights included in the Holding Company's Annual Report (titled as 'Tata Steel Integrated Report & Annual Accounts 2019-20'), but does not include the Consolidated Financial Statements and our auditor's report thereon.
9. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
10. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 19 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

11. The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance consolidated changes in equity and consolidated cash flows of the Group including its associates and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets

of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

12. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for assessing the ability of the Group and of its associates and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
13. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entities.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

## Consolidated

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to 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 and its associates and jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial

Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
16. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  17. 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.
  18. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matters

19. We did not audit the financial statements/special purpose financial information of twenty subsidiaries whose financial statements/special purpose financial information reflect total assets of ₹1,43,590.38 crores and net assets of ₹60,337.76 crores as at March 31, 2020, total revenue of ₹77,682.83 crores, total net profit after tax of ₹9,498.02 crores and total comprehensive income of ₹16,241.78 crores and net cash flows amounting to ₹415.69 crores for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statement of these subsidiaries also include their step down associates and jointly controlled entities constituting ₹16.27 crores and ₹14.99 crores of the Group's share total comprehensive income for the year ended March 31, 2020 respectively. The consolidated financial statements also include the Group's share of total comprehensive income (comprising profit and other comprehensive income) of ₹32.91 crores in respect of four jointly controlled entities whose financial statements/special purpose financial information have not been audited by us. These financial statements/special purpose financial information have been audited by other auditors/independent firm of accountants whose reports have been furnished to us by the other auditors/Management, and our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and jointly controlled entities and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, joint ventures and associates, is based solely on the reports of the other auditors/independent firm of accountants (as the case may be).
20. We did not audit the financial statements / special purpose financial information of five subsidiaries, whose financial statements/special purpose financial information reflect total assets of ₹8,882.39 crores and net assets of ₹4,149.16 crores as at March 31, 2020, total revenue of ₹327.81 crores, total net profit after tax of ₹27.08 crores and total comprehensive income of ₹25.96 crores and net cash flows amounting to ₹23.65 crores for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of net profit/(loss) after tax and total comprehensive income of ₹Nil and ₹Nil for the year ended

March 31, 2020 as considered in the Consolidated Financial Statements, in respect of three associates and two jointly controlled entities respectively, whose financial statements/special purpose financial information have not been audited by us. These financial statements/special purpose financial information are unaudited and have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and jointly controlled entities and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, associates and jointly controlled entities, is based solely on such unaudited financial statements/special purpose financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/special purpose financial information are not material to the Group.

21. In the case of three subsidiaries, four associates and two jointly controlled entities, the financial statements/special purpose financial information for the year ended March 31, 2020 are not available. The investments in these companies are carried at Re 1 as at March 31, 2020. In absence of the aforesaid financial statements/special purpose financial information, the financial statements/special purpose financial information in respect of aforesaid subsidiaries and the Group's share of total comprehensive income of these associates and jointly controlled entities for the year ended March 31, 2020 have not been included in the Consolidated Financial Statement. The investments in these companies are carried at Re 1 as at March 31, 2020. Accordingly, we do not report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar to the extent these relate to the aforesaid subsidiaries, associates and jointly controlled entities.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors, the financial statements / financial information certified by the Management and the non-availability of financial information.

Consolidated

**Report on Other Legal and Regulatory Requirements**

22. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of

the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled entities incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled entities incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated Financial Statements disclose the impact of pending litigations as on March 31, 2020 on the consolidated financial position of the Group, its associates and jointly controlled entities – Refer Notes 40(A) and 41 to the Consolidated Financial Statements.
  - ii. The Group, its associates and jointly controlled entities had long-term contracts including derivative contracts as at March 31, 2020 for which there were no material foreseeable losses.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled entities incorporated in India during the year ended March 31, 2020 except for amount aggregating to ₹5.71 crores, which according to the information and explanations provided by the management is held in abeyance due to dispute / pending legal cases.
  - iv. The reporting disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2020.
23. The Group, its associates and jointly controlled entities incorporated as public companies in India, have paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act, except in case of one subsidiary and one associate where managerial remuneration amounting to ₹2.12 crore and ₹1.36 crore respectively, is subject to approval of the shareholders of the subsidiary and the associate respectively by way of special resolution in the ensuing Annual General Meeting.

Additionally, the following paragraph has been included in the audit report on the consolidated special purpose financial information of Tata Steel BSL Limited, a subsidiary of the Holding Company, issued by other auditor vide its report dated May 25, 2020 and reproduced by us as under:

"As required by section 197 (16) of the Act, based on our audit and on the consideration of the report of the other auditors, referred to in paragraph 12, on separate financial statements of a subsidiary, we report that the Holding Company and the 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, as stated in paragraph 13, financial information of three subsidiary companies, covered under the Act are unaudited and have been furnished to us by the management, and as certified by the management, such companies have not paid or provided for any managerial remuneration during the year."

**For Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/ E-300009  
Chartered Accountants

**Russell I Parera**

Partner

Place: Mumbai

Date: June 29, 2020

Membership Number 042190

UDIN: 20042190AAAABX4407

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

### **Referred to in paragraph 22(f) of the Independent Auditors' Report of even date to the members of Tata Steel Limited on the consolidated financial statements as of and for the year ended March 31, 2020**

#### **Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of Tata Steel Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to one subsidiary and three jointly controlled companies incorporated in India namely Tata Steel Foundation and, Himalaya Steel Mills Services Private Limited, S & T Mining Company Private Limited and Tata NYK Shipping (India) Private Limited respectively, pursuant to MCA notification GSR 583(E) dated June 13, 2017.

#### **Management's Responsibility for Internal Financial Controls**

2. The respective Board of Directors of the Holding company, its subsidiary companies, its associate companies and jointly controlled companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to consolidated financial statements.

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

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted



accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

#### **Opinion**

8. In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also refer paragraph 5 of our report.

#### **Other Matters**

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to thirteen subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

#### **For Price Waterhouse & Co Chartered Accountants LLP**

Firm Registration Number: 304026E/ E-300009  
Chartered Accountants

#### **Russell I Parera**

Partner

Place: Mumbai

Membership Number 042190

Date: June 29, 2020

UDIN: 20042190AAAABX4407

# CONSOLIDATED BALANCE SHEET

as at March 31, 2020

					(₹ crore)
	Note	Page	As at March 31, 2020	As at March 31, 2019	
<b>Assets</b>					
<b>I Non-current assets</b>					
(a) Property, plant and equipment	3	344	1,19,503.98	1,18,450.97	
(b) Capital work-in-progress			18,862.06	17,956.51	
(c) Right-of-use assets	5	349	8,549.78	-	
(d) Goodwill on consolidation	6	350	4,054.53	3,996.62	
(e) Other intangible assets	7	351	2,442.37	1,994.32	
(f) Intangible assets under development			634.77	684.70	
(g) Equity accounted investments	8	353	2,168.54	1,922.95	
(h) Financial assets					
(i) Investments	9	355	684.77	1,290.36	
(ii) Loans	10	356	488.71	613.34	
(iii) Derivative assets			279.64	108.74	
(iv) Other financial assets	11	357	588.93	570.06	
(i) Retirement benefit assets	12	358	27,278.45	19,964.19	
(j) Non-current tax assets			1,725.67	1,574.78	
(k) Deferred tax assets	13	360	1,270.33	808.95	
(l) Other assets	14	364	3,154.20	4,654.92	
<b>Total non-current assets</b>			<b>1,91,686.73</b>	<b>1,74,591.41</b>	
<b>II Current assets</b>					
(a) Inventories	15	365	31,068.72	31,656.10	
(b) Financial assets					
(i) Investments	9	355	3,431.87	2,524.86	
(ii) Trade receivables	16	366	7,884.91	11,811.00	
(iii) Cash and cash equivalents	17	367	7,541.96	2,975.53	
(iv) Other balances with banks	18	368	512.76	365.84	
(v) Loans	10	356	215.68	239.70	
(vi) Derivative assets			1,486.06	359.11	
(vii) Other financial assets	11	357	446.42	1,248.56	
(c) Retirement benefit assets	12	358	-	4.38	
(d) Current tax assets			143.20	133.94	
(e) Other assets	14	364	3,177.69	3,529.70	
<b>Total current assets</b>			<b>55,909.27</b>	<b>54,848.72</b>	
<b>III Assets held for sale</b>	19	369	<b>2,823.45</b>	<b>4,142.26</b>	
<b>Total assets</b>			<b>2,50,419.45</b>	<b>2,33,582.39</b>	



## CONSOLIDATED BALANCE SHEET (CONTD.)

as at March 31, 2020

(₹ crore)

	Note	Page	As at March 31, 2020	As at March 31, 2019
<b>Equity and liabilities</b>				
<b>IV Equity</b>				
(a) Equity share capital	20	371	1,144.95	1,144.94
(b) Hybrid perpetual securities	21	374	2,275.00	2,275.00
(c) Other equity	22	374	70,156.35	65,505.14
<b>Equity attributable to owners of the Company</b>			<b>73,576.30</b>	<b>68,925.08</b>
Non-controlling interests			2,586.60	2,364.46
<b>Total equity</b>			<b>76,162.90</b>	<b>71,289.54</b>
<b>V Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	24	381	94,104.97	80,342.73
(ii) Derivative liabilities			127.92	59.82
(iii) Other financial liabilities	25	386	387.67	270.58
(b) Provisions	26	386	4,235.07	4,046.21
(c) Retirement benefit obligations	12	358	3,598.18	2,653.46
(d) Deferred income	27	388	151.30	906.80
(e) Deferred tax liabilities	13	360	9,261.38	12,459.89
(f) Other liabilities	28	389	729.15	519.23
<b>Total non-current liabilities</b>			<b>1,12,595.64</b>	<b>1,01,258.72</b>
<b>VI Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	24	381	19,184.48	10,802.08
(ii) Trade payables	29	389		
(a) Total outstanding dues of micro and small enterprises			198.86	169.74
(b) Total outstanding dues of creditors other than micro and small enterprises			21,181.99	21,547.22
(iii) Derivative liabilities			729.22	416.59
(iv) Other financial liabilities	25	386	9,518.53	16,737.83
(b) Provisions	26	386	1,663.67	1,248.72
(c) Retirement benefit obligations	12	358	141.26	120.69
(d) Deferred income	27	388	34.55	16.51
(e) Current tax liabilities			609.58	636.42
(f) Other liabilities	28	389	7,050.44	7,912.21
<b>Total current liabilities</b>			<b>60,312.58</b>	<b>59,608.01</b>
<b>VII Liabilities held for sale</b>	19	369	<b>1,348.33</b>	<b>1,426.12</b>
<b>Total equity and liabilities</b>			<b>2,50,419.45</b>	<b>2,33,582.39</b>
<b>Notes forming part of the consolidated financial statements</b>			<b>1-53</b>	

In terms of our report attached

For and on behalf of the Board of Directors

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

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

sd/-  
**Mallika Srinivasan**  
Director  
DIN: 00037022

sd/-  
**O. P. Bhatt**  
Director  
DIN: 00548091

sd/-  
**Peter Blauwhoff**  
Director  
DIN: 07728872

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

sd/-  
**Aman Mehta**  
Director  
DIN: 00009364

sd/-  
**Russell I Parera**  
Partner  
Membership Number 042190

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

sd/-  
**Saurabh Agrawal**  
Director  
DIN: 02144558

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

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

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

Mumbai, June 29, 2020

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

(₹ crore)

	Note	Page	Year ended March 31, 2020	Year ended March 31, 2019
<b>I</b> Revenue from operations	30	390	1,39,816.65	1,57,668.99
<b>II</b> Other income	31	390	1,843.49	1,420.58
<b>III Total income</b>			<b>1,41,660.14</b>	<b>1,59,089.57</b>
<b>IV Expenses:</b>				
(a) Cost of materials consumed			53,244.21	54,309.07
(b) Purchases of stock-in-trade			4,795.78	6,567.98
(c) Changes in inventories of finished and semi-finished goods, stock-in-trade and work-in-progress			(565.24)	(96.71)
(d) Employee benefits expense	32	391	18,533.58	18,758.87
(e) Finance costs	33	391	7,533.46	7,660.10
(f) Depreciation and amortisation expense	34	392	8,440.73	7,341.83
(g) Other expenses	35	392	48,663.26	50,410.72
			<b>1,40,645.78</b>	<b>1,44,951.86</b>
(h) Less: Expenditure (other than interest) transferred to capital and other accounts			2,318.00	1,664.28
<b>Total expenses</b>			<b>1,38,327.78</b>	<b>1,43,287.58</b>
<b>V</b> Share of profit/(loss) of joint ventures and associates			187.97	224.70
<b>VI Profit/(loss) before exceptional items and tax (III-IV+V)</b>			<b>3,520.33</b>	<b>16,026.69</b>
<b>VII Exceptional items:</b>	36	393		
(a) Profit on sale of subsidiaries and non-current investments			189.62	180.13
(b) Provision for impairment of investments/doubtful advances			(40.95)	(172.12)
(c) Provision for impairment of non-current assets			(3,197.14)	(9.57)
(d) Provision for demands and claims			(196.41)	(328.64)
(e) Employee separation compensation			(107.37)	(35.33)
(f) Restructuring and other provisions			(149.80)	244.56
(g) Fair value gain/(loss) on preference share investments			(250.00)	-
<b>Total exceptional items</b>			<b>(3,752.05)</b>	<b>(120.97)</b>
<b>VIII Profit/(loss) before tax (VI+VII)</b>			<b>(231.72)</b>	<b>15,905.72</b>
<b>IX Tax expense:</b>	13	360		
(a) Current tax			2,084.52	6,728.14
(b) Deferred tax			(4,652.93)	(9.71)
<b>Total tax expense</b>			<b>(2,568.41)</b>	<b>6,718.43</b>
<b>X Profit/(loss) after tax from continuing operations</b>			<b>2,336.69</b>	<b>9,187.29</b>
<b>XI Profit/(loss) after tax from discontinued operations</b>	37	393		
(a) Profit/(loss) after tax from discontinued operations			(1,136.25)	(88.96)
(b) Profit/(loss) on disposal of discontinued operations			(27.98)	-
<b>Profit/(loss) after tax from discontinued operations</b>			<b>(1,164.23)</b>	<b>(88.96)</b>
<b>XII Profit/(loss) for the year (X+XI)</b>			<b>1,172.46</b>	<b>9,098.33</b>

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS (CONTD.)

for the year ended March 31, 2020

(₹ crore)

	Note	Page	Year ended March 31, 2020	Year ended March 31, 2019
<b>XIII Other comprehensive income/(loss)</b>				
<b>A. (i) Items that will not be reclassified subsequently to profit and loss:</b>				
(a) Remeasurement gain/(loss) on post-employment defined benefit plans			5,474.69	(683.60)
(b) Fair value changes of investments in equity shares			(250.46)	(36.65)
(c) Share of equity accounted investees			(3.25)	(0.14)
<b>(ii) Income tax on items that will not be reclassified subsequently to profit and loss</b>			(1,019.01)	94.83
<b>B. (i) Items that will be reclassified subsequently to profit and loss:</b>				
(a) Foreign currency translation differences			554.96	508.47
(b) Fair value changes of cash flow hedges			(378.49)	161.80
(c) Share of equity accounted investees			25.94	4.53
<b>(ii) Income tax on items that will be reclassified subsequently to profit and loss</b>			78.45	(41.45)
<b>Total other comprehensive income/(loss) for the year</b>			<b>4,482.83</b>	<b>7.79</b>
<b>XIV Total comprehensive income/(loss) for the year (XII+XIII)</b>			<b>5,655.29</b>	<b>9,106.12</b>
<b>XV Profit/(loss) from continuing operations for the year attributable to:</b>				
Owners of the Company			2,719.58	10,283.45
Non-controlling interests			(382.89)	(1,096.16)
			<b>2,336.69</b>	<b>9,187.29</b>
<b>XVI Profit/(loss) from discontinued operations for the year attributable to:</b>				
Owners of the Company			(1,163.04)	(65.12)
Non-controlling interests			(1.19)	(23.84)
			<b>(1,164.23)</b>	<b>(88.96)</b>
<b>XVII Total comprehensive income for the year attributable to:</b>				
Owners of the Company			6,026.17	10,362.88
Non-controlling interests			(370.88)	(1,256.76)
			<b>5,655.29</b>	<b>9,106.12</b>
<b>XVIII Earnings per share (for continuing operations)</b>	38	395		
Basic (₹)			22.02	88.32
Diluted (₹)			22.02	88.31
<b>XIX Earnings per share (for discontinued operations)</b>				
Basic (₹)	38	395	(10.16)	(0.57)
Diluted (₹)			(10.16)	(0.57)
<b>XX Earnings per share (for continuing and discontinued operations)</b>				
Basic (₹)	38	395	11.86	87.75
Diluted (₹)			11.86	87.74
<b>XXI Notes forming part of the consolidated financial statements</b>	<b>1-53</b>			

In terms of our report attached

For and on behalf of the Board of Directors

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

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

sd/-  
**Mallika Srinivasan**  
Director  
DIN: 00037022

sd/-  
**O. P. Bhatt**  
Director  
DIN: 00548091

sd/-  
**Peter Blauwhoff**  
Director  
DIN: 07728872

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

sd/-  
**Aman Mehta**  
Director  
DIN: 00009364

sd/-  
**Russell I Parera**  
Partner  
Membership Number 042190

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

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**Saurabh Agrawal**  
Director  
DIN: 02144558

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

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

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

Mumbai, June 29, 2020

Consolidated

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

## A. Equity share capital

(₹ crore)

Balance as at April 1, 2019	Changes during the year	Balance as at March 31, 2020
<b>1,144.94</b>	0.01	<b>1,144.95</b>

(₹ crore)

Balance as at April 1, 2018	Changes during the year	Balance as at March 31, 2019
<b>1,144.95</b>	(0.01)	<b>1,144.94</b>

## B. Hybrid perpetual securities

(₹ crore)

Balance as at April 1, 2019	Changes during the year	Balance as at March 31, 2020
<b>2,275.00</b>	-	<b>2,275.00</b>

(₹ crore)

Balance as at April 1, 2018	Changes during the year	Balance as at March 31, 2019
<b>2,275.00</b>	-	<b>2,275.00</b>

## C. Other equity

(₹ crore)

	Retained earnings [refer note 22A, page 374]	Items of other comprehensive income [refer note 22B, page 374]	Other consolidated reserves [refer note 22C, page 376]	Share application money pending allotment [refer note 22D, page 378]	Other equity attributable to the owners of the Company	Non- controlling interests	Total
<b>Balance as at April 1, 2019</b>	14,056.43	7,612.15	43,836.56	-	65,505.14	2,364.46	67,869.60
Profit/(loss) for the year	1,556.54	-	-	-	1,556.54	(384.08)	1,172.46
Other comprehensive income for the year	4,459.24	10.39	-	-	4,469.63	13.20	4,482.83
<b>Total comprehensive income for the year</b>	<b>6,015.78</b>	<b>10.39</b>	<b>-</b>	<b>-</b>	<b>6,026.17</b>	<b>(370.88)</b>	<b>5,655.29</b>
Issue of Ordinary Shares	-	-	0.03	(0.04)	(0.01)	192.80	192.79
Equity issue expenses written (off)/back	(5.31)	-	-	-	(5.31)	-	(5.31)
Dividend <sup>(i)</sup>	(1,488.13)	-	-	-	(1,488.13)	(18.42)	(1,506.55)
Tax on dividend	(297.40)	-	-	-	(297.40)	-	(297.40)
Distribution on hybrid perpetual securities	(266.15)	-	-	-	(266.15)	-	(266.15)
Tax on distribution on hybrid perpetual securities	66.97	-	-	-	66.97	-	66.97
Transfers within equity	14.28	(6.63)	(7.65)	-	-	-	-
Addition relating to acquisitions	-	-	584.24	-	584.24	219.91	804.15
Disposal of group undertakings	-	-	(0.56)	-	(0.56)	181.47	180.91
Adjustment for changes in ownership interests	31.35	-	-	-	31.35	(31.35)	-
Application money received	-	-	-	0.04	0.04	-	0.04
Other movements	-	-	-	-	-	48.61	48.61
<b>Balance as at March 31, 2020</b>	<b>18,127.82</b>	<b>7,615.91</b>	<b>44,412.62</b>	<b>-</b>	<b>70,156.35</b>	<b>2,586.60</b>	<b>72,742.95</b>

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.)

for the year ended March 31, 2020

### C. Other equity (Contd.)

(₹ crore)

	Retained earnings [refer note 22A, page 374]	Items of other comprehensive income [refer note 22B, page 374]	Other consolidated reserves [refer note 22C, page 376]	Share application money pending allotment [refer note 22D, page 378]	Other equity attributable to the owners of the Company	Non-controlling interests	Total
<b>Balance as at April 1, 2018</b>	<b>7,801.99</b>	<b>7,149.50</b>	<b>42,499.16</b>	<b>0.02</b>	<b>57,450.67</b>	<b>936.52</b>	<b>58,387.19</b>
Profit/(loss) for the year	10,218.33	-	-	-	10,218.33	(1,120.00)	9,098.33
Other comprehensive income for the year	(425.92)	570.47	-	-	144.55	(136.76)	7.79
<b>Total comprehensive income for the year</b>	<b>9,792.41</b>	<b>570.47</b>	<b>-</b>	<b>-</b>	<b>10,362.88</b>	<b>(1,256.76)</b>	<b>9,106.12</b>
Issue of Ordinary Shares	-	-	0.26	(0.26)	-	-	-
Equity issue expenses written (off)/ back	-	-	0.43	-	0.43	-	0.43
Dividend <sup>(i)</sup>	(1,144.76)	-	-	-	(1,144.76)	(41.44)	(1,186.20)
Tax on dividend	(224.61)	-	-	-	(224.61)	-	(224.61)
Distribution on hybrid perpetual securities	(266.12)	-	-	-	(266.12)	-	(266.12)
Tax on distribution on hybrid perpetual securities	92.99	-	-	-	92.99	-	92.99
Transfers within equity	29.95	(31.06)	1.11	-	-	-	-
Addition relating to acquisitions	-	-	1,336.41	-	1,336.41	729.33	2,065.74
Disposal of group undertakings	-	-	-	-	-	(67.10)	(67.10)
Adjustment for changes in ownership interests	(2,025.42)	-	-	-	(2,025.42)	2,025.42	-
Application money received	-	-	-	0.24	0.24	-	0.24
Adjustment for cross holdings	-	-	(0.81)	-	(0.81)	-	(0.81)
Other movements	-	(76.76)	-	-	(76.76)	38.49	(38.27)
<b>Balance as at March 31, 2019</b>	<b>14,056.43</b>	<b>7,612.15</b>	<b>43,836.56</b>	<b>-</b>	<b>65,505.14</b>	<b>2,364.46</b>	<b>67,869.60</b>

- (i) Dividend paid during the year ended March 31, 2020 is ₹13.00 per Ordinary share (face value ₹10 each, fully paid up) and ₹3.25 per Ordinary Share (face value ₹10 each, partly paid up ₹2.504 per share) (March 31, 2019: ₹10.00 per Ordinary Share of face value ₹10 each, fully paid up and ₹2.504 per Ordinary Share of face value ₹10 each, partly paid up ₹2.504 per share).

### D. Notes forming part of the consolidated financial statements

Note 1-53

In terms of our report attached

For and on behalf of the Board of Directors

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

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

sd/-  
**Mallika Srinivasan**  
Director  
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Partner  
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DIN: 02449088

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**Saurabh Agrawal**  
Director  
DIN: 02144558

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

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

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

Mumbai, June 29, 2020

Consolidated

## CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2020

	Year ended March 31, 2020	Year ended March 31, 2019
(₹ crore)		
<b>A. Cash flows from operating activities:</b>		
<b>Profit/(loss) before taxes</b>	<b>(1,380.44)</b>	<b>15,807.12</b>
Adjustments for:		
Depreciation and amortisation expense	8,707.67	7,579.32
Dividend income	(35.08)	(26.19)
(Gain)/loss on sale of non-current investments	(2.01)	-
(Gain)/loss on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off)	4.36	(266.40)
Exceptional (income)/expenses	4,901.60	136.26
(Gain)/loss on cancellation of forwards, swaps and options	1.26	(36.95)
Interest income and income from current investments	(1,547.11)	(1,037.89)
Finance costs	7,580.72	7,741.88
Foreign exchange (gain)/loss	982.07	(1,150.77)
(Profit)/loss on disposal of discontinued operation	27.98	-
Share of profit or loss of joint ventures and associates	(187.97)	(222.27)
Other non-cash items	(974.62)	(684.45)
	<b>19,458.87</b>	<b>12,032.54</b>
<b>Operating profit before changes in non-current/current assets and liabilities</b>	<b>18,078.43</b>	<b>27,839.66</b>
Adjustments for:		
Non-current/current financial and other assets	4,631.12	(114.54)
Inventories	1,561.94	(1,068.71)
Non-current/current financial and other liabilities/provisions	(1,996.86)	3,773.76
	<b>4,196.20</b>	<b>2,590.51</b>
<b>Cash generated from operations</b>	<b>22,274.63</b>	<b>30,430.17</b>
Income taxes paid	(2,105.91)	(5,094.22)
<b>Net cash from/(used in) operating activities</b>	<b>20,168.72</b>	<b>25,335.95</b>
<b>B. Cash flows from investing activities:</b>		
Purchase of capital assets	(10,398.00)	(9,091.00)
Sale of capital assets	385.73	466.69
Purchase of non-current investments	(61.83)	(489.96)
Sale of non-current investments	121.21	462.50
(Purchase)/sale of current investments (net)	(766.15)	13,093.07
Loans given	-	(242.47)
Repayment of loans given	8.16	260.86
Principal receipts under sublease	67.72	-
Fixed/restricted deposits with banks (placed)/realised	(138.18)	418.32
Interest received	202.57	175.43
Dividend received from associates and joint ventures	56.02	114.15
Dividend received from others	46.64	34.19
Acquisition of subsidiaries/undertakings	(4,432.74)	(34,568.87)
Sale of subsidiaries/undertakings <sup>(i)</sup>	378.50	156.16
<b>Net cash from/(used in) investing activities</b>	<b>(14,530.35)</b>	<b>(29,210.93)</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.)

for the year ended March 31, 2020

	(₹ crore)
	Year ended March 31, 2020
	Year ended March 31, 2019
<b>C. Cash flows from financing activities:</b>	
Proceeds from issue of equity shares (net of issue expense <sup>(ii)</sup> )	187.53
Proceeds from long-term borrowings (net of issue expenses)	8,907.35
Repayment of long-term borrowings	(7,937.37)
Proceeds/(repayments) of short term borrowings (net)	7,666.32
Payment of lease obligations	(1,028.99)
Amount received/(paid) on utilisation/cancellation of derivatives	10.78
Distribution on hybrid perpetual securities	(265.76)
Interest paid	(7,419.26)
Dividend paid	(1,506.55)
Tax on dividend paid	(308.67)
<b>Net cash from/(used in) financing activities</b>	<b>(1,694.62)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,943.75</b>
<b>Opening cash and cash equivalents<sup>(iii)</sup></b>	<b>3,270.30</b>
Effect of exchange rate on translation of foreign currency cash and cash equivalents	518.29
<b>Closing cash and cash equivalents (refer note 17, page 367)<sup>(iii)</sup></b>	<b>7,732.34</b>

- (i) Includes ₹112.75 crore (2018-19: ₹91.62 crore) received in respect of deferred consideration on disposal of a subsidiary during the year ended March 31, 2018.
- (ii) During the year ended March 31, 2019, expenses incurred in connection with Rights Issue, 2018 pending adjustment against actual utilisation from the issue proceeds and was fully utilised.
- (iii) Opening cash and cash equivalents includes ₹294.77 crore (2018-19: Nil) and closing cash and cash equivalents includes ₹190.38 crore (2018-19: ₹294.77 crore) in respect of subsidiaries classified as held for sale.
- (iv) Significant non-cash movements in borrowing during the year include:
- addition on account of subsidiaries acquired during the year ₹121.71 crore (2018-19: ₹986.65 crore) and reduction on account of subsidiaries disposed off, liquidated or classified as held for sale ₹182.28 crore (2018-19: ₹758.50 crore).
  - exchange loss (including translation) ₹4,095.03 crore (2018-19: gain ₹344.86 crore).
  - amortisation/effective interest rate adjustments of upfront fees ₹498.76 crore (2018-19: ₹375.76 crore).
  - adjustment to lease obligation, increase ₹4,080.85 crore (2018-19: decrease ₹26.35 crore).
  - gain on refinancing treated as modification of existing borrowing ₹1,169.66 crore (2018-19: Nil).

### D. Notes forming part of the consolidated financial statements

Note 1-53

In terms of our report attached

For and on behalf of the Board of Directors

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

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

sd/-  
**Mallika Srinivasan**  
Director  
DIN: 00037022

sd/-  
**O. P. Bhatt**  
Director  
DIN: 00548091

sd/-  
**Peter Blauwhoff**  
Director  
DIN: 07728872

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

sd/-  
**Aman Mehta**  
Director  
DIN: 00009364

sd/-  
**Russell I Parera**  
Partner  
Membership Number 042190

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

sd/-  
**Saurabh Agrawal**  
Director  
DIN: 02144558

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

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

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

Mumbai, June 29, 2020

# NOTES

forming part of the consolidated financial statements

## 1. Company information

Tata Steel Limited ("the Company") is a public limited Company incorporated in India with its registered office in Mumbai, Maharashtra, India. The Company is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

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

The consolidated financial statements as at March 31, 2020 present the financial position of the Group as well as its interests in associate companies and joint arrangements. The list of entities consolidated is provided in note 53, page 431.

The functional and presentation currency of the Company and the presentation currency of the Group is Indian Rupee ("₹").

As on March 31, 2020, Tata Sons Private Limited owns 32.93% of the Ordinary Shares of the Company, and has the ability to influence the Group's operations.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on June 29, 2020.

## 2. Significant accounting policies

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

### (a) Statement of compliance

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

### (b) Basis of preparation

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

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

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

In the preparation of the consolidated 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 consolidated 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 and contingent liabilities, fair value measurements of financial instruments, retirement benefit obligations and non-current assets classified as held for sale as discussed below.

### Impairment

The Group estimates the value in use of the cash generating unit (CGU) based on future cash flows after considering current economic conditions and trends, estimated future operating results and growth rate and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate in order to calculate the present value. Further details of the Group's impairment review and key assumptions are set out in notes 3, page 344, note 5, page 349, note 6, page 350, and note 7, page 351.

### Useful lives of property, plant and equipment and intangible assets

The Group reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods. The policy has been detailed in note 2(n), page 335.

## NOTES

forming part of the consolidated financial statements

### 2. Significant accounting policies (Contd.)

#### Valuation of deferred tax assets

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy has been detailed in note 2(y), page 341 and its further information are set out in note 13, page 360.

#### Provisions and 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. Further details are set out in notes 26, page 386 and note 40(A), page 407.

#### Fair value measurements of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including Discounted Cash Flow Model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risks, credit risks and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Further details are set out in note 45, page 417.

#### Retirement benefit obligations and assets

The Group's retirement benefit obligations are subject to a number of judgements including discount rates, inflation and salary growth. Significant judgements are required when setting these criteria and a change in these assumptions would have a significant impact on the amount recorded in the Group's balance sheet and the consolidated statement of profit and loss. The Group sets these judgements based on previous experience and third party actuarial advice. Further details on the Group's retirement benefit obligations, including key judgements are set out in note 39, page 396.

#### Non-current assets held for sale

The recognition of non-current assets (or disposal groups) as held for sale is dependent upon whether its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Significant judgement is required

to assess whether the sale of the assets (or disposal group) is highly probable.

#### Estimation of uncertainties relating to COVID-19

Post declaration of COVID-19 as a pandemic by the World Health Organization, the Government in India and across the world have taken significant measures to curtail the wide 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 in India have been scaled down from the end week of March 2020. The Group's overseas operations in Europe, South East Asia and Canada have also been scaled down over various periods and are being operated as per the local guidelines, wherever permitted.

In view of the impact of COVID-19, the Group has assessed the carrying amounts of property, plant and equipment, right-of-use assets, goodwill, intangible assets, inventories, trade receivables, investments and other financial assets. In assessing the recoverable value of such assets, the Group has considered various internal and external information such as existing long-term arrangements with customer and vendor partners, long-term business plan, cash flow forecasts and possible future uncertainties in economic conditions because of the pandemic including lockdowns and supply chain disruptions across various geographies.

As per the Group's current assessment of recoverability of these assets, other than the impairment recorded, no significant impact on carrying amounts of these assets is expected.

The eventual outcome of the impact of the global health pandemic may be different from those estimated as on the date of approval of these consolidated financial statements and the Group continues to closely monitor the situation including any material changes to future economic conditions and consequential impact on its consolidated financial statements.

#### (d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. It also includes the Group's share of profits, net assets and retained post acquisition reserves of joint arrangements and associates that are consolidated using the equity or proportionate method of consolidation, as applicable.

Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to

# NOTES

forming part of the consolidated financial statements

## 2. Significant accounting policies (Contd.)

affect those returns through its power to direct the relevant activities of the entity.

The results of subsidiaries, joint arrangements and associates acquired or disposed off during the year are included in the consolidated statement of profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Wherever necessary, adjustments are made to the financial statements of subsidiaries, joint arrangements and associates to bring their accounting policies in line with those used by other members of the Group.

Intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying value of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interests having a deficit balance.

### (e) Business combinations

Acquisition of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in each business combination is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree and equity interests issued by the Group in exchange for control of the acquiree.

Acquisition related costs are recognised in the consolidated statement of profit and loss.

Goodwill arising on acquisition is recognised as an asset and measured at cost, being the excess of the consideration transferred in the business combination over the Group's interest in the net fair value of the identifiable assets acquired, liabilities assumed and contingent liabilities recognised. Where the fair value of the identifiable assets and liabilities exceed the

cost of acquisition, after re-assessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve on consolidation.

Once control has been achieved, any subsequent acquisitions where the Group does not originally hold hundred percent interest in a subsidiary are treated as an acquisition of shares from non-controlling shareholders. The identifiable net assets are not subject to further fair value adjustments and the difference between the cost of acquisition of the non-controlling interest and the net book value of the additional interest acquired is adjusted in equity.

Business combinations arising from transfer of interests in entities that are under common control are accounted for using the pooling of interest method. The difference between any consideration transferred and the aggregate historical carrying values of assets and liabilities of the acquired entity are recognised in shareholders' equity.

### (f) Goodwill

Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit's value may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying value of the unit, the impairment loss is allocated first to reduce the carrying value of any goodwill allocated to the unit and then to the other assets of the unit in proportion to the carrying value of each asset in the unit.

An impairment loss recognised for goodwill is not reversed in a subsequent period. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of profit or loss on disposal.

### (g) Investment in associates

Associates are those enterprises over which the Group has significant influence, but does not have control or joint 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

## NOTES

forming part of the consolidated financial statements

### 2. Significant accounting policies (Contd.)

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.

#### (h) Interest in joint arrangements

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 as joint operations, 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 joint operations are accounted for on the accrual basis. Income from the sale or use of the Group's share of the output of joint operations, and its share of joint arrangements expenses, are recognised when it is probable that the economic benefits associated with the transactions 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.

When the Group's share of losses exceeds the carrying value of the joint venture, 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 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 conform to the Group's accounting policies.

#### (i) 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 consolidated statement of profit and loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised. 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 is stated at cost or deemed cost applied on transition to Ind AS, less accumulated depreciation and impairment. Cost includes all direct costs and expenditures incurred to bring the asset to its working condition and location for its intended use. Trial run expenses (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 consolidated statement of profit and loss.

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

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

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

# NOTES

forming part of the consolidated financial statements

## 2. Significant accounting policies (Contd.)

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

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

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

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

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

### (k) Development expenditure for mineral reserves

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

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

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

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

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

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

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

### (m) Intangible assets

Patents, trademarks and software costs are included in the consolidated balance sheet as intangible assets when it is probable that associated future economic benefits would flow to the Group. In this case they are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives. All other costs on patents, trademarks and software are expensed in the consolidated statement of profit and loss as and when incurred.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Costs incurred on individual development projects are recognised as intangible assets from the date when all of the following conditions are met:

- completion of the development is technically feasible.
- it is the intention to complete the intangible asset and use or sell it.
- ability to use or sell the intangible asset.
- it is clear that the intangible asset will generate probable future economic benefits.

## NOTES

forming part of the consolidated financial statements

### 2. Significant accounting policies (Contd.)

- (v) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available.

- (vi) it is possible to reliably measure the expenditure attributable to the intangible asset during its development.

Recognition of costs as an asset is ceased when the project is complete and available for its intended use, or if these criteria are no longer applicable.

Where development activities do not meet the conditions for recognition as an asset, any associated expenditure is treated as an expense in the period in which it is incurred.

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

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

**(n) Depreciation and amortisation of property, plant and equipment, right-of-use assets and intangible assets**

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

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

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

	Estimated useful life (years)
Freehold and long leasehold buildings	upto 60 years*
Roads	5 years
Plant and machinery	upto 40 years*
Furniture, fixture and office equipments	3 to 25 years
Vehicles and aircraft	4 to 20 years
Railway sidings	upto 35 years*
Assets covered under the Electricity Act (life as prescribed under the Electricity Act)	3 to 34 years
Patents and trademarks	4 years
Product and process development costs	5 years
Computer software	upto 8 years
Other assets	1 to 15 years

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

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

Freehold land is not depreciated.

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

**(o) Impairment**

At each balance sheet date, the Group reviews the carrying value of its property, plant and equipment and intangible assets to determine whether there is any indication that the carrying value of those assets may not be recoverable through continuing use. If any such indication exists, the recoverable amount of the asset is reviewed in order to determine the extent of impairment loss, if any. Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted. An

# NOTES

forming part of the consolidated financial statements

## 2. Significant accounting policies (Contd.)

impairment loss is recognised in the consolidated statement of profit and loss as and when the carrying value of an asset exceeds its recoverable amount.

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying value does not exceed the carrying value that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in the consolidated statement of profit and loss immediately.

### (p) Leases

Ind AS 116 "Leases" replaces Ind AS 17 "Leases" with effect from April 1, 2019.

The adoption of this new Standard has resulted in the Group recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach, with the right-of-use asset recognized at an amount equal to the present value of lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to those leases. Prior periods have not been restated.

For contracts in place at the date of initial application, the Group has elected not to carry forward the definition of leases as per Ind AS 17 and has therefore, applied the definition of a lease as per Ind AS 116 to all such arrangements.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of Ind AS 116.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

For those leases previously classified as finance leases, the right-of-use asset and lease liability are measured at the date

of initial application at the same amounts as under Ind AS 17 "Leases" immediately before the date of initial application.

Refer note 2(p) - Significant accounting policies – Leases in the Annual Report of the Company for the year ended March 31, 2019, Page 319 for the policy as per Ind AS 17 "Leases".

### The Group as lessee

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

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

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

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

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

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### 2. Significant accounting policies (Contd.)

lease liability, the Group recognises any remaining amount of the remeasurement in the consolidated statement of profit and loss.

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

The Group accounts for sale and lease back transaction, recognising right-of-use assets and lease liability, measured in the same way as other right-of-use assets and lease liability. Gain or loss on the sale transaction is recognised in the consolidated statement of profit and loss.

#### The Group as lessor

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

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

#### (q) Stripping costs

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

- developmental stripping costs and
- production stripping costs

Developmental stripping costs which are incurred in order to obtain access to quantities of mineral reserves that will be mined in future periods are capitalised as part of mining assets. Capitalisation of developmental stripping costs ends when the commercial production of the mineral reserves begins.

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

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

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

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

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

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

- it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the Group
- the Group can identify the component of the ore body for which access has been improved and

## NOTES

forming part of the consolidated financial statements

## 2. Significant accounting policies (Contd.)

- the costs relating to the improved access to that component can be measured reliably.

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

### (r) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the consolidated statement of profit and loss.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

#### (l) Financial assets

##### Cash and bank balances

Cash and bank balances consist of:

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

#### Financial assets at amortised cost

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

#### Financial assets measured at fair value

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

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

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

#### Interest income

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

#### Dividend income

Dividend income from investments is recognised when the right to receive payment has been established.

#### Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income.

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### 2. Significant accounting policies (Contd.)

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

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

#### De-recognition of financial assets

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

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

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

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

##### Classification as debt or equity

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

##### Equity instruments

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

##### Financial liabilities

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

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

#### De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

#### Derivative financial instruments and hedge accounting

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

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

The Group adopts hedge accounting for forward foreign exchange, interest rate and commodity contracts wherever possible. At the inception of each hedge, there is a formal, documented designation of the hedging relationship. This documentation includes, inter alia, items such as identification of the hedged item and transaction and nature of the risk being hedged. At inception each hedge is expected to be highly effective in achieving an offset of changes in fair value or cash flows attributable to the hedged risk. The effectiveness of hedge instruments to reduce the risk associated with the exposure being hedged is assessed and measured at the inception and on an ongoing basis. The ineffective portion of designated hedges is recognised immediately in the consolidated statement of profit and loss.

When hedge accounting is applied:

- for fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities

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forming part of the consolidated financial statements

## 2. Significant accounting policies (Contd.)

attributable to the risk being hedged, are recognised in the consolidated statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.

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

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

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

### (s) Employee benefits

#### Defined contribution plans

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

#### Defined benefit plans

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

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

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

#### Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation at the present value of the obligation as on the reporting date.

### (t) Inventories

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

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

### (u) Provisions

Provisions are recognised in the consolidated balance sheet when the Group has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. Each provision is based on the

## NOTES

forming part of the consolidated financial statements

### 2. Significant accounting policies (Contd.)

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

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

- (i) by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and
- (ii) as a result, the entity has created a valid expectation on the part of those other parties that it will discharge such responsibilities.

#### (v) Onerous contracts

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

#### (w) Government grants

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

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

#### (x) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell.

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

Where a disposal group represents a separate major line of business or geographical area of operations, or is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, then it is treated as a discontinued operation. The post-tax profit or loss of the discontinued operation together with the gain or loss recognised on its disposal are disclosed as a single amount in the consolidated statement of profit and loss, with all prior periods being presented on this basis.

#### (y) Income taxes

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

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

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no

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## 2. Significant accounting policies (Contd.)

longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Deferred tax assets and liabilities are offset to the extent that they relate to taxes levied by the same tax authority and they are in the same taxable entity, or a Group of taxable entities where the tax losses of one entity are used to offset the taxable profits of another and there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

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

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. MAT is recognised as deferred tax assets in the consolidated balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

### (z) Revenue

The Group manufactures and sells a range of steel and other products

#### Sale of products

Revenue from sale of products is recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped or delivered to the specific location as the case may be, the 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. Sale of products include related ancillary services, if any.

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

The Group does not have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

#### Sale of power

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

### (aa) Foreign currency transactions and translation

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

In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary

## NOTES

forming part of the consolidated financial statements

### 2. Significant accounting policies (Contd.)

items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on translation of long-term foreign currency monetary items recognised in the consolidated financial statements before the beginning of the first Ind AS financial reporting period in respect of which the Group has elected to recognise such exchange differences in equity or as part of cost of assets as allowed under Ind AS 101-“First-time adoption of Indian Accounting Standards” are recognised directly in equity or added/deducted to/from the cost of assets as the case may be. Such exchange differences recognised in equity or as part of cost of assets is recognised in the consolidated statement of profit and loss on a systematic basis.

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

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Company's foreign subsidiaries, associates and joint ventures are expressed in “₹” using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity. On the disposal of a foreign operation, all of the accumulated exchange differences in respect of that operation attributable to the Company are reclassified to the consolidated statement of profit and loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

#### (ab) Borrowing costs

Borrowings costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for the intended use or sale.

Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is recognised in the consolidated statement of profit and loss.

Discounts or premiums and expenses on the issue of debt securities are amortised over the term of the related securities and included within borrowing costs. Premiums payable on early redemptions of debt securities, in lieu of future finance costs, are recognised as borrowing costs.

All other borrowing costs are recognized as expenses in the period in which it is incurred.

#### (ac) Earnings per share

Basic earnings per share is computed by dividing the consolidated profit or loss for the year attributable to equity holders by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up.

Diluted earnings per share is computed using the weighted average number of shares and dilutive potential shares except where the result would be anti-dilutive.

#### (ad) Recent accounting pronouncements

##### **Amendment to Ind AS 12 “Income Tax” - Insertion of Appendix C, “Uncertainty over Income tax treatments”**

The amendment intends to bring clarity to the accounting for uncertainties on income tax treatments that have yet to be accepted by tax authorities, and to reflect it in the measurement of current and deferred taxes.

The Group has applied the amendments prospectively for annual reporting periods beginning on or after April 1, 2019. There is no material impact on the Group due to the application of above amendment.

##### **Amendment to Ind AS 23 “Borrowing Costs”**

The amendment clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

The Group has applied the amendments prospectively for annual reporting periods beginning on or after April 1, 2019. There is no material impact on the Group due to the application of above amendment.

There is no new standard or amendment to the existing standards which would be effective for annual periods beginning on or after April 1, 2020.

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### 3. Property, plant and equipment

[Item No. I(a), Page 322]

	(₹ crore)							
	Land including roads	Buildings	Plant and machinery	Furniture, fixtures and office equipments (FFOE)	Vehicles	Leased FFOE and vehicles	Railway sidings	Total
Cost/deemed cost as at April 1, 2019	17,126.35	21,752.60	1,27,435.12	739.46	398.38	1.02	1,548.97	1,69,001.90
Addition relating to acquisitions	118.14	306.71	4,808.53	3.19	1.04	-	23.63	5,261.24
Additions	238.36	1,851.24	6,045.15	79.48	79.21	-	19.31	8,312.75
Disposals	(8.84)	(33.14)	(960.53)	(33.32)	(12.22)	-	(9.84)	(1,057.89)
Disposal of group undertakings	-	-	(143.13)	-	-	-	-	(143.13)
Other re-classifications	(23.62)	(499.63)	(5,434.76)	6.48	(0.32)	(1.02)	(251.44)	(6,204.31)
Exchange differences on consolidation	158.39	420.26	2,587.64	0.30	0.33	-	5.33	3,172.25
<b>Cost/deemed cost as at March 31, 2020</b>	<b>17,608.78</b>	<b>23,798.04</b>	<b>1,34,338.02</b>	<b>795.59</b>	<b>466.42</b>	<b>-</b>	<b>1,335.96</b>	<b>1,78,342.81</b>
Accumulated impairment as at April 1, 2019	295.97	221.84	2,231.25	20.60	0.07	-	17.25	2,786.98
Charge for the year	-	1.30	2,180.04	0.11	-	-	-	2,181.45
Disposals	-	(2.78)	(158.63)	(0.90)	(0.02)	-	-	(162.33)
Disposal of group undertakings	-	-	(0.14)	-	-	-	-	(0.14)
Other re-classifications	-	(10.97)	(101.51)	-	0.01	-	-	(112.47)
Exchange differences on consolidation	13.18	16.18	164.13	(0.12)	-	-	0.57	193.94
<b>Accumulated impairment as at March 31, 2020</b>	<b>309.15</b>	<b>225.57</b>	<b>4,315.14</b>	<b>19.69</b>	<b>0.06</b>	<b>-</b>	<b>17.82</b>	<b>4,887.43</b>
Accumulated depreciation as at April 1, 2019	610.31	5,040.20	41,190.29	455.95	185.58	0.72	280.90	47,763.95
Charge for the year	135.73	824.02	6,281.90	102.23	36.39	-	54.76	7,435.03
Disposals	-	(14.19)	(472.92)	(28.86)	(8.33)	-	(0.18)	(524.48)
Disposal of group undertakings	-	-	(124.93)	-	-	-	-	(124.93)
Other re-classifications	(0.53)	(171.75)	(2,266.86)	7.58	(0.31)	(0.72)	(67.57)	(2,500.16)
Exchange differences on consolidation	(0.03)	243.55	1,656.12	(1.84)	0.11	-	4.08	1,901.99
<b>Accumulated depreciation as at March 31, 2020</b>	<b>745.48</b>	<b>5,921.83</b>	<b>46,263.60</b>	<b>535.06</b>	<b>213.44</b>	<b>-</b>	<b>271.99</b>	<b>53,951.40</b>
<b>Total accumulated depreciation and impairment as at March 31, 2020</b>	<b>1,054.63</b>	<b>6,147.40</b>	<b>50,578.74</b>	<b>554.75</b>	<b>213.50</b>	<b>-</b>	<b>289.81</b>	<b>58,838.83</b>
Net carrying value as at April 1, 2019	16,220.07	16,490.56	84,013.58	262.91	212.73	0.30	1,250.82	1,18,450.97
<b>Net carrying value as at March 31, 2020</b>	<b>16,554.15</b>	<b>17,650.64</b>	<b>83,759.28</b>	<b>240.84</b>	<b>252.92</b>	<b>-</b>	<b>1,046.15</b>	<b>1,19,503.98</b>

## NOTES

forming part of the consolidated financial statements

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

[Item No. I(a), Page 322]

(₹ crore)

	Land including roads	Buildings	Plant and machinery	Furniture, fixtures and office equipments (FFOE)	Vehicles	Leased FFOE and vehicles	Railway sidings	Total
Cost/deemed cost as at April 1, 2018	16,955.23	12,147.82	1,04,889.43	667.95	342.70	0.78	1,397.23	1,36,401.14
Addition relating to acquisitions	411.09	9,350.84	19,608.03	35.70	8.84	-	97.44	29,511.94
Additions	156.89	882.99	6,839.39	153.45	93.50	3.47	63.62	8,193.31
Disposals	(54.42)	(115.15)	(760.65)	(22.34)	(21.89)	-	(20.06)	(994.51)
Disposal of group undertakings	-	-	(124.17)	(3.58)	(4.35)	-	-	(132.10)
Classified as held for sale	(261.75)	(329.39)	(1,322.04)	(137.61)	(17.18)	(3.72)	-	(2,071.69)
Other re-classifications	(9.78)	(29.50)	(446.10)	31.51	(3.52)	0.44	-	(456.95)
Exchange differences on consolidation	(70.91)	(155.01)	(1,248.77)	14.38	0.28	0.05	10.74	(1,449.24)
<b>Cost/deemed cost as at March 31, 2019</b>	<b>17,126.35</b>	<b>21,752.60</b>	<b>1,27,435.12</b>	<b>739.46</b>	<b>398.38</b>	<b>1.02</b>	<b>1,548.97</b>	<b>1,69,001.90</b>
Accumulated impairment as at April 1, 2018	322.29	283.11	2,302.85	4.81	0.48	-	17.58	2,931.12
Charge for the year	-	0.55	126.84	19.97	-	-	-	147.36
Disposals	(7.56)	(33.58)	(20.92)	(1.14)	0.93	-	-	(62.27)
Classified as held for sale	-	-	153.84	(2.99)	(1.23)	-	-	149.62
Other re-classifications	(9.64)	(17.81)	(291.28)	(0.17)	(0.07)	-	-	(318.97)
Exchange differences on consolidation	(9.12)	(10.43)	(40.08)	0.12	(0.04)	-	(0.33)	(59.88)
<b>Accumulated impairment as at March 31, 2019</b>	<b>295.97</b>	<b>221.84</b>	<b>2,231.25</b>	<b>20.60</b>	<b>0.07</b>	<b>-</b>	<b>17.25</b>	<b>2,786.98</b>
Accumulated depreciation as at April 1, 2018	505.09	4,607.35	37,222.31	419.27	181.42	0.36	211.44	43,147.24
Charge for the year	118.49	735.67	6,205.14	114.50	37.35	0.02	68.91	7,280.08
Disposals	-	(53.86)	(641.19)	(22.46)	(20.04)	-	-	(737.55)
Disposal of group undertakings	-	-	(28.06)	(2.31)	(2.25)	-	-	(32.62)
Classified as held for sale	(14.95)	(139.88)	(575.92)	(97.54)	(10.74)	(0.11)	-	(839.14)
Other re-classifications	(1.73)	(7.55)	(177.61)	31.61	(0.36)	0.44	-	(155.20)
Exchange differences on consolidation	3.41	(101.53)	(814.38)	12.88	0.20	0.01	0.55	(898.86)
<b>Accumulated depreciation as at March 31, 2019</b>	<b>610.31</b>	<b>5,040.20</b>	<b>41,190.29</b>	<b>455.95</b>	<b>185.58</b>	<b>0.72</b>	<b>280.90</b>	<b>47,763.95</b>
<b>Total accumulated depreciation and impairment as at March 31, 2019</b>	<b>906.28</b>	<b>5,262.04</b>	<b>43,421.54</b>	<b>476.55</b>	<b>185.65</b>	<b>0.72</b>	<b>298.15</b>	<b>50,550.93</b>
Net carrying value as at April 1, 2018	16,127.85	7,257.36	65,364.27	243.87	160.80	0.42	1,168.21	90,322.78
<b>Net carrying value as at March 31, 2019</b>	<b>16,220.07</b>	<b>16,490.56</b>	<b>84,013.58</b>	<b>262.91</b>	<b>212.73</b>	<b>0.30</b>	<b>1,250.82</b>	<b>1,18,450.97</b>

- (i) For the year ended March 31, 2020, other re-classifications primarily include assets under finance leases of ₹3,521.77 crore (net of accumulated depreciation and impairment), reclassified to right-of-use assets on adoption of Ind AS 116 "Leases".

## NOTES

forming part of the consolidated financial statements

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

[Item No. I(a), Page 322]

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

	As at March 31, 2020	As at March 31, 2019
<b>Furniture and fixtures</b>		
Cost/deemed cost	228.64	216.84
Accumulated depreciation and impairment	162.57	147.62
	<b>66.07</b>	<b>69.22</b>
<b>Office equipments</b>		
Cost/deemed cost	566.95	522.62
Accumulated depreciation and impairment	392.18	328.93
	<b>174.77</b>	<b>193.69</b>
	<b>240.84</b>	<b>262.91</b>

- (iii) ₹241.00 crore (2018-19: ₹ 206.01 crore) of borrowing costs have been capitalised during the year on qualifying assets under construction. The capitalisation rate ranges between 6.07% to 9.34% (2018-19: 7.00% to 9.80%).
- (iv) Rupee liability has increased by ₹129.42 crore (2018-19: ₹ 108.32 crore) arising out of retranslation of the value of long-term foreign currency loans and liabilities for procurement of property, plant and equipment, generally plant and machinery. This increase has been adjusted against the carrying cost of assets and has been depreciated over their remaining useful life. The depreciation for the current year is higher by ₹4.32 crore (2018-19: ₹ 3.57 crore) on account of this adjustment.
- (v) During the year ended March 31, 2020, the Group considered indicators of impairment for its cash generating units ('CGUs') within the steel, mining and other business operations, such as decline in operational performance, changes in the outlook of future profitability or weaker market conditions, among other potential indicators. In respect of CGUs where indicators of impairment were identified, the Group estimated the recoverable amount based on the value in use.

The outcome of the test as on March 31, 2020 resulted in the Group recognising a net impairment charge of ₹3,024.81 crore (2018-19: ₹118.08 crore) in respect of property, plant and equipment including capital work-in-progress. The impairment charge is contained within the Indian, European and Overseas mining businesses.

Within the Indian steel business operations, the Group has recognized a net impairment reversal of ₹45.97 crore (2018-19: impairment charge ₹8.54 crore). The impairment reversed/recognized is included within other expenses in the consolidated statement of profit and loss.

Within the Indian other business operations, the Group has recognised an impairment charge of ₹168.54 crore (2018-19: ₹2.86 crore). The impairment recognised during the year primarily relates to the business of developing infrastructure and related facilities in an industrial park and leasing thereof. The value in use was computed using risk adjusted cash flow forecasts based on the most recently approved financial budgets and strategic forecasts which cover a period of 5 years and future projections taking the analysis out to the period over which the Group expects to use the underlying assets. Key assumptions for the value in use computation are those regarding land area developed and subleased over the period, lease rentals/premium from subleasing and a discount rate of 12.10% p.a. The impairment recognised is included within exceptional items in the consolidated statement of profit and loss.

## NOTES

forming part of the consolidated financial statements

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

[Item No. I(a), Page 322]

Within the European business, wherever triggers existed, the assumptions used for impairment test of property, plant and equipment (including capital work in progress) as at March 31, 2020 were consistent with that used for the annual impairment test of goodwill as at March 31, 2020. The outcome of the test indicated that, using a discount rate of **8.00%** p.a. (2018-19: 8.20% p.a.), property, plant and equipment (including capital work in progress) in the European business had a value in use which was lower than its carrying value. Accordingly, an impairment charge of **₹2,224.61** crore (2018-19: ₹106.68 crore) has been recognised. The impairment primarily relates to the Strip Products UK business. Out of the impairment recognised, **₹2,187.79** crore is included within exceptional items and **₹36.82** crore is included within other expenses in the consolidated statement of profit and loss.

Within the overseas mining business, the Group has recognised an impairment charge **₹677.63** crore in respect of mining operations carried out in Canada. The value in use was computed using cash flow forecasts based on the most recently approved financial budgets which cover a period of 5 years and future projections taking the analysis out to the period over which the Group has the right to use the underlying assets discounted using a discount rate of **10.00%** p.a. The impairment recognised is included within exceptional items in the consolidated statement of profit and loss.

The Group has conducted sensitivity analysis on the impairment tests of the carrying value in respect of Group's CGUs and property, plant and equipment. The management believes that no reasonably possible change in any of the key assumptions used in the value in use calculations would cause the carrying value of property, plant and equipment in any CGU to materially exceed its value in use, other than in respect of the remaining property, plant and equipment at the Strip Products UK business which had a carrying value as at March 31, 2020 of **₹2,338.38** crore (March 31, 2019: ₹3,358.46 crore) and the overseas Canadian mining business which had a carrying value as at March 31, 2020 of **₹6,448.75** crore (March 31, 2019: ₹6,175.14 crore). In relation to the Strip Products UK business, the value in use is dependent on an improvement to UK steel market margins, the implementation of a business transformation plan and assumptions regarding the level of future capital expenditure. For the mining operations in Canada, the value in use is dependent on commodity prices and realisation of cost savings in operation. A reasonably possible change in any of these key assumptions would increase the likelihood of impairment losses in the future.

- (vi) The details of property, plant and equipment pledged against borrowings is presented in note 24, page 381.

## NOTES

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## 4. Leases

The Group's significant leasing arrangements relate to assets specifically set up for dedicated use by the Group under long-term arrangements and time charter of vessels. Other leases include land, office space, equipment, vehicles and some IT equipment.

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

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

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

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

On adoption of Ind AS 116 "Leases" with effect from April 1, 2019, the Group elected to apply the modified retrospective transition method.

Accordingly, on transition, right-of-use assets of ₹2,940.10 crore were measured at an amount equal to lease liabilities. In addition, an amount of ₹1,915.66 (net of accumulated amortisation) crore in respect of right of use of land was re-classified from other assets to right-of-use assets. The right-of-use assets was reduced by ₹76.24 crore on account of provisions held in respect of onerous lease contracts and by ₹149.98 crore for sub leases recognised on transition.

The weighted average incremental borrowing rate applied to lease liabilities recognised under Ind AS 116 "Leases" was in the range of 4.60% to 12.63%.

The reconciliation of total operating lease commitments as at March 31, 2019 to the lease liabilities recognised on transition is as below:

(₹ crore)	
Particulars	Amount
<b>Operating lease commitments as at March 31, 2019</b>	<b>4,310.72</b>
Short-term leases	(204.48)
Low-value leases	(0.98)
Service/non-lease components	(133.03)
Extension and termination options	105.90
Changes in the index or rate affecting variable payments	(231.75)
Contracts recognised as leases on transition to Ind AS 116 "Leases"	496.59
<b>Undiscounted operating lease commitments as at April 1, 2019</b>	<b>4,342.97</b>
Effect of discounting	(1,184.25)
Classified as held for sale	(218.62)
<b>Lease liabilities for operating leases as at April 1, 2019</b>	<b>2,940.10</b>
Finance lease obligation as at March 31, 2019	3,853.30
<b>Lease liabilities as at April 1, 2019</b>	<b>6,793.40</b>

During the year ended March 31, 2020, the Group recognised the following in the consolidated statement of profit and loss:

- (i) expense in respect of short-term leases and leases of low-value assets ₹89.06 crore and ₹10.62 crore respectively.
- (ii) expense in respect of variable lease payments not included in the measurement of lease liabilities ₹508.04 crore.

## NOTES

forming part of the consolidated financial statements

### 4. Leases (Contd.)

(iii) income in respect of sub leases of right-of-use assets ₹7.84 crore.

(iv) loss on sale and leaseback transaction entered during the year ₹0.45 crore.

During the year ended March 31, 2020, total cash outflow in respect of leases amounted to ₹2,308.40 crore.

As at March 31, 2020, commitments for leases not yet commenced was ₹396.68 crore.

### 5. Right-of-use assets

[Item No. I(c), Page 322]

(₹ crore)

	Right-of-use land	Right- of-use buildings	Right-of-use plant and machinery	Right-of-use furniture, fixtures and office equipments	Right- of-use vehicles	Right-of- use railway sidings	Total right-of-use assets
Cost as at April 1, 2019	-	-	-	-	-	-	-
Addition on account of transition to Ind AS 116 "Leases"	59.57	902.55	1,727.07	17.52	71.28	12.13	2,790.12
Addition relating to acquisitions	159.95	3.30	119.12	-	-	-	282.37
Additions	39.71	727.55	318.84	0.12	73.00	5.26	1,164.48
Disposals	-	(74.97)	(100.14)	(0.05)	(2.60)	-	(177.76)
Disposal of group undertakings	-	(92.22)	-	-	-	-	(92.22)
Other re-classifications	1,983.43	539.35	5,416.42	3.61	-	302.45	8,245.26
Exchange differences on consolidation	1.53	78.96	94.78	(1.94)	6.77	20.04	200.14
<b>Cost as at March 31, 2020</b>	<b>2,244.19</b>	<b>2,084.52</b>	<b>7,576.09</b>	<b>19.26</b>	<b>148.45</b>	<b>339.88</b>	<b>12,412.39</b>
Accumulated impairment as at April 1, 2019	-	-	-	-	-	-	-
Charge for the year	24.03	54.29	15.25	-	-	-	93.57
Disposals	-	(59.40)	-	-	-	-	(59.40)
Other re-classifications	-	86.93	1.00	-	-	-	87.93
Exchange differences on consolidation	-	3.05	0.31	-	-	-	3.36
<b>Accumulated impairment as at March 31, 2020</b>	<b>24.03</b>	<b>84.87</b>	<b>16.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>125.46</b>
Accumulated depreciation as at April 1, 2019	-	-	-	-	-	-	-
Charge for the year	41.02	209.49	665.22	2.44	42.08	26.42	986.67
Disposals	-	(13.18)	(85.02)	(0.01)	(1.67)	-	(99.88)
Disposal of group undertakings	-	(3.94)	-	-	-	-	(3.94)
Other re-classifications	66.41	173.91	2,472.74	0.71	-	69.27	2,783.04
Exchange differences on consolidation	0.01	16.03	47.36	0.04	1.91	5.91	71.26
<b>Accumulated depreciation as at March 31, 2020</b>	<b>107.44</b>	<b>382.31</b>	<b>3,100.30</b>	<b>3.18</b>	<b>42.32</b>	<b>101.60</b>	<b>3,737.15</b>
<b>Total accumulated depreciation and impairment as at March 31, 2020</b>	<b>131.47</b>	<b>467.18</b>	<b>3,116.86</b>	<b>3.18</b>	<b>42.32</b>	<b>101.60</b>	<b>3,862.61</b>
Net carrying value as at April 1, 2019	-	-	-	-	-	-	-
<b>Net carrying value as at March 31, 2020</b>	<b>2,112.72</b>	<b>1,617.34</b>	<b>4,459.23</b>	<b>16.08</b>	<b>106.13</b>	<b>238.28</b>	<b>8,549.78</b>

- (i) During the year ended March 31, 2020, the Group recognised an impairment charge of ₹93.57 crore against right-of-use assets contained within the Indian and European operations. Out of the impairment recognised, ₹93.18 crore is included within exceptional items and ₹0.39 crore is included within other expenses.

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### 6. Goodwill on consolidation

[Item No. I(d), Page 322]

	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ crore)	
Cost as at beginning of the year	5,388.13	5,517.55
Addition relating to acquisitions	5.66	-
Disposal of group undertakings	(11.22)	(28.47)
Exchange differences on consolidation	169.44	(100.95)
<b>Cost as at end of the year</b>	<b>5,552.01</b>	<b>5,388.13</b>
Impairment as at beginning of the year	1,391.51	1,418.10
Charge for the year	70.00	-
Disposal of group undertakings	(11.22)	-
Exchange differences on consolidation	47.19	(26.59)
<b>Impairment as at end of the year</b>	<b>1,497.48</b>	<b>1,391.51</b>
<b>Net carrying value as at beginning of the year</b>	<b>3,996.62</b>	<b>4,099.45</b>
<b>Net carrying value as at end of the year</b>	<b>4,054.53</b>	<b>3,996.62</b>

- (i) The carrying value of goodwill predominantly relates to the goodwill that arose on the acquisition of erstwhile Corus Group Plc. and has been tested in both periods against the recoverable amount of Strip Products Mainland Europe cash generating unit (CGU) by the Group. This goodwill relates to expected synergies from combining Corus' activities with those of the Group and to assets, which could not be recognised as separately identifiable intangible assets. The goodwill is tested annually for impairment or more frequently if there are any indications that the goodwill may be impaired.

The recoverable amount of Strip Products Mainland Europe CGU has been determined from a value in use calculation. The calculation uses cash flow forecasts based on the most recently approved financial budgets and strategic forecasts which cover a period of three years and future projections taking the analysis out to 15 years, which equates to the remaining economic life of the assets. Key assumptions for the value in use calculation are those regarding expected changes to selling prices and raw material costs, steel demand in European Union, exchange rates, business disruption caused by the COVID-19 pandemic and a discount rate of **8.00%** p.a. (March 31, 2019: 8.20% p.a.). Changes in selling prices, raw material costs, exchange rates and steel demand in European Union are based on expectations of future changes in the steel market based on external market sources. A **Nil** (March 31, 2019: Nil) growth rate is used to extrapolate the cash flow projections beyond the three-year period of the financial budgets to 15 years. The pre-tax discount rate is derived from the Tata Steel Europe weighted average cost of capital (WACC) and the WACCs of its main European steel competitors. The outcome of the Group's goodwill impairment test as at March 31, 2020 for the Strip Products Mainland Europe CGU resulted in no impairment of goodwill (2018-19: Nil).

The management believes that no reasonably possible change in any of the key assumptions used in the value in use calculation would cause the carrying value of the CGU to materially exceed its value in use.

- (ii) The Group has conducted an impairment assessment to test the recoverability of the carrying value of its goodwill with respect to one of its Indian subsidiaries, representing a single cash generating unit, engaged in the business of generation and supply of power. The recoverable amount of the CGU related to such goodwill have been derived from value in use calculations. The calculation uses cash flow forecasts based on the most recently approved financial budgets and future projections for 23 years. Key assumptions for the value in use calculation are forecasted power tariff as per the power purchase agreement net of operational and maintenance charges and a discount rate of **12.10%** p.a. (March 31, 2019: 12.10% p.a.) A **Nil** (March 31, 2019: Nil) growth rate is used to extrapolate the cash flow projections beyond five-year period up to 23 years. The pre-tax discount rate is derived from the Company's weighted average cost of capital. The outcome of the Group's goodwill impairment test as at March 31, 2020 has resulted in an impairment of **₹70.00** crore (2018-19: Nil), which is recognised within exceptional items in the consolidated statement of profit and loss.

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### 6. Goodwill on consolidation (Contd.)

[Item No. I(d), Page 322]

- (iii) Addition to Goodwill during the year ended March 31, 2020 relates to the acquisition of the steel business of Usha Martin Limited by Tata Steel Long Products Limited (formerly known as Tata Sponge Iron Limited), a subsidiary of the group. Detailed disclosure in respect of the acquisition is provided in note 42, page 412.

Disposal of group undertakings during the year ended March 31, 2020 primarily relates to disposal of Kalimati Coal Company Pty. Ltd., a subsidiary of the Group.

For the year ended March 31, 2019 disposal of group undertakings relates to disposal of Black Ginger 461 (Proprietary) Ltd, a subsidiary of the Group. Detailed disclosure in respect of the disposal is provided in note 43, page 414.

### 7. Other intangible assets

[Item No.I(e), Page 322]

	(₹ crore)					
	Patents and trademarks	Development costs	Software costs	Mining assets	Other intangible assets	Total
Cost/deemed cost as at April 1, 2019	28.44	268.28	569.55	2,473.97	697.81	4,038.05
Addition relating to acquisitions	-	-	-	315.20	-	315.20
Additions	0.01	-	308.85	0.02	0.24	309.12
Disposals	-	-	(3.62)	-	(14.72)	(18.34)
Other re-classifications	-	-	0.08	-	(3.31)	(3.23)
Exchange differences on consolidation	0.81	18.12	29.25	50.79	-	98.97
<b>Cost/deemed cost as at March 31, 2020</b>	<b>29.26</b>	<b>286.40</b>	<b>904.11</b>	<b>2,839.98</b>	<b>680.02</b>	<b>4,739.77</b>
Accumulated impairment as at April 1, 2019	11.23	-	21.71	135.44	30.65	199.03
Charge for the year	-	-	3.69	-	-	3.69
Other re-classifications	-	-	(0.46)	-	-	(0.46)
Exchange differences on consolidation	0.37	-	1.14	8.88	-	10.39
<b>Accumulated impairment as at March 31, 2020</b>	<b>11.60</b>	<b>-</b>	<b>26.08</b>	<b>144.32</b>	<b>30.65</b>	<b>212.65</b>
Accumulated amortisation as at April 1, 2019	9.17	244.18	358.45	1,154.60	78.30	1,844.70
Charge for the year	0.11	16.81	96.06	74.63	39.52	227.13
Disposals	-	0.06	(3.60)	-	(14.72)	(18.26)
Other re-classifications	-	-	(1.01)	-	-	(1.01)
Exchange differences on consolidation	0.13	17.40	14.66	-	-	32.19
<b>Accumulated amortisation as at March 31, 2020</b>	<b>9.41</b>	<b>278.45</b>	<b>464.56</b>	<b>1,229.23</b>	<b>103.10</b>	<b>2,084.75</b>
<b>Total accumulated amortisation and impairment as at March 31, 2020</b>	<b>21.01</b>	<b>278.45</b>	<b>490.64</b>	<b>1,373.55</b>	<b>133.75</b>	<b>2,297.40</b>
Net carrying value as at April 1, 2019	8.04	24.10	189.39	1,183.93	588.86	1,994.32
<b>Net carrying value as at March 31, 2020</b>	<b>8.25</b>	<b>7.95</b>	<b>413.47</b>	<b>1,466.43</b>	<b>546.27</b>	<b>2,442.37</b>

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### 7. Other intangible assets (Contd.)

[Item No.I(e), Page 322]

	Patents and trademarks	Development costs	Software costs	Mining assets	Other intangible assets	Total
						(₹ crore)
Cost/deemed cost as at April 1, 2018	13.99	278.81	530.68	2,517.52	184.17	3,525.17
Addition relating to acquisitions	-	-	0.10	-	512.80	512.90
Additions	16.00	-	90.16	185.47	0.84	292.47
Disposals	(1.19)	-	(24.23)	-	-	(25.42)
Disposal of group undertakings	-	-	(0.45)	(236.09)	-	(236.54)
Classified as held for sale	-	-	(24.86)	-	-	(24.86)
Other re-classifications	-	-	3.03	-	-	3.03
Exchange differences on consolidation	(0.36)	(10.53)	(4.88)	7.07	-	(8.70)
<b>Cost/deemed cost as at March 31, 2019</b>	<b>28.44</b>	<b>268.28</b>	<b>569.55</b>	<b>2,473.97</b>	<b>697.81</b>	<b>4,038.05</b>
Accumulated impairment as at April 1, 2018	-	-	0.47	125.61	30.65	156.73
Charge for the year	11.36	-	21.70	3.06	-	36.12
Exchange differences on consolidation	(0.13)	-	(0.46)	6.77	-	6.18
<b>Accumulated impairment as at March 31, 2019</b>	<b>11.23</b>	<b>-</b>	<b>21.71</b>	<b>135.44</b>	<b>30.65</b>	<b>199.03</b>
Accumulated amortisation as at April 1, 2018	9.34	224.34	310.79	1,103.91	37.40	1,685.78
Charge for the year	0.53	29.44	92.51	148.98	40.90	312.36
Disposals	(0.63)	-	(24.23)	-	-	(24.86)
Disposal of group undertakings	-	-	(0.31)	(93.08)	-	(93.39)
Classified as held for sale	-	-	(18.75)	-	-	(18.75)
Other re-classifications	-	-	(1.00)	-	-	(1.00)
Exchange differences on consolidation	(0.07)	(9.60)	(0.56)	(5.21)	-	(15.44)
<b>Accumulated amortisation as at March 31, 2019</b>	<b>9.17</b>	<b>244.18</b>	<b>358.45</b>	<b>1,154.60</b>	<b>78.30</b>	<b>1,844.70</b>
<b>Total accumulated amortisation and impairment as at March 31, 2019</b>	<b>20.40</b>	<b>244.18</b>	<b>380.16</b>	<b>1,290.04</b>	<b>108.95</b>	<b>2,043.73</b>
Net carrying value as at April 1, 2018	4.65	54.47	219.42	1,288.00	116.12	1,682.66
<b>Net carrying value as at March 31, 2019</b>	<b>8.04</b>	<b>24.10</b>	<b>189.39</b>	<b>1,183.93</b>	<b>588.86</b>	<b>1,994.32</b>

- (i) Mining assets represent expenditure incurred in relation to acquisition of mines, mine development expenditure post establishment of technical and commercial feasibility and restoration obligations as per applicable regulations.
- (ii) During the year ended March 31, 2020, the Group recognised an impairment charge of ₹3.69 crore in respect of intangible assets in its European operations. The impairment recognised is included within other expenses in the consolidated statement of profit and loss.  
  
For the year ended March 31, 2019, the Group recognized an impairment charge of ₹68.39 crore with respect to intangible assets (including intangible assets under development) included within Indian operations: ₹5.24 crore and European operations: ₹63.15 crore. The impairment recognised was included within other expenses in the consolidated statement of profit and loss.
- (iii) For the year ended March 31, 2020, other re-classifications primarily include ₹3.31 crore (net of accumulated amortisation and impairment), reclassified to right-of-use assets on adoption of Ind AS 116 "Leases".

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### 8. Equity accounted investments

[Item No.I(g), Page 322]

#### (a) Investment in associates:

- (i) The Group has no material associates as at March 31, 2020. The aggregate summarised financial information in respect of the Group's immaterial associates accounted for using the equity method is as below:

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
<b>Carrying value of the Group's interest in associates*</b>	<b>161.84</b>	<b>155.86</b>

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Group's share in profit/(loss) for the year of associates*	16.27	19.40
Group's share in other comprehensive income for the year of associates	(1.46)	1.63
<b>Group's share in total comprehensive income for the year of associates</b>	<b>14.81</b>	<b>21.03</b>

- (ii) Fair value of investments in equity accounted associates for which published price quotation is available, which is a Level 1 input as at March 31, 2020 is ₹31.92 crore (March 31, 2019: ₹62.07 crore). The carrying value of such investments is Nil (March 31, 2019: Nil) as the Group's share of losses in such associates exceeds the cost of investments made.
- (iii) Share of unrecognised loss in respect of equity accounted associates amounted to ₹62.20 crore for the year ended March 31, 2020 (2018-19: ₹9.41 crore). Cumulative share of unrecognised losses in respect of equity accounted associates as at March 31, 2020 amounted to ₹140.15 crore. (March 31, 2019: ₹77.95 crore)

#### (b) Investment in joint ventures:

- (i) The Group holds more than 50% of the equity share capital in TM International Logistics Limited, Jamshedpur Continuous Annealing & Processing Company Private Limited and TM Mining Company Limited. However, decisions in respect of activities which significantly affect the risks and rewards of these businesses, require a unanimous consent of all the shareholders. These entities have therefore been considered as joint ventures.
- (ii) The Group has no material joint ventures as at March 31, 2020. The aggregate summarised financial information in respect of the Group's immaterial joint ventures accounted for using the equity method is as below.

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
<b>Carrying value of Group's interest in joint ventures*</b>	<b>2,006.70</b>	<b>1,767.09</b>

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## 8. Equity accounted investments (Contd.)

[Item No.I(g), Page 322]

	Year ended March 31, 2020	Year ended March 31, 2019
		(₹ crore)
Group's share in profit/(loss) for the year of joint ventures*	171.70	205.30
Group's share in other comprehensive income for the year of joint ventures	24.15	2.76
<b>Group's share in total comprehensive income for the year of joint ventures</b>	<b>195.85</b>	<b>208.06</b>

- (iii) Share of unrecognised losses in respect of equity accounted joint ventures amounted to ₹78.42 crore for the year ended March 31, 2020 (2018-19: ₹58.86 crore). Cumulative share of unrecognised losses in respect of equity accounted joint ventures as at March 31, 2020 amounted to ₹1,356.19 crore. (March 31, 2019: ₹1,297.94 crore).
- (iv) During the year ended March 31, 2020, the Group has recognised an impairment of Nil (2018-19: ₹0.06 crore) in respect of its equity accounted joint ventures.

## (c) Summary of carrying value of Group's interest in equity accounted investees:

	As at March 31, 2020	As at March 31, 2019
		(₹ crore)
Carrying value of immaterial associates	161.84	155.86
Carrying value of immaterial joint ventures	2,006.70	1,767.09
	<b>2,168.54</b>	<b>1,922.95</b>

## (d) Summary of Group's share in profit/(loss) for the year of equity accounted investees:

	Year ended March 31, 2020	Year ended March 31, 2019
		(₹ crore)
Share of profit/(loss) in immaterial associates	16.27	19.40
Share of profit/(loss) in immaterial joint ventures	171.70	205.30
	<b>187.97</b>	<b>224.70</b>

## (e) Summary of Group's share in other comprehensive income for the year of equity accounted investees:

	Year ended March 31, 2020	Year ended March 31, 2019
		(₹ crore)
Share of other comprehensive income of immaterial associates	(1.46)	1.63
Share of other comprehensive income of immaterial joint ventures	24.15	2.76
	<b>22.69</b>	<b>4.39</b>

\*Group's share in net assets and profit/(loss) of equity accounted investees has been determined after giving effect for subsequent amortisation/depreciation and other adjustments arising on account of fair value adjustments made to the identifiable net assets of the equity accounted investees as at the date of acquisition and other adjustment e.g. unrealised profits on inventories etc., arising under the equity method of accounting.

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### 9. Investments

[Item No. I(h)(i) and II(b)(i), Page 322]

#### A. Non-current

	As at March 31, 2020	As at March 31, 2019
(₹ crore)		
<b>(a) Investments carried at amortised cost:</b>		
Investment in government or trust securities	14.58	0.02
Investment in bonds and debentures	0.11	0.20
Investment in preference shares	71.15	64.99
	<b>85.84</b>	<b>65.21</b>
<b>(b) Investments carried at fair value through other comprehensive income:</b>		
Investment in equity shares <sup>#</sup>	506.87	756.39
	<b>506.87</b>	<b>756.39</b>
<b>(c) Investments carried at fair value through profit and loss:</b>		
Investment in bonds and debentures	49.74	49.74
Investment in preference shares	-	250.00
Investment in equity shares	42.32	60.75
Investment in mutual funds	-	108.27
	<b>92.06</b>	<b>468.76</b>
	<b>684.77</b>	<b>1,290.36</b>

#### B. Current

	As at March 31, 2020	As at March 31, 2019
(₹ crore)		
<b>Investments carried at fair value through profit and loss:</b>		
Investment in mutual funds	3,431.87	2,524.86
	<b>3,431.87</b>	<b>2,524.86</b>

(i) Carrying value and market value of quoted and unquoted investments is as below:

	As at March 31, 2020	As at March 31, 2019
(₹ crore)		
<b>(a) Investments in quoted instruments:</b>		
Aggregate carrying value	205.02	454.53
Aggregate market value	205.02	454.53
<b>(b) Investments in unquoted instruments:</b>		
Aggregate carrying value	<b>3,911.62</b>	<b>3,360.69</b>

(ii) Cumulative gain on de-recognition of investments during the year which were carried at fair value through other comprehensive income amounted to ₹6.60 crore (2018-19: ₹31.06 crore). Fair value of such investments as on the date of de-recognition was ₹7.49 crore (2018-19 : ₹40.78 crore).

<sup>#</sup> includes unquoted equity instruments for which cost has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

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## 10. Loans

[Item No. I(h)(ii) and II(b)(v)], Page 322]

## A. Non-current

	As at March 31, 2020	As at March 31, 2019
(₹ crore)		
<b>(a) Security deposits</b>		
Considered good-Unsecured	237.36	254.98
Credit impaired	3.62	2.07
Less: Allowance for credit losses	3.62	2.07
	<b>237.36</b>	<b>254.98</b>
<b>(b) Loans to related parties</b>		
Considered good-Unsecured	7.63	7.37
Credit impaired	193.93	188.67
Less: Allowance for credit losses	193.93	188.67
	<b>7.63</b>	<b>7.37</b>
<b>(c) Other loans</b>		
Considered good-Unsecured	243.72	350.99
Credit impaired	1,464.18	1,382.53
Less: Allowance for credit losses	1,464.18	1,382.53
	<b>243.72</b>	<b>350.99</b>
	<b>488.71</b>	<b>613.34</b>

## B. Current

	As at March 31, 2020	As at March 31, 2019
(₹ crore)		
<b>(a) Security deposits</b>		
Considered good-Unsecured	64.11	91.16
Credit impaired	82.33	151.75
Less: Allowance for credit losses	82.33	151.75
	<b>64.11</b>	<b>91.16</b>
<b>(b) Loans to related parties</b>		
Considered good-Unsecured	27.60	27.60
Credit impaired	907.89	831.55
Less: Allowance for credit losses	907.89	831.55
	<b>27.60</b>	<b>27.60</b>
<b>(c) Other loans</b>		
Considered good-Unsecured	123.97	120.94
Credit impaired	2.09	2.08
Less: Allowance for credit losses	2.09	2.08
	<b>123.97</b>	<b>120.94</b>
	<b>215.68</b>	<b>239.70</b>

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### 10. Loans (Contd.)

[Item No. I(h)(ii) and II(b)(v)], Page 322]

- (i) Security deposits are primarily in relation to public utility services and rental agreements. It includes deposit with Tata Sons Private Limited ₹1.25 crore (March 31, 2019: ₹1.25 crore).
- (ii) Non-current loans to related parties represent loans given to joint ventures ₹193.93 crore (March 31, 2019: ₹185.37 crore) and associates ₹7.63 crore (March 31, 2019: ₹10.67 crore) out of which ₹193.93 crore (March 31, 2019: ₹185.37 crore) and Nil crore (March 31, 2019: ₹3.30 crore) respectively is impaired.
- (iii) Current loans to related parties represent loans/advances to joint ventures ₹935.49 crore (March 31, 2019: ₹859.15 crore) out of which ₹907.89 crore (March 31, 2019: ₹831.55 crore) is impaired.

### 11. Other financial assets

[Item No. I(h)(iv) and II(b)(vii), Page 322]

#### A. Non-current

(₹ crore)

	As at March 31, 2020	As at March 31, 2019
<b>(a) Interest accrued on deposits, loans and advances</b>		
Considered good–Unsecured	1.78	84.41
Credit impaired	0.27	0.27
Less: Allowance for credit losses	0.27	0.27
	<b>1.78</b>	<b>84.41</b>
<b>(b) Earmarked balances with banks</b>	<b>61.88</b>	<b>70.80</b>
<b>(c) Other balances with banks</b>	<b>0.29</b>	<b>0.19</b>
<b>(d) Others</b>		
Considered good–Unsecured	524.98	414.66
Credit impaired	164.05	148.34
Less: Allowance for credit losses	164.05	148.34
	<b>524.98</b>	<b>414.66</b>
	<b>588.93</b>	<b>570.06</b>

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## 11. Other financial assets (Contd.)

[Item No. I(h)(iv) and II(b)(vii), Page 322]

## B. Current

	As at March 31, 2020	As at March 31, 2019
(a) Interest accrued on deposits, loans and advances		
Considered good-Unsecured	33.93	42.10
Credit impaired	20.42	216.08
Less: Allowance for credit losses	20.42	216.08
	<b>33.93</b>	<b>42.10</b>
(b) Others		
Considered good- Unsecured	412.49	1,206.46
Credit impaired	1.87	5.17
Less: Allowance for credit losses	1.87	5.17
	<b>412.49</b>	<b>1,206.46</b>
	<b>446.42</b>	<b>1,248.56</b>

- (i) Non-current earmarked balances with banks represent deposits and balances in escrow account not due for realisation within 12 months from the balance sheet date. These are primarily placed as security with government bodies, margin money against issue of bank guarantees and deposits made against contract performance.
- (ii) Other non-current balances with banks represent bank deposits not due for realisation within 12 months from the balance sheet date.
- (iii) Current other financial assets include amount receivable from post-employment benefit funds ₹57.26 crore (March 31, 2019: ₹769.20 crore) on account of retirement benefit obligations paid by the Group directly.

## 12. Retirement benefit assets and obligations

[Item No. I(i), II(c), V(c) and VI(c), Pages 322 and 323]

## (I) Retirement benefit assets

## A. Non-current

	As at March 31, 2020	As at March 31, 2019
(a) Pension	27,278.03	19,963.75
(b) Retiring gratuities	0.42	0.44
	<b>27,278.45</b>	<b>19,964.19</b>

## B. Current

	As at March 31, 2020	As at March 31, 2019
(a) Retiring gratuities	-	4.38

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### 12. Retirement benefit assets and obligations (Contd.)

[Item No. I(ii), II(c), V(c) and VI(c), Pages 322 and 323]

#### (II) Retirement benefit obligations

##### A. Non-current

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
(a) Pension	1,150.49	1,072.64
(b) Retiring gratuities	625.82	120.36
(c) Post-retirement medical benefits	1,490.54	1,214.83
(d) Other defined benefits	331.33	245.63
	<b>3,598.18</b>	<b>2,653.46</b>

##### B. Current

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
(a) Pension	9.25	7.37
(b) Retiring gratuities	18.62	4.51
(c) Post-retirement medical benefits	95.85	92.66
(d) Other defined benefits	17.54	16.15
	<b>141.26</b>	<b>120.69</b>

- (i) Detailed disclosure in respect of post-retirement defined benefit schemes is provided in note 39, page 396.
- (ii) Other defined benefits include post-retirement lumpsum benefits, long service awards, packing and transportation, farewell gifts etc.

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## 13. Income taxes

[Item No. I(k) and V(e), Pages 322 and 323]

## A. Income tax expenses/(benefit)

Indian companies are subject to income tax in India on the basis of their standalone financial statements. Indian companies can claim tax exemptions/deductions under 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, companies are liable to pay income tax based on the 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.

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 a domestic company with an irrevocable option to pay tax at a lower rate of 22% (effective rate of 25.168%) for any previous year relevant to the assessment year beginning on or after April 1, 2020. The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deductions or exemptions. MAT would be inapplicable to companies opting to apply the lower tax rate.

Indian Companies can carry forward business losses for a maximum period of eight assessment years immediately succeeding the assessment year to which the loss pertains. Unabsorbed depreciation can be carried forward for an indefinite period.

Apart from India, major tax jurisdictions for the Group include Singapore, United Kingdom and Netherlands. The number of years that are subject to tax assessments varies depending on the tax jurisdiction.

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

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Profit/(loss) before tax</b>	<b>(231.72)</b>	<b>15,905.72</b>
<b>Income tax expense at tax rates applicable to individual entities</b>	<b>225.35</b>	<b>5,576.07</b>
(a) Tax on income at different rates	9.73	(24.22)
(b) Additional tax benefit for capital investment including research and development expenditures	(16.76)	(25.37)
(c) Income exempt from tax/items not deductible	(548.44)	646.06
(d) Deferred tax assets not recognised because realisation is not probable	693.77	3,197.18
(e) Adjustments to taxes in respect of prior periods	(65.70)	(287.69)
(f) Utilisation/credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits	(593.70)	(2,406.93)
(g) Impact of changes in tax rates <sup>(i)</sup>	(2,272.66)	43.33
<b>Tax expense as reported</b>	<b>(2,568.41)</b>	<b>6,718.43</b>

- (i) Impact of changes in tax rates during the year ended March 31, 2020 primarily represents remeasurement of deferred tax balances expected to reverse in future periods based on the revised applicable tax rate by the Company and some of its Indian subsidiaries as per option permitted under new tax rate regime.

During the year ended March 31, 2019, deferred tax balances were remeasured following a reduction in corporate income tax rate within European operations.

## NOTES

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### 13. Income taxes (Contd.)

[Item No. I(k) and V(e), Pages 322 and 323]

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

(i) Components of deferred tax assets and liabilities as at March 31, 2020 are as below:

	Balance as at April 1, 2019	Recognised/ (reversed) in profit and loss during the year	Recognised in other comprehensive income during the year	Recognised in equity during the year	Disposal of group undertakings during the year	Other movements during the year	Exchange differences on consolidation during the year	(₹ crore) Balance as at March 31, 2020
<b>Deferred tax assets:</b>								
Tax-loss carry forwards	6,719.14	310.70	-	-	(1.28)	(946.73)	139.31	6,221.14
Expenses allowable for tax purposes when paid/written off	3,169.13	(655.09)	3.44	-	-	-	16.68	2,534.16
Others	780.68	(167.46)	79.01	-	-	(0.45)	37.38	729.16
	<b>10,668.95</b>	<b>(511.85)</b>	<b>82.45</b>	<b>-</b>	<b>(1.28)</b>	<b>(947.18)</b>	<b>193.37</b>	<b>9,484.46</b>
<b>Deferred tax liabilities:</b>								
Property, plant and equipment and Intangible assets	18,441.52	(4,723.51)	-	(3.58)	(2.81)	(946.65)	(36.05)	12,728.92
Retirement benefit assets/ obligations	2,769.95	663.67	1,147.58	-	-	(0.03)	163.31	4,744.48
Others	1,108.42	(1,104.94)	-	-	-	-	(1.37)	2.11
	<b>22,319.89</b>	<b>(5,164.78)</b>	<b>1,147.58</b>	<b>(3.58)</b>	<b>(2.81)</b>	<b>(946.68)</b>	<b>125.89</b>	<b>17,475.51</b>
<b>Net deferred tax assets/ (liabilities):</b>	<b>(11,650.94)</b>	<b>4,652.93</b>	<b>(1,065.13)</b>	<b>3.58</b>	<b>1.53</b>	<b>(0.50)</b>	<b>67.48</b>	<b>(7,991.05)</b>
<b>Disclosed as:</b>								
<b>Deferred tax assets</b>	<b>808.95</b>							<b>1,270.33</b>
<b>Deferred tax liabilities</b>	<b>12,459.89</b>							<b>9,261.38</b>
	<b>(11,650.94)</b>							<b>(7,991.05)</b>

## NOTES

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### 13. Income taxes (Contd.)

[Item No. I(k) and V(e), Pages 322 and 323]

Components of deferred tax assets and liabilities as at March 31, 2019 are as below:

	Balance as at April 1, 2018	Recognised/ (reversed) in profit and loss during the year	Recognised in other comprehensive income during the year	Recognised in equity during the year	Addition relating to acquisitions during the year	Disposal of group undertakings during the year	Reclassified as held for sale during the year	Other movements during the year	Exchange differences on consolidation during the year	(₹ crore) Balance as at March 31, 2019
<b>Deferred tax assets:</b>										
Tax-loss carry forwards	2,991.55	1,573.56	-	-	2,208.20	-	(9.52)	15.83	(60.48)	6,719.14
Expenses allowable for tax purposes when paid/written off	1,984.22	(791.63)	-	-	2,009.01	(9.85)	(16.81)	(2.26)	(3.55)	3,169.13
MAT credit entitlement/ (utilisation)	2,160.66	-	-	-	-	-	-	(2,160.66)	-	-
Others	321.64	62.48	(44.10)	-	424.08	-	13.09	8.50	(5.01)	780.68
	<b>7,458.07</b>	<b>844.41</b>	<b>(44.10)</b>	<b>-</b>	<b>4,641.29</b>	<b>(9.85)</b>	<b>(13.24)</b>	<b>(2,138.59)</b>	<b>(69.04)</b>	<b>10,668.95</b>
<b>Deferred tax liabilities:</b>										
Property, plant and equipment and Intangible assets	13,454.92	247.64	-	(4.81)	4,834.29	(58.18)	(57.09)	23.93	0.82	18,441.52
Retirement benefit assets/obligations	2,668.18	250.65	(100.47)	-	-	-	8.28	-	(56.69)	2,769.95
Others	869.05	314.58	-	-	(59.61)	0.71	0.16	(0.24)	(16.23)	1,108.42
	<b>16,992.15</b>	<b>812.87</b>	<b>(100.47)</b>	<b>(4.81)</b>	<b>4,774.68</b>	<b>(57.47)</b>	<b>(48.65)</b>	<b>23.69</b>	<b>(72.10)</b>	<b>22,319.89</b>
<b>Net deferred tax assets/(liabilities):</b>	<b>(9,534.08)</b>	<b>31.54</b>	<b>56.37</b>	<b>4.81</b>	<b>(133.39)</b>	<b>47.62</b>	<b>35.41</b>	<b>(2,162.28)</b>	<b>3.06</b>	<b>(11,650.94)</b>
<b>Disclosed as:</b>										
<b>Deferred tax assets</b>	<b>1,035.80</b>									<b>808.95</b>
<b>Deferred tax liabilities</b>	<b>10,569.88</b>									<b>12,459.89</b>
	<b>(9,534.08)</b>									<b>(11,650.94)</b>

- (ii) Deferred tax assets, have been recognised based on an evaluation of whether it is probable that taxable profits will be earned in future accounting periods considering all the available evidences, including approved budgets and forecasts by the Board of the respective entities.
- (iii) Deferred tax assets have not been recognised in respect of tax losses of ₹49,698.56 crore (March 31, 2019: ₹45,310.97 crore) as its recovery is not considered probable in the foreseeable future. Such losses primarily relate to the Group's European operations.

## NOTES

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### 13. Income taxes (Contd.)

[Item No. I(k) and V(e), Pages 322 and 323]

(iv) Tax losses in respect of which deferred tax asset has not been recognised, expire unutilised based on the year of origination as below:

	(₹ crore)
	As at March 31, 2020
Within five years	4,301.43
Later than five years but less than ten years	2,171.54
Later than ten years but less than twenty years	4.45
No expiry	43,221.14
	<b>49,698.56</b>

(v) Unused tax credits and other deductible temporary differences in respect of which deferred tax asset has not been recognised, expire unutilised based on the year of origination as below:

	(₹ crore)
	As at March 31, 2020
Within five years	2,311.15
No expiry	797.56
	<b>3,108.71</b>

(vi) At the end of the reporting period, aggregate amount of temporary difference associated with undistributed earnings of subsidiaries for which deferred tax liability has not been recognised is ₹7,201.13 crore (March 31, 2019: ₹6,642.93 crore). No liability has been recognised in respect of such difference because the Group is in a position to control the timing of reversal of the temporary difference and it is probable that such difference will not reverse in the foreseeable future.

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## 14. Other assets

[Item No. I(l) and II(e), Page 322]

## A. Non-current

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
<b>(a) Capital advances</b>		
Considered good - Unsecured	1,241.28	1,068.83
Considered doubtful - Unsecured	132.39	93.05
Less: Provision for doubtful advances	132.39	93.05
	<b>1,241.28</b>	<b>1,068.83</b>
<b>(b) Advances with public bodies</b>		
Considered good - Unsecured	1,624.63	1,473.31
Considered doubtful - Unsecured	397.03	345.42
Less: Provision for doubtful advances	397.03	345.42
	<b>1,624.63</b>	<b>1,473.31</b>
<b>(c) Prepaid lease payments for operating leases</b>	-	<b>1,888.22</b>
<b>(d) Capital advances to related parties</b>		
Considered good - Unsecured	<b>11.07</b>	<b>5.38</b>
<b>(e) Others</b>		
Considered good - Unsecured	<b>277.22</b>	<b>219.18</b>
	<b>3,154.20</b>	<b>4,654.92</b>

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### 14. Other assets (Contd.)

[Item No. I(l) and II(e), Page 322]

#### B. Current

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
<b>(a) Advances with public bodies</b>		
Considered good - Unsecured	1,998.61	2,095.99
Considered doubtful - Unsecured	3.04	2.71
Less: Provision for doubtful advances	3.04	2.71
	<b>1,998.61</b>	<b>2,095.99</b>
<b>(b) Prepaid lease payments for operating leases</b>	<b>-</b>	<b>15.18</b>
<b>(c) Advances to related parties</b>		
Considered good- Unsecured	<b>7.68</b>	<b>21.88</b>
<b>(d) Others</b>		
Considered good - Unsecured	1,171.40	1,396.65
Considered doubtful - Unsecured	83.24	46.58
Less: Provision for doubtful advances	83.24	46.58
	<b>1,171.40</b>	<b>1,396.65</b>
	<b>3,177.69</b>	<b>3,529.70</b>

- (i) Advances with public bodies primarily relate to input credit entitlements and amounts paid under protest in respect of demands and claims from regulatory authorities.
- (ii) Prepaid lease payments in respect of land leases has been reclassified to right-of-use assets, on adoption of Ind AS 116 "Leases".
- (iii) Others include advances against supply of goods/services and advances paid to employees.

### 15. Inventories

[Item No. II(a), Page 322]

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
<b>(a) Raw materials</b>	<b>9,512.47</b>	<b>11,424.47</b>
<b>(b) Work-in-progress</b>	<b>4,273.25</b>	<b>4,591.81</b>
<b>(c) Finished and semi-finished goods</b>	<b>12,391.38</b>	<b>11,055.76</b>
<b>(d) Stock-in-trade</b>	<b>128.72</b>	<b>96.65</b>
<b>(e) Stores and spares</b>	<b>4,762.90</b>	<b>4,487.41</b>
	<b>31,068.72</b>	<b>31,656.10</b>

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## 15. Inventories (Contd.)

[Item No. II(a), Page 322]

	As at March 31, 2020	As at March 31, 2019
<b>Included above, goods-in-transit:</b>		
(i) Raw materials	1,514.77	1,942.16
(ii) Finished and semi-finished goods	82.92	314.93
(iii) Stock-in-trade	39.99	66.22
(iv) Stores and spares	205.09	190.74
	<b>1,842.77</b>	<b>2,514.05</b>

Value of inventories above is stated after provisions (net of reversal) of ₹747.92 crore (March 31, 2019 : ₹482.25 crore) for write-down to net realisable value and provision for slow-moving and obsolete items.

## 16. Trade receivables

[Item No. II(b)(ii), Page 322]

	As at March 31, 2020	As at March 31, 2019
Considered good- Unsecured	7,884.91	11,811.00
Credit impaired	308.74	392.92
	<b>8,193.65</b>	<b>12,203.92</b>
Less: Allowance for credit losses	308.74	392.92
	<b>7,884.91</b>	<b>11,811.00</b>

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

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

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	392.92	250.26
Charge/(release) during the year	(8.27)	33.16
Utilised during the year	(84.00)	(19.94)
Addition relating to acquisitions	22.79	172.36
Disposal of group undertakings	(0.71)	(9.75)
Classified as held for sale	-	(32.15)
Other reclassifications	(15.71)	-
Exchange differences on consolidation	1.72	(1.02)
<b>Balance at the end of the year</b>	<b>308.74</b>	<b>392.92</b>

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### 16. Trade receivables (Contd.)

[Item No. II(b)(ii), Page 322]

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

	(₹ crore)			
	As at March 31, 2020			
	Gross credit risk	Subject to credit insurance cover	Allowance for credit losses	Net credit risk
Amounts not yet due	6,475.28	3,789.33	9.35	2,676.60
One month overdue	837.43	372.58	5.16	459.69
Two months overdue	136.22	38.72	2.09	95.41
Three months overdue	83.11	29.39	2.60	51.12
Between three to six months overdue	106.06	36.48	11.41	58.17
Greater than six months overdue	555.55	83.22	278.13	194.20
	<b>8,193.65</b>	<b>4,349.72</b>	<b>308.74</b>	<b>3,535.19</b>

	(₹ crore)			
	As at March 31, 2019			
	Gross credit risk	Subject to credit insurance cover	Allowance for credit losses	Net credit risk
Amounts not yet due	10,469.72	7,687.00	41.14	2,741.58
One month overdue	715.71	423.61	9.65	282.45
Two months overdue	191.42	59.70	8.39	123.33
Three months overdue	76.60	29.41	4.71	42.48
Between three to six months overdue	157.49	50.18	10.87	96.44
Greater than six months overdue	592.98	78.19	318.16	196.63
	<b>12,203.92</b>	<b>8,328.09</b>	<b>392.92</b>	<b>3,482.91</b>

(iii) The Group considers its maximum exposure to credit risk with respect to customers as at March 31, 2020 to be ₹ **3,535.19** crore (March 31, 2019 : ₹ 3,482.91 crore), which is the carrying value of trade receivables after allowance for credit losses and considering insurance cover.

The Group's exposure to customers is diversified and there is no concentration of credit risk with respect to any particular customer.

### 17. Cash and cash equivalents

[Item No. II(b)(iii), Page 322]

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
(a) Cash on hand	1.32	1.67
(b) Cheques, drafts on hand	2.44	9.32
(c) Remittances-in-transit	39.79	9.27
(d) Unrestricted balances with banks	7,498.41	2,955.27
	<b>7,541.96</b>	<b>2,975.53</b>

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## NOTES

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## 17. Cash and cash equivalents (Contd.)

[Item No. II(b)(iii), Page 322]

(i) Currency profile of cash and cash equivalents is as below:

	As at March 31, 2020	As at March 31, 2019
INR	2,106.53	1,328.22
GBP	(2,313.30)	1,565.50
EURO	1,449.22	(131.98)
USD	6,201.16	30.35
Others	98.35	183.44
<b>Total</b>	<b>7,541.96</b>	<b>2,975.53</b>

INR-Indian Rupees, GBP-Great British Pound, USD-United States Dollars.

Others primarily include SGD-Singapore Dollars and CAD-Canadian Dollars.

## 18. Other balances with banks

[Item No. II(b)(iv), Page 322]

	As at March 31, 2020	As at March 31, 2019
Earmarked balances with banks	512.76	365.84

(i) Currency profile of earmarked balances with banks is as below:

	As at March 31, 2020	As at March 31, 2019
INR	512.76	350.21
USD	-	15.63
<b>Total</b>	<b>512.76</b>	<b>365.84</b>

INR-Indian rupees, USD-United States dollars.

(ii) Earmarked balances with banks represent balances held for unpaid dividends, margin money/fixed deposits against issue of bank guarantees and deposits made against contract performance.

## NOTES

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### 19. Assets and liabilities held for sale

[Item No. III and VII, Pages 322 and 323]

- (i) On January 28, 2019, the Group entered into definitive agreements with HBIS Group Co. Ltd. ('HBIS') to divest its entire equity stake in NatSteel Holdings Pte. Ltd. ('NSH') and Tata Steel (Thailand) Public Company Ltd. ('TSTH'). The said definitive agreements were not extended on account of buyer's inability to obtain requisite regulatory approval.

As on March 31, 2020, active discussions and engagement with other potential buyers demonstrate that the management of the Group is committed to sell the disposal group and there is an active programme for completing the sale.

In accordance with Ind AS 105, "Non-current Assets Held for Sale and Discontinued Operations", the assets and liabilities of businesses forming part of the disposal group have been classified as held for sale.

The major classes of assets and liabilities classified as held for sale as on reporting date are set out below:

	As at March 31, 2020	As at March 31, 2019
(₹ crore)		
<b>Non-current assets</b>		
Property, plant and equipment	1,377.86	1,484.91
Capital work-in-progress	34.17	40.27
Right of-use-assets	299.33	-
Other intangible assets	6.38	6.17
Intangible assets under development	0.44	0.54
Other investments	33.71	38.70
Other financial assets	12.45	1.50
Non-current tax assets	23.60	19.29
Deferred tax assets	19.63	16.43
Other assets	1.44	1.83
	<b>1,809.01</b>	<b>1,609.64</b>
<b>Current assets</b>		
Inventories	1,395.11	1,491.32
Trade receivables	563.41	608.51
Cash and bank balances	190.38	294.77
Other financial assets	35.21	78.25
Derivative assets	20.59	2.82
Current tax assets	1.86	2.88
Other assets	51.71	51.26
	<b>2,258.27</b>	<b>2,529.81</b>
<b>Fair value adjustments</b>	<b>(1,253.16)</b>	-
<b>Total assets held for sale</b>	<b>2,814.12</b>	<b>4,139.45</b>

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## NOTES

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## 19. Assets and liabilities held for sale (Contd.)

[Item No. III and VII, Pages 322 and 323]

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
<b>Non-current liabilities</b>		
Borrowings	270.07	11.14
Other financial liabilities	0.39	0.37
Provisions	0.25	0.23
Retirement benefit obligations	102.15	61.89
Deferred tax liabilities	40.09	51.68
	<b>412.95</b>	<b>125.31</b>
<b>Current liabilities</b>		
Borrowings	248.71	670.97
Derivative liabilities	77.75	3.62
Trade payables	458.83	501.19
Other financial liabilities	103.97	90.92
Retirement benefit obligations	0.75	0.61
Provisions	3.02	2.76
Current tax liabilities	21.69	12.75
Other liabilities	20.61	17.91
	<b>935.33</b>	<b>1,300.73</b>
<b>Total liabilities held for sale</b>	<b>1,348.28</b>	<b>1,426.04</b>

- (ii) As at March 31, 2020, the Group classified certain assets and liabilities held within a disposal group with net carrying value of ₹0.89 crore (March 31, 2019: ₹2.73 crore) in respect of one of its Indian subsidiary as held for sale. These assets and liabilities continue to be classified as held for sale as the Group expects to recover the carrying value principally through sale.

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
Property, plant and equipment	0.06	0.06
Inventories	0.67	1.92
Trade receivables	0.19	0.79
Other non-financial assets	0.02	0.04
<b>Total assets held for sale</b>	<b>0.94</b>	<b>2.81</b>
Trade payables	0.05	0.08
<b>Total liabilities held for sale</b>	<b>0.05</b>	<b>0.08</b>

- iii) On April 9, 2019, Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited) ('TSLP'), a subsidiary of the Company, completed acquisition of the steel business of Usha Martin Limited ('UML') pursuant to a Business Transfer Agreement between the Company and UML in September, 2018. As a result of this transaction, TSLP acquired certain property, plant and equipment which was classified as held for sale. These assets have a carrying value of ₹8.39 crore as at March 31, 2020.

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### 20. Equity share capital

[Item No. IV(a), Page 323]

		(₹ crore)	
		As at March 31, 2020	As at March 31, 2019
<b>Authorised:</b>			
<b>1,75,00,00,000</b>	Ordinary Shares of ₹10 each (March 31, 2019: 1,75,00,00,000 Ordinary Shares of ₹10 each)	1,750.00	1,750.00
<b>35,00,00,000</b>	'A' Ordinary Shares of ₹10 each * (March 31, 2019: 35,00,00,000 'A' Ordinary Shares of ₹10 each)	350.00	350.00
<b>2,50,00,000</b>	Cumulative Redeemable Preference Shares of ₹100 each * (March 31, 2019: 2,50,00,000 Shares of ₹100 each)	250.00	250.00
<b>60,00,00,000</b>	Cumulative Convertible Preference Shares of ₹100 each * (March 31, 2019: 60,00,00,000 Shares of ₹100 each)	6,000.00	6,000.00
		<b>8,350.00</b>	<b>8,350.00</b>
<b>Issued:</b>			
<b>1,12,75,20,570</b>	Ordinary Shares of ₹10 each (March 31, 2019: 1,12,75,20,570 Ordinary Shares of ₹10 each)	1,127.52	1,127.52
<b>7,76,97,280</b>	Ordinary Shares of ₹10 each (partly paid up, ₹2.504 each paid up) (March 31, 2019: 7,76,97,280 Ordinary Shares of ₹10 each, ₹2.504 each paid up)	77.70	77.70
		<b>1,205.22</b>	<b>1,205.22</b>
<b>Subscribed and paid up:</b>			
<b>1,12,53,08,318</b>	Ordinary Shares of ₹10 each fully paid up (March 31, 2019: 1,12,53,07,787 Ordinary Shares of ₹10 each)	1,125.31	1,125.30
<b>7,76,36,788</b>	Ordinary Shares of ₹10 each (partly paid up, ₹2.504 each paid up) (March 31, 2019: 7,76,36,705 Ordinary Shares of ₹10 each, ₹2.504 each paid up)	19.44	19.44
	Amount paid up on 3,89,516 Ordinary Shares of ₹10 each forfeited (March 31, 2019: 3,89,516 Shares of ₹10 each)	0.20	0.20
		<b>1,144.95</b>	<b>1,144.94</b>

\* 'A' class Ordinary Shares and Preference Shares included within authorised share capital are for disclosures purposes and have not yet been issued.

- (i) Subscribed and paid up share capital excludes **11,81,893** (March 31, 2019: 11,81,893) Ordinary Shares of face value ₹10 each fully paid up held by subsidiaries of the Company.

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## NOTES

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## 20. Equity share capital (Contd.)

[Item No. IV(a), Page 323]

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

	As at March 31, 2020		As at March 31, 2019	
	No. of shares	₹ crore	No. of shares	₹ crore
<b>Ordinary Shares of ₹10 each</b>				
Balance at the beginning of the year	1,20,29,44,492	1,144.74	1,20,29,51,047	1,144.75
Fully paid shares allotted during the year <sup>(a),(b),(c)</sup>	531	0.01	4,865	0.00*
Partly paid shares allotted during the year <sup>(d)</sup>	83	0.00*	2,080	0.00*
Adjustment for cross holdings	-	-	(13,500)	(0.01)
<b>Balance at the end of the year</b>	<b>1,20,29,45,106</b>	<b>1,144.75</b>	<b>1,20,29,44,492</b>	<b>1,144.74</b>

\* represents value less than ₹0.01 crore.

- (a) **210** Ordinary Shares of face value ₹10 each were allotted at a premium of ₹290 per share to the shareholders whose shares were kept in abeyance in the Rights Issue of 2007.
- (b) **154** Ordinary Shares of face value ₹10 each were allotted at a premium of ₹590 per share in lieu of Cumulative Convertible Preference Shares of ₹ 100 each to the shareholders whose shares were kept in abeyance in the Rights Issue of 2007.
- (c) **167** fully paid Ordinary Shares of face value of ₹10 were allotted at a premium of ₹500 per share to the shareholders whose shares were kept in abeyance in the Rights Issue of 2018.
- (d) **83** partly paid Ordinary Shares of face value of ₹10 each (₹2.504 paid up) were allotted at a premium of ₹605 (₹151.496 paid up) per share to the shareholders whose shares were kept in abeyance in the Rights Issue of 2018.
- (iii) As at March 31, 2020, **2,98,822** Ordinary Shares of face value of ₹10 each (March 31, 2019: 2,99,198 Ordinary Shares) are kept in abeyance in respect of Rights Issue of 2007.

As at March 31, 2020, **1,21,293** fully paid Ordinary Shares of face value of ₹10 each (March 31, 2019: 1,21,460 fully paid Ordinary Shares) and **60,492** partly paid Ordinary Shares of face value of ₹10 each, ₹2.504 paid up (March 31, 2019: 60,575 partly paid Ordinary Shares, ₹2.504 paid up) are kept in abeyance in respect of Rights Issue of 2018.

(iv) Details of shareholders holding more than 5 percent shares in the Company is as below:

	As at March 31, 2020		As at March 31, 2019	
	No. of Ordinary Shares	% held	No. of Ordinary Shares	% held
<b>Name of shareholders</b>				
(a) Tata Sons Private Limited	39,65,08,142	32.93	38,09,73,085	31.64
(b) Life Insurance Corporation of India	10,96,96,176	9.11	10,83,88,660	9.00
(c) HDFC Trustee Company Limited	6,02,13,483	5.00	NA*	NA*

\* As on March 31, 2019, HDFC Trustee Company Limited held less than 5% shares in the Company.

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### 20. Equity share capital (Contd.)

[Item No. IV(a), Page 323]

- (v) **1,25,61,401** shares (March 31, 2019: 1,34,73,958 shares) of face value of ₹10 per share represent the shares underlying GDRs which were issued during 1994 and 2009. Each GDR represents one underlying Ordinary Share.
- (vi) The rights, powers and preferences relating to each class of share capital and the qualifications, limitations and restrictions thereof are contained in the Memorandum and Articles of Association of the Company. The principal rights are as below:

#### A. Ordinary Shares of ₹10 each

- (i) In respect of every Ordinary Share (whether fully paid or partly paid), voting right and dividend shall be in the same proportion as the capital paid up on such Ordinary Share bears to the total paid up Ordinary Capital of the Company.
- (ii) The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting, except in case of interim dividend.
- (iii) In the event of liquidation, the Shareholders of Ordinary Shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

- (i) (a) The holders of 'A' Ordinary Shares shall be entitled to such rights of voting and/or dividend and such other rights as per the terms of the issue of such shares, provided always that:
  - in the case where a resolution is put to vote on a poll, such differential voting entitlement (excluding fractions, if any) will be applicable to holders of 'A' Ordinary Shares.
  - in the case where a resolution is put to vote in the meeting and is to be decided on a show of hands, the holders of 'A' Ordinary Shares shall be entitled to the same number of votes as available to holders of Ordinary Shares.
- (b) The holders of Ordinary Shares and the holders of 'A' Ordinary Shares shall vote as a single class with respect to all matters submitted for voting by shareholders of the Company and shall exercise such votes in proportion

to the voting rights attached to such shares including in relation to any scheme under Sections 391 to 394 of the Companies Act, 1956.

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

#### C. Preference Shares

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

- (i) Such shares shall confer on the holders thereof, the right to a fixed preferential dividend from the date of allotment, at a rate as may be determined by the Board at the time of the issue, on the capital for the time being paid up or credited as paid up thereon.
- (ii) Such shares shall rank for capital and dividend (including all dividend undeclared upto the commencement of winding up) and for repayment of capital in a winding up, *pari passu inter se* and in priority to the Ordinary Shares of the Company, but shall not confer any further or other right to participate either in profits or assets. However, in case of CCPS, such preferential rights shall automatically cease on conversion of these shares into Ordinary Shares.
- (iii) The holders of such shares shall have the right to receive all notices of general meetings of the Company but shall not confer on the holders thereof the right to vote at any meetings of the Company save to the extent and in the manner provided in the Companies Act, 1956, or any re-enactment thereof.
- (iv) CCPS shall be converted into Ordinary Shares as per the terms, determined by the Board at the time of issue; as and when converted, such Ordinary Shares shall rank *pari passu* with the then existing Ordinary Shares of the Company in all respects.

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## 21. Hybrid perpetual securities

[Item No. IV(b), Page 323]

The details of movement in hybrid perpetual securities is as below:

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	2,275.00	2,275.00
Balance at the end of the year	2,275.00	2,275.00

(₹ crore)

The Company had issued hybrid perpetual securities of ₹775.00 crore and ₹1,500.00 crore in May 2011 and March 2011 respectively. These securities are perpetual in nature with no maturity or redemption and are callable only at the option of the Company. The distribution on these securities are 11.50% p.a. and 11.80% p.a. respectively, with a step up provision if the securities are not called after 10 years. The distribution on the securities may be deferred at the option of the Company if in the six months preceding the relevant distribution payment date, the Company has not made payment on, or repurchased or redeemed, any securities ranking *pari passu* with, or junior to the instrument. As these securities are perpetual in nature and the Company does not have any redemption obligation, these have been classified as equity.

## 22. Other equity

[Item No. IV(c), Page 323]

## A. Retained earnings

The details of movement in retained earnings is as below:

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	14,056.43	7,801.99
Profit/(loss) for the year	1,556.54	10,218.33
Remeasurement of post-employment defined benefit plans	5,480.23	(523.40)
Tax on remeasurement of post-employment defined benefit plans	(1,020.99)	97.48
Equity issue expenses written off	(5.31)	-
Dividend	(1,488.13)	(1,144.76)
Tax on dividend	(297.40)	(224.61)
Distribution on hybrid perpetual securities	(266.15)	(266.12)
Tax on distribution on hybrid perpetual securities	66.97	92.99
Transfers within equity	14.28	29.95
Adjustment for change in ownership interests	31.35	(2,025.42)
<b>Balance at the end of the year</b>	<b>18,127.82</b>	<b>14,056.43</b>

(₹ crore)

## B. Items of other comprehensive income

## (a) Cash flow hedge reserve

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

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

## NOTES

forming part of the consolidated financial statements

### 22. Other equity (Contd.)

[Item No. IV(c), Page 323]

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

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	119.63	9.99
Other comprehensive income recognised during the year	(286.65)	109.64
<b>Balance at the end of the year</b>	<b>(167.02)</b>	<b>119.63</b>

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

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Fair value changes recognised during the year	(210.17)	349.67
Fair value changes reclassified to the consolidated statement of profit and loss/cost of hedged items	(154.93)	(198.58)
Tax impact on above	78.45	(41.45)
	<b>(286.65)</b>	<b>109.64</b>

During the year, ineffective portion of cash flow hedges recognised in the consolidated statement of profit and loss amounted to Nil (2018-19: Nil).

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

- within the next one year: loss of ₹109.54 crore (2018-19 : gain of ₹119.23 crore)
- later than one year: loss of ₹57.48 crore (2018-19: gain of ₹0.40 crore)

#### (b) Investment revaluation reserve

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

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

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	80.28	155.23
Other comprehensive income recognised during the year	(248.94)	(44.30)
Tax impact on above	1.98	(2.65)
Transfers within equity	(6.63)	(31.06)
Other movements	-	3.06
<b>Balance at the end of the year</b>	<b>(173.31)</b>	<b>80.28</b>

## NOTES

forming part of the consolidated financial statements

## 22. Other equity (Contd.)

[Item No. IV(c), Page 323]

## (c) Foreign currency translation reserve

Exchange differences arising on translation of assets, liabilities, income and expenses of the Group's foreign subsidiaries, associates and joint ventures are recognised in other comprehensive income and accumulated separately in foreign currency translation reserve. The amounts recognised are transferred to the consolidated statement of profit and loss on disposal of the related foreign subsidiaries, associates and joint ventures.

The details of movement in foreign currency translation reserve is as below:

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	7,412.24	6,984.28
Other comprehensive income recognised during the year	544.00	507.78
Other movements	-	(79.82)
<b>Balance at the end of the year</b>	<b>7,956.24</b>	<b>7,412.24</b>

## C. Other reserves

## (a) Securities premium

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

The details of movement in securities premium is as below:

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	27,778.09	27,777.40
Received/transfer on issue of Ordinary Shares during the year	0.03	0.26
Equity issue expenses written (off)/back during the year	-	0.43
<b>Balance at the end of the year</b>	<b>27,778.12</b>	<b>27,778.09</b>

## (b) Debenture redemption reserve

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

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

## NOTES

forming part of the consolidated financial statements

### 22. Other equity (Contd.)

[Item No. IV(c), Page 323]

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

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	2,046.00	2,046.00
<b>Balance at the end of the year</b>	<b>2,046.00</b>	<b>2,046.00</b>

#### (c) General reserve

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

The details of movement in general reserve is as below:

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	12,181.16	12,181.97
Adjustment for cross holdings	-	(0.81)
<b>Balance at the end of the year</b>	<b>12,181.16</b>	<b>12,181.16</b>

#### (d) Capital redemption reserve

The Companies Act, 2013 requires that when a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve 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 Group established this reserve pursuant to the redemption of preference shares issued in earlier years.

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

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	133.11	133.11
<b>Balance at the end of the year</b>	<b>133.11</b>	<b>133.11</b>

#### (e) Special reserve

Special reserve represents reserve created by certain Indian subsidiaries of the Company pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act") and other related applicable regulations. Under the RBI Act, a non-banking finance company is required to transfer an amount not less than 20% of its net profit to a reserve fund before declaring any dividend. Appropriation from this reserve fund is permitted only for the purposes specified by the RBI.

Consolidated

## NOTES

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## 22. Other equity (Contd.)

[Item No. IV(c), Page 323]

The details of movement in special reserve is as below:

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	8.14	7.58
Transfers within equity	1.92	0.56
<b>Balance at the end of the year</b>	<b>10.06</b>	<b>8.14</b>

## (f) Capital reserve on consolidation

The excess of fair value of net assets acquired over consideration paid in a business combination is recognised as capital reserve on consolidation. The reserve is not available for distribution.

The details of movement in capital reserve on consolidation is as below:

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	1,436.94	100.53
Addition relating to acquisitions	584.24	1,336.41
Disposal of group undertakings	(0.56)	-
<b>Balance at the end of the year</b>	<b>2,020.62</b>	<b>1,436.94</b>

## (g) Others

Others primarily represent amounts appropriated out of the statement of profit and loss for unforeseen contingencies. Such appropriations are free in nature.

The details of movement in others is as below:

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	253.12	252.57
Transfers within equity	(9.57)	0.55
<b>Balance at the end of the year</b>	<b>243.55</b>	<b>253.12</b>

## D. Share application money pending allotment

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

	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	-	0.02
Application money received during the year	0.04	0.24
Allotment of Ordinary Shares during the year	(0.04)	(0.26)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>

## NOTES

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### 23. Non-controlling interests

Non-controlling interests represent proportionate share held by minority shareholders in the net assets of subsidiaries which are not wholly owned by the Company.

The balance of non-controlling interests as at the end of the year is as below:

	As at March 31, 2020	As at March 31, 2019
Non-controlling interests	2,586.60	2,364.46

Following are the subsidiaries which include material non-controlling interests:

- The Company, through its wholly owned subsidiary, T S Global Minerals Holdings Pte. Ltd via TSMUK holds 77.68% equity stake in Tata Steel Minerals Canada Limited.
- On May 18, 2018, Bamnival Steel Limited, a wholly owned subsidiary of the Company, completed the acquisition of 72.65% stake in Tata Steel BSL Limited pursuant to a Corporate Insolvency Resolution Process implemented under the Insolvency and Bankruptcy Code 2016.
- During the year ended March 31, 2020, the Company subscribed to 2,58,43,967 equity shares pursuant to right issue made by its subsidiary, Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited). As at March 31, 2020 the Company holds 75.91% (March 31, 2019: 54.50%) equity stake.

The table below provides information in respect of these subsidiaries as at March 31, 2020:

Name of subsidiary	Country of incorporation and operation	% of non-controlling interests as at March 31, 2020	% of non-controlling interests as at March 31, 2019	Profit/(loss) attributable to non-controlling interests for the year ended March 31, 2020	Profit/(loss) attributable to non-controlling interests for the year ended March 31, 2019	Non-controlling interests as at March 31, 2020	Non-controlling interests as at March 31, 2019
<b>Tata Steel Minerals Canada Limited</b>	Canada	22.32%	22.32%	(165.84)	(10.91)	506.41	624.98
<b>Tata Steel BSL Limited</b>	India	27.35%	27.35%	(168.64)	(240.93)	334.92	286.43
<b>Tata Steel Long Products Limited</b>	India	24.09%	45.50%	(135.65)	56.59	485.64	493.35

The tables below provide summarised information in respect of consolidated balance sheet as at March 31, 2020, consolidated statement of profit and loss and consolidated statement of cash flows for the year ended March 31, 2020, in respect of the above-mentioned entities:

#### Summarised balance sheet information

Particulars	Tata Steel Minerals Canada Limited		Tata Steel BSL Limited		Tata Steel Long Products Limited	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Non-current assets	7,516.08	6,943.13	31,614.99	31,628.26	4,889.63	615.73
Current assets	270.45	82.43	7,223.79	7,981.01	1,274.68	696.24
<b>Total assets (A)</b>	<b>7,786.53</b>	<b>7,025.56</b>	<b>38,838.78</b>	<b>39,609.27</b>	<b>6,164.31</b>	<b>1,311.97</b>
Non-current liabilities	4,284.33	3,514.19	15,846.97	17,089.27	2,803.31	27.53
Current liabilities	1,233.35	711.27	4,471.21	4,178.26	1,356.50	210.72
<b>Total liabilities (B)</b>	<b>5,517.68</b>	<b>4,225.46</b>	<b>20,318.18</b>	<b>21,267.53</b>	<b>4,159.81</b>	<b>238.25</b>
<b>Net assets (A-B)<sup>(i)</sup></b>	<b>2,268.85</b>	<b>2,800.10</b>	<b>18,520.60</b>	<b>18,341.74</b>	<b>2,004.50</b>	<b>1,073.72</b>

- Net assets of Tata Steel BSL Limited as at March 31, 2020, includes equity portion of preference shares ₹17,295.82 crore (March 31, 2019: ₹17,295.82 crore) issued by Tata Steel BSL Limited to the Company.

## NOTES

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### 23. Non-controlling interests (Contd.)

#### Summarised profit and loss information

Particulars	(₹ crore)					
	Tata Steel Minerals Canada Limited		Tata Steel BSL Limited		Tata Steel Long Products Limited	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Total Income	405.90	1.67	18,270.89	18,493.07	3,571.31	1,049.78
Profit/(loss) for the year	(743.03)	(48.88)	(616.69)	(881.07)	(516.23)	124.39
Total comprehensive income/(loss) for the year	(743.03)	(48.88)	(625.32)	(872.96)	(525.71)	124.32

#### Summarised cash flow information

Particulars	(₹ crore)					
	Tata Steel Minerals Canada Limited		Tata Steel BSL Limited		Tata Steel Long Products Limited	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
Net cash from/(used in) operating activities	440.91	(51.27)	1,866.17	5,458.42	(335.66)	100.25
Net cash from/(used in) investing activities	(860.71)	(394.77)	531.70	(1,315.43)	(3,574.41)	(12.43)
Net cash from/(used in) financing activities	406.61	410.74	(1,950.69)	(4,577.49)	3,804.89	(37.13)
Effect of exchange rate on cash and cash equivalents	0.63	3.13	-	-	-	-
Cash and cash equivalents at the beginning of the year	15.95	48.12	277.65	712.15	163.21	112.52
Cash and cash equivalents at the end of the year	3.39	15.95	724.83	277.65	58.03	163.21

## NOTES

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### 24. Borrowings

[Item No. V(a)(i) and VI(a)(i), Page 323]

#### A. Non-current

	As at March 31, 2020	As at March 31, 2019
(₹ crore)		
<b>(a) Secured</b>		
(i) Loan from Joint Plant Committee - Steel Development Fund	2,633.96	2,564.10
(ii) Term loans from banks/financial institutions	28,496.93	23,458.91
(iii) Lease obligations	5,896.52	1,324.76
(iv) Other loans	309.76	283.38
	<b>37,337.17</b>	<b>27,631.15</b>
<b>(b) Unsecured</b>		
(i) Bonds and debentures	31,445.29	29,509.49
(ii) Non-convertible preference shares	-	13.31
(iii) Term loans from banks/financial institutions	25,315.71	21,047.72
(iv) Lease obligations	-	2,134.08
(v) Deferred payment liabilities	6.71	6.40
(vi) Other loans	0.09	0.58
	<b>56,767.80</b>	<b>52,711.58</b>
	<b>94,104.97</b>	<b>80,342.73</b>

#### B. Current

	As at March 31, 2020	As at March 31, 2019
(₹ crore)		
<b>(a) Secured</b>		
(i) Loans from banks/financial institutions	48.06	5,437.52
(ii) Repayable on demand from banks/financial institutions	561.52	45.88
(iii) Other Loans	8.19	-
	<b>617.77</b>	<b>5,483.40</b>
<b>(b) Unsecured</b>		
(i) Preference shares	1.00	1.00
(ii) Loans from banks/financial institutions	14,937.39	5,129.65
(iii) Commercial papers	3,013.60	171.97
(iv) Other loans	614.72	16.06
	<b>18,566.71</b>	<b>5,318.68</b>
	<b>19,184.48</b>	<b>10,802.08</b>

## NOTES

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### 24. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page 323]

- (i) As at March 31, 2020, ₹**39,178.70** crore (March 31, 2019 : ₹36,218.83 crore) of the total outstanding borrowings (including current maturities) were secured by a charge on property, plant and equipment, right-of-use assets, inventories and receivables.
- (ii) The security details of major borrowings as at March 31, 2020 is as below:

#### (a) Loans from Joint Plant Committee-Steel Development Fund

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

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

The Company has filed a writ petition before the High Court at Kolkata in February 2006 claiming waiver of the outstanding loan and interest and refund of the balance lying with Steel Development Fund and the matter is subjudice.

The loan includes funded interest ₹**994.63** crore (March 31, 2019: ₹924.77 crore).

It includes ₹**1,639.33** crore (March 31, 2019: ₹1,639.33 crore) representing repayments and interest on earlier loans for which applications of funding are awaiting sanction and is not secured by charge on movable assets of the Company.

#### (b) Loans from banks/financial institutions

Majority of the secured borrowings from banks and financial institutions relate to subsidiaries of the Company namely Tata Steel BSL Limited and Tata Steel Europe

The borrowings in Tata Steel BSL Limited are secured by a charge on all its immovable and movable properties both present and future including movable plant and machinery, spares, tools and accessories, inventories and other current assets, ranking *pari passu* inter-se. The term loan is payable in 18 semi-annual instalments starting from March 2022.

The majority of the borrowings in Tata Steel Europe relate to the senior facility arrangement (SFA) which was refinanced in February 2020. The SFA is secured against the assets and shares of Tata Steel UK and the shares of Tata Steel Netherlands Holdings B.V. The SFA has a financial covenant which sets an annual maximum capital expenditure level. The SFA comprises of the following term loans detailed as below:

Facility A: EUR **410.00** million bullet term loan facility equivalent to ₹**3,396.71** crore, repayable in February 2025

Facility B: EUR **1,340.00** million bullet term loan facility equivalent to ₹**11,101.44** crore, repayable in February 2026.

#### (c) Lease obligations

The Group has taken certain assets on lease for business purpose. In addition, the Group has entered into long-term arrangements which convey the right to control the use of the identified assets resulting in recognition of right-of-use assets and lease obligations.

Lease obligations represents the present value of minimum lease payments payable over the lease term.

## NOTES

forming part of the consolidated financial statements

### 24. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page 323]

(iii) The details of major unsecured borrowings as at March 31, 2020 is as below:

#### (a) Commercial papers

Commercial papers raised by the Group are short-term in nature ranging between one to three months.

#### (b) Bonds and debentures

##### (I) Non-convertible debentures:

The details of debentures issued by the Company is as below:

- (i) 9.84% p.a. interest bearing 43,150 debentures of face value ₹10,00,000 each are redeemable at par in 4 equal annual instalments commencing from February 28, 2031.
- (ii) 10.25% p.a. interest bearing 25,000 debentures of face value ₹10,00,000 each are redeemable at par in 3 equal annual instalments commencing from January 6, 2029.
- (iii) 10.25% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par in 3 equal annual instalments commencing from December 22, 2028.
- (iv) 8.15% p.a. interest bearing 10,000 debentures of face value ₹10,00,000 each are redeemable at par on October 1, 2026.
- (v) 7.70% p.a. interest bearing 6,700 debentures of face value ₹10,00,000 each are redeemable at par on March 13, 2025.
- (vi) 2.00% p.a. interest bearing 15,000 debentures of face value ₹10,00,000 each are redeemable at a premium of 85.03% of the face value on April 23, 2022.
- (vii) 9.15% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par on January 25, 2021.

##### (II) Bonds:

ABJA Investment Company Pte Ltd. a wholly owned subsidiary of the Company has issued non-convertible bonds that are listed on the Singapore Stock Exchange and Frankfurt Stock Exchange. Details of the bonds outstanding at the end of the reporting period is as below:

Sl. No.	Issued on	Currency	Initial principal due (in millions)	Outstanding principal (in millions)		Interest rate	Redeemable on
				As at March 31, 2020	As at March 31, 2019		
1	January 2018	USD	1,000	1,000	1,000	5.45%	January 2028
2	July 2014	USD	1,000	1,000	1,000	5.95%	July 2024
3	January 2018	USD	300	300	300	4.45%	July 2023
4	May 2013	SGD	300	300	300	4.95%	May 2023
5	July 2014	USD	500	-	500	4.85%	January 2020

#### (c) Loans from banks/financial institutions

(I) Details of loans from banks/financial institutions availed by the Company is as below:

- (i) USD **330.00** million equivalent to ₹**2,494.80** crore (March 31, 2019: Nil) loan is repayable in 3 equal annual instalments commencing from September 09, 2023.
- (ii) Rupee loan amounting ₹**2,500.00** crore (March 31, 2019: ₹2,500.00 crore) is repayable in 9 quarterly instalments commencing from March 31, 2023.

## NOTES

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### 24. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page 323]

- (iii) Rupee loan amounting ₹**1,047.50** crore (March 31, 2019: ₹1,047.50 crore) is repayable in 10 semi-annual instalments, the next instalment is due on November 29, 2022.
- (iv) Rupee loan amounting ₹**1,000.00** crore (March 31, 2019: Nil) is repayable in 16 semi-annual instalments, the next instalment is due on March 24, 2022.
- (v) Rupee loan amounting ₹**584.58** crore (March 31, 2019: ₹584.58 crore) is repayable in 8 semi-annual instalments, the next instalment is due on June 15, 2021.
- (vi) Rupee loan amounting ₹**750.00** crore (March 31, 2019: ₹750.00 crore) is repayable in 3 equal annual instalments commencing from May 29, 2021.
- (vii) USD **7.86** million equivalent to ₹**59.43** crore (March 31, 2019: USD 7.86 million equivalent to ₹54.38 crore) is repayable on March 1, 2021.
- (viii) USD **133.33** million equivalent to ₹**1,008.00** crore (March 31, 2019: USD 200.00 million equivalent to ₹1,383.55 crore) loan is repayable in 2 equal annual instalments, the next instalment is due on February 16, 2021.
- (ix) Rupee loan amounting ₹**632.72** crore (March 31, 2019: ₹640.42 crore) is repayable in 14 semi-annual instalments, the next instalment is due on August 14, 2020.
- (x) Euro **10.81** million equivalent to ₹**89.56** crore (March 31, 2019: Euro 16.21 million equivalent to ₹125.96 crore) loan is repayable in 4 equal semi-annual instalments, the next instalment is due on July 6, 2020.
- (xi) Rupee loan amounting ₹**1,000.00** crore (March 31, 2019: Nil) is repayable in 15 semi-annual instalments, the next instalment is due on June 30, 2020.
- (xii) Rupee loan amounting ₹**1,600.00** crore (March 31, 2019: ₹1,600.00 crore) is repayable in 8 semi-annual instalments, the next instalment is due on April 30, 2020.
- (xiii) Euro **47.76** million equivalent to ₹**395.80** crore (March 31, 2019: Euro 66.87 million equivalent to ₹519.58 crore) loan is repayable in 5 equal semi-annual instalments, the next instalment is due on April 30, 2020.
- (xiv) Rupee loan amounting ₹**1,447.50** crore (March 31, 2019: ₹1,485.00 crore) is repayable in 17 semi-annual instalments, the next instalment is due on April 16, 2020.
- (II) Details of loans from banks/financial institutions availed by NatSteel Asia Pte Limited, a wholly owned subsidiary of the Company is as below:
  - (i) USD **1,151.66** million equivalent to ₹**8,705.40** crore (March 31, 2019: USD 1,151.66 million equivalent to ₹7,963.15 crore) loan is repayable in 3 annual instalments, the next instalment is due on April 19, 2022.
  - (ii) EUR **418.27** million equivalent to ₹**3,465.22** crore (March 31, 2019: EUR 418.27 million equivalent to ₹3,248.44 crore) loan is repayable in 3 annual instalments, the next instalment is due on April 19, 2022

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### 24. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page 323]

(iv) Currency and interest exposure of borrowings including current maturities at the end of the reporting period is as below:

	As at March 31, 2020			As at March 31, 2019		
	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
INR	26,388.35	29,170.92	55,559.27	19,350.08	25,201.05	44,551.13
GBP	1,217.99	1,827.02	3,045.01	147.48	3,514.88	3,662.36
EURO	1,238.53	17,270.08	18,508.61	972.92	15,523.15	16,496.07
USD	22,147.07	14,825.01	36,972.08	23,094.51	10,980.10	34,074.61
Others	2,221.04	22.19	2,243.23	2,005.37	26.68	2,032.05
<b>Total</b>	<b>53,212.98</b>	<b>63,115.22</b>	<b>116,328.20</b>	<b>45,570.36</b>	<b>55,245.86</b>	<b>100,816.22</b>

INR-Indian Rupees, GBP- Great British Pound, USD-United States Dollars.

(a) Others primarily include SGD-Singapore Dollars and CAD- Canadian Dollars.

(b) Majority of floating rate borrowings are bank borrowings bearing interest rates based on LIBOR, EURIBOR or local official rates. Of the total floating rate borrowings, as at March 31, 2020, ₹2,786.70 crore (March 31, 2019: ₹1,037.66 crore) has been hedged using interest rate swaps and interest rate caps and collars, with contracts covering a period of more than one year.

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

	As at March 31, 2020		As at March 31, 2019	
	Borrowings other than lease obligations	Lease obligations	Total borrowings	Total borrowings
Not later than one year or on demand	21,101.09	1,721.35	22,822.44	20,877.47
Later than one year but not two years	1,835.76	1,397.53	3,233.29	6,756.98
Later than two years but not three years	7,316.50	1,174.58	8,491.08	8,335.28
Later than three years but not four years	12,785.00	978.90	13,763.90	8,093.70
Later than four years but not five years	21,116.31	968.75	22,085.06	12,011.55
More than five years	47,411.03	5,160.40	52,571.43	49,261.03
	<b>111,565.69</b>	<b>11,401.51</b>	<b>122,967.20</b>	<b>1,05,336.01</b>
Less: Future finance charges	-	4,379.45	4,379.45	3,388.73
Less: Capitalisation of transaction costs	2,259.55	-	2,259.55	1,131.06
	<b>109,306.14</b>	<b>7,022.06</b>	<b>116,328.20</b>	<b>1,00,816.22</b>

(vi) Some of the Group's major financing arrangements include financial covenants, which require compliance to certain debt-equity ratios and debt coverage ratios by entities within the Group who have availed such borrowings. Additionally, certain negative covenants may limit the ability of entities within the Group to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach.

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## 25. Other financial liabilities

[Item No. V(a)(iii) and VI(a)(iv), Page 323]

## A. Non-current

	As at March 31, 2020	As at March 31, 2019
(a) Interest accrued but not due	-	9.57
(b) Creditors for other liabilities	387.67	261.01
	<b>387.67</b>	<b>270.58</b>

## B. Current

	As at March 31, 2020	As at March 31, 2019
(a) Current maturities of long-term borrowings	1,913.21	9,276.95
(b) Current maturities of lease obligations	1,125.54	394.46
(c) Interest accrued but not due	778.93	848.96
(d) Unclaimed dividends	77.31	99.11
(e) Creditors for other liabilities	5,623.54	6,118.35
	<b>9,518.53</b>	<b>16,737.83</b>

(i) Non-current and current creditors for other liabilities include:

- (a) creditors for capital supplies and services of ₹2,904.05 crore (March 31, 2019: ₹3,717.51 crore).
- (b) liability for employee family benefit scheme ₹195.21 crore (March 31, 2019: ₹189.87 crore).

## 26. Provisions

[Item No. V(b) and VI(b), Page 323]

## A. Non-current

	As at March 31, 2020	As at March 31, 2019
(a) Employee benefits	2,655.81	2,396.20
(b) Insurance provisions	566.80	661.77
(c) Others	1,012.46	988.24
	<b>4,235.07</b>	<b>4,046.21</b>

## B. Current

	As at March 31, 2020	As at March 31, 2019
(a) Employee benefits	472.03	395.97
(b) Others	1,191.64	852.75
	<b>1,663.67</b>	<b>1,248.72</b>

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### 26. Provisions (Contd.)

[Item No. V(b) and VI(b), Page 323]

- (i) Non-current and current provision for employee benefits include provision for leave salaries ₹1,317.48 crore (March 31, 2019: ₹1,127.69 crore) and provision for early separation, disability and other long term employee benefits ₹1,735.39 crore (March 31, 2019: ₹1,591.55 crore).
- (ii) As per the leave policy of the Company and its Indian subsidiaries, an employee is entitled to be paid the accumulated leave balance on separation. The Company and its Indian subsidiaries present provision for leave salaries as current and non-current based on actuarial valuation considering estimates of avilment of leave, separation of employee, etc.
- (iii) Insurance provisions currently held by Tata Steel Europe, a wholly owned indirect subsidiary of the Company, cover its historical liability risks, including those covered by its captive insurance company, Crucible Insurance Company Limited, in respect of its retrospective hearing impairment policy and those for which it is now responsible for under its current insurance arrangements. The provisions include a suitable amount in respect of its known outstanding claims and an appropriate amount in respect of liabilities that have been incurred but not yet reported. The provisions are subject to regular review and are adjusted as appropriate. The value of the final insurance settlements is uncertain and so is the timing of the expenditure.
- (iv) Non-current and current other provisions primarily include:
  - (a) provision for compensatory afforestation, mine closure and rehabilitation obligations and other environmental remediation obligations ₹1,438.86 crore (March 31, 2019: ₹1,046.50 crore). These amounts become payable upon closure of the mines/sites and are expected to be incurred over a period of 1 to 32 years.
  - (b) provision in respect of onerous contracts amounting to ₹173.79 crore (March 31, 2019: ₹249.65 crore).
- (v) The details of movement in provision balances is as below:

#### Year ended March 31, 2020

	(₹ crore)		
	Insurance Provisions	Others	Total
Balance at the beginning of the year	661.77	1,840.99	2,502.76
Recognised/(released) during the year <sup>(i)</sup>	(73.53)	591.19	517.66
Addition relating to acquisitions	-	27.42	27.42
Disposal of group undertakings	-	(9.91)	(9.91)
Utilised during the year	(39.41)	(238.61)	(278.02)
Other re-classifications <sup>(ii)</sup>	-	(76.24)	(76.24)
Exchange differences on consolidation	17.97	69.26	87.23
<b>Balance at the end of the year</b>	<b>566.80</b>	<b>2,204.10</b>	<b>2,770.90</b>

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## 26. Provisions (Contd.)

[Item No. V(b) and VI(b), Page 323]

## Year ended March 31, 2019

	Insurance Provisions	Others	Total
Balance at the beginning of the year	858.44	1,828.10	2,686.54
Recognised/(released) during the year <sup>(i)</sup>	(131.98)	290.48	158.50
Disposal of group undertakings	-	(12.26)	(12.26)
Utilised during the year	(50.83)	(233.47)	(284.30)
Classified as held for sale	-	(0.23)	(0.23)
Exchange differences on consolidation	(13.86)	(31.63)	(45.49)
<b>Balance at the end of the year</b>	<b>661.77</b>	<b>1,840.99</b>	<b>2,502.76</b>

- (i) Includes provisions capitalised during the year in respect of restoration obligations.
- (ii) Represents provision for onerous leases reclassified to right-of-use assets.

## 27. Deferred income

[Item No. V(d) and VI(d), Page 323]

## A. Non-current

	As at March 31, 2020	As at March 31, 2019
(a) Grants relating to property, plant and equipment	45.47	804.37
(b) Revenue grants	18.25	32.14
(c) Others	87.58	70.29
	<b>151.30</b>	<b>906.80</b>

## B. Current

	As at March 31, 2020	As at March 31, 2019
(a) Grants relating to property, plant and equipment	20.75	10.48
(b) Others	13.80	6.03
	<b>34.55</b>	<b>16.51</b>

Grants relating to property, plant and equipment relates to duty saved on import of capital goods and spares under the EPCG scheme. Under the scheme, certain entities within the Group are committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the entities would be required to pay the duty saved along with interest to the regulatory authorities. Such grants recognised are released to the consolidated statement of profit and loss based on fulfilment of related export obligations.

During the year, an amount of ₹764.35 crore (2018-19: ₹635.76 crore) was released from deferred income to the consolidated statement of profit and loss on fulfilment of export obligations.

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### 28. Other liabilities

[Item No. V(f) and VI(f), Page 323]

#### A. Non-current

	As at March 31, 2020	As at March 31, 2019
(a) Advances received from customers	2.73	-
(b) Statutory dues	-	19.77
(c) Other credit balances	726.42	499.46
	<b>729.15</b>	<b>519.23</b>

#### B. Current

	As at March 31, 2020	As at March 31, 2019
(a) Advances received from customers	810.06	769.60
(b) Employee recoveries and employer contributions	135.04	161.08
(c) Statutory dues	6,046.67	6,931.75
(d) Other credit balances	58.67	49.78
	<b>7,050.44</b>	<b>7,912.21</b>

(i) Statutory dues primarily relate to payables in respect of royalties, GST, excise duties, service tax, sales tax, VAT and tax deducted at source.

### 29. Trade payables

[Item No. VI(a)(ii), Page 323]

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

	As at March 31, 2020	As at March 31, 2019
Dues of micro and small enterprises	198.86	169.74
	<b>198.86</b>	<b>169.74</b>

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

	As at March 31, 2020	As at March 31, 2019
(a) Creditors for supplies and services	17,618.35	17,100.42
(b) Creditors for accrued wages and salaries	3,563.64	4,446.80
	<b>21,181.99</b>	<b>21,547.22</b>

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## 30. Revenue from operations

[Item No. I, Page 324]

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) Sale of products	1,35,167.06	1,52,843.66
(b) Sale of power and water	1,659.46	1,727.58
(c) Income from services	150.24	120.60
(d) Other operating revenues <sup>(ii)</sup>	2,839.89	2,977.15
	<b>1,39,816.65</b>	<b>1,57,668.99</b>

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

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) India	70,121.42	79,605.15
(b) Outside India	66,855.34	75,086.69
	<b>136,976.76</b>	<b>1,54,691.84</b>

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) Steel	1,25,991.59	1,40,002.34
(b) Power and water	1,659.46	1,727.58
(c) Others	9,325.71	12,961.92
	<b>136,976.76</b>	<b>154,691.84</b>

Revenue outside India includes Asia excluding India ₹9,935.98 crore (2018-19: ₹8,895.30 crore), UK ₹12,606.68 crore (2018-19: ₹14,767.65 crore) and other European countries ₹35,783.63 crore (2018-19: ₹41,123.35 crore).

(ii) Other operating revenues include export incentives and deferred income released to consolidated statement of profit and loss on fulfilment of export obligations under the EPCG scheme.

## 31. Other income

[Item No. II, Page 324]

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) Dividend income	43.35	34.19
(b) Interest income	1,419.09	316.64
(c) Net gain/(loss) on sale/fair value changes of mutual funds	140.86	708.96
(d) Net gain/(loss) on sale of non-current investments	2.01	-
(e) Gain/(loss) on sale of property, plant and equipment including intangible assets (net of loss on assets scrapped/written off)	(4.14)	266.50
(f) Gain/(loss) on cancellation of forwards, swaps and options	(1.26)	36.95
(g) Other miscellaneous income	243.58	57.34
	<b>1,843.49</b>	<b>1,420.58</b>

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### 31. Other income (Contd.)

[Item No. II, Page 324]

- (i) Dividend income includes income from investments carried at fair value through other comprehensive income of ₹**20.29** crore (2018-19: ₹19.58 crore)
- (ii) Interest income includes:
  - (a) income from financial assets carried at amortised cost of ₹**241.36** crore (2018-19: ₹315.24 crore).
  - (b) income from financial assets carried at fair value through profit and loss ₹**8.07** crore (2018-19: ₹1.40 crore).
- (iii) Interest income during the year also includes gain of ₹**1,169.66** crore on senior facility arrangement refinancing in February 2020 within Tata Steel Europe, treated as a debt modification in accordance with Ind AS 109 "Financial Instruments". The gain arises as the effective interest rate used to discount the cashflows is higher than the actual interest rate charged on the facility.

### 32. Employee benefits expense

[Item No. IV(d), Page 324]

	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ crore)	
(a) Salaries and wages	15,212.59	15,382.93
(b) Contribution to provident and other funds	2,687.36	2,719.49
(c) Staff welfare expenses	633.63	656.45
	<b>18,533.58</b>	<b>18,758.87</b>

During the year ended March 31, 2020, the Company has recognised an amount of ₹**32.96** crore (2018-19: ₹27.06 crore) as remuneration to key managerial personnel. The details of such remuneration is as below:

	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ crore)	
(a) Short-term employee benefits	21.47	22.05
(b) Post-employment benefits	11.21	4.88
(c) Other long-term employee benefits	0.28	0.13
	<b>32.96</b>	<b>27.06</b>

### 33. Finance costs

[Item No. IV(e), Page 324]

	Year ended March 31, 2020	Year ended March 31, 2019
	(₹ crore)	
Interest expense on:		
(a) Bonds, debentures, bank borrowings and others	7,100.94	7,537.44
(b) Lease obligations	673.52	328.67
	<b>7,774.46</b>	<b>7,866.11</b>
Less: Interest capitalised	241.00	206.01
	<b>7,533.46</b>	<b>7,660.10</b>

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## 34. Depreciation and amortisation expense

[Item No. IV(f), Page 324]

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on property, plant and equipment and amortisation of intangible assets	7,662.16	7,592.44
Depreciation on right-of-use assets	986.67	-
Less: Transferred to capital accounts	195.89	-
Less: Reclassified to discontinued operations	-	237.49
Less: Amount released from grants received	12.21	13.12
	<b>8,440.73</b>	<b>7,341.83</b>

## 35. Other expenses

[Item No. IV(g), Page 324]

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Consumption of stores and spares	11,625.68	11,160.14
(b) Repairs to buildings	107.73	133.23
(c) Repairs to machinery	6,753.60	6,672.15
(d) Relining expenses	93.97	87.90
(e) Fuel oil consumed	599.48	451.20
(f) Purchase of power	4,720.44	4,865.36
(g) Conversion charges	2,651.71	2,680.86
(h) Freight and handling charges	8,929.09	8,388.65
(i) Rent	2,324.79	3,454.91
(j) Royalty	1,823.88	2,191.26
(k) Rates and taxes	1,174.48	1,485.19
(l) Insurance charges	351.84	272.24
(m) Commission, discounts and rebates	238.68	259.88
(n) Allowance for credit losses/provision for advances	5.82	173.90
(o) Others	7,262.07	8,133.85
	<b>48,663.26</b>	<b>50,410.72</b>

(i) Others include:

- (a) net foreign exchange gain ₹713.51 crore (2018-19: loss ₹785.89 crore)
- (b) donations to electoral trusts Nil (2018-19: ₹175.00 crore)

(ii) During the year ended March 31, 2020, the Company has recognized an amount of ₹6.95 crore (2018-19: ₹7.35 crore) as payment to non-executive directors. The details are as below:

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Short-term benefits	6.55	6.87
(b) Sitting fees	0.40	0.48
	<b>6.95</b>	<b>7.35</b>

(iii) Revenue expenditure charged to the consolidated statement of profit and loss in respect of research and development activities undertaken during the year is ₹756.31 crore (2018-19: ₹865.01 crore)

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### 36. Exceptional items

[Item No. VII, Page 324]

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

- (a) Profit on sale of subsidiaries and non-current investments includes profit of ₹**148.99** crore on sale and ₹**40.63** crore on liquidation of subsidiaries within the European Operations (2018-19: ₹180.13 crore primarily includes profit on sale of investment in TRL Krosaki Refractories Limited, an associate of the Company).
- (b) Provision for impairment of investments/doubtful advances ₹**40.95** crore (2018-19: ₹172.12 crore) primarily relates to capital and other advances.
- (c) Provision for impairment of non-current assets relates to impairment recognised in respect of property, plant and equipment (including capital work-in-progress), right-of-use assets and goodwill ₹**3,197.14** crore (2018-19: ₹9.57 crore). The impairment recognized is contained within Tata Steel Europe, Rest of the world, Other Indian operations and Bamnival Steel (including Tata Steel BSL) segment (2018-19: Bamnival Steel (including Tata Steel BSL) segment). The impairment recognized is shown as an exceptional item in segment reporting and does not form part of segment result.
- (d) Provision for demands and claims ₹**196.41** crore (2018-19: ₹328.64 crore) is in respect of certain statutory demands and claims.
- (e) Employee separation compensation ₹**107.37** crore (2018-19: ₹35.33 crore) relates to provisions recognised in respect of early separation of employee within Indian operations.
- (f) Restructuring and other provisions ₹**149.80** crore primarily includes provision relating to performance obligation towards development of a coal block within Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited), restructuring provisions within European Operations and write-back of liabilities no longer required (2018-19: ₹244.56 crore primarily include write-back of liabilities no longer required).
- (g) Fair value gain/(loss) on preference share investment ₹**250.00** crore (2018-19: Nil) represents notional fair value loss on preference share investments held in an associate of the Company.

### 37. Discontinued operations

[Item No. XI, Page 324]

On January 28, 2019, the Group entered into definitive agreements with HBIS Group Co. Ltd. ('HBIS') to divest its entire equity stake in NatSteel Holdings Pte. Ltd. ('NSH') and Tata Steel (Thailand) Public Company Ltd. ('TSTH'). The definitive agreements were not extended since HBIS was not able to procure the requisite regulatory approval.

As on March 31, 2020, active discussions and engagement with other potential buyers demonstrate that the management of the Group is committed to sell the disposal group and there is an active programme for completing the sale.

In accordance with Ind AS 105, "Non-current Assets Held for Sale and Discontinued Operations", the businesses forming part of the disposal group have been classified as discontinued operations.

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## 37. Discontinued operations (Contd.)

[Item No. XI, Page 324]

The results of discontinued operations are set out below:

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
I Revenue from operations	9,155.06	9,632.74
II Other income	(21.50)	2.67
<b>III Total income</b>	<b>9,133.56</b>	<b>9,635.41</b>
<b>IV Expenses:</b>		
(a) Cost of materials consumed	348.62	396.07
(b) Purchases of stock-in-trade	5,708.42	5,935.93
(c) Changes in inventories of finished and semi-finished goods, stock-in-trade and work-in-progress	75.19	329.57
(d) Employee benefits expense	618.65	597.11
(e) Finance costs	47.26	81.78
(f) Depreciation and amortisation expense	266.94	237.49
(g) Other expenses	2,039.67	2,138.34
<b>Total expenses</b>	<b>9,104.75</b>	<b>9,716.29</b>
<b>V Share of profit/(loss) of joint ventures and associates</b>	<b>-</b>	<b>(2.43)</b>
<b>VI Profit/(loss) before exceptional items and tax from discontinued operation (III-IV+V)</b>	<b>28.81</b>	<b>(83.31)</b>
<b>VII Exceptional items</b>	<b>(1,149.55)</b>	<b>(15.29)</b>
<b>VIII Profit/(loss) before tax (VI+VII)</b>	<b>(1,120.74)</b>	<b>(98.60)</b>
<b>IX Tax expense:</b>		
(a) Current tax	29.11	12.19
(b) Deferred tax	(13.60)	(21.83)
<b>Total tax expense</b>	<b>15.51</b>	<b>(9.64)</b>
<b>X Profit/(loss) after tax</b>	<b>(1,136.25)</b>	<b>(88.96)</b>
<b>XI Profit/(loss) on disposal of discontinued operations</b>	<b>(27.98)</b>	<b>-</b>
<b>XII Profit/(loss) after tax from discontinued operations (X+XI)</b>	<b>(1,164.23)</b>	<b>(88.96)</b>
<b>XIII Other comprehensive income/(loss)</b>		
<b>(A) (i) Items that will not be reclassified subsequently to profit and loss:</b>		
(a) Remeasurement gain/(loss) on post-employment defined benefit plans	(6.31)	(0.22)
(b) Fair value changes of investments in equity shares	(7.15)	10.94
<b>(ii) Income tax on items that will not be reclassified subsequently to profit and loss</b>	<b>2.18</b>	<b>(2.03)</b>
<b>(B) (i) Items that will be reclassified subsequently to profit and loss:</b>		
(a) Foreign currency translation differences	111.66	22.48
(b) Fair value changes of cash flow hedges	(36.90)	2.72
<b>(ii) Income tax on items that will be reclassified subsequently to profit and loss</b>	<b>-</b>	<b>-</b>
<b>Total other comprehensive income/(loss)</b>	<b>63.48</b>	<b>33.89</b>
<b>XIV Total comprehensive income/(loss) from discontinued operations (XII + XIII)</b>	<b>(1,100.75)</b>	<b>(55.07)</b>

- (i) During the year ended March 31, 2020, impairment charge of ₹1,175.30 crore was recognized to write down the carrying value of the disposal group to fair value less costs to sell. The impairment charge is included within exceptional items in discontinued operations.
- (ii) During the year ended March 31, 2020, discontinued operations resulted in an inflow of ₹474.56 crore (March 31, 2019: inflow of ₹550.43 crore) to the Group's net operating cash flows, an outflow of ₹29.39 crore (March 31, 2019: outflow of ₹76.78 crore) in respect of investing activities and an outflow of ₹563.11 crore (March 31, 2019: outflow of ₹422.45 crore) in respect of financing activities.

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### 38. Earnings per share

[Item No. XVIII, XIX and XX, Page 325]

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

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
(a) Profit/(loss) after tax from continuing operations	2,719.58	10,283.45
Less: Distribution on hybrid perpetual securities (net of tax)	199.18	173.13
Profit/(loss) after tax from continuing operations attributable to ordinary shareholders- for basic and diluted EPS (A)	2,520.40	10,110.32
Profit/(loss) after tax from discontinued operations attributable to ordinary shareholders- for basic and diluted EPS (B)	(1,163.04)	(65.12)
Profit/(loss) after tax from continuing and discontinued operations attributable to ordinary shareholders- for basic and diluted EPS (A+B)	1,357.36	10,045.20
	Nos.	Nos.
(b) Weighted average number of Ordinary Shares for basic EPS	1,14,47,48,227	1,14,47,45,815
Add: Adjustment for shares held in abeyance	89,536	1,37,496
Weighted average number of Ordinary Shares and potential Ordinary Shares for diluted EPS	1,14,48,37,763	1,14,48,83,311
(c) Nominal value of Ordinary Share (₹)	10.00	10.00
(d) Basic earnings per Ordinary Share (₹) - continuing operations	22.02	88.32
Diluted earnings per Ordinary Share (₹) - continuing operations	22.02	88.31
Basic earnings per Ordinary Share (₹) - discontinued operations	(10.16)	(0.57)
Diluted earnings per Ordinary Share (₹) - discontinued operations	(10.16)	(0.57)
Basic earnings per Ordinary Share (₹) - continuing and discontinued operations	11.86	87.75
Diluted earnings per Ordinary Share (₹) - continuing and discontinued operations	11.86	87.74
(i) As at March 31, 2020, <b>5,81,96,450</b> options (March 31, 2019: 5,81,95,359) in respect of partly paid shares and <b>1,21,523</b> options (March 31, 2019: Nil) in respect of fully paid shares were excluded from weighted average number of Ordinary Shares for the computation of diluted earnings per share as these were anti-dilutive		

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### 39. Employee benefits

#### A. Defined contribution plans

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

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

##### (a) Provident fund and pension

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

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

##### (b) Superannuation fund

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

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

The contributions recognised as an expense in the consolidated statement of profit and loss during the year on account of the above defined contribution plans amounted to ₹1,419.38 crore (2018-19: ₹1,369.81 crore).

#### B. Defined benefit plans

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

##### (a) Provident fund and pension

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

In accordance with an actuarial valuation of provident fund liabilities of Company and its Indian subsidiaries based on guidance issued by Actuarial Society of India and based on the assumptions as mentioned below, there is no deficiency in the interest cost as the present value of the expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of Government administered provident fund.

Key assumptions used for actuarial valuation are as below:

	As at March 31, 2020	As at March 31, 2019
Discount rate	6.20% - 6.70%	7.50%
Guaranteed rate of return	8.00% - 8.50%	8.60% - 8.65%
Expected rate of return on investment	8.00% - 8.50%	8.60% - 8.75%

##### (b) Retiring gratuity

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

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### 39. Employee benefits (Contd.)

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

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

#### (d) Tata Steel Europe's pension plan

Tata Steel Europe, a wholly owned indirect subsidiary of the Company, operates a number of defined benefit pension and post-retirement schemes. The benefits offered by these schemes are largely based on pensionable pay and years of service at retirement. With the exception of certain unfunded arrangements, the assets of these schemes are held in administered funds that are legally separated from Tata Steel Europe. For those pension schemes set up under a trust, the trustees are required by law to act in the best interests of the schemes beneficiaries in accordance with the scheme rules and relevant pension legislation. The trustees are generally responsible for the investment policy with regard to the assets of the fund, after consulting with the sponsoring employer.

Tata Steel Europe accounts for all pension and post-retirement defined benefit arrangements using Ind AS 19 'Employee Benefits', with independent actuaries being used to calculate the costs, assets and liabilities to be recognised in relation to these schemes. The present value of the defined benefit obligation, the current service cost and past service costs are calculated by these actuaries using the Projected unit credit method. However, the ongoing funding arrangements of each scheme, in place to meet their long-term pension liabilities, are governed by the individual scheme documentation and national legislation. The accounting and disclosure requirements of Ind AS 19 "Employee benefits" do not affect these funding arrangements.

The British Steel Pension Scheme (BSPS) is the legacy defined benefit pension scheme in the UK and is closed to future accrual. The current Scheme is the successor to the old BSPS which, in accordance with a Regulated Apportionment Arrangement ('RAA'), entered a Pension Protection Fund (PPF) assessment period in March 2018. At that time approximately

80,000 electing members of the BSPS, out of a total of more than 120,000, were transferred to the new Scheme (which retains the title 'British Steel Pension Scheme'). The BSPS is sponsored by Tata Steel UK Limited (TSUK). Although TSUK has a legal obligation to fund any future deficit, a key condition of the new BSPS going forward was that it was sufficiently well funded to meet the scheme's modified liabilities on a self-sufficiency basis with a buffer to cover residual risks. With the assets that it holds, the new scheme is therefore well positioned to pay benefits securely on a low risk basis without recourse to TSUK. This risk includes economic risks (such as interest rate risk and inflation risk), demographic risks (for example members living longer than expected), and legal risks (for example changes in legislation that may increase liabilities). TSUK has worked with the Trustee to develop and implement an Integrated Risk Management ('IRM') framework to manage these risks. The framework provides ongoing monitoring of the key investment, funding and covenant risks facing the scheme and tracks progress against the scheme's journey plan and target. Measures taken by the Trustee to manage risk include the use of asset-liability matching techniques to reduce interest rate risk, and investment in assets that are expected to be correlated to future inflation in the longer term to mitigate inflation risk. In particular, the scheme's investment policy has regard for the maturity and nature of the scheme's liabilities and seeks to match a large part of the scheme's liabilities with secure bonds, whilst achieving a higher long-term return on a small proportion of equity and other investments. However, the scheme's interest rate risk is hedged on a long-term funding basis linked to gilts whereas AA corporate bonds are implicit in the Ind AS 19 "Employee Benefits" discount rate and so there is some mismatching risk to the financial statements, should yields on gilts and corporate bonds diverge.

The BSPS and Open Trustee Limited ('OTL'), acting on behalf of the members of the old Scheme, hold an anti-embarrassment interest in TSUK agreed as part of the RAA. The anti-embarrassment interest was initially 33.33% at the time of the RAA but has since been diluted to less than 1% due to successive equity issuances by TSUK to its parent company Corus Group Limited. No value has been included in the BSPS's assets at March 31, 2020 (March 31, 2019: Nil) for its interest in TSUK.

At March 31, 2020 the new scheme had a surplus of ₹26,067.36 crore (March 31, 2019: ₹18,833.17 crore). The company has recognised 100% (March 31, 2019: 100%) of the surplus as it has an unconditional right to a refund of the

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## 39. Employee benefits (Contd.)

surplus. The new scheme is fully funded on a low-risk technical provisions ('TP') basis and TSUK is working with the Trustee to explore options to increase security for members and to work towards an ultimate winding up of the scheme in which all benefits are fully secured with one or more insurance companies. The March 31, 2018 valuation was agreed between TSUK and the BSPS Trustee on April 11, 2019. This was a surplus of ₹6,008.56 crore on a TP (more prudent) basis equating to a funding ratio of 106.3%. The agreed Schedule of Contributions confirmed that neither ordinary nor deficit recovery contributions are due from Tata Steel Europe.

On October 26, 2018 the High Court ruled that UK pension schemes would be required to equalise guaranteed minimum pensions ('GMP'). The ruling also provided guidance on how this equalisation should be undertaken. Following this ruling, in the prior year an increase to the BSPS liabilities in respect of the estimated impact of this equalisation with the related charge in other comprehensive income was recognised. This reserve has been retained at the same value in the March 31, 2020 Ind AS 19 position.

## (e) Other defined benefits

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

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

- (i) **Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government/high quality bond yields. If the return on plan asset is below this rate, it will create a plan deficit.
- (ii) **Interest risk:** A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the value of plan's debt investments.
- (iii) **Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.
- (iv) **Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
- (v) **Inflation risk:** Some of the Group's Pension obligations are linked to inflation, and higher inflation will lead to higher liabilities although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation.

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### 39. Employee benefits (Contd.)

#### C. Details of defined benefit obligations and plan assets:

##### (a) Retiring gratuity:

(i) The following table sets out the amounts recognised in the consolidated financial statements in respect of retiring gratuity:

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Change in defined benefit obligations:</b>		
Obligation at the beginning of the year	3,096.99	2,966.47
Addition relating to acquisitions	24.77	56.67
Current service cost	150.73	143.63
Interest cost	200.10	205.38
Benefits paid	(597.47)	(257.31)
Remeasurement (gain)/loss	269.36	(17.85)
Adjustment for arrear wage settlement	192.01	-
Obligations of companies disposed	(5.45)	-
<b>Obligation at the end of the year</b>	<b>3,331.04</b>	<b>3,096.99</b>

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Change in plan assets:</b>		
Fair value of plan assets at the beginning of the year	2,976.94	2,898.34
Addition relating to acquisitions	-	22.55
Interest income	204.18	211.58
Remeasurement gain/(loss) excluding amount included within employee benefits expense	16.11	29.73
Employers' contribution	86.94	72.05
Benefits paid	(592.51)	(257.31)
Assets of companies disposed	(4.64)	-
<b>Fair value of plan assets at the end of the year</b>	<b>2,687.02</b>	<b>2,976.94</b>

#### Amounts recognised in the consolidated balance sheet consist of:

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
Fair value of plan assets	2,687.02	2,976.94
Present value of obligations	3,331.04	3,096.99
	<b>(644.02)</b>	<b>(120.05)</b>
Recognised as:		
Retirement benefit assets - Non-current	0.42	0.44
Retirement benefit assets - Current	-	4.38
Retirement benefit obligations - Non-current	(625.82)	(120.36)
Retirement benefit obligations - Current	(18.62)	(4.51)
	<b>(644.02)</b>	<b>(120.05)</b>

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## 39. Employee benefits (Contd.)

Expense/(gain) recognised in the consolidated statement of profit and loss consist of:

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Employee benefits expense:</b>		
Current service cost	150.73	143.63
Net interest expense/(income)	(4.08)	(6.20)
	<b>146.65</b>	<b>137.43</b>
<b>Other comprehensive income:</b>		
Return on plan assets excluding amount included in employee benefits expense	(16.11)	(29.73)
Actuarial (gain)/loss arising from changes in demographic assumptions	0.26	(8.62)
Actuarial (gain)/loss arising from changes in financial assumptions	254.40	(7.32)
Actuarial (gain)/loss arising from changes in experience adjustments	14.70	(1.91)
	<b>253.25</b>	<b>(47.58)</b>
<b>Expense/(gain) recognised in the consolidated statement of profit and loss</b>	<b>399.90</b>	<b>89.85</b>

(ii) Fair value of plan assets by category of investments is as below:

	As at	
	March 31, 2020	March 31, 2019
<b>Asset category (%)</b>		
<b>Quoted</b>		
Equity instruments	0.22	0.05
Debt instruments	21.65	18.43
	<b>21.87</b>	<b>18.48</b>
<b>Unquoted</b>		
Debt instruments	1.00	0.96
Insurance products	73.53	77.12
Others	3.60	3.44
	<b>78.13</b>	<b>81.52</b>
	<b>100.00</b>	<b>100.00</b>

The Group's investment policy is driven by considerations of maximising returns while ensuring credit quality of debt instruments. The asset allocation for plan assets is determined based on prescribed investment criteria and is also subject to other exposure limitations. The Group evaluates the risks, transaction costs and liquidity for potential investments. To measure plan assets performance, the Group compares actual returns for each asset category with published benchmarks.

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### 39. Employee benefits (Contd.)

(iii) Key assumptions used in the measurement of retiring gratuity is as below:

	As at March 31, 2020	As at March 31, 2019
Discount rate	6.20 - 6.96 %	7.50 - 7.71 %
Rate of escalation in salary	5.00 - 10.00 %	4.00 - 10.00 %

(iv) Weighted average duration of the retiring gratuity obligation ranges between **6 to 16** years (March 31, 2019: 6 to 16 years).

(v) The Group expects to contribute **₹587.98** crore to the plan during the financial year 2020-21.

(vi) The table below outlines the effect on retiring gratuity obligation in the event of a decrease/ increase of 1% in the assumptions used.

#### As at March 31, 2020

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹ 245.08 crore, increase by ₹ 285.02 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹ 278.14 crore, decrease by ₹ 245.13 crore

#### As at March 31, 2019

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹ 194.58 crore, increase by ₹ 221.91 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹ 218.74 crore, decrease by ₹ 194.53 crore

The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

#### (b) Tata Steel Europe's Pension Plan

(i) The following table sets out the amounts recognised in the consolidated financial statements in respect of Tata Steel Europe's pension plans.

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Change in defined benefit obligations:</b>		
Obligation at the beginning of the year	77,973.85	84,834.48
Current service cost	153.33	183.24
Past service cost	(36.08)	-
Costs relating to scheme change	-	18.32
Interest cost	1,731.77	2,125.59
Remeasurement (gain)/loss	(3,239.54)	3,085.94
Settlements	(108.24)	-
Benefits paid	(4,744.32)	(10,673.74)
Obligations of companies disposed off	-	(127.66)
Exchange differences on consolidation	2,462.14	(1,472.32)
<b>Obligation at the end of the year</b>	<b>74,192.91</b>	<b>77,973.85</b>

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## 39. Employee benefits (Contd.)

	Year ended March 31, 2020	Year ended March 31, 2019
(₹ crore)		
<b>Change in plan assets:</b>		
Fair value of plan assets at the beginning of the year	96,807.02	1,04,248.01
Interest income	2,173.73	2,629.50
Remeasurement gain/(loss)	2,769.02	2,382.12
Employers' contribution	63.14	45.81
Settlements	(108.24)	-
Benefits paid	(4,726.28)	(10,655.41)
Exchange differences on consolidation	3,281.88	(1,843.01)
<b>Fair value of plan assets at end of the year</b>	<b>1,00,260.27</b>	<b>96,807.02</b>

## Amounts recognised in the consolidated balance sheet consist of:

	As at March 31, 2020	As at March 31, 2019
(₹ crore)		
Fair value of plan assets	1,00,260.27	96,807.02
Present value of obligations	74,192.91	77,973.85
	<b>26,067.36</b>	<b>18,833.17</b>
Recognised as:		
Retirement benefit assets - Non-current	27,278.03	19,963.75
Retirement benefit obligations - Current	(9.25)	(7.90)
Retirement benefit obligations - Non-current	(1,201.42)	(1,122.68)
	<b>26,067.36</b>	<b>18,833.17</b>

## Expense/(gain) recognised in the consolidated statement of profit and loss consist of:

	Year ended March 31, 2020	Year ended March 31, 2019
(₹ crore)		
<b>Employee benefits expense:</b>		
Current service cost	153.33	183.24
Past service costs	(36.08)	-
Net interest expense/(income)	(441.96)	(503.91)
Costs relating to scheme changes	-	18.32
	<b>(324.71)</b>	<b>(302.35)</b>
<b>Other comprehensive income:</b>		
Return on plan assets excluding amount included in employee benefits expense	(2,769.02)	(2,382.12)
Actuarial (gain)/loss arising from changes in demographic assumptions	342.50	(1,179.06)
Actuarial (gain)/loss arising from changes in financial assumptions	(3,588.86)	3,818.84
Actuarial (gain)/loss arising from changes in experience adjustments	6.82	446.16
	<b>(6,008.56)</b>	<b>703.82</b>
<b>Expense/(gain) recognised in the consolidated statement of profit and loss</b>	<b>(6,333.27)</b>	<b>401.47</b>

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### 39. Employee benefits (Contd.)

(ii) Fair value of plan assets by category of investments is as below:

	As at March 31, 2020	As at March 31, 2019
(%)		
<b>Assets category (%)</b>		
<b>Quoted</b>		
(a) Equity - UK Entities	0.44	0.59
(b) Equity - Non-UK Entities	3.92	7.41
(c) Bonds - Fixed rate	68.36	49.86
(d) Bonds - Indexed linked	29.25	28.05
(e) Others	0.34	0.04
	<b>102.31</b>	<b>85.95</b>
<b>Unquoted</b>		
(a) Property	11.18	12.75
(b) Derivatives	(16.06)	(0.99)
(c) Others	2.57	2.29
	<b>(2.31)</b>	<b>14.05</b>
	<b>100.00</b>	<b>100.00</b>

(iii) Key assumptions used in the measurement of pension benefits is as below:

	As at March 31, 2020		As at March 31, 2019	
	BSPS	Others	BSPS	Others
Discount rate	2.45%	0.30-3.20%	2.30%	0.80-3.95%
Rate of escalation in salary	N.A	1.00-2.00%	N.A	1.00-2.00%
Inflation rate	2.55%	1.00-3.00%	3.20%	1.00-3.00%

Demographic assumptions are set having regard to the latest trends in life expectancy, plan experience and other relevant data, including externally published actuarial information within each national jurisdiction. The assumptions are reviewed and updated as necessary as part of the periodic actuarial funding valuations of the individual pension and post-retirement plans. For the BSPS the liability calculations as at March 31, 2020 use the Self-Administered Pension Schemes 2 (SAPS 2) base tables, S2NMA/S2DFA with the 2015 CMI projections with a **1.50%** p.a. (2018-19: 1.50% p.a.) long-term trend applied from 2007 to 2016 [(adjusted by a multiplier of **1.15** p.a. (2018-19: 1.15 p.a.) for males and 1.21 p.a. (2018-19: 1.21 p.a.) for females)]. In addition, future mortality improvements are allowed for in line with the 2019 CMI Projections with a long-term improvement trend of 1% per annum, a smoothing parameter of 7.0 and an initial addition parameter of 0%. This indicates that today's 65 year old male member is expected to live on average to approximately **86** years (2018-19: 86 years) of age and a male member reaching age 65 in 15 years time is then expected to live on average to **87** years (2018-19: 86 years) of age.

(iv) Weighted average duration of the pension obligations is **14.5** years (March 31, 2019: 14.5 years).

(v) The Group expects to contribute **Nil** to the plan during the financial year 2020-21.

(vi) The table below outlines the effect on pension obligations in the event of a decrease/increase of 10 bps in the assumptions used.

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### 39. Employee benefits (Contd.)

#### As at March 31, 2020

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 10 bps, decrease by 10 bps	Decrease by 1.4%, increase by 1.4%
Rate of escalation in salary	Increase by 10 bps, decrease by 10 bps	Not applicable as pensionable earnings is capped
Inflation rate	Increase by 10 bps, decrease by 10 bps	Increase by 1.0%, decrease by 1.0%
Mortality rate	One year increase/decrease in life expectancy	Increase by 3%, decrease by 3%

#### As at March 31, 2019

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 10 bps, decrease by 10 bps	Decrease by 1.4%, increase by 1.4%
Rate of escalation in salary	Increase by 10 bps, decrease by 10 bps	Not applicable as pensionable earnings is capped
Inflation rate	Increase by 10 bps, decrease by 10 bps	Increase by 1.0%, decrease by 1.0%
Mortality rate	One year increase/decrease in life expectancy	Increase by 3%, decrease by 3%

The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

#### (c) Post-retirement medical and other defined benefit plans

- (i) The following table sets out the amounts recognised in the consolidated financial statements in respect of post-retirement medical and other defined benefit plans.

	Year ended March 31, 2020		Year ended March 31, 2019	
	Medical	Others	Medical	Others
<b>Change in defined benefit obligations:</b>				
Obligations at the beginning of the year	1,307.49	211.21	1,239.92	158.62
Current service cost	19.38	66.79	19.12	115.53
Interest costs	95.27	15.10	90.26	8.96
Remeasurement (gain)/loss:				
(i) Actuarial (gain)/losses arising from changes in demographic assumptions	-	-	-	1.26
(ii) Actuarial (gain)/losses arising from changes in financial assumptions	215.48	18.56	(0.02)	(0.20)
(iii) Actuarial (gain)/losses arising from changes in experience adjustments	23.34	4.99	24.99	1.33
Benefits paid	(73.35)	(19.14)	(66.78)	(13.40)
Addition relating to acquisition	-	0.43	-	-
Obligations of companies disposed	(1.22)	-	-	-
Classified as held for sale	-	-	-	(62.11)
Exchange differences on consolidation	-	-	-	1.22
<b>Obligations at the end of the year</b>	<b>1,586.39</b>	<b>297.94</b>	<b>1,307.49</b>	<b>211.21</b>

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### 39. Employee benefits (Contd.)

Amounts recognised in the consolidated balance sheet consist of:

	As at March 31, 2020		As at March 31, 2019	
	Medical	Others	Medical	Others
Present value of obligations	1,586.39	297.94	1,307.49	211.21
Recognised as:				
(a) Retirement benefit obligation - Current	95.85	17.54	92.66	15.61
(b) Retirement benefit obligation - Non-current	1,490.54	280.40	1,214.83	195.60
	<b>1,586.39</b>	<b>297.94</b>	<b>1,307.49</b>	<b>211.21</b>

Expense/(gain) recognised in the consolidated statement of profit and loss consist of:

	Year ended March 31, 2020		Year ended March 31, 2019	
	Medical	Others	Medical	Others
<b>Employee benefits expense:</b>				
Current service costs	19.38	66.79	19.12	115.53
Interest costs	95.27	15.10	90.26	8.96
	<b>114.65</b>	<b>81.89</b>	<b>109.38</b>	<b>124.49</b>
<b>Other comprehensive income:</b>				
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-	-	1.26
Actuarial (gain)/loss arising from changes in financial assumption	215.48	18.56	(0.02)	(0.20)
Actuarial (gain)/loss arising from changes in experience adjustments	23.34	4.99	24.99	1.33
	<b>238.82</b>	<b>23.55</b>	<b>24.97</b>	<b>2.39</b>
<b>Expense/(gain) recognised in the consolidated statement of profit and loss</b>	<b>353.47</b>	<b>105.44</b>	<b>134.35</b>	<b>126.88</b>

(ii) Key assumptions used in the measurement of post-retirement medical and other defined benefits is as below:

	As at March 31, 2020		As at March 31, 2019	
	Medical	Others	Medical	Others
(a) Discount rate	6.20-6.75%	6.20% - 6.75%	7.50%	7.50%
(b) Rate of escalation in salary	N.A	3.50 - 15.00%	N.A	3.50% - 15.00%
(c) Inflation rate	5.00-8.00%	4.00-6.00%	5.00% - 8.00%	4.00% - 6.00%

(iii) Weighted average duration of post-retirement medical benefit obligations ranges between **7 to 10** years (March 31, 2019: 7 to 9 years).  
Weighted average duration of other defined benefit obligations ranges between **5 to 12** years (March 31, 2019: 6 to 12 years).

(iv) The table below outlines the effect on post-retirement medical benefit obligations in the event of a decrease/increase of 1% in the assumptions used:

#### As at March 31, 2020

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹ 216.09 crore, increase by ₹ 278.55 crore
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹ 258.25 crore, decrease by ₹ 205.01 crore

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## 39. Employee benefits (Contd.)

## As at March 31, 2019

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹163.63 crore, increase by ₹207.55 crore
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹193.32 crore, decrease by ₹155.82 crore

(v) The table below outlines the effect on other defined benefit obligations in the event of a decrease/increase of 1% in the assumptions used:

## As at March 31, 2020

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹17.96 crore, increase by ₹21.07 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹5.93 crore, decrease by ₹5.26 crore
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹7.52 crore, decrease by ₹6.58 crore

## As at March 31, 2019

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹13.41 crore, increase by ₹15.49 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹4.36 crore, decrease by ₹3.83 crore
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹6.01 crore, decrease by ₹5.35 crore

The above sensitivities may not be representative of the actual change as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

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### 40. Contingencies and commitments

#### A. Contingencies

In the ordinary course of business, the Group faces claims and assertions by various parties. The Group assesses such claims and assertions and monitors the legal environment on an on-going basis, with the assistance of external legal counsel, wherever necessary. The Group records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its consolidated financial statements, if material. For potential losses that are considered possible, but not probable, the Group provides disclosure in the consolidated financial statements but does not record a liability in its accounts unless the loss becomes probable.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Group believes that none of the contingencies described below would have a material adverse effect on the Group's financial condition, results of operations or cash flows.

It is not practicable for the Group to estimate the timings of the cash outflows, if any, pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the same.

#### Litigations

The Group is involved in legal proceedings, both as plaintiff and as defendant. There are claims which the Group does not believe to be of a material nature, other than those described below.

#### Income tax

The Group has ongoing disputes with income tax authorities relating to tax treatment of certain items. These mainly include disallowance of expenses, tax treatment of certain expenses claimed by the Group as deductions and the computation of, or eligibility of the Group's use of certain tax incentives or allowances.

Most of these disputes and/or disallowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years.

As at March 31, 2020, there are matters and/or disputes pending in appeal amounting to ₹2,364.13 crore (March 31, 2019: ₹3,218.64 crore) which includes ₹11.62 crore (March 31, 2019: ₹17.18 crore) in respect of equity accounted investees.

The details of significant demands are as below:

- (a) Interest expenditure on loans taken by the Company for acquisition of a subsidiary has been disallowed in assessments with tax demand raised for ₹1,551.10 crore (inclusive of interest) (March 31, 2019: ₹1,791.29 crore).

- (b) Interest expenditure on "Hybrid Perpetual Securities" has been disallowed in assessments with tax demand raised for ₹170.54 crore (inclusive of interest) (March 31, 2019: ₹459.13 crore)

In respect of above demands, the Company has deposited an amount of ₹1,165.00 crore (March 31, 2019: ₹1,065.00 crore) as a precondition for obtaining stay. The Company expects to sustain its position on ultimate resolution of the said appeals.

#### Customs, Excise duty and Service tax

As at March 31, 2020, there were pending litigation for various matters relating to customs, excise duty and service tax involving demands of ₹614.58 crore (March 31, 2019: ₹925.71 crore), which includes ₹20.50 crore (March 31, 2019: ₹19.95 crore) in respect of equity accounted investees.

#### Sales tax/VAT

The total sales tax demands that are being contested by the Group amounted to ₹742.66 crore (March 31, 2019: ₹889.88 crore), which includes ₹79.05 crore (March 31, 2019: ₹79.70 crore) in respect of equity accounted investees.

The details of significant demands are as below:

- (a) The Company stock transfers its goods manufactured at Jamshedpur works plant to its various depots/branches located outside the state of Jharkhand across the country and these goods are then sold to various customers outside the states from depots/branches. As per the Central Sales Tax Act, 1956, these transfers of goods to depots/branches were made without payment of Central sales tax and F-Form was submitted in lieu of the stock-transfers made during the period of assessment. The value of these sales was also disclosed in the periodical returns filed as per the Jharkhand Vat Act, 2005. The Commercial Tax Department has raised demand of Central Sales tax by levying tax on the differences between value of sales outside the states and value of F-Form submitted for stock transfers. The amount involved for various assessment years beginning 2011-2012 to 2015-2016 is amounting to ₹127.00 crore (March 31, 2019: ₹127.00 crore).
- (b) The Commercial Tax Department of Jharkhand has rejected certain Input tax credit claimed by the Company on goods purchased from the suppliers within the State of Jharkhand. The Department has alleged that the goods have not been used in accordance with the provisions of Jharkhand VAT Act, 2005. The potential exposure on account of disputed tax and interest for the period beginning 2012-2013 to 2015-2016 as on March 31, 2020 is ₹74.00 crore (March 31, 2019: ₹104.00 crore).

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### 40. Contingencies and commitments (Contd.)

#### Other taxes, dues and claims

Other amounts for which the Group may contingently be liable aggregate to **₹13,044.46** crore (March 31, 2019: ₹12,578.82 crore), which includes **₹90.53** crore (March 31, 2019: ₹75.22 crore) in respect of equity accounted investees.

The details of significant demands are as below:

- (a) Claim by a party arising out of conversion arrangement **₹195.79** crore (March 31, 2019: ₹195.79 crore). The Company has not acknowledged this claim and has instead filed a claim of **₹141.23** crore (March 31, 2019: ₹141.23 crore) on the party. The matter is pending before the Calcutta High Court.
- (b) The State Government of Odisha introduced "Orissa Rural Infrastructure and Socio Economic Development Act, 2004" with effect from February 2005 levying tax on mineral bearing land computed on the basis of value of minerals produced from the mineral bearing land. The Company had filed a writ petition in the Orissa High Court challenging the validity of the Act. The High Court held in December 2005 that the State does not have authority to levy tax on minerals. The State of Odisha filed an appeal in the Supreme Court against the order of the High Court and the case is pending in Supreme Court. The potential liability, as at March 31, 2020 is **₹8,732.29** crore (March 31, 2019: ₹7,573.53 crore).
- (c) The Company pays royalty on iron ore on the basis of quantity removed from the leased area at the rates based on notification issued by the Ministry of Mines, Government of India and the price published by India Bureau of Mines (IBM) on a monthly basis.

Demand of ₹411.08 crore has been raised by Deputy Director of Mines, Joda, claiming royalty at sized ore rates on despatches of ore fines. The Company has filed a revision petition on November 14, 2013 before the Mines Tribunal, Government of India, Ministry of Mines, New Delhi, challenging the legality and validity of the demand and to grant refund of royalty paid in excess by the Company. Mines Tribunal has granted stay on the total demand with directive to Government of Odisha not to take any coercive action for realisation of this demanded amount.

The Hon'ble High Court of Odisha, in a similar matter held the circulars based on which demands were raised to be valid. The Company has challenged the judgement of the High Court by a separate petition in the Hon'ble Supreme Court on April 29, 2016.

On July 16, 2019, the Company has filed rejoinders to the reply filed by State of Odisha against the revision petition. The State pressed for rejection of revision applications citing the judgment of the High Court. The Company represented before the authorities and explained that the judgment was passed under a particular set of 'facts & circumstances' which cannot have blanket application on the Company considering the case of the Company is factually different. On August 7, 2019, the Mines Tribunal decided to await the outcome of Special leave petition pending before the Hon'ble Supreme Court and adjourned the matter.

Likely demand of royalty on fines at sized ore rates as on March 31, 2020 is **₹1,965.52** crore (March 31, 2019: ₹1,630.16 crore).

- (d) Demand notices were originally issued by the Deputy Director of Mines, Odisha amounting to ₹3,827.29 crore for excess production over the quantity permitted under the mining plan, environment clearance or consent to operate, pertaining to 2000-01 to 2009-10. The demand notices have been raised under Section 21(5) of the Mines & Minerals (Development and Regulations) Act, 1957 (MMDR). The Company filed revision petitions before the Mines Tribunal against all such demand notices. Initially, a stay of demands was granted, later by order dated October 12, 2017, the issue has been remanded to the state for reconsideration of the demand in the light of Supreme Court judgement passed on August 2, 2017.

The Hon'ble Supreme Court pronounced its judgement in the Common Cause case on August 2, 2017 wherein it directed that compensation equivalent to the price of mineral extracted in excess of environment clearance or without forest clearance from the forest land be paid.

In pursuance to the Judgement of Hon'ble Supreme Court, demand/show cause notices amounting to ₹3,873.35 crore have been issued during 2017-18 by the Deputy Director of Mines, Odisha and the District Mining Office, Jharkhand.

In respect of the above demands:

- as directed by the Hon'ble Supreme Court, the Company has provided and paid for iron ore and manganese ore an amount of ₹614.41 crore during 2017-18 for production in excess of environment clearance to the Deputy Director of Mines, Odisha.
- the Company has provided and paid under protest an amount of ₹56.97 crore during 2017-18 for production in excess of environment clearance to the District Mining Office, Jharkhand.

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### 40. Contingencies and commitments (Contd.)

- the Company has challenged the demands amounting to ₹132.91 crore in 2017-18 for production in excess of lower of mining plan and consent to operate limits raised by the Deputy Director of Mines, Odisha before the Mines Tribunal and obtained a stay on the matter. Mines Tribunal, Delhi vide order dated November 26, 2018 disposed of all the revision applications with a direction to remand it to the State Government to hear all such cases afresh and pass detailed order. Demand amount of ₹132.91 crore (March 31, 2019: ₹132.91 crore) is considered contingent.
- the Company has made a comprehensive submission before the Deputy Director of Mines, Odisha against show cause notices amounting to ₹ 694.02 crore received during 2017-18 for production in violation of mining plan, Environment Protection Act, 1986 and Water (Prevention & Control of Pollution) Act, 1981. A demand amounting to ₹234.74 crore has been received in April, 2018 from the Deputy Director of Mines, Odisha for production in excess of the Environmental Clearance. The Company has challenged the demand and obtained a stay on the matter from the Revisionary Authority, Mines Tribunal, New Delhi. Demand of ₹234.74 crore has been provided and show cause notice of ₹694.02 crore had been considered as contingent as at March 31, 2019.

During the year ended March 31, 2020, based on the evaluation of current facts and circumstances, the Company has assessed and concluded that the said show cause notice of ₹694.02 crore no longer qualifies to be a contingent liability.

- the Company based on its internal assessment has provided an amount of ₹1,412.89 crore against demand notices amounting to ₹2,140.30 crore received from the District Mining Office, Jharkhand for producing more than environment clearance and the balance amount of ₹727.41 crore (March 31, 2019: ₹727.41 crore) has been considered as contingent. The Company has however been granted a stay by the Revisional Authority, Ministry of Coal, Government of India against such demand notices.
- (e) An agreement was executed between the Government of Odisha (GoO) and the Company in December, 1992 for drawal of water from Kundra Nalla for industrial consumption. In

December 1993, the Tahsildar, Barbil issued a show-cause notice alleging that the Company has lifted more quantity of water than the sanctioned limit under the agreement and has also not installed the water meter.

While the proceedings in this regard were in progress, the Company had applied for allocation of fresh limits. Over the years, there has also been a steep increase in water charges against which the Company filed writ petitions before the Hon'ble High Court of Odisha.

In this regard, the Company has received demand of ₹156.62 crore for the period beginning January 1996 to February 2020. The potential exposure as on March 31, 2020 is ₹162.96 crore (March 31, 2019: ₹125.98 crore) is considered as contingent.

The writ petition filed in August 1997 was listed for hearing before the Full Bench of High Court of Odisha on May 17, 2019. SAIL, one of the petitioners, sought permission to withdraw its writ petition because a settlement arrived with the State Government on the matter. The High Court allowed withdrawal of writ petition of SAIL and directed other parties to negotiate with the State Government. The Company has submitted its detailed representation to Principal Secretary, Water Resource Department, GoO on June 21, 2019, which is under consideration.

#### B. Commitments

- (a) The Group has entered into various contracts with suppliers and contractors for acquisition of plant and machinery, equipment and various civil contracts of capital nature amounting to ₹11,128.64 crore, which includes ₹91.89 crore in respect of equity accounted investees (March 31, 2019: ₹10,205.20 crore which includes ₹30.30 crore in respect of equity accounted investees).

Other commitment as at March 31, 2020 amounts to ₹0.01 crore which includes Nil in respect of equity accounted investees (March 31, 2019: ₹ 0.01 crore which includes Nil in respect of equity accounted investees).

- (b) The Company has given undertakings to:
- IDBI not to dispose of its investment in Wellman Incandescent India Ltd.,
  - IDBI and ICICI Bank Ltd. (formerly ICICI) not to dispose of its investment in Standard Chrome Ltd.

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### 40. Contingencies and commitments (Contd.)

- (c) The Company and Bluescope Steel Limited have given undertaking to State Bank of India not to reduce collective shareholding in Tata Bluescope Steel Private Limited (TBSPL), below 51% without prior consent of the lender. Further, the Company has given an undertaking to State bank of India to intimate them before diluting its shareholding in TBSPL below 50%.
- (d) The Company, as a promoter, has pledged **4,41,55,800** (March 31, 2019: 4,41,55,800) equity shares of Industrial Energy Limited with Infrastructure Development Finance Corporation Limited.
- (e) The Group has given guarantees aggregating **₹178.40** crore (March 31, 2019: ₹188.00 crore) details of which are as below:
  - (i) in favour of Commissioner of Customs for **₹1.07** crore (March 31, 2019: ₹1.07 crore) given on behalf of Timken India Limited in respect of goods imported.
  - (ii) in favour of Mizuho Corporate Bank Ltd., Japan for **Nil** (March 31, 2019: ₹9.60 crore) against the loan granted to a joint venture Tata NYK Shipping Pte. Limited.
  - (iii) in favour of The President of India for **₹177.18** crore (March 31, 2019: ₹177.18 crore) against performance of export obligations under various bonds executed by a joint venture Jamshedpur Continuous Annealing and Processing Company Private Limited.
  - (iv) in favour of President of India for **₹0.15** crore (March 31, 2019: ₹ 0.15 crore) against advance license.

### 41. Other significant litigations

- (a) Odisha Legislative Assembly issued an amendment to Indian Stamp Act, 1889, on May 9, 2013 and inserted a new provision (Section 3A) in respect of stamp duty payable on grant/ renewal of mining leases. As per the amended provision, stamp duty is levied equal to 15% of the average royalty that would accrue out of the highest annual extraction of minerals under the approved mining plan multiplied by the period of such mining lease. The Company had filed a writ petition challenging the constitutionality of the Act on July 5, 2013. The Hon'ble High Court, Cuttack passed an order on July 9, 2013 granting interim stay on the operation of the Amendment Act, 2013. Because of the stay, as on date, the Act is not enforceable and any demand received by the Company is not liable to be proceeded with. Meanwhile, the Company received demand notices for various

mines in Odisha totalling to **₹5,579.00** crore (March 31, 2019: ₹5,579 crore). The Company has concluded that it is remote that the claim will sustain on ultimate resolution of the legal case by the court.

In April, 2015, the Company has received an intimation from Government of Odisha, granting extension of validity period for leases under the MMDR Amendment Act, 2015 up to March 31, 2030 in respect of eight mines and up to March 31, 2020 for two mines subject to execution of supplementary lease deed. Liability has been provided in the books of accounts as on March 31, 2020 as per the existing provisions of the Stamp Act, 1899 and the Company had paid the stamp duty and registration charges totalling ₹413.72 crore for supplementary deed execution in respect of eight mines out of the above mines.

- b) Noamundi Iron Ore Mine of the Company was due for its third renewal with effect from January 01, 2012. The application for renewal was submitted by the company within the stipulated time, but it remained pending consideration with the State and the mining operations were continued in terms of the prevailing law.

By a judgement of April 2014 in the case of Goa mines, the Supreme Court took a view that second and subsequent renewal of mining lease can be effected once the State considers the application and decides to renew the mining lease by issuing an express order. State of Jharkhand issued renewal order to the Company on December 31, 2014. The State, however, took a view on an interpretation of Goa judgment that the mining carried out after expiry of the period of second renewal was 'illegal' and hence, issued a demand notice of ₹3,568.31 crore being the price of iron ore extracted. The said demand has been challenged by the Company before the Jharkhand High Court.

The mining operations were suspended from August 1, 2014. Upon issuance of an express order, Company paid ₹152.00 crore under protest, so that mining could be resumed.

The Mines and Minerals Development and Regulation (MMDR) Amendment Ordinance 2015 promulgated on January 12, 2015 provides for extension of such mining leases whose applications for renewal have remained pending with the State(s). Based on the new Ordinance, Jharkhand Government revised the Express Order on February 12, 2015 for extending the period of lease upto March 31, 2030 with the following terms and conditions:

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### 41. Other significant litigations (Contd.)

- value of iron ore produced by alleged unlawful mining during the period January 1, 2012 to April 20, 2014 for ₹2,994.49 crore to be decided on the basis of disposal of our writ petition before Hon'ble High Court of Jharkhand.
- value of iron ore produced from April 21, 2014 to July 17, 2014 amounting to ₹421.83 crore to be paid in maximum 3 instalments.
- value of iron ore produced from July 18, 2014 to August 31, 2014 ₹152.00 crore to be paid immediately.

District Mining Officer Chaibasa on March 16, 2015 issued a demand notice for payment of ₹421.83 crore in three monthly installments. The Company on March 20, 2015 replied that since the lease has been extended by application of law till March 31, 2030, the above demand is not tenable. The Company, paid ₹50.00 crore under protest on July 27, 2015, because the State had stopped issuance of transit permits.

The Company filed another writ petition before the Hon'ble High Court of Jharkhand which was heard on September 9, 2015. An interim order was given by the Hon'ble High Court of Jharkhand on September 17, 2015, wherein the Court has directed the Company to pay the amount of ₹371.83 crore in 3 equal instalments, first instalment by October 15, 2015, second instalment by November 15, 2015 and third instalment by December 15, 2015.

In view of the interim order of the Hon'ble High Court of Jharkhand ₹124.00 crore was paid on September 28, 2015, ₹124.00 crore on November 12, 2015 and ₹123.83 crore on December 14, 2015 under protest.

The case is pending before the Hon'ble High court for disposal. The State issued similar terms and conditions to other mining lessees in the State rendering the mining as illegal. Based on the Company's assessment of the Goa mines judgement read with the Ordinance issued in the year 2015, the Company believes that it is remote that the demand of the State would sustain.

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## 42. Acquisition of subsidiaries

A. On April 9, 2019, Tata Steel Long Products Limited (formerly Tata Sponge Iron Limited) ('TSLP'), a subsidiary of the Company, completed the acquisition of the steel business of Usha Martin Limited ('UML').

Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:

	(₹ crore)
	Fair value as on acquisition date
<b>Non-current assets</b>	
Property, plant and equipment	4,106.18
Capital work-in-progress	19.87
Right-of-use assets	255.11
Other intangible assets	315.20
Financial assets	7.99
Other assets	15.26
	<b>4,719.61</b>
<b>Current assets</b>	
Inventories	245.75
Trade receivables	101.18
Other financial assets	0.18
Other assets	27.02
	<b>374.13</b>
<b>Assets held for sale</b>	<b>8.39</b>
<b>Total assets [A]</b>	<b>5,102.13</b>
<b>Non-current liabilities</b>	
Borrowings	100.42
Provisions	20.57
Retirement benefit obligations	13.03
	<b>134.02</b>
<b>Current liabilities</b>	
Borrowings	21.29
Trade payables	619.86
Other financial liabilities	16.55
Provisions	14.60
Retirement benefit obligations	10.91
Deferred income	31.51
Other liabilities	210.41
	<b>925.13</b>
<b>Total liabilities [B]</b>	<b>1,059.15</b>
<b>Fair value of identifiable net assets [C=A-B]</b>	<b>4,042.98</b>
	(₹ crore)
Consideration paid	3,906.12
Deferred consideration	142.52
<b>Total consideration paid [D]</b>	<b>4,048.64</b>
<b>Goodwill [D-C]</b>	<b>5.66</b>

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### 42. Acquisition of subsidiaries (Contd.)

- (i) On acquisition of the steel business of UML, TSLP has paid ₹476.37 crore on account of negative working capital and debt like items.
- (ii) Acquisition-related costs amounting to ₹27.42 crore have been excluded from the consideration transferred and have been recognised as an expense in the consolidated statement of profit and loss within exceptional items.
- (iii) From the date of acquisition, UML has contributed ₹2,668.60 crore to revenue from operations and a loss of ₹694.37 crore to consolidated profit before tax on a pre-consolidation adjustments basis.

Had the business combination been effected at April 1, 2019, the revenue of the Group from continuing operations would have been higher by ₹59.63 crore and profit before tax from continuing operations lower by ₹11.92 crore on a pre-consolidation adjustments basis.

- B. On June 1, 2019, Tata Steel BSL Limited, a subsidiary of the Company has acquired 99.99% stake in Angul Energy Limited (formerly "Bhushan Energy Limited") ('AEL') pursuant to a Corporate Insolvency Resolution Process implemented under the Insolvency and Bankruptcy Code, 2016

Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition is as below:

	(₹ crore)
	Fair value as on acquisition date
<b>Non-current assets</b>	
Property, plant and equipment	1,155.06
Right-of-use assets	27.26
Investments	1.27
Financial assets	0.22
Non-current tax assets	3.14
Other assets	0.13
	<b>1,187.08</b>
<b>Current assets</b>	
Inventories	24.62
Trade receivables	105.58
Cash and cash equivalents	238.38
Other financial assets	1.33
Other assets	39.43
	<b>409.34</b>
<b>Total assets [A]</b>	<b>1,596.42</b>
<b>Non-current liabilities</b>	
Borrowings	10.00
Provisions	0.74
Retirement benefit obligations	1.17
	<b>11.91</b>
<b>Current liabilities</b>	
Trade payables	13.16
Other financial liabilities	6.67
Provisions	0.21
Retirement benefit obligations	0.09
Other liabilities	5.21
	<b>25.34</b>
<b>Total liabilities [B]</b>	<b>37.25</b>
<b>Fair value of identifiable net assets [C=A-B]</b>	<b>1,559.17</b>

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## 42. Acquisition of subsidiaries (Contd.)

(₹ crore)

Consideration paid	755.00
Non-controlling interests	0.02
<b>Consideration paid including non-controlling interest [D]</b>	<b>755.02</b>
<b>Capital reserve [C-D]</b>	<b>804.15</b>

From the date of acquisition, AEL has contributed ₹355.54 crore to revenue from operations and a profit of ₹4.31 crore to consolidated profit before tax on a pre-consolidation adjustments basis.

Had the business combination been effected at April 1, 2019, the revenue of the Group from continuing operations would have been higher by ₹128.24 crore and profit before tax from continuing operations higher by ₹40.87 crore on a pre-consolidation adjustments basis.

## 43. Disposal of subsidiaries

During the year ended March 31, 2020, the Group disposed off Firsteel business and Cogent Power Inc. units in Europe.

A profit of ₹148.99 crore being the difference between the fair value of consideration received and carrying value of net assets disposed off in respect of these businesses was recognized in the consolidated statement of profit and loss as an exceptional item.

During the year ended March 31, 2019, the Group disposed off Corus Building Systems Bulgaria AD in Bulgaria and Kalzip Business Units. The Group also disposed Black Ginger 461 (Proprietary) Ltd. within the overseas mining business in South Africa. A profit of ₹10.20 crore being the difference between the fair value of consideration received and the carrying value of net assets disposed off in respect of these businesses was recognized in the consolidated statement of profit and loss.

(i) Details of net assets disposed off and profit/(loss) on disposal is as below:

(₹ crore)

	Year ended March 31, 2020	Year ended March 31, 2019
<b>Non-current assets</b>		
Goodwill	-	28.47
Property, plant and equipment	18.06	99.48
Capital work-in-progress	6.74	1.40
Right-of-use assets	88.28	-
Other intangible assets	-	143.71
	<b>113.08</b>	<b>273.06</b>
<b>Current assets</b>		
Inventories	153.68	223.00
Trade receivables	136.83	113.66
Cash and bank balances	6.91	24.22
Other financial assets	1.46	16.89
Derivative assets	-	0.06
Current tax assets	7.25	8.65
Other non-financial assets	22.79	13.63
	<b>328.92</b>	<b>400.11</b>
<b>Non-controlling interests</b>		<b>71.86</b>

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### 43. Disposal of subsidiaries (Contd.)

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Non-current liabilities</b>		
Borrowings	89.37	89.64
Provisions	2.09	26.39
Retirement benefit obligations	-	119.52
Other financial liabilities	-	0.84
Deferred income	-	10.80
Deferred tax liabilities	1.53	47.62
	<b>92.99</b>	<b>294.81</b>
<b>Current liabilities</b>		
Borrowings	-	160.66
Derivative liabilities	-	15.19
Trade payables	215.17	136.46
Other financial liabilities	3.65	63.24
Provisions	-	17.90
Retirement benefit obligations	-	4.49
Current tax liabilities	-	42.12
Other non-financial liabilities	-	21.02
	<b>218.82</b>	<b>461.08</b>
<b>Carrying value of net assets disposed off</b>	<b>130.19</b>	<b>(154.58)</b>
<b>Less: Adjustments in respect of:</b>		
Inter-company arrangements	-	(191.94)
<b>Adjusted carrying value of net assets disposed</b>	<b>130.19</b>	<b>37.36</b>

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Sale consideration	263.31	87.24
Transaction costs	(0.43)	-
Foreign exchange recycled to profit/(loss) on disposal	16.30	(39.68)
Carrying value of net assets disposed off	(130.19)	(37.36)
<b>Profit/(loss) on disposal</b>	<b>148.99</b>	<b>10.20</b>

(ii) Details of net cash flow arising on disposal is as below:

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Consideration received in cash and cash equivalents	263.31	87.24
Cash and cash equivalents disposed off	(6.91)	(22.70)
<b>Net cash flow arising on disposal</b>	<b>256.40</b>	<b>64.54</b>

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### 44. Capital Management

The Group's capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Group.

The Group determines the amount of capital required on the basis of annual business plan of entities within the Group coupled with long-term and short-term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long and short-term bank borrowings and issue of non-convertible debt securities.

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

Net debt includes interest bearing borrowings less cash and cash equivalents, other bank balances (including non-current and earmarked balances) and current investments.

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

	As at March 31, 2020	As at March 31, 2019
Equity share capital	1,144.95	1,144.94
Hybrid perpetual securities	2,275.00	2,275.00
Other equity	70,156.35	65,505.14
<b>Equity attributable to shareholders of the Company</b>	<b>73,576.30</b>	<b>68,925.08</b>
Non-controlling interests	2,586.60	2,364.46
<b>Total equity (A)</b>	<b>76,162.90</b>	<b>71,289.54</b>
Non-current borrowings	94,104.97	80,342.73
Current borrowings	19,184.48	10,802.08
Current maturities of long-term borrowings and lease obligations	3,038.75	9,671.41
<b>Gross debt (B)</b>	<b>1,16,328.20</b>	<b>1,00,816.22</b>
<b>Total capital (A+B)</b>	<b>1,92,491.10</b>	<b>1,72,105.76</b>
Gross debt as above	1,16,328.20	1,00,816.22
Less: Current investments	3,431.87	2,524.86
Less: Cash and cash equivalents	7,541.96	2,975.53
Less: Other balances with banks (including non-current earmarked balances)	574.93	436.83
<b>Net debt (C)</b>	<b>1,04,779.44</b>	<b>94,879.00</b>
<b>Net debt to equity ratio<sup>(i)</sup></b>	<b>1.42</b>	<b>1.43</b>

(i) Net debt to equity ratio as at March 31, 2020 and March 31, 2019 has been computed based on the average of opening and closing equity.

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### 45. Disclosures on financial instruments

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

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2(r) page 338 to the consolidated financial statements.

#### (a) Financial assets and liabilities

The following tables present the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2020 and March 31, 2019.

As at March 31, 2020

(₹ crore)

	Amortised cost	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
<b>Financial assets:</b>							
Cash and bank balances	8,116.89	-	-	-	-	8,116.89	8,116.89
Trade receivables	7,884.91	-	-	-	-	7,884.91	7,884.91
Investments	85.84	506.87	-	-	3,523.93	4,116.64	4,116.64
Derivatives	-	-	684.23	1,081.47	-	1,765.70	1,765.70
Loans	704.39	-	-	-	-	704.39	704.39
Other financial assets	973.18	-	-	-	-	973.18	973.18
	<b>17,765.21</b>	<b>506.87</b>	<b>684.23</b>	<b>1,081.47</b>	<b>3,523.93</b>	<b>23,561.71</b>	<b>23,561.71</b>
<b>Financial liabilities:</b>							
Trade payables	21,380.85	-	-	-	-	21,380.85	21,380.85
Borrowings other than lease obligations	1,09,306.14	-	-	-	-	1,09,306.14	1,08,728.40
Lease obligations	7,022.06	-	-	-	-	7,022.06	7,022.06
Derivatives	-	-	513.76	343.38	-	857.14	857.14
Other financial liabilities	6,867.45	-	-	-	-	6,867.45	6,867.45
	<b>1,44,576.50</b>	<b>-</b>	<b>513.76</b>	<b>343.38</b>	<b>-</b>	<b>1,45,433.64</b>	<b>1,44,855.90</b>

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### 45. Disclosures on financial instruments (Contd.)

As at March 31, 2019

(₹ crore)

	Amortised cost	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through profit and loss	Total carrying value	Total fair value
<b>Financial assets:</b>							
Cash and bank balances	3,412.36	-	-	-	-	3,412.36	3,412.36
Trade receivables	11,811.00	-	-	-	-	11,811.00	11,811.00
Investments	65.21	756.39	-	-	2,993.62	3,815.22	3,815.22
Derivatives	-	-	184.44	283.41	-	467.85	467.85
Loans	853.04	-	-	-	-	853.04	853.04
Other financial assets	1,747.63	-	-	-	-	1,747.63	1,747.63
	<b>17,889.24</b>	<b>756.39</b>	<b>184.44</b>	<b>283.41</b>	<b>2,993.62</b>	<b>22,107.10</b>	<b>22,107.10</b>
<b>Financial liabilities:</b>							
Trade payables	21,716.96	-	-	-	-	21,716.96	21,716.96
Borrowings	1,00,816.22	-	-	-	-	1,00,816.22	99,893.42
Derivatives	-	-	216.35	260.06	-	476.41	476.41
Other financial liabilities	7,337.00	-	-	-	-	7,337.00	7,337.00
	<b>1,29,870.18</b>	<b>-</b>	<b>216.35</b>	<b>260.06</b>	<b>-</b>	<b>1,30,346.59</b>	<b>1,29,423.79</b>

- (i) Investments in mutual funds and derivative instruments (other than those designated in a hedging relationship) are mandatorily classified as fair value through profit and loss.

#### (b) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

**Quoted prices in an active market (Level 1):** This Level of hierarchy includes financial assets and liabilities, that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This Level consists of investments in quoted equity shares and mutual funds.

**Valuation techniques with observable inputs (Level 2):** This Level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This Level of hierarchy includes the Group's over-the-counter (OTC) derivative contracts.

**Valuation techniques with significant unobservable inputs (Level 3):** This Level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This Level includes investment in unquoted equity shares and preference shares.

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### 45. Disclosures on financial instruments (Contd.)

(₹ crore)

	As at March 31, 2020			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Investments in mutual funds	3,431.87	-	-	3,431.87
Investments in equity shares	205.02	-	344.17	549.19
Investments in bonds and debentures	-	49.74	-	49.74
Derivative financial assets	-	1,765.70	-	1,765.70
	<b>3,636.89</b>	<b>1,815.44</b>	<b>344.17</b>	<b>5,796.50</b>
<b>Financial liabilities:</b>				
Derivative financial liabilities	-	857.14	-	857.14
	<b>-</b>	<b>857.14</b>	<b>-</b>	<b>857.14</b>

(₹ crore)

	As at March 31, 2019			Total
	Level 1	Level 2	Level 3	
<b>Financial assets:</b>				
Investments in mutual funds	2,633.13	-	-	2,633.13
Investments in equity shares	454.53	-	362.61	817.14
Investments in bonds and debentures	-	49.74	-	49.74
Investments in preference shares	-	-	250.00	250.00
Derivative financial assets	-	467.85	-	467.85
	<b>3,087.66</b>	<b>517.59</b>	<b>612.61</b>	<b>4,217.86</b>
<b>Financial liabilities:</b>				
Derivative financial liabilities	-	476.41	-	476.41
	<b>-</b>	<b>476.41</b>	<b>-</b>	<b>476.41</b>

#### Notes:

- Current financial assets and liabilities are stated at carrying value which is approximately equal to their fair value.
- Derivatives are fair valued using market observable rates and published prices together with forecasted cash flow information where applicable.
- Investments carried at fair value are generally based on market price quotations. Investments in equity shares included in Level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value. Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. Fair value of investment in preference shares is estimated by discounting the expected future cash flows using a discount rate equivalent to the expected rate of return for a similar instrument and maturity as on the reporting date.
- Fair value of borrowings which have a quoted market price in an active market is based on its market price which is categorised as Level 1. Fair value of borrowings which do not have an active market or are unquoted is estimated by discounting the 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.
- Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.
- There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2020 and March 31, 2019.

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## 45. Disclosures on financial instruments (Contd.)

(vii) Reconciliation of Level 3 fair value measurement is as below:

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
Balance at the beginning of the year	612.61	388.94
Additions during the year	0.63	267.92
Disposals	(10.90)	-
Fair value changes during the year	(242.44)	(0.02)
Classified as held for sale	-	(23.60)
Reclassifications within investments*	(17.01)	(17.00)
Exchange rate differences on consolidation	1.28	(3.63)
<b>Balance at the end of the year</b>	<b>344.17</b>	<b>612.61</b>

\* represents investments reclassified from fair value through profit and loss to amortized cost. During the year ended March 31, 2019, reclassification represents investment in Subarnarekha Port Private Limited which had become a subsidiary.

## (c) Derivative financial instruments

Derivative instruments used by the Group include forward exchange contracts, interest rate swaps, currency swaps, options, commodity futures, interest rate caps and collars. These financial instruments are utilised to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" wherever possible. The Group does not hold or issue derivative financial instruments for trading purposes. All transactions in derivative financial instruments are undertaken to manage risks arising from underlying business activities.

The following table sets out the fair value of derivatives held by the Group as at the end of the reporting period.

	(₹ crore)			
	As at March 31, 2020		As at March 31, 2019	
	Assets	Liabilities	Assets	Liabilities
(a) Foreign currency forwards, futures, swaps and options	1,739.90	539.34	360.07	476.34
(b) Commodity futures and options	13.05	218.85	90.56	-
(c) Interest rate swaps and collars	12.75	98.95	17.22	0.07
	<b>1,765.70</b>	<b>857.14</b>	<b>467.85</b>	<b>476.41</b>
<b>Classified as:</b>				
Non-current	279.64	127.92	108.74	59.82
Current	1,486.06	729.22	359.11	416.59

As at the end of the reporting period, total notional amount of outstanding foreign currency contracts, commodity futures, options, interest rate swap and collars that the Group has committed to is as below:

	(US\$ million)	
	As at March 31, 2020	As at March 31, 2019
(i) Foreign currency forwards, futures, swaps and options	7,040.34	7,722.00
(ii) Commodity futures and options	109.30	115.40
(iii) Interest rate swaps and collars	368.63	150.00
	<b>7,518.27</b>	<b>7,987.40</b>

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### 45. Disclosures on financial instruments (Contd.)

#### (d) Transfer of financial assets

The Group transfers certain trade receivables under discounting arrangements with banks and financial institutions. Some of such arrangements do not qualify for de-recognition due to recourse arrangements being in place. Consequently, the proceeds received from transfer are recorded as short-term borrowings from banks and financial institutions.

The carrying value of trade receivables not de-recognised along with the associated liabilities is as below:

	As at March 31, 2020		As at March 31, 2019	
	Carrying value of assets transferred	Carrying value of associated liabilities	Carrying value of assets transferred	Carrying value of associated liabilities
	8.19	8.19	6.60	6.60
Trade receivables				

(₹ crore)

#### (e) Financial risk management

In the course of its business, the Group is exposed primarily to fluctuations in foreign currency exchange rates, commodity prices, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

Entities within the Group have a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors of the respective companies. The risk management framework aims to:

- create a stable business planning environment by reducing the impact of currency, commodity prices and interest rate fluctuations on the entity's business plan.
- achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

#### (i) Market risk

Market risk is the risk of any loss in future earnings, in realisable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, commodity prices, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

#### (a) Market risk - Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have potential impact on the consolidated statement of profit and

loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Great British Pound, Euro, Singapore Dollar, and Thai Baht against the respective functional currencies of the Company and its subsidiaries.

Entities as per their risk management policy, use foreign exchange forward and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Any weakening of the functional currency may impact the respective entities' cost of imports and cost of borrowings and consequently may increase the cost of financing the Group's capital expenditures.

A 10% appreciation/depreciation of foreign currencies with respect to the functional currency of the entities within the Group would result in a decrease/increase in the Group's net profit and equity before considering tax impacts by approximately ₹578.31 crore for the year ended March 31, 2020, (2018-19 ₹1,208.86 crore) and increase/decrease in carrying value of property, plant and equipment (before considering depreciation impact) by approximately ₹109.94 crore as at March 31, 2020 (March 31, 2019: ₹145.38 crore).

The foreign exchange rate sensitivity is calculated by assuming a simultaneous parallel foreign exchange rates shift of all the currencies by 10% against the functional currency of the entities within the Group.

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#### 45. Disclosures on financial instruments (Contd.)

The sensitivity analysis has been based on the composition of the Group's financial assets and liabilities as at March 31, 2020 and March 31, 2019 excluding trade payables, trade receivables, other derivative and non-derivative financial instruments not forming part of debt and which do not present a material exposure. The period end balances are not necessarily representative of the average debt outstanding during the period.

**(b) Market risk - Interest rate risk:**

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs.

The Group is subject to variable interest rates on some of its interest bearing liabilities. The Group's interest rate exposure is mainly related to debt obligations.

Based on the composition of debt as at March 31, 2020 and March 31, 2019 a 100 basis points increase in interest rates would increase the Group's finance costs (before considering interest eligible for capitalization) and thereby consequently reduce net profit and equity before considering tax impacts by approximately ₹629.81 crore for the year ended March 31, 2020 (2018-19 : ₹555.11 crore).

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

**(c) Market risk - Equity price risk:**

Equity price risk is related to the change in market reference price of investments in equity securities held by the Group.

The fair value of quoted investments held by the Group exposes the Group to equity price risks. In general, these investments are not held for trading purposes.

The fair value of quoted investments in equity classified as fair value through other comprehensive income/profit and loss as at March 31, 2020 and March 31, 2019 was ₹205.02 crore and ₹454.53 crore respectively.

A 10% change in equity prices of such securities held as at March 31, 2020 and March 31, 2019 would result in an impact of ₹20.50 crore and ₹45.45 crore respectively on equity before considering tax impact.

**(ii) Commodity risk**

The Group makes use of commodity futures contracts and options to manage its purchase price risk for certain commodities. Across the Group, forward purchases are also made of zinc, tin and nickel to cover sales contracts with fixed metal prices.

There was no significant market risk relating to the consolidated statement of profit and loss since the majority of commodity derivatives are treated as cash flow hedges with movements being reflected in equity and the timing and recognition in the consolidated statement of profit and loss would depend on the point at which the underlying hedged transactions are recognised

**(iii) Credit risk**

Credit risk is the risk of financial loss arising from counter-party failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Entities within the Group have a policy of dealing only with credit worthy counter parties and obtaining sufficient collateral, where appropriate as a means of mitigating the risk of financial loss from defaults.

Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, loans receivables, investments in debt securities and mutual funds, balances with banks, bank deposits, derivatives and financial guarantees provided by the Group. None of the financial instruments of the Group result in material concentration of credit risk.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹18,661.48 crore and ₹12,960.20 crore as at March 31, 2020 and March 31, 2019 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments in debt securities and mutual funds, loans, derivative assets and other financial assets net of insurance cover, where applicable.

The risk relating to trade receivables is presented in note 16, page 366.

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### 45. Disclosures on financial instruments (Contd.)

The Group's exposure to customers is diversified and there is no concentration of credit risk with respect to any particular customer as at March 31, 2020 and March 31, 2019.

In respect of financial guarantees provided by the Group to banks and financial institutions, the maximum exposure which the Group is exposed to is the maximum amount which the Group would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Group considers that it is more likely than not that such an amount will not be payable under the guarantees provided.

#### (iv) Liquidity risk

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Group has obtained fund and non-fund based working capital lines from various banks. Furthermore, the entities within the Group have access to undrawn lines of committed and uncommitted borrowing/facilities, funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Group invests its surplus funds in bank fixed deposits and mutual funds, which carry no or low mark to market risk. The Company and entities within the Group, wherever applicable, have also invested 15% of the non-convertible debentures (issued by the Company/entities) falling due for repayment in the next 12 months in bank deposits, to meet the regulatory norms of liquidity requirements. The Group also constantly monitors funding options available in the debt and capital markets with a view of maintaining financial flexibility.

The Group's liquidity position remains strong as at March 31, 2020, comprising of current investments, cash and cash equivalents and other balances with banks, in addition to committed undrawn bank lines.

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## 45. Disclosures on financial instruments (Contd.)

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

(₹ crore)					
	As at March 31, 2020				
	Carrying value	Contractual cash flows	less than one year	between one to five years	More than five years
<b>Non-derivative financial liabilities:</b>					
Borrowings other than lease obligations including interest obligations	1,10,048.97	1,47,106.89	26,888.52	61,686.58	58,531.79
Lease obligations including interest obligations	7,058.16	11,401.51	1,721.35	4,519.76	5,160.40
Trade payables	21,380.85	21,380.85	21,380.85	-	-
Other financial liabilities	6,088.52	6,088.52	5,700.85	233.61	154.06
	<b>1,44,576.50</b>	<b>1,85,977.77</b>	<b>55,691.57</b>	<b>66,439.95</b>	<b>63,846.25</b>
<b>Derivative financial liabilities</b>	<b>857.14</b>	<b>857.14</b>	<b>729.22</b>	<b>120.79</b>	<b>7.13</b>

  

(₹ crore)					
	As at March 31, 2019				
	Carrying value	Contractual cash flows	less than one year	between one to five years	More than five years
<b>Non-derivative financial liabilities:</b>					
Borrowings including interest obligations	1,01,674.75	1,34,845.14	21,955.48	52,896.95	59,992.71
Trade payables	21,716.96	21,716.96	21,716.96	-	-
Other financial liabilities	6,478.47	6,478.47	6,217.46	21.62	239.39
	<b>1,29,870.18</b>	<b>1,63,040.57</b>	<b>49,889.90</b>	<b>52,918.57</b>	<b>60,232.10</b>
<b>Derivative financial liabilities</b>	<b>476.41</b>	<b>476.41</b>	<b>416.59</b>	<b>59.82</b>	<b>-</b>

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### 46. Segment reporting

The Group is primarily engaged in the business of manufacture and distribution of steel products across the globe. Operating segments have been identified based on how the Chief Operating Decision Maker (CODM) reviews and assesses the Group's performance, which is on the basis of the different geographical areas wherein major entities within the Group operate.

**The Group's reportable segments and segment information is presented below:**

(₹ crore)

	Tata Steel India	Bamnipal Steel (including Tata Steel BSL)	Tata Steel Long Products	Other Indian operations	Tata Steel Europe	Other trade related operations	Rest of the world	Inter-segment eliminations	Total
<b>Segment revenue</b>									
External revenue	53,122.60	18,051.38	3,183.64	7,635.93	55,753.35	1,655.20	414.55	-	1,39,816.65
	61,222.97	18,132.19	941.61	9,445.30	64,474.73	2,668.22	783.97	-	1,57,668.99
Intersegment revenue	7,313.37	147.76	306.35	1,859.82	185.64	30,072.89	-	(39,885.83)	-
	9,387.95	243.67	50.44	1,831.52	302.34	31,028.29	-	(42,844.21)	-
Total revenue	60,435.97	18,199.14	3,489.99	9,495.75	55,938.99	31,728.09	414.55	(39,885.83)	1,39,816.65
	70,610.92	18,375.86	992.05	11,276.82	64,777.07	33,696.51	783.97	(42,844.21)	1,57,668.99
<b>Segment results before exceptional items, interest, tax and depreciation:</b>	15,095.93	2,370.12	183.77	879.95	(664.19)	1,799.71	13.01	(1,943.27)	17,735.03
<b>Reconciliation to profit/(loss) for the year:</b>	20,743.98	3,027.95	156.44	975.78	5,413.63	489.63	182.13	(1,219.22)	29,770.32
Add: Finance income									1,571.52
									1,033.60
Less: Finance costs									7,533.46
									7,660.10
Less: Depreciation and amortisation expense									8,440.73
									7,341.83
Add: Share of profit/(loss) of joint ventures and associates									187.97
									224.70
<b>Profit before exceptional items and tax</b>									3,520.33
									16,026.69
Add: Exceptional items (refer note 36, page 393)									(3,752.05)
									(120.97)
<b>Profit before tax</b>									(231.72)
									15,905.72
Less: Tax expense									(2,568.41)
									6,718.43
<b>Profit after tax from continuing operations</b>									2,336.69
									9,187.29
<b>Profit after tax from discontinued operations</b>									(1,164.23)
									(88.96)
<b>Net profit/(loss) for the year</b>									1,172.46
									9,098.33
<b>Segment assets</b>	1,25,469.14	38,924.26	6,155.92	7,867.82	78,314.90	21,778.73	8,525.75	(39,440.52)	2,47,596.00
	1,34,385.00	39,854.24	1,311.97	7,666.12	68,251.43	68,831.55	7,739.47	(98,599.65)	2,29,440.13
<b>Assets held for sale</b>									2,823.45
									4,142.26
<b>Total assets</b>									2,50,419.45
									2,33,582.39

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### 46. Segment reporting (Contd.)

	Tata Steel India	Bamnipal Steel (including Tata Steel BSL)	Tata Steel Long Products	Other Indian operations	Tata Steel Europe	Other trade related operations	Rest of the world	Inter-segment eliminations	Total
(₹ crore)									
<b>Segment assets include:</b>									
<b>Equity accounted investments</b>	<b>1,778.74</b>	-	<b>0.80</b>	<b>20.10</b>	<b>357.27</b>	<b>11.63</b>	-	-	<b>2,168.54</b>
	<i>1,573.83</i>	-	<i>0.80</i>	<i>13.31</i>	<i>323.73</i>	<i>11.28</i>	-	-	<i>1,922.95</i>
<b>Segment liabilities</b>	<b>76,540.96</b>	<b>20,318.21</b>	<b>4,159.82</b>	<b>3,762.13</b>	<b>42,911.68</b>	<b>40,825.92</b>	<b>6,000.08</b>	<b>(21,610.58)</b>	<b>1,72,908.22</b>
	<i>67,809.45</i>	<i>21,428.15</i>	<i>238.25</i>	<i>4,295.24</i>	<i>92,326.76</i>	<i>46,465.89</i>	<i>4,747.92</i>	<i>(76,444.93)</i>	<i>1,60,866.73</i>
<b>Liabilities held for sale</b>									<b>1,348.33</b>
									<i>1,426.12</i>
<b>Total liabilities</b>									<b>1,74,256.55</b>
									<i>1,62,292.85</i>
<b>Addition to non-current assets</b>	<b>5,779.68</b>	<b>735.89</b>	<b>54.49</b>	<b>729.15</b>	<b>5,936.60</b>	<b>285.29</b>	<b>758.15</b>	-	<b>14,279.25</b>
	<i>3,344.32</i>	<i>1,392.34</i>	<i>84.55</i>	<i>451.11</i>	<i>4,353.71</i>	<i>0.98</i>	<i>620.55</i>	-	<i>10,247.56</i>

Figures in italics represents comparative figures of previous year.

#### (i) Details of revenue by nature of business is as below:

	Year ended March 31, 2020	Year ended March 31, 2019
(₹ crore)		
Steel	1,26,445.73	1,42,591.92
Others	13,370.92	15,077.07
	<b>1,39,816.65</b>	<b>1,57,668.99</b>

Revenue from other businesses primarily relate to ferro alloys, power and water and other services.

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### 46. Segment reporting (Contd.)

#### (ii) Details of revenue based on geographical location of customers is as below:

	(₹ crore)	
	Year ended March 31, 2020	Year ended March 31, 2019
India	72,885.01	82,528.14
Outside India	66,931.64	75,140.85
	<b>1,39,816.65</b>	<b>1,57,668.99</b>

Revenue outside India includes: Asia excluding India ₹9,969.85 crore (2018-19 : ₹8,959.48 crore), UK ₹12,641.97 crore (2018-19: ₹14,810.44 crore) and other European countries ₹35,792.48 crore (2018-19: ₹41,142.74 crore).

#### (iii) Details of non-current assets (property, plant and equipment, right-of-use assets, capital work-in-progress, intangibles and goodwill on consolidation) based on geographical area is as below:

	(₹ crore)	
	As at March 31, 2020	As at March 31, 2019
India	1,18,818.73	1,10,980.41
Outside India	35,228.76	32,102.71
	<b>1,54,047.49</b>	<b>1,43,083.12</b>

Non-current assets outside India include: Asia excluding India ₹185.27 crore (March 31, 2019: ₹2.55 crore), UK ₹7,959.37 crore (March 31, 2019: ₹7,981.67 crore) and other European countries ₹19,575.18 crore (March 31, 2019: ₹17,191.20 crore).

#### Notes:

- Segment performance is reviewed by the CODM on the basis of profit or loss from continuing operations before finance income/cost, depreciation and amortisation expenses, share of profit/(loss) of joint ventures and associates and tax expenses. Segment results reviewed by the CODM also exclude income or expenses which are non-recurring in nature and are classified as an exceptional item. Information about segment assets and liabilities provided to the CODM, however, include the related assets and liabilities arising on account of items excluded in measurement of segment results. Such amounts, therefore, form part of the reported segment assets and liabilities.
- No single customer represents 10% or more of the Group's total revenue during the year ended March 31, 2020 and March 31, 2019.
- The accounting policies of the reportable segments are the same as of the Group's accounting policies.

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## 47. Related party transactions

The Group's related parties primarily consist of its joint ventures, associates and Tata Sons Private Limited including its subsidiaries and joint ventures. The Group routinely enters into transactions with these related parties in the ordinary course of business at market rates and terms. Transactions and balances between the Company, its subsidiaries and fellow subsidiaries are eliminated on consolidation.

The following table summarises the related-party transactions and balances included in the consolidated financial statements for the year ended/as at March 31, 2020 and March 31, 2019.

				(₹ crore)
	Associates	Joint ventures	Tata Sons Private Limited, its subsidiaries and joint ventures	Total
<b>Purchase of goods</b>	<b>303.85</b>	<b>289.89</b>	<b>664.68</b>	<b>1,258.42</b>
	488.88	186.86	710.83	1,386.57
<b>Sale of goods</b>	<b>950.93</b>	<b>2,915.81</b>	<b>649.94</b>	<b>4,516.68</b>
	1,210.03	3,198.08	505.05	4,913.16
<b>Services received</b>	<b>86.32</b>	<b>1,720.04</b>	<b>712.56</b>	<b>2,518.92</b>
	146.39	1,604.64	819.19	2,570.22
<b>Services rendered</b>	<b>7.19</b>	<b>116.58</b>	<b>23.01</b>	<b>146.78</b>
	6.89	152.61	1.18	160.68
<b>Sale of fixed assets</b>	<b>-</b>	<b>267.71</b>	<b>-</b>	<b>267.71</b>
	-	-	-	-
<b>Interest income recognised</b>	<b>-</b>	<b>2.91</b>	<b>-</b>	<b>2.91</b>
	7.81	4.13	-	11.94
<b>Interest expenses recognised</b>	<b>-</b>	<b>-</b>	<b>17.88</b>	<b>17.88</b>
	-	-	19.27	19.27
<b>Dividend paid</b>	<b>-</b>	<b>-</b>	<b>470.41</b>	<b>470.41</b>
	-	-	361.45	361.45
<b>Dividend received</b>	<b>20.47</b>	<b>35.04</b>	<b>13.59</b>	<b>69.10</b>
	46.89	68.02	10.88	125.79
<b>Provision/(reversal) recognised for receivables during the year</b>	<b>0.03</b>	<b>(6.62)</b>	<b>0.01</b>	<b>(6.58)</b>
	(0.01)	(1.03)	0.02	(1.02)
<b>Management contracts</b>	<b>27.91</b>	<b>1.60</b>	<b>107.45</b>	<b>136.96</b>
	16.61	3.12	285.72	305.45

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### 47. Related party transactions (Contd.)

(₹ crore)

	Associates	Joint ventures	Tata Sons Private Limited, its subsidiaries and joint ventures	Total
<b>Sale of investments</b>	-	-	-	-
	-	-	1.97	1.97
<b>Finance provided during the year (net of repayments)</b>	-	60.13	-	60.13
	250.00	134.91	-	384.91
<b>Outstanding loans and receivables</b>	97.45	1,130.67	25.03	1,253.15
	26.68	1,263.64	43.96	1,334.28
<b>Provision for outstanding loans and receivables</b>	10.74	1,094.09	0.03	1,104.86
	10.71	1,023.31	0.02	1,034.04
<b>Outstanding payables</b>	65.78	230.08	322.60	618.46
	38.63	241.47	278.54	558.64
<b>Guarantees provided outstanding</b>	-	177.18	-	177.18
	-	186.78	-	186.78

Figures in italics represent comparative figures of previous year.

- (i) The details of remuneration paid to the key managerial personnel and payments to non-executive directors are provided in note 32, page 391 and note 35 page 392, respectively.  
The Group paid dividend of ₹42,048.50 (2018-19: ₹32,345.87) to key managerial personnel and ₹8,313.50 (2018-19: ₹3,895.10) to relatives of key managerial personnel during the year ended March 31, 2020.
- (ii) During the year ended March 31, 2020, the Group has contributed ₹370.47 crore (2018-19: ₹337.70 crore) to post-employment benefit plans.  
As at March 31, 2020, amount receivable from post-employment benefit funds is ₹57.26 crore (March 31, 2019: ₹769.20 crore) on account of retirement benefit obligations paid by the entities within the Group directly.  
As at March 31, 2020, amount payable to post-employment benefit fund is ₹20.14 crore (March 31, 2019: ₹1.59 crore) on account of retirement benefit obligations.
- (iii) Details of investments made by the Company in preference shares of its joint ventures and associates is disclosed in note 9, page 355.
- (iv) Commitments with respect to joint venture and associates are disclosed in note 40B, page 409.
- (v) Transactions with joint ventures have been disclosed at full value and not at their proportionate share.

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**48.** The Board of Directors of the Company have considered and approved a merger of Bamnival Steel Limited and Tata Steel BSL Limited into the Company by way of a composite scheme of amalgamation and have recommended a merger ratio of 1 equity share of ₹10/- each fully paid up of the Company for every 15 equity shares of ₹2/- each fully paid up held by the public shareholders of Tata Steel BSL Limited. The merger is subject to shareholders and other regulatory approvals.

**49.** Tata Steel Europe (TSE), a wholly owned subsidiary of the Group has assessed the potential impact of the downturn in steel demand due to the COVID-19 pandemic on its future business outlook.

Based on an initial assessment, the outlook for its UK operation is expected to be adversely impacted with respect to its ability to continue as a going concern and meet its liquidity requirements. In response to the COVID-19 pandemic, TSE as a whole including TSUK continues to implement various measures aimed at conserving cash including but not limited to deferral of capital expenditures, reduction in administrative expenses, use of non-recourse securitisation programmes, seeking Government backed funding etc. The Company through its wholly owned subsidiary TS Global Procurement Company Pte. Ltd. has also undertaken to provide working capital funding support to TSE including TSUK.

Given that the severity and length of the downturn in steel demand on account of the pandemic remains unpredictable, the directors of TSE observed that while there is a reasonable expectation that TSE has the adequate resources to continue operating for the foreseeable future and that the going concern basis for the preparation of its financial statements remains appropriate, there exists a material uncertainty surrounding the impact of the COVID-19 pandemic on its financial situation. The financial statements of TSE are prepared on a going concern basis and do not include any adjustments regarding going concern of TSUK.

The Group has assessed its ability to meet any liquidity requirements at TSE, if required, and concluded that its cashflow and liquidity position remains strong.

**50.** The net worth of TRF Limited, an associate of the Company, has been fully eroded. The carrying value of the share of investment in the consolidated financial statements is Nil. The financial statements of TRF Limited have been prepared on a going concern basis as it expects to generate cash flow from improvements in its operations, increased business from the Company, increased efficiencies in the project activities, proceeds from restructuring of its subsidiaries, facilities from banks as required and the Company is expected to provide the necessary financial support to TRF Limited, if required, to meet its future obligations.

### 51. Dividend

The dividend declared by the Company is based on profits available for distribution as reported in the standalone financial statements of the Company. On June 29, 2020 the Board of Directors of the Company have proposed a dividend of ₹10 per Ordinary Share of ₹10 each and ₹2.504 per partly paid Ordinary Share of ₹10 each (paid up ₹2.504 per share) in respect of the year ended March 31, 2020 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹1,144.75 crore.

**52.** Previous year figures have been recasted/restated wherever necessary.

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### 53. Statement of net assets and profit or loss attributable to owners and non-controlling interests

Name of the entity	Reporting currency	Net assets, i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of total comprehensive income	Amount (₹ crore)
<b>A. Parent</b>									
<b>Tata Steel Limited</b>	INR	104.43	76,838.12	433.26	6,743.80	(14.52)	(648.87)	101.14	6,094.93
<b>B. Subsidiaries</b>									
<b>a) Indian</b>									
1 Tata Steel International (India) Limited	INR	0.07	48.46	0.17	2.67	-	-	0.04	2.67
2 Tata Steel Utilities and Infrastructure Services Limited Formerly Jamshedpur Utilities & Services Company Limited	INR	0.22	163.83	2.14	33.37	(0.11)	(4.99)	0.47	28.38
3 Haldia Water Management Limited	INR	(0.07)	(50.97)	1.65	25.71	-	-	0.43	25.71
4 Kalimati Global Shared Services Limited	INR	0.01	5.99	0.13	1.98	-	-	0.03	1.98
5 Tata Steel Long Products Limited (Formerly Tata Sponge Iron Limited)	INR	2.74	2,016.61	(33.17)	(516.28)	(0.16)	(7.07)	(8.68)	(523.35)
6 TSIL Energy Limited	INR	0.00	1.26	0.00	0.05	-	-	0.00	0.05
7 Creative Port Development Private Limited	INR	(0.01)	(5.75)	(0.32)	(4.94)	-	-	(0.08)	(4.94)
8 Subarnarekha Port Private Limited	INR	0.06	40.63	(0.05)	(0.73)	-	-	(0.01)	(0.73)
9 Tata Steel BSL Limited	INR	24.00	17,656.27	(41.71)	(649.17)	(0.17)	(7.47)	(10.90)	(656.64)
10 Angul Energy Limited (Formerly Bhushan Energy Limited)	INR	1.12	827.71	0.28	4.31	(0.05)	(2.15)	0.04	2.16
11 Bhushan Steel (South) Ltd.	INR	(0.00)	(1.01)	-	-	-	-	-	-
12 Bhushan Steel (Orissa) Ltd.	INR	0.00	0.03	-	-	-	-	-	-
13 Bhushan Steel (Madhya Bharat) Ltd.	INR	0.00	0.03	-	-	-	-	-	-
14 Adityapur Toll Bridge Company Limited	INR	0.07	51.10	0.08	1.25	-	-	0.02	1.25
15 Tata Steel Special Economic Zone Limited	INR	0.50	369.74	(1.12)	(17.50)	-	-	(0.29)	(17.50)
16 The Indian Steel & Wire Products Ltd	INR	0.15	112.81	1.79	27.90	(0.03)	(1.17)	0.44	26.73
17 Mohar Export Services Pvt. Ltd	INR	(0.00)	(0.04)	-	-	-	-	-	-
18 Rujvalika Investments Limited	INR	0.10	72.23	0.19	3.03	(0.62)	(27.77)	(0.41)	(24.74)
19 T S Alloys Limited	INR	0.16	119.05	0.18	2.84	(0.00)	(0.09)	0.05	2.75
20 Tata Korf Engineering Services Ltd	INR	-	-	-	-	-	-	-	-
21 Tata Metaliks Ltd.	INR	1.25	919.40	10.66	165.96	(0.04)	(1.78)	2.72	164.18
22 Tata Steel Odisha Limited	INR	(0.00)	(0.03)	(0.00)	(0.01)	-	-	(0.00)	(0.01)
23 Tata Steel Downstream Products Limited (Formerly Tata Steel Processing and Distribution Limited)	INR	1.00	738.58	3.93	61.15	(0.09)	(4.00)	0.95	57.15
24 Tayo Rolls Limited	INR	-	-	-	-	-	-	-	-
25 The Tata Pigments Limited	INR	0.08	57.93	0.34	5.32	(0.01)	(0.50)	0.08	4.82
26 The Tinplate Company of India Ltd	INR	1.03	760.74	6.11	95.03	(0.45)	(20.16)	1.24	74.87
27 Tata Steel Foundation	INR	0.00	1.89	0.01	0.18	-	-	0.00	0.18
28 Jamshedpur Football and Sporting Private Limited	INR	0.03	23.26	0.10	1.54	-	-	0.03	1.54
29 Sakchi Steel Limited	INR	-	-	(0.00)	(0.03)	-	-	(0.00)	(0.03)
30 Jugsalai Steel Limited	INR	-	-	(0.00)	(0.03)	-	-	(0.00)	(0.03)
31 Noamundi Steel Limited	INR	-	-	(0.00)	(0.03)	-	-	(0.00)	(0.03)
32 Straight Mile Steel Limited	INR	-	-	(0.00)	(0.03)	-	-	(0.00)	(0.03)
33 Bistupur Steel Limited	INR	-	-	(0.00)	(0.03)	-	-	(0.00)	(0.03)
34 Jamadoba Steel Limited	INR	-	-	(0.00)	(0.03)	-	-	(0.00)	(0.03)
35 Dimna Steel Limited	INR	-	-	(0.00)	(0.03)	-	-	(0.00)	(0.03)

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## 53. Statement of net assets and profit or loss attributable to owners and non-controlling interests (Contd.)

Name of the entity	Reporting currency	Net assets, i.e. total assets minus total liabilities	Share in profit or (loss)	Share in other comprehensive income	Share in total comprehensive income
		As % of consolidated net assets	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)
36 Bhubaneshwar Power Private Limited	INR	0.41	304.05	1.64	25.48
37 Bannipal Steel Limited	INR	0.33	244.33	0.07	1.10
<b>b) Foreign</b>					
1 Tata Steel Europe Limited	GBP	51.95	38,224.39	629.74	9,802.11
2 Apollo Metals Limited	USD	0.22	159.87	(1.07)	(16.58)
3 Blastmega Limited	GBP	-	-	82.95	1,291.15
4 Bore Samson Group Limited	GBP	-	-	-	-
5 British Steel Corporation Limited	GBP	0.50	369.38	5.40	84.06
6 British Steel Directors (Nominees) Limited	GBP	-	-	-	-
7 British Steel Nederland International B.V.	EUR	0.24	173.86	(14.79)	(230.20)
8 CV Benne	EUR	0.02	17.94	-	-
9 C Walker & Sons Limited	GBP	-	-	31.78	494.60
10 Catnic GmbH	EUR	0.08	59.14	0.28	4.38
11 Catnic Limited	GBP	(0.00)	(0.57)	-	-
12 CBS Investissements SAS	EUR	0.00	2.19	(0.00)	(0.03)
13 Tata Steel Mexico SA de CV	USD	0.00	1.02	0.02	0.24
14 Color Steels Limited	GBP	-	-	-	-
15 Cogent Power Inc	USD	(0.00)	(0.96)	-	-
16 Cogent Power Limited	GBP	0.34	246.57	8.49	132.15
17 Corbell Les Rives SCI	EUR	0.01	10.18	-	-
18 Corby (Northants) & District Water Company Limited	GBP	0.01	5.71	-	-
19 Corus CNBV Investments	GBP	-	-	-	-
20 Corus Cold drawn Tubes Limited	GBP	-	-	1.04	16.12
21 Corus Engineering Steels (UK) Limited	GBP	-	-	-	-
22 Corus Engineering Steels Holdings Limited	GBP	-	-	9.83	152.94
23 Corus Engineering Steels Limited	GBP	-	-	-	-
24 Corus Engineering Steels Overseas Holdings Limited	GBP	-	-	-	-
25 Corus Group Limited	GBP	2.79	2,054.89	(1,396.88)	(21,742.95)
26 Corus Holdings Limited	GBP	0.01	5.40	-	-
27 Corus International (Overseas Holdings) Limited	GBP	6.28	4,620.15	5.07	78.91
28 Corus International Limited	GBP	3.87	2,850.42	0.66	10.22
29 Corus International Romania SRL.	RON	0.00	1.37	0.05	0.78
30 Corus Investments Limited	GBP	0.29	212.14	-	-
31 Corus Ireland Limited	EUR	0.01	8.87	0.06	0.95
32 Corus Large Diameter Pipes Limited	GBP	-	-	-	-
33 Corus Liaison Services (India) Limited	GBP	(0.03)	(22.36)	-	-
34 Corus Management Limited	GBP	0.51	378.23	93.70	1,458.50
35 Corus Property	GBP	-	-	-	-
36 Corus UK Healthcare Trustee Limited	GBP	-	-	-	-
37 Crucible Insurance Company Limited	GBP	0.36	265.22	(1.05)	(16.35)
38 Degels GmbH	EUR	(0.01)	(4.97)	(5.76)	(89.60)
39 Demka B.V.	EUR	0.10	72.54	(0.00)	(0.03)
40 DSRM Group Plc.	GBP	-	-	(1.12)	(17.48)
41 00026466 Limited (Formerly Firsteel Group Limited)	GBP	-	-	5.29	82.28

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### 53. Statement of net assets and profit or loss attributable to owners and non-controlling interests (Contd.)

Name of the entity	Reporting currency	Net assets, i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of total comprehensive income	Amount (₹ crore)
42 02727547 Limited (formerly Firsteel Holdings Limited)	GBP	-	-	(4.65)	(72.39)	-	-	(1.20)	(72.39)
43 Fischer Profil GmbH	EUR	0.04	32.85	1.60	24.90	0.00	0.09	0.41	24.99
44 Gamble Simms Metals Limited	EUR	-	-	(0.08)	(1.17)	-	-	(0.02)	(1.17)
45 H E Samson Limited	GBP	-	-	-	-	-	-	-	-
46 Hadfields Holdings Limited	GBP	(0.02)	(11.69)	-	-	-	-	-	-
47 Halmstad Steel Service Centre AB	SEK	0.10	71.50	0.11	1.76	-	-	0.03	1.76
48 Hille & Muller GmbH	EUR	0.23	167.56	0.87	13.59	0.00	0.06	0.23	13.65
49 Hille & Muller USA Inc.	USD	0.14	101.72	0.10	1.59	-	-	0.03	1.59
50 Hoogovens USA Inc.	USD	0.79	582.16	4.83	75.23	-	-	1.25	75.23
51 Huizenbeitz "Breesaap" B.V.	EUR	(0.01)	(8.71)	0.01	0.08	-	-	0.00	0.08
52 Inter Metal Distribution SAS	EUR	0.07	48.85	0.42	6.50	-	-	0.11	6.50
53 Layde Steel S.L.	EUR	0.08	58.36	(2.24)	(34.82)	-	-	(0.58)	(34.82)
54 London Works Steel Company Limited	GBP	(0.13)	(96.40)	-	-	-	-	-	-
55 Montana Bausysteme AG	CHF	0.13	94.62	1.29	20.02	(0.00)	(0.12)	0.33	19.90
56 Naantali Steel Service Centre OY	EUR	0.03	19.24	(0.13)	(2.10)	-	-	(0.03)	(2.10)
57 Norsk Stal Tynnplater AS	NOK	0.04	30.11	(0.61)	(9.49)	-	-	(0.16)	(9.49)
58 Norsk Stal Tynnplater AB	NOK	0.02	16.29	(0.06)	(0.86)	-	-	(0.01)	(0.86)
59 Orb Electrical Steels Limited	GBP	-	-	-	-	-	-	-	-
60 Ore Carriers Limited	GBP	-	-	0.00	0.06	-	-	0.00	0.06
61 Oremco Inc.	USD	(0.02)	(15.96)	(0.04)	(0.66)	-	-	(0.01)	(0.66)
62 Plated Strip (International) Limited	GBP	-	-	0.01	0.11	-	-	0.00	0.11
63 Precoat International Limited	GBP	-	-	1.17	18.28	-	-	0.30	18.28
64 Precoat Limited	GBP	-	-	1.28	19.85	-	-	0.33	19.85
65 Rafferty-Brown Steel Co Inc Of Conn.	USD	0.04	30.36	(0.09)	(1.45)	-	-	(0.02)	(1.45)
66 Round Oak Steelworks Limited	GBP	-	-	28.79	448.15	-	-	7.44	448.15
67 S A B Profil B.V.	EUR	0.41	301.59	1.92	29.82	-	-	0.49	29.82
68 S A B Profil GmbH	EUR	0.19	140.86	0.13	2.07	-	-	0.03	2.07
69 Service Center Gelenkirchen GmbH	EUR	0.26	189.85	(0.20)	(3.19)	0.00	0.06	(0.05)	(3.13)
70 Service Centre Maastricht B.V.	EUR	(0.04)	(26.94)	(5.30)	(82.42)	-	-	(1.37)	(82.42)
71 Societe Europeenne De Galvanisation (Segal) Sa	EUR	0.34	247.00	0.61	9.57	-	-	0.16	9.57
72 Staalverwerking en Handel B.V.	EUR	0.99	725.19	(0.36)	(5.60)	-	-	(0.09)	(5.60)
73 Surahmar Bruks AB	SEK	0.01	3.69	(2.85)	(44.43)	(0.01)	(0.66)	(0.75)	(45.09)
74 Swinden Housing Association Limited	GBP	0.02	12.82	0.02	0.25	-	-	0.00	0.25
75 Tata Steel Belgium Packaging Steels N.V.	EUR	0.23	165.56	0.34	5.30	-	-	0.09	5.30
76 Tata Steel Belgium Services N.V.	EUR	0.30	220.51	0.27	4.24	(0.00)	(0.02)	0.07	4.22
77 Tata Steel Denmark Byggsystemer A/S	DKK	-	-	0.05	0.85	-	-	0.01	0.85
78 Tata Steel Europe Distribution BV	EUR	(0.02)	(16.50)	0.27	4.20	-	-	0.07	4.20
79 Tata Steel Europe Metals Trading BV	EUR	-	-	(0.00)	(0.06)	-	-	(0.00)	(0.06)
80 Tata Steel France Batiment et Systemes SAS	EUR	(0.24)	(174.77)	(6.49)	(101.02)	-	-	(1.68)	(101.02)
81 Tata Steel France Holdings SAS	EUR	1.25	921.62	(0.36)	(5.68)	(0.00)	(0.02)	(0.09)	(5.70)
82 Tata Steel Germany GmbH	EUR	0.46	340.13	(2.84)	(44.22)	0.00	0.01	(0.73)	(44.21)
83 Tata Steel Jmuiden BV	EUR	28.87	21,242.30	(46.40)	(722.18)	(0.04)	(1.64)	(12.01)	(723.82)
84 Tata Steel International (Americas) Holdings Inc	USD	0.97	715.76	2.24	34.88	-	-	0.58	34.88
85 Tata Steel International (Americas) Inc	USD	1.83	1,345.29	1.24	19.30	0.00	0.05	0.32	19.35
86 Tata Steel International (Czech Republic) S.R.O	CZK	0.01	9.61	0.43	6.70	-	-	0.11	6.70

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## 53. Statement of net assets and profit or loss attributable to owners and non-controlling interests (Contd.)

Name of the entity	Reporting currency	Net assets, i.e. total assets minus total liabilities	Share in profit or (loss)	Share in other comprehensive income	Share in total comprehensive income
		As % of consolidated net assets	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)
87 Tata Steel International (Denmark) A/S	DKK	-	(0.16)	-	(0.04)
88 Tata Steel International (France) SAS	EUR	0.06	47.78	0.41	6.33
89 Tata Steel International (Germany) GmbH	EUR	0.01	5.50	0.18	2.77
90 Tata Steel International (South America) Representações LTDA	USD	0.00	1.78	0.03	0.46
91 Tata Steel International (Italia) SRL	EUR	0.02	16.20	0.37	5.75
92 Tata Steel International (Middle East) FZE	AED	0.14	104.00	0.72	11.17
93 Tata Steel International (Nigeria) Ltd.	NGN	-	-	-	-
94 Tata Steel International (Poland) sp Zoo	PLZ	0.02	11.65	0.45	6.98
95 Tata Steel International (Sweden) AB	SEK	0.04	31.64	1.44	22.46
96 Tata Steel International Iberica SA	EUR	0.05	37.85	2.34	36.37
97 Tata Steel Istanbul Metal Sanayi ve Ticaret AS	USD	(0.06)	(41.21)	(3.45)	(53.76)
98 Tata Steel Maubeuge SAS	EUR	0.13	96.69	(3.29)	(51.20)
99 Tata Steel Nederland BV	EUR	17.49	12,867.53	(11.11)	(172.88)
100 Tata Steel Nederland Consulting & Technical Services BV	EUR	(0.00)	(0.53)	0.23	3.62
101 Tata Steel Nederland Services BV	EUR	0.24	174.91	(6.51)	(101.34)
102 Tata Steel Nederland Technology BV	EUR	0.79	584.76	3.27	50.96
103 Tata Steel Nederland Tubes BV	EUR	(0.41)	(299.95)	(5.87)	(91.32)
104 Tata Steel Netherlands Holdings B.V.	EUR	37.06	27,266.84	(2,212.58)	(34,439.75)
105 Tata Steel Norway Byggsystemer A/S	NOK	0.07	502.9	0.13	2.01
106 Tata Steel Sweden Byggsystem AB	SEK	-	-	(5.86)	(91.25)
107 Tata Steel UK Consulting Limited	GBP	(0.01)	(6.06)	(0.02)	(0.30)
108 Tata Steel UK Holdings Limited	GBP	48.31	35,541.62	(268.75)	(4,183.22)
109 Tata Steel UK Limited	GBP	24.55	18,062.77	(246.30)	(3,833.75)
110 Tata Steel USA Inc.	USD	0.08	60.89	(1.64)	(25.51)
111 The Newport And South Wales Tube Company Limited	GBP	0.00	0.33	-	-
112 The Stanton Housing Company Limited	GBP	-	-	0.04	0.56
113 Thomas Processing Company	USD	0.22	163.50	0.10	1.62
114 Thomas Steel Strip Corp.	USD	(0.47)	(342.83)	2.48	38.68
115 TS South Africa Sales Office Proprietary Limited	ZAR	0.00	3.18	0.15	2.30
116 Tulip UK Holdings (No.2) Limited	GBP	55.03	40,490.52	(1,286.94)	(20,031.78)
117 Tulip UK Holdings (No.3) Limited	GBP	55.18	40,602.29	217.81	3,390.28
118 UK Steel Enterprise Limited	GBP	0.20	145.69	0.03	0.45
119 Unitol SAS	EUR	(0.01)	(5.43)	(18.99)	(295.61)
120 Walker Manufacturing And Investments Limited	GBP	-	-	2.27	35.36
121 Walkersteelstock Ireland Limited	EUR	-	-	-	-
122 British Steel Trading Limited	GBP	(0.36)	(265.18)	-	-
123 Cogent Power Inc.	CAD	-	-	(0.67)	(10.44)
124 Esnil B.V.	EUR	-	-	0.00	0.03
125 Beheermaatschappij Industriële Producten B.V.	EUR	-	-	(0.03)	(0.44)
126 Tata Steel Nederland Star-Frame BV	EUR	-	-	0.00	0.01
127 Corus Primary Aluminium B.V.	EUR	-	-	(0.15)	(2.29)
128 Corus Steel Service STP LLC	RUB	-	-	0.03	0.41
129 Tata Steel International (Canada) Holdings Inc	CAD	-	-	(0.00)	(0.06)
130 Tata Steel International (Finland) OY	EUR	-	-	(0.15)	(2.32)

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### 53. Statement of net assets and profit or loss attributable to owners and non-controlling interests (Contd.)

Name of the entity	Reporting currency	Net assets, i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹ crore)	As % of consolidated profit or loss	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)	As % of total comprehensive income	Amount (₹ crore)
131 Automotive Laser Technologies Limited	GBP	-	-	-	-	-	-	-	-
132 Harrowmills Properties Limited	GBP	-	-	-	-	-	-	-	-
133 British Tubes Stockholding Limited	GBP	-	-	-	-	-	-	-	-
134 CPN (85) Limited	GBP	-	-	-	-	-	-	-	-
135 Midland Steel Supplies Limited	GBP	-	-	-	-	-	-	-	-
136 Corus Ukraine Limited Liability Company	UAH	-	-	-	-	-	-	-	-
137 Tata Steel International (Singapore) Holdings Pte. Ltd.	USD	0.73	537.12	1.80	27.95	-	-	0.46	27.95
138 Tata Steel International (Shanghai) Ltd.	CNY	0.01	6.15	0.01	0.16	-	-	0.00	0.16
139 Tata Steel International (Asia) Limited	HKD	0.00	1.77	(0.33)	(5.13)	-	-	(0.09)	(5.13)
140 Tata Steel International (Singapore) Pte. Ltd.	USD	-	-	-	-	-	-	-	-
141 NatSteel Asia Pte. Ltd.	USD	0.62	454.99	(34.30)	(533.93)	-	-	(8.86)	(533.93)
142 TS Asia (Hong Kong) Ltd.	USD	0.27	200.77	0.63	9.78	-	-	0.16	9.78
143 NatSteel Holdings Pte. Ltd.	SGD	(0.24)	(174.53)	(4.63)	(72.03)	(0.85)	(37.89)	(1.82)	(109.92)
144 Eastel Services (M) Sdn. Bhd.	MYR	0.05	39.03	0.04	0.55	-	-	0.01	0.55
145 Eastern Steel Fabricators Philippines, Inc.	SGD	(0.06)	(45.61)	-	-	-	-	-	-
146 NatSteel (Xiamen) Ltd.	CNY	-	-	(0.00)	(0.04)	-	-	(0.00)	(0.04)
147 NatSteel Recycling Pte. Ltd.	SGD	0.33	241.27	0.27	4.17	-	-	0.07	4.17
148 NatSteel Trade International Pte. Ltd.	USD	0.02	17.21	(0.03)	(0.44)	-	-	(0.01)	(0.44)
149 NatSteel Vina Co. Ltd.	VND	-	-	0.17	2.70	-	-	0.04	2.70
150 The Siam Industrial Wire Company Ltd.	THB	1.78	1,312.57	2.84	44.14	(0.01)	(0.33)	0.73	43.81
151 TSN Wires Co. Ltd.	THB	0.03	21.53	(0.91)	(14.19)	(0.00)	(0.03)	(0.24)	(14.22)
152 T S Global Minerals Holdings Pte. Ltd.	USD	2.84	2,090.44	(43.09)	(670.79)	-	-	(11.13)	(670.79)
153 Al Rimal Mining LLC	OMR	0.01	7.12	(0.00)	(0.02)	-	-	(0.00)	(0.02)
154 TSMUK Limited	USD	5.48	4,028.42	(0.00)	(0.05)	-	-	(0.00)	(0.05)
155 Tata Steel Minerals Canada Limited	USD	3.08	2,268.85	(50.90)	(792.26)	-	-	(13.15)	(792.26)
156 T S Canada Capital Ltd	USD	0.04	32.68	(0.34)	(5.32)	-	-	(0.09)	(5.32)
157 Kalimati Coal Company Pty. Ltd.	AUD	-	-	-	-	-	-	-	-
158 Tata Steel (Thailand) Public Company Ltd.	THB	4.21	3,094.56	1.03	16.07	(0.01)	(0.31)	0.26	15.76
159 N.T.S. Steel Group Plc.	THB	0.02	16.47	(4.79)	(74.59)	(0.05)	(2.38)	(1.28)	(76.97)
160 The Siam Construction Steel Co. Ltd.	THB	0.88	645.10	3.90	60.66	(0.02)	(1.06)	0.99	59.60
161 The Siam Iron And Steel (2001) Co. Ltd.	THB	0.40	293.82	0.77	12.06	(0.04)	(1.73)	0.17	10.33
162 T S Global Procurement Company Pte. Ltd.	USD	3.68	2,704.83	3.20	49.81	-	-	0.83	49.81
163 ProCo Issuer Pte. Ltd.	GBP	0.28	204.53	1.10	17.17	-	-	0.28	17.17
164 Bhushan Steel (Australia) PTY Ltd.	AUD	0.01	6.30	-	-	-	-	-	-
165 Bowen Energy PTY Ltd.	AUD	(0.03)	(21.64)	(0.00)	(0.04)	-	-	(0.00)	(0.04)
166 Bowen Coal PTY Ltd.	AUD	-	-	-	-	-	-	-	-
167 Bowen Consolidated PTY Ltd.	AUD	-	-	-	-	-	-	-	-
168 ABJA Investment Co. Pte. Ltd.	USD	(0.08)	(55.92)	8.27	128.76	-	-	2.14	128.76
169 T Steel Holdings Pte. Ltd.	GBP	28.34	20,854.50	(267.88)	(4,169.63)	-	-	(69.19)	(4,169.63)
170 T S Global Holdings Pte. Ltd.	GBP	24.94	18,347.60	(306.86)	(4,776.34)	-	-	(79.26)	(4,776.34)
171 Orchid Netherlands (No.1) B.V.	EUR	0.00	0.83	(0.05)	(0.79)	-	-	(0.01)	(0.79)

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## 53. Statement of net assets and profit or loss attributable to owners and non-controlling interests (Contd.)

Name of the entity	Reporting currency	Net assets, i.e. total assets minus total liabilities	Share in profit or (loss)	Share in other comprehensive income	Share in total comprehensive income
		As % of consolidated net assets	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)
<b>C. Joint ventures</b>					
<b>a) Indian</b>					
1 Naba Diganta Water Management Limited	INR	0.03	23.58	0.46	7.23
2 SEZ Adityapur Limited.	INR	(0.00)	(0.04)	-	-
3 Himalaya Steel Mills Services Private Limited	INR	0.01	5.35	0.08	1.21
4 mjunction services limited	INR	0.21	151.27	1.29	20.14
5 S & T Mining Company Private Limited	INR	(0.00)	(0.20)	-	-
6 Tata BlueScope Steel Private Limited	INR	0.64	469.97	4.51	70.16
7 Tata NYK Shipping (India) Private Limited	INR	0.00	2.49	0.05	0.75
8 Jamshedpur Continuous Annealing & Processing Company Private Limited	INR	0.58	428.60	(0.22)	(3.49)
9 TM International Logistics Limited	INR	0.29	214.00	1.83	28.48
10 TKM Global Logistics Limited	INR	0.04	28.94	0.90	14.06
11 Industrial Energy Limited	INR	0.29	216.98	2.48	38.62
12 Jamipol Ltd.	INR	0.10	70.67	0.83	12.91
13 Nicco Jubilee Park Limited	INR	-	-	-	-
14 Medica TS Hospital Private Limited	INR	-	-	-	-
15 Andar East Coal Company Private Limited	INR	-	-	-	-
16 T M Mining Company Limited	INR	-	-	-	-
<b>b) Foreign</b>					
1 Laura Metaal Holding B.V.	EUR	0.24	179.55	0.59	9.11
2 Ravenscraig Limited	GBP	(0.10)	(72.55)	(1.39)	(21.67)
3 Tata Steel Tiscart AS	TRY	0.02	12.23	0.39	6.02
4 Air Products Llanwern Limited	GBP	0.01	7.66	0.03	0.40
5 Hoogovens Court Roll Service Technologies Vof##	EUR	0.02	17.96	0.12	1.93
6 Texturing Technology Limited	GBP	0.02	17.91	0.33	5.10
7 Minas de Benga (Mauritius) Limited	USD	(4.67)	(3,434.78)	-	-
8 BlueScope Lysaght Lanka (Pvt) Ltd	LKR	0.02	18.22	0.06	0.89
9 Tata NYK Shipping Pte Ltd.	USD	0.12	86.90	0.44	6.80
10 International Shipping and Logistics FZE	USD	0.36	268.09	0.88	13.69
11 TKM Global China Ltd.	CNY	0.01	4.47	0.03	0.51
12 TKM Global GmbH	EUR	0.25	185.16	0.43	6.75
<b>D. Associates</b>					
<b>a) Indian</b>					
1 TRF Limited	INR	(0.27)	(201.03)	(8.52)	(132.64)
2 Malusha Travels Pvt Ltd	INR	-	-	-	-
3 Kalinga Aquatic Ltd	INR	-	-	-	-
4 Kumardhubi Fireclay & Silica Works Ltd.	INR	-	-	-	-
5 Kumardhubi Metal Casting and Engineering Limited	INR	-	-	-	-
6 Strategic Energy Technology Systems Private Limited	INR	-	-	-	-
7 Tata Construction & Projects Ltd.	INR	-	-	-	-
8 Bhushan Capital & Credit Services Private Limited	INR	-	-	-	-
9 Jawahar Credit & Holdings Private Limited	INR	-	-	-	-

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### 53. Statement of net assets and profit or loss attributable to owners and non-controlling interests (Contd.)

Name of the entity	Reporting currency	Net assets, i.e. total assets minus total liabilities	Share in profit or (loss)	Share in other comprehensive income	Share in total comprehensive income
		As % of consolidated net assets	Amount (₹ crore)	As % of consolidated other comprehensive income	Amount (₹ crore)
<b>b) Foreign</b>					
1 Albi Profils SRL	EUR	-	-	-	-
2 Fabsec Limited	GBP	-	-	-	-
3 GietWalsOnderhoudCombinatie B.V.	EUR	0.03	20.84	0.18	2.75
4 Hoogovens Gan Multimedia S.A. De C.V.	MXN	-	-	-	-
5 ISSB Limited	GBP	-	-	-	-
6 Wupperman Staal Nederland B.V.	EUR	0.20	145.48	0.95	14.72
7 European Profiles (M) Sdn. Bhd.	MYR	0.08	58.95	(0.02)	(0.34)
8 New Millennium Iron Corp.	CAD	0.12	90.87	(0.48)	(7.45)
9 9336-0634 Québec Inc	CAD	-	-	-	-
10 TRF Singapore Pte Limited	SGD	0.16	114.89	(1.32)	(20.53)
11 TRF Holdings Pte Limited	USD	(0.00)	(0.10)	(0.01)	(0.11)
12 Dutch Lanka Trailer Manufacturers Limited	USD	0.04	27.86	0.12	1.86
13 Dutch Lanka Engineering (Private) Limited	LKR	0.00	3.64	(0.07)	(1.14)
14 Hewitt Robins International Ltd	GBP	-	-	0.10	1.50
15 Hewitt Robins International Holdings Ltd	GBP	-	-	-	-
<b>TOTAL</b>		<b>557.53</b>	<b>4,10,212.86</b>	<b>(4,709.74)</b>	<b>(73,308.93)</b>
<b>E. Adjustment due to consolidation</b>		(457.53)	(3,36,636.56)	4,809.74	74,865.47
<b>TOTAL</b>		<b>100.00</b>	<b>73,576.30</b>	<b>100.00</b>	<b>1,556.54</b>
<b>F. Minority interests in subsidiaries</b>					
<b>a) Indian subsidiaries</b>					
1 The Tinplate Company of India Ltd	INR	190.51	22.72	(5.05)	17.67
2 The Indian Steel & Wire Products Ltd	INR	5.63	1.40	(0.06)	1.34
3 Tata Metals Ltd.	INR	387.96	73.67	(0.80)	72.87
4 Adityapur Toll Bridge Company Limited	INR	5.87	0.14	-	0.14
5 Tata Steel Long Products Limited (Formerly Tata Sponge Iron Limited)	INR	485.61	(136.61)	(3.63)	(140.24)
6 Tata Steel Utilities and Infrastructure Services Limited (Formerly Jamshedpur Utilities & Services Company Limited)	INR	23.34	-	-	-
7 Creative Port Development Private Limited	INR	202.74	(2.84)	-	(2.84)
8 Tata Steel BSL Limited	INR	334.94	(169.05)	(2.36)	(171.41)
9 Mohar Export Services Pvt. Ltd	INR	(0.01)	-	-	-
<b>b) Foreign subsidiaries</b>					
1 Tata Steel (Thailand) Public Company Ltd.	THB	422.80	3.32	19.80	23.12
2 Tata Steel Europe Limited	GBP	1.218	(6.47)	4.86	(1.61)
3 NatSteel Holdings Pte. Ltd.	SGD	8.62	(4.52)	0.44	(4.08)
4 T S Global Minerals Holdings Pte Ltd.	USD	506.41	(165.84)	-	(165.84)
<b>Total non-controlling interests in subsidiaries</b>		<b>2,586.60</b>	<b>(384.08)</b>	<b>13.20</b>	<b>(370.88)</b>
<b>Consolidated net assets/profit after tax</b>		<b>76,162.90</b>	<b>1,172.46</b>	<b>4,482.83</b>	<b>5,655.29</b>

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**53. Statement of net assets and profit or loss attributable to owners and non-controlling interests (Contd.)**

(i) List of subsidiaries, associates and joint ventures which have not been consolidated and reasons for not consolidating

Sl. No.	Name	Reason
1	Andal East Coal Company Private Limited	Under liquidation
2	Kalinga Aquatic Ltd	Under liquidation
3	Kumardhubi Fireday & Silica Works Ltd.	Under liquidation
4	Kumardhubi Metal Casting and Engineering Limited	Under liquidation
5	Tata Construction & Projects Ltd.	Under liquidation
6	European Profiles (M) Sdn. Bhd.	No control over financial and operating policies and hence not considered for consolidation
7	Albi Profils SRL	The operations of the companies are not significant and hence are immaterial for consolidation
8	Hoogovens Gan Multimedia S.A. De C.V.	The operations of the companies are not significant and hence are immaterial for consolidation
9	ISSB Limited	The operations of the companies are not significant and hence are immaterial for consolidation
10	Fabsec Limited	The operations of the companies are not significant and hence are immaterial for consolidation
11	9336-0634 Québec Inc	Financial information is not available
12	Nicco Jubilee Park Limited	Financial information is not available
13	T M Mining Company Limited	Associate is under strike off
14	Tata Korf Engineering Services Ltd	Financial information is not available
15	Tayo Rolls Limited	Company is undergoing Corporate Insolvency Resolution Process under the Insolvency and Bankruptcy Code, 2016.
16	Blastmega Limited	Under liquidation
17	Bore Samson Group Limited	Under liquidation
18	C Walker & Sons Limited	Under liquidation
19	Color Steels Limited	Under liquidation
20	Corus Cold drawn Tubes Limited	Under liquidation
21	Corus Engineering Steels Holdings Limited	Under liquidation
22	Corus Engineering Steels Overseas Holdings Limited	Under liquidation
23	Corus Large Diameter Pipes Limited	Under liquidation
24	DSRM Group PLC	Under liquidation
25	02727547 Limited (formerly Firststeel Holdings Limited)	Under liquidation
26	Ore Carriers Limited	Under liquidation
27	Plated Strip (International) Limited	Under liquidation
28	Precoat International Limited	Under liquidation
29	Precoat Limited	Under liquidation
30	Round Oak Steelworks Limited	Under liquidation
31	Tata Steel International (Denmark) A/S	Under liquidation
32	Tata Steel Sweden Byggsystem AB	Under liquidation
33	The Stanton Housing Company Limited	Under liquidation
34	Walker Manufacturing And Investments Limited	Under liquidation
35	Walkersteelstock Ireland Limited	Under liquidation
36	Bell & Harwood Limited	Under liquidation
37	Bore Steel Limited	Under liquidation

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### 53. Statement of net assets and profit or loss attributable to owners and non-controlling interests (Contd.)

Sl. No.	Name	Reason
38	British Guide Rails Limited	Under liquidation
39	British Steel Engineering Steels (Exports) Limited	Under liquidation
40	British Steel Service Centres Limited	Under liquidation
41	Cordor (C& B) Limited	Under liquidation
42	Corus Engineering Steels Pension Scheme Trustee Limited	Under liquidation
43	Corus Service Centre Limited	Under liquidation
44	Corus Tubes Poland Spolka Z.O.O	Under liquidation
45	Grant Lyon Eagre Limited	Under liquidation
46	Hammermega Limited	Under liquidation
47	Lister Tubes Limited	Under liquidation
48	Nationwide Steelstock Limited	Under liquidation
49	Runblast Limited	Under liquidation
50	Runmega Limited	Under liquidation
51	Seamless Tubes Limited	Under liquidation
52	Steel StockHoldings Limited	Under liquidation
53	Steelstock Limited	Under liquidation
54	Stewarts & Lloyds Of Ireland Limited	Under liquidation
55	Stewarts And Lloyds (Overseas) Limited	Under liquidation
56	Tata Steel International (Schweiz) AG	Under liquidation
57	The Templeborough Rolling Mills Limited	Under liquidation
58	Toronto Industrial Fabrications Limited	Under liquidation
59	U.E.S. Bright Bar Limited	Under liquidation
60	UKSE Fund Managers Limited	Under liquidation
61	Walkersteelstock Limited	Under liquidation
62	Westwood Steel Services Limited	Under liquidation
63	Whitehead (Narrow Strip) Limited	Under liquidation
64	Europressings Limited	Under liquidation
64	Tata Steel (KZN) (Pty) Ltd.	Under liquidation

(ii) The Group is underway implementing its corporate structure simplification programme, pursuant to which a significant number of entities have been voluntarily liquidated or entered into voluntary liquidation during the year. With an objective to simplify the structure further, the Group aims to dissolve additional entities which are either dormant or have ceased to have business operations.

In terms of our report attached

For and on behalf of the Board of Directors

For <b>Price Waterhouse &amp; Co Chartered Accountants LLP</b> Firm Registration Number: 304026E/E-300009 Chartered Accountants	sd/- <b>N. Chandrasekaran</b> Chairman DIN: 00121863	sd/- <b>Malika Srinivasan</b> Director DIN: 00037022	sd/- <b>O. P. Bhatt</b> Director DIN: 00548091	sd/- <b>Peter Blauwhoff</b> Director DIN: 07728872	sd/- <b>Deepak Kapoor</b> Director DIN: 00162957	sd/- <b>Aman Mehta</b> Director DIN: 00009364
sd/- <b>Russell I Pareira</b> Partner Membership Number 042190	sd/- <b>V.K. Sharma</b> Director DIN: 02449088	sd/- <b>Saurabh Agrawal</b> Director DIN: 02144558	sd/- <b>T. V. Narendran</b> Chief Executive Officer & Managing Director DIN: 03083605	sd/- <b>Koushik Chatterjee</b> Executive Director & Chief Financial Officer DIN: 00004989	sd/- <b>Parvathesam Kanchinadham</b> Company Secretary & Chief Legal Officer (Corporate & Compliance) ACS: 15921	

Mumbai, June 29, 2020