July 23, 2018

The Secretary, Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001.
Maharashtra, India.
Scrip Code: **500470/890144**

The Manager, Listing Department
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra-Kurla Complex, Bandra (E),
Mumbai - 400 051.
Maharashtra, India.
Symbol: **TATASTEEL/TATASTEELPP**

Dear Madam, Sir,

Submission of Integrated Report and Annual Accounts of Tata Steel Limited ('the Company') for the Financial Year 2017-18

At the 111th Annual General Meeting of the Company held on July 20, 2018, the Members of the Company approved the Annual Accounts of the Company for the Financial Year 2017-18.

We are enclosing herewith the Integrated Report and Annual Accounts for the Financial Year 2017-18, duly approved and adopted by the Members as per the provisions of the Companies Act, 2013.

This submission is being made in compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This is for your information and records.

Yours faithfully,
Tata Steel Limited

Parvatheesan

Parvatheesam K.
Company Secretary

Encl: as above

TATA STEEL

TATA

INNOVATE. GROW. EXCEL.

Integrated Report &
Annual Accounts **2017-18**

111th Year

Our Approach to Reporting

This is the third Integrated Report (IR) of Tata Steel Limited (TSL). Through this Report, we aspire to provide to our stakeholders an all-inclusive depiction of the organisation's value creation using both financial and non-financial resources. The Report provides insights into our key strategies, operating environment, material issues emanating from key stakeholder concerns and the respective mitigation strategies, the operating risks and opportunities, governance structure and the Company's approach towards long-term sustainability.

Reporting Principle

The financial and statutory data presented in this Report is in line with the requirements of the Companies Act, 2013 (including the rules made thereunder), Indian Accounting Standards, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards. The Report is prepared in accordance with the framework of the International Integrated Reporting Council (IIRC) and discloses performance against the Key Performance Indicators (KPIs) relevant to Tata Steel, as per the Global Reporting Initiative (GRI) G4 Guidelines, the United Nations Global Compact (UNGC) principles, the Securities and Exchange Board of India (SEBI) and World Steel Association (WSA).

To optimise governance oversight, risk management and controls, the content of this Report have been reviewed by the senior executives of the Company, including the Chief Executive Officer and Managing Director, Executive Director and Chief Financial Officer, Vice President (VP) Safety, Health and Sustainability and Company Secretary (CS).

Reporting Period

The financial information is reported for the period April 1, 2017 to March 31, 2018. Some parts of the non-financial information, including Directors' Report, are provided as on May 16, 2018. Comparative figures for last three to five years have been incorporated in the Report to provide a holistic view to the stakeholders.

Scope and Boundary

This Report covers information on Tata Steel India, including the Tata Steel plants (at Jamshedpur, Jharkhand and Kalinganagar, Odisha), Raw Material Divisions and Profit Centres.

Our Approach to Materiality

The Report presents an overview of our business and associated activities that help in long-term value creation. The Report also presents the issues that could substantively affect the organisation's ability to create value in the short, medium or long-term and the process by which we address them.

Independent Assurance

Assurance on financial statements has been provided by independent auditors Price Waterhouse & Co. Chartered Accountants LLP and non-financial statements by KPMG. The certificate issued by KPMG is available on our website at www.tatasteel.com or can be accessed at https://bit.ly/2HOMSaN

Forward-looking Statements

Certain statements in this Report regarding our business operations may constitute forward-looking statements. These include all statements other than statements of historical fact, including those regarding the financial position, business strategy, management plans and objectives for future operations.

Forward-looking statements can be identified by words such as 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'plans', 'outlook' and other words of similar meaning in connection with a discussion of future operational or financial performance.

Forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realised, and as such, are not intended to be a guarantee of future results, but constitute our current expectations based on reasonable assumptions. Actual results could differ materially from those projected in any forward-looking statements due to various events, risks, uncertainties and other factors. We neither assume any obligation nor intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Contents

Highlights FY 2017-18 (Consolidated)

25.27 MnT
Deliveries

65,000+
Employees

₹1,33,016 Cr.
Revenue
13% increase y-o-y

₹22,045 Cr.
EBITDA
29.5% increase y-o-y

₹17,763 Cr.
Profit After Tax (PAT)

21%
Improvement in Lost-time Injury Frequency Rate (LTIFR) over FY 2016-17

About the Cover


Antwerp Port House in Belgium


iGATE Skywalk in Bengaluru


Louvre, Abu Dhabi


Aurangabad Airport

Tata Steel products have played a part in making of the structures featured on the cover page. These structures embody the strength, innovation and futuristic outlook that the Company represents.

Performance Highlights

(Tata Steel India)

Financial Capital

We generate our financial capital annually in the form of surplus arising from the current business operations as well as through financing activities, which include restructuring of debts aligned with the market conditions and other investments.

₹60,519 Cr.

Turnover

13.6% increase over FY 2016-17 on account of higher realisation, higher deliveries due to ramp up of operations at TSK* and increase in the Ferro Chrome business

₹4,170 Cr.

PAT

21% increase over FY 2016-17 primarily due to higher realisations and deliveries from TSK partially offset by higher exceptional charges over the previous year

26%

EBITDA

4% increase over FY 2016-17 due to better realisations and higher deliveries

₹2,527 Cr.

Capex

Manufactured Capital

We continually invest in our integrated steel plants, consisting of our iron-making, steel-making and rolling facilities and warehouses, along with the logistics operations, while ensuring the safety and reliability of the operations.

12.48 MnT

Total Crude Steel Production

6.8% higher due to the stable operations at Jamshedpur plant and ramp up of Kalinganagar plant

8.9 MnT

Flat Products Sales

New products and markets due to the Kalinganagar plant production

3.3 MnT

Long Products Sales

₹2,594 Cr.

Savings through improvement projects

Across the value chain

6.5 MnT

Enriched / value-added products sales

9.4% increase

Intellectual Capital

Our thrust on innovation and research is of paramount importance for our product development and it also reinforces our operational efficiency and resource optimisation drive, while adhering to the Standard Operating Procedures (SOPs). We incorporate customer requirement in our product development. We also collaborate with experts, academia and think tanks for our Research and Development (R&D) efforts.

964

Patents Filed

Cumulative till FY 2017-18

418

Patents Granted

Cumulative till FY 2017-18

₹1,987 Cr.

Revenue from new products

2.7% higher

₹3,290 Cr.

Revenue from by-products

14% higher

₹181.64 Cr.

Spend on R&D

25% higher

* **TSK:** Tata Steel Kalinganagar

TATA

Human Capital

Our people form the core of our operations. We invest in employee welfare and happiness to drive performance excellence. Our work culture ensures safety, health, competency enhancement and the overall well-being of our employees.

64
Lost-time Injuries (LTIs)
20% reduction

3
Fatalities

0.29
LTIFR
21% reduction

DIVERSITY

6.11%
Women in the workforce
6% higher

17.29%
Underprivileged community in the workforce
2% increase

738 tcs / employee / year
Productivity (at TSJ)
2.5% increase

918 tcs / employee / year
Productivity (at TSK)

Relationship Capital

We believe in building long-term, transparent and trust-based relationship with our partners, while adhering to applicable norms and corporate ethics. We also invest in building our partners' capabilities and sharing knowledge with them.

> 81
Customer Satisfaction Index
(score out of 100)
Consistent

606 PPM
Customer complaints (at TSJ)
20% reduction

> 5,000
Supplier Base

> 12,000
Channel Partners

34
Collaborations with technical institutes

Natural Capital

We depend on the stock of natural resources such as iron ore, coal and other minerals, which constitute our key raw materials. At the same time, resources such as land and water are indispensable for our operations. We also mitigate the impacts of our operations on the natural environment.

2.30 tCO_2e/tcs
CO_2 emissions (at TSJ)
Sustained performance

2.65 tCO_2e/tcs
CO_2 emissions (at TSK)
16.9% reduction

3.68 m^3/tcs
Specific Water Consumption (at TSJ)
3.9% reduction

4.75 m^3/tcs
Specific Water Consumption (at TSK)
38% reduction

5.67 Gcal/tcs
Energy Intensity (at TSJ)
Sustained performance

7.29 Gcal/tcs
Energy Intensity (at TSK)
14% reduction

Social Capital

Harmonious presence among our neighbouring communities bears a testimony to the value we place in community development initiatives, while partnering with them in their growth story.

> 1 Mn people
CSR Outreach
Consistent

₹232 Cr.
Spend on CSR
19.6% higher

TSJ: Tata Steel Jamshedpur **TSK:** Tata Steel Kalinganagar **PPM:** Parts Per Million **m^3/tcs:** Cubic metre per tonne of crude steel
tCO_2e/tcs: Tonnes of carbon dioxide equivalent per tonne of crude steel **Gcal/tcs:** Giga calories per tonne of crude steel **tcs:** Tonne of crude steel

About Tata Steel

We aspire to create value for all our stakeholders

10th largest
Steel Manufacturer in the World
(based on capacity)
Source: World Steel Association

Amongst the **Top 3 global steel companies** and the only company in India to be **gold rated** in the Dow Jones Sustainability Indices (DJSI) Assessment 2017

Highlights FY 2017-18
(Standalone)

₹60,519 Cr.
Turnover

₹4,170 Cr.
PAT

We are in the business of steel-making for the last 111 years

Established in Jamshedpur, India in the year 1907, Tata Steel is part of the 150-year-old Tata group. Bringing to reality the vision of its founder, J. N. Tata, who inspired the steel and power industry in India, the Tata Steel Group is the 10th largest steel manufacturer in the world and is known to be the hallmark of corporate citizenship and business ethics.

Resource-efficient blast furnaces with high productivity

Vision

We aspire to be the global steel industry benchmark for 'Value Creation' and 'Corporate Citizenship'.

We make the difference through:

- **Our People**
- **Our Policies**
- **Our Offerings**
- **Our Innovative Approach**
- **Our Conduct**

We are one of the world's most geographically diverse steel producers

With operations in 26 countries and commercial presence in 50 countries, the Tata Steel Group has a steel production capacity of 27.5 MnTPA (as on March 31, 2018). Tata Steel India has manufacturing units at Jamshedpur, Jharkhand, with a production capacity of 10 MnTPA and at Kalinganagar, Odisha, with a production capacity of 3 MnTPA. In FY 2017-18, our Kalinganagar unit received approvals for expansion to 8 MnTPA. Tata Steel operates with a completely integrated value chain that extends from mining to finished steel goods.

We are driven by innovation, guided by values and poised for the future

Our aspirations for growth are supported by our efforts of continual improvements in our processes, building efficiency and adding value to our products while meeting stakeholder expectations across the value chain. Our approach to innovation is based on identifying newer technologies and collaborating with innovative people and organisations. In everything we do, we continue to act responsibly by conserving our natural resources, while making sustainable growth possible.

Cold rolled coils

Digitalisation for agility

Mission

Consistent with the vision and values of the founder Jamsetji Tata, Tata Steel strives to strengthen India's industrial base through effective utilisation of staff and materials. The means envisaged to achieve this are cutting-edge technology and high productivity, consistent with modern management practices.

Tata Steel recognises that while honesty and integrity are the essential ingredients of a strong and stable enterprise, profitability provides the main spark for economic activity.

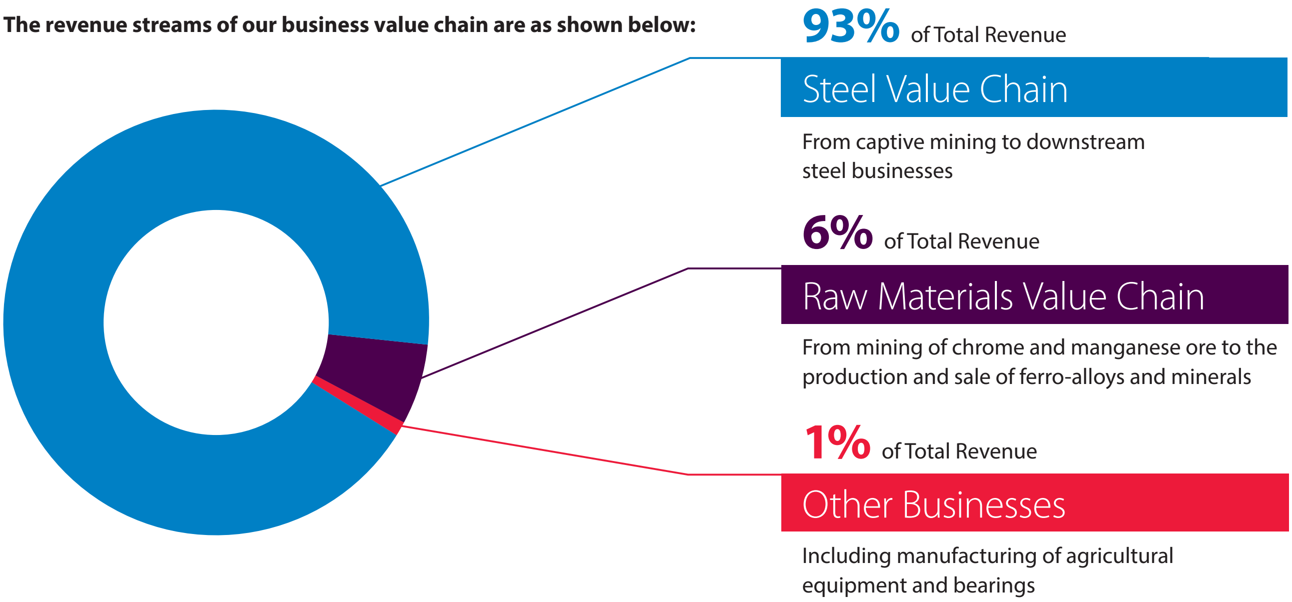
Overall, the Company seeks to scale the heights of excellence in all it does in an atmosphere free from fear, and thereby reaffirms its faith in democratic values.

Values

- Integrity
- Excellence
- Unity
- Responsibility
- Pioneering

Our Principal Activities and Revenue Streams

The revenue streams of our business value chain are as shown below:

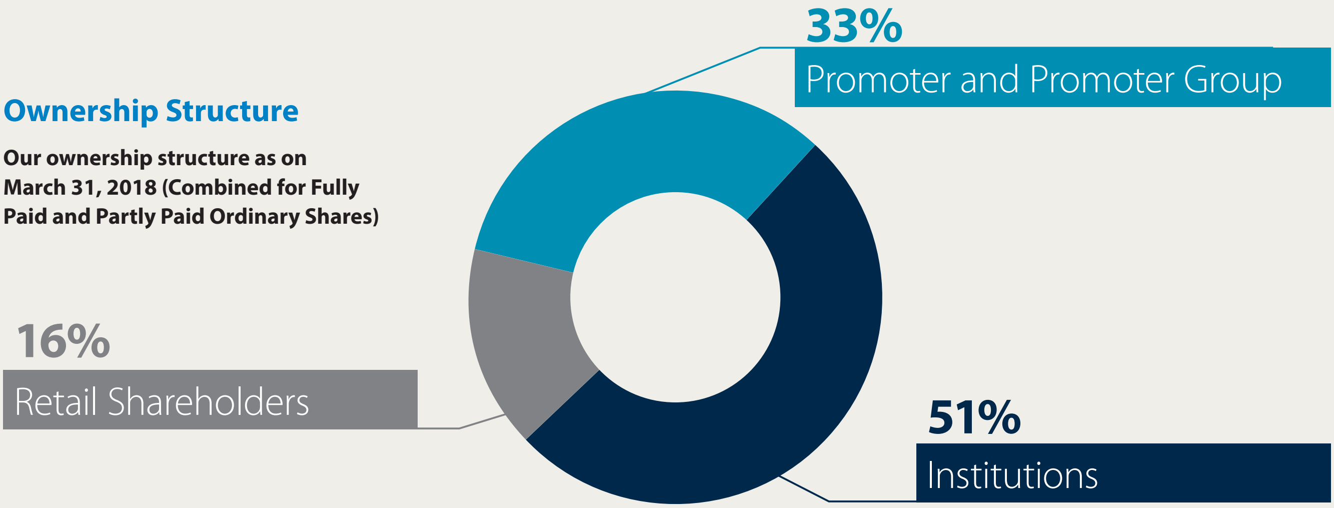


Leadership Structure

We have a well-defined operating structure to ensure that the Company is on track to achieve its vision and strategic objectives. Our executive management rests with Mr. T. V. Narendran, Chief Executive Officer and Managing Director, and Mr. Koushik Chatterjee, Executive Director and Chief Financial Officer. We have a strong, diverse, highly qualified and richly experienced leadership team with a track record of excellence and passion for performance.

Ownership Structure

Our ownership structure as on March 31, 2018 (Combined for Fully Paid and Partly Paid Ordinary Shares)



Key Products and Market Segments

Automotive

Sustaining the leadership position in the Automotive segment, our focus has been to continually develop products for the automotive sector. Today, steel from Tata Steel is used for manufacturing almost every vehicle in the country.

• Hot-rolled (HR), Cold-rolled (CR), Coated Steel Coils and Sheets	Auto OEMs (B2B)
• HR, CR, Coated Steel Coils and Sheets • Precision Tubes • Tyre Bead Wires • Spring Wires • Bearings	Auto ancillaries (B2B and B2ECA)

Agriculture

With our focus on the development of high-quality Galvanised Iron (GI) wires, conveyance tubes and agricultural tools and implements, Tata Steel is maintaining its leadership position in the fencing, farming and irrigation spaces.

• Bearings	Agri equipments (B2B)
• Galvanised Iron (GI) Wires • Agri and Garden Tools • Conveyance Tubes	Fencing, farming and irrigation (B2C)

Construction

We have a range of products and services for infrastructure development and construction. Today, steel from Tata Steel is used in two-thirds of the country's metro rail, flyovers and bridges. Our value-added products serve approx. 4 million rural households in India.

• Tata Tiscon (Rebars) • Pravesh (Steel Doors and Windows) • Tata Shaktee (Roofing Sheets) • Tata Pipes (Plumbing Pipes) • Tata Structura (Tubes)	Individual House Builders (B2C)
• Nest-In (Habinest – Prefabricated houses, AquaNest Water Kiosks, Ezynest Modular Toilets, MobiNest – Office cabins, Nestudio – Rooftop houses)	Corporates and Government bodies (B2B and B2G)
• TMT Rebars (Higher Dia Rebars and Corrosion-resistance Steel) • Tiscon Readybuild (Cut and Bend Bars) • Tata Structura (Tubes) • PC Strands (LRPC) • Tata Nirman • Tata Aggreto • Ground Granulated Blast Furnace Slag (GGBS)	Infrastructure (B2B) Housing and commercial (B2ECA)

Industrial and General Engineering

We develop products for several industrial and engineering applications, with significant presence in different types of industries.

• Tata Steelium (CR) • Galvano (Coated) • Tata Astrum (HR) • Tata Structura (Tubes)	Panel and appliances (B2ECA) Fabrication and capital goods (B2ECA) Furnitures (B2ECA)
• HR	LPG (B2B)
• Wire Rods	Welding (B2B)
• Tata Tiscrome (Ferro Chrome) • Tata Ferromag (Ferro Manganese) • Boiler Tubes • Tata Pipes • Tata Ferroshots • Blast Furnace (BF) Slag • Metallics	Process industries (e.g. cement, power and steel) (B2B)

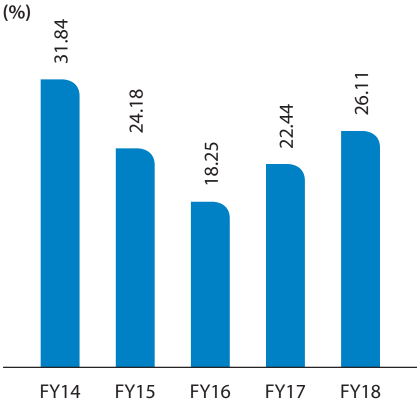
B2B: Business to Business **B2C:** Business to Customers **B2G:** Business to Government **B2ECA:** Business to Emerging Corporate Accounts
OEM: Original Equipment Manufacturer **LRPC:** Low Relaxation Prestressed Concrete

Financial Performance

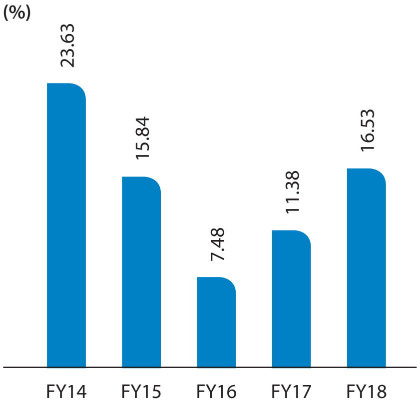
Our strong performance is due to supportive realisation and increase in deliveries due to faster ramp-up of the Kalinganagar plant.

Key Performance Indicators (Tata Steel India)

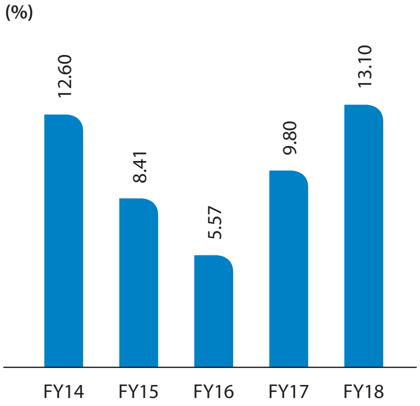
EBITDA / Turnover



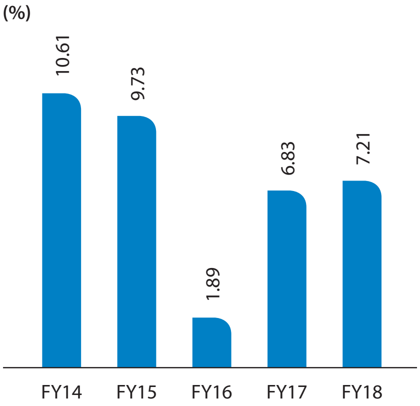
PBET / Turnover



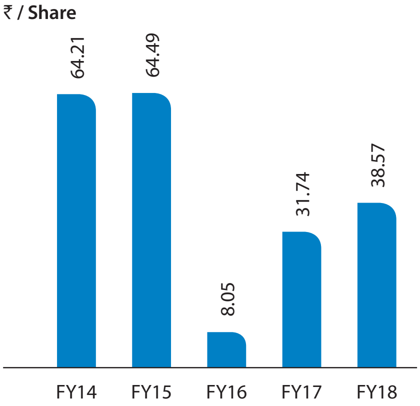
Return on Average Capital Employed



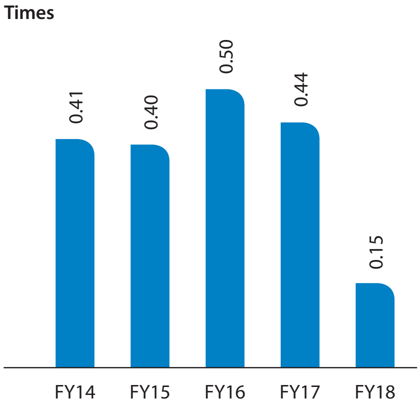
Return on Average Net Worth



Basic Earnings per Share



Net Debt / Equity



Note: FY14 and FY15 as per I GAAP and FY16 to FY18 as per IndAS

Our Return on Capital Employed (ROCE) was 13.1%, reflecting return from efficient usage of capital.

Our Footprint

We are primarily involved in the business of mining, steel-making and downstream value-added products and solutions. Our operational footprint has been indicated on the map.

Steel Business

Steel Manufacturing and Finishing Mills

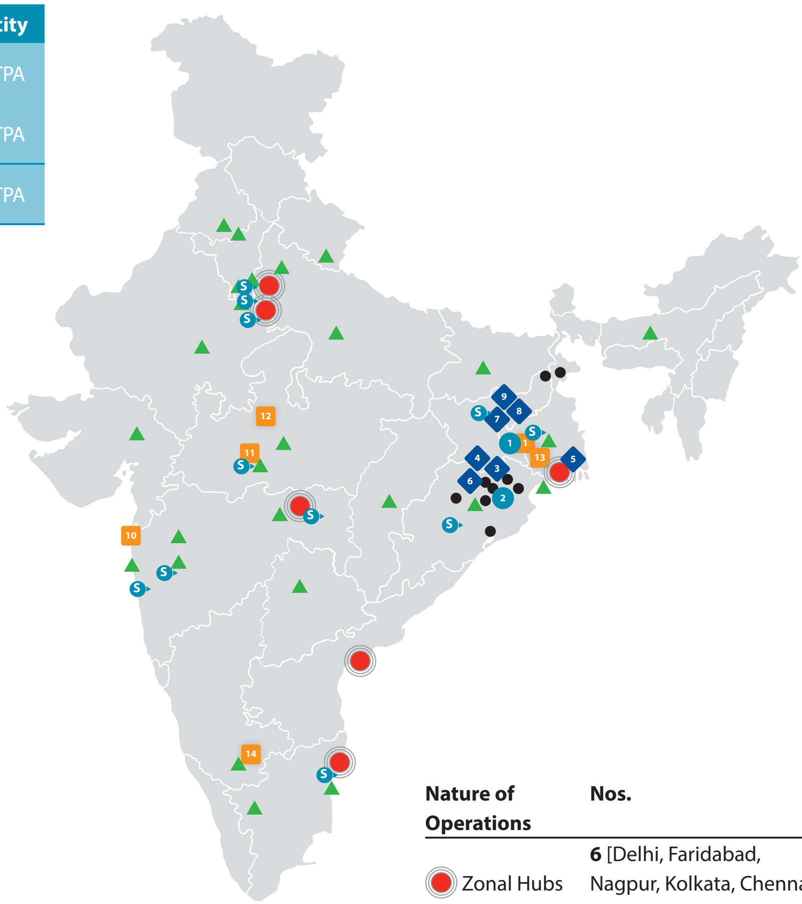
	Location	Nature of Operations	Capacity
1	Jamshedpur	Flat Product Manufacturing	7 MnTPA
		Long Product Manufacturing	3 MnTPA
2	Kalinganagar	Flat Product Manufacturing	3 MnTPA

Raw Material Locations

	Location	Nature of Operations
3	Noamundi	Iron Ore Mines and Quarries
4	Joda East	
5	Katamati	
6	Khondbond	
7	West Bokaro	Open Cast Coal Mines
8	Jamadoba Group	Underground Coal Mines
9	Sijua Group	

Downstream Operations

	Location	Nature of Operations
1	Jamshedpur	Tubes Manufacturing Industrial By-products Management Division Tata Growth Shop
10	Tarapur	Wire Manufacturing
11	Pithampur	
12	Killa	
13	Kharagpur	Bearings Manufacturing
14	Bengaluru	Cut and Bend (Rebar: tailor-made shapes and sizes)
	Across the country through Agrico Processing Partners (APPs)	Agricultural Tools and Equipment Manufacturing



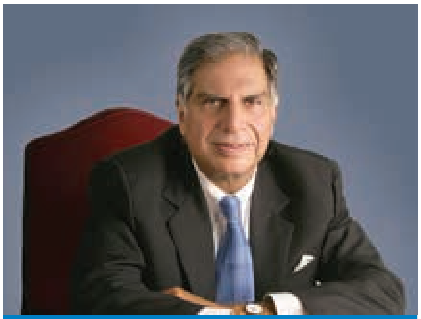
Nature of Operations	Nos.
Zonal Hubs	**6** [Delhi, Faridabad, Nagpur, Kolkata, Chennai and Vijayawada]
Stockyards	**18** [not on map]
Distributors	**193** of which 124 are the unique distribution points selling multiple brands [not on map]
Dealers	**11,883** [not on map]
Steel Processing Centres (SPCs)	**24** SPCs across 11 locations [Jamshedpur, Kalinganagar, Chennai, Kolkata, Faridabad, Manesar, Pune, Mumbai, Indore, Delhi and Nagpur]
Sales Offices	**26**

Raw Materials Revenue Stream (Ferro Alloys and Minerals)

Location	Nature of Operations
Joda, Bamnipal and Gopalpur	Ferro Alloys Plant
Sukinda	Chromite Mine
Joda West, Bambebari, Malda and Tiringpahar	Manganese Mines
Gomardih	Dolomite Mine

Note: Map not to scale

Board of Directors (as on March 31, 2018)



Mr. Ratan N. Tata
Chairman Emeritus

Standing (Left to Right)

Mr. T. V. Narendran
Chief Executive Officer and Managing Director
3 4 6

Dr. Peter Blauwhoff
Independent Director
1 6

Sitting (Left to Right)

Mr. D. K. Mehrotra
Non-executive Director
3 4 5

Mr. O. P. Bhatt
Independent Director
1 2 3 4

Board Committees

1. Audit
2. Nomination and Remuneration
3. Corporate Social Responsibility and Sustainability
4. Risk Management
5. Stakeholders' Relationship
6. Safety, Health and Environment

Mr. Parvatheesam K
Company Secretary

Mr. Deepak Kapoor
Independent Director
3 4 6

Mr. Saurabh Agrawal
Non-executive Director
1 4 5

Mr. Koushik Chatterjee
Executive Director and
Chief Financial Officer
3 4 5

Mr. Natarajan Chandrasekaran
Chairman of the Board
Non-executive Director
2

Ms. Mallika Srinivasan
Independent Director
2

Mr. Aman Mehta
Independent Director
1 4

Member Chairperson

Chairman's Message

The Board of your Company approved the expansion of the Kalinganagar plant in Odisha to a capacity of 8 million tonnes per annum

---

The acquisition of Bhushan Steel is a strategic investment which has the potential to enhance Tata Steel's product portfolio and market competitiveness in the near future

Dear Stakeholders,

It is a privilege to write to you again as the Chairman of the Board of Tata Steel. During 2018, the Tata group founded by Jamsetji N. Tata is celebrating its 150 years. This is a proud moment in history for all stakeholders of the Tata group and Tata Steel has been an integral part of the rich heritage of the Group.

In terms of economic performance in the year under consideration, India stood tall amongst its global peers and continues to have a significant growth promise in the future. During the year under review, there were several structural reforms implemented in the country including the Goods and Services Tax (GST) and the Insolvency and Bankruptcy Code amongst others. These structural initiatives are important for enhancing the country's future competitiveness.

During the year gone by, your Company reviewed the long-term strategy to leverage the growth potential of the Indian economy in the future. The Company will continue to deploy capital in projects and investments that have the potential to create long-term value for its stakeholders. In line with these principles, the Board of your Company approved the expansion of the Kalinganagar plant in Odisha to a capacity of 8 million tonnes per annum. This project will be completed in 48 months. The Kalinganagar expansion will also include capability to produce value-added products including cold rolled galvanised and annealed products to serve the differentiated customer base. In addition to the organic growth strategy, your Company has also expressed its interest and has bid for multiple assets that were put up for sale under the Insolvency and Bankruptcy Code. Following a rigorous and transparent process, your Company was identified as the highest bidder for the acquisition of controlling interest in Bhushan Steel Limited. The acquisition of Bhushan Steel is a strategic investment which has the potential to enhance Tata Steel's product portfolio and market competitiveness in the near future. Your Company will continue to evaluate and pursue growth opportunities in India through organic and inorganic options in the future to grow in line with the underlying Indian economy.

In Europe, your Company has successfully restructured the British Steel Pension Scheme including closing the scheme for future accruals under the Regulated Apportionment Arrangements, with the approval of the Pension Regulator in the UK. Tata Steel has also signed a Memorandum of Understanding (MoU) with thyssenkrupp AG in September 2017 to combine the European Steel businesses of both companies and create a leading pan-European steel enterprise. The proposed joint venture will focus on driving cost synergies, technology and will have a differentiated product portfolio that will drive future value creation. The process of creating the joint venture involves simultaneous multi-stakeholder consultations which is currently at an advanced stage.

Tata Steel has also signed a Memorandum of Understanding (MoU) with thyssenkrupp AG in September 2017 to combine the European Steel businesses of both companies and create a leading pan-European steel enterprise.

As we continue our journey to create long-term value for our stakeholders, I would like to thank all the shareholders for reposing confidence in Tata Steel's strategy and overwhelmingly supporting the Rights Issue of the Company. I would also like to thank the governments, customers, suppliers and lenders for their relentless support to the Company. The employees, unions and the Management team have worked very hard during the year and I would like to thank them for their tireless commitment to the Company. Finally, I look forward to your continued and valuable support in the years to come.

Yours sincerely,

Natarajan Chandrasekaran
Chairman of the Board

A dialogue with the CEO and CFO

Performance of the Tata Steel Group in FY 2017-18

Our consolidated revenues stood at

₹1,33,016 Cr.

as against

₹1,17,420 Cr., reflecting an increase of 13% over the previous year

The EBITDA for the year at

₹22,045 Cr.

was 29.5% higher than the previous year

Where do you see the global economy and the global steel market today? And where does India stand?

During the last 12 months, global economic growth has picked up and has been broad-based. Many developed economies witnessed recovery in investments and domestic demand and there was a general buoyancy in the labour markets with low level on unemployment. Amongst the larger economies, China witnessed a gradual slowdown in the economic activity but continued to grow in line with expectations. Global steel markets continued their recovery in FY 2017-18 as the global steel demand grew by approximately 2% as compared to the previous year. Steel exports from China declined due to capacity closures leading to a favourable demand-supply balance both in China as well as in the international markets. This resulted in improved capacity utilisations in the industry, better steel prices and spreads, resulting in an improved industry performance for the year.

India too witnessed growth in steel demand owing to growth across the steel consuming sectors and the Government's continuous push on infrastructure spending. We believe that the steel demand in India will continue to increase in the future with increased capital and infrastructure investments, including the Make in India initiative, higher urbanisation trends, focus on a wider and more inclusive banking network and transition to a more formal economy, including digital initiatives even in rural areas. The Government's initiatives to strengthen the domestic steel industry are also reflected in the National Steel Policy. The Policy endeavours to make the Indian steel industry self-sufficient, sustainable, efficient, cost efficient and internationally competitive. Tata Steel's long-term strategy is to focus on growing in India. This year has been particularly significant for the Indian steel industry, with several 'stressed' steel assets being put under the insolvency and bankruptcy proceedings. The outcome of the process is going to change the industry structure, resulting in consolidation within the industry and/or entry of new players.

How has the Tata Steel Group performed in FY 2018?

The performance of the Tata Steel Group in FY 2017-18 has been quite satisfying. Our consolidated revenues stood at ₹1,33,016 Cr. as against ₹1,17,420 Cr., reflecting an increase of 13% over the previous year. The EBITDA for the year at ₹22,045 Cr. was 29.5% higher than the previous year. During the year, we reported a consolidated PAT of ₹17,763 Cr. as against a consolidated loss of ₹4,169 Cr. in the previous year. The profit includes an exceptional gain due to non-cash accounting surplus arising from the formation of the new British Steel Pension Scheme (BSPS).

What measures have you taken to optimise growth in India?

FY 2017-18 has been an important year for Tata Steel. We had, at the beginning of the year, expressed our intentions to increase our capacity in India and significantly grow in line with the market demands. We are happy to report that our efforts have shown a positive and rewarding outcome. We were successful in our endeavour to ramp up operations at our greenfield plant in Kalinganagar, Odisha. The plant has achieved its rated capacity and is in its next phase of expansion, which is progressing well. We have also successfully completed the acquisition of Bhushan Steel Limited under the Insolvency & Bankruptcy Code, 2016. This acquisition will allow Tata Steel to make optimum utilisation of the facilities at Bhushan Steel. This will help us to supplement our existing facilities and will also provide us with the opportunity to scale-up our operations at a faster pace in India, thereby expanding our footprint in the country.

Mr. Koushik Chatterjee

Executive Director and Chief Financial Officer

Mr. T. V. Narendran

Chief Executive Officer and Managing Director

Can you comment on the restructuring activities at Tata Steel Europe?

During the year, we successfully completed the restructuring of the BSPS in Europe. The defined benefit plan has been closed and we have introduced a new closed scheme. Approximately 69% members of the erstwhile BSPS continue as members in the new scheme. We expect that the new scheme will be more sustainable for the future.

During the year, we also signed a Memorandum of Understanding (MoU) with thyssenkrupp AG to form a 50:50 joint venture by combining the flat product businesses of the two companies in Europe. This is an important milestone for us, which we believe

Primary focus is on **growth and expansion**

Our focus over the next decade will also be to work towards becoming an **industry leader** in **research and development**

will help us achieve our objective with regard to having a wider European portfolio strategy and diversify our business in the region. Through this joint venture, we expect to derive significant synergies and improve our capacity utilisations in Europe. We expect the transaction to be completed by the end of this year.

Can you provide your views on the financing strategy of the Company?

As we mentioned earlier, the Company is pursuing organic as well as inorganic growth prospects. We are continuously reviewing our financing requirements to fund the Company's growth projects and capital expenditure programmes and to maintain a strong liquidity position.

During the year, the Board approved the overall financing plan for the Tata Steel Group. Accordingly, the Company issued fully and partly paid ordinary shares by way of rights issue aggregating to ₹12,800 Cr., being one of the largest issues in the country. Also, ABJA Investment Co., a wholly-owned subsidiary of Tata Steel, issued a dual tranche of USD1.3 billion unsecured bonds in the international markets. The success of both these issues are a testimony to the investors' confidence in the long-term strategy of the Company.

We also periodically review our investment portfolio. During the year, we realised approximately ₹3,500 Cr. through portfolio divestment.

What are the new initiatives of the Tata Steel Group?

While our primary focus is on growth and expansion, our focus over the next decade will also be to work towards becoming an industry leader in research and development. We have commenced work in India as well as in Europe to develop a roadmap and achieve this goal. We have also started work on developing the alternate/new materials business, including

Innovate

We are making good progress in the area of services and solutions and the revenue streams have now crossed USD150 million.

Prime Minister's Trophy for 'Best Integrated Steel Plant' for the assessment years 2014-15 and 2015-16 graphene and fibre-reinforced polymers. We expect to commence work on ceramics soon.

We have also launched a digital transformation programme across the Company to embed and leverage digital technologies to drive greater cost effectiveness and to enhance stakeholder experience.

We are making good progress in the area of services and solutions and the revenue streams have now crossed USD150 million.

What steps are you taking towards sustainability and climate change?

We have always aimed to grow in a sustainable manner and are putting in place policies that support this endeavour. We are a signatory to the United Nations Global Compact (UNGC) and we submit to UNGC's Communication of Progress on the ten principles of sustainability.

We are committed to reducing the impact of our operations on the environment and reducing our carbon footprint. We aspire to be the industry benchmark in terms of improving our CO_2 performance and are putting in efforts to achieve the same. Our endeavour is to play a leadership role in addressing the challenges of climate change. We have formulated a climate change strategy based on key themes. In Europe, we have undertaken various initiatives such as HIsarna & Carbon Capture and Utilisation. The objective of developing this technology is to reduce the CO_2 emissions. It is a joint effort of all major steel manufacturers in Europe and is in the final stages of testing.

In India, we have also launched a steel recycling business. We aim to shape the steel recycling industry in India and leverage opportunities in this space. Over the next few years, we expect the regulatory environment to unlock opportunities in this area.

The health and safety of people working at our various site locations is our topmost priority and we are committed to building a safer and healthier working environment for people to work in our operating locations. We have enhanced our focus to ensure safety in the areas of Organizational Safety Competency & Capability Improvement and Contractor Safety Risk Management, among others.

What role do you play in the development and upliftment of communities?

We have always been mindful of the impact of our operations on the communities around us and have taken steps to ensure the health and economic prosperity of our neighbouring communities. During the year, we undertook various Corporate Social Responsibility (CSR) initiatives in the areas of health, education, livelihood, sports and infrastructure development with indigenous communities in the areas of operations of the Company. We have partnered with various organisations to work for the upliftment of our communities and will continue to put in efforts to bring about their sustainable development.

Grow

We were successful in our endevour to ramp up operations at our greenfield plant in Kalinganagar, Odisha. The plant has achieved its rated capacity and is in its next phase of expansion, which is progressing well.

Capacity Expansion at State-of-the-art Kalinganagar Steel Plant

Excel

We aspire to be the industry benchmark in terms of improving our CO_2 performance and are putting in efforts to achieve the same. Our endeavour is to play a leadership role in addressing the challenges of climate change.

MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM

ROBECOSAM
Sustainability Award
Gold Class 2018

Amongst the top 3 global steel companies and the only company in India to be gold rated in the Dow Jones Sustainability Indices (DJSI) Assessment 2017

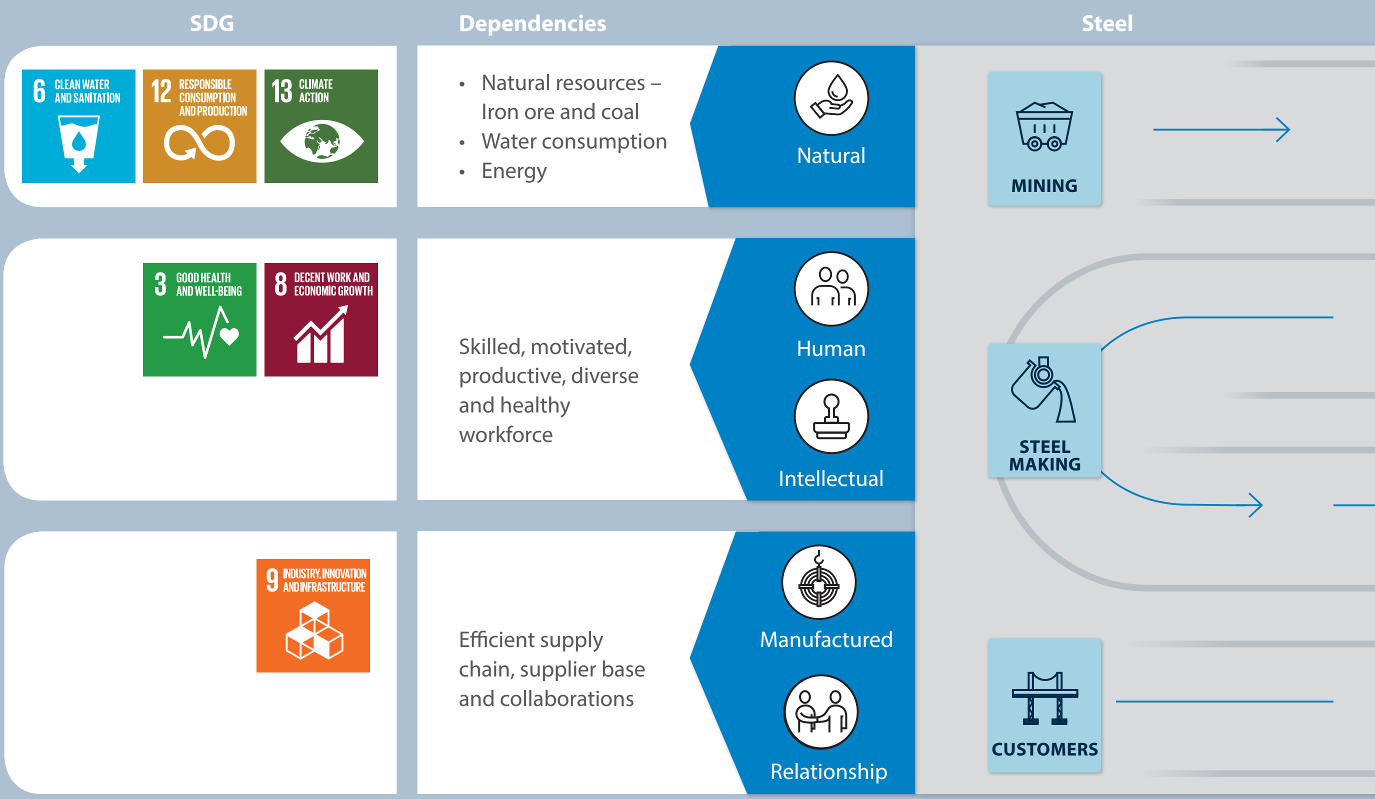
Our Approach to Value Creation

Our approach to value creation is based on our vision, which lays equal emphasis on creating value for our business and our stakeholders as well as on being a responsible corporate citizen.

At Tata Steel, corporate governance and ethical business practices are guided by the Tata Code of Conduct (TCoC). We have documented policies that provide direction on various aspects of Sustainability such as Quality, Research, Human Resources, Safety and Health, Environment, Climate Change and Corporate Social Responsibility. The Corporate Policies are available on our website at http://www.tatasteel.com/corporate/our-organisation/policies/

Guided by our policies, we aspire to create value for all our stakeholders through focus on judicious use of resources, mitigating the negative impacts of our business and having an agile business model to respond to the changes in the external environment. We

During FY 2017-18, we examined the key Sustainable Development Goals (SDGs) which are material to us and prioritised them based on our dependency and impacts:

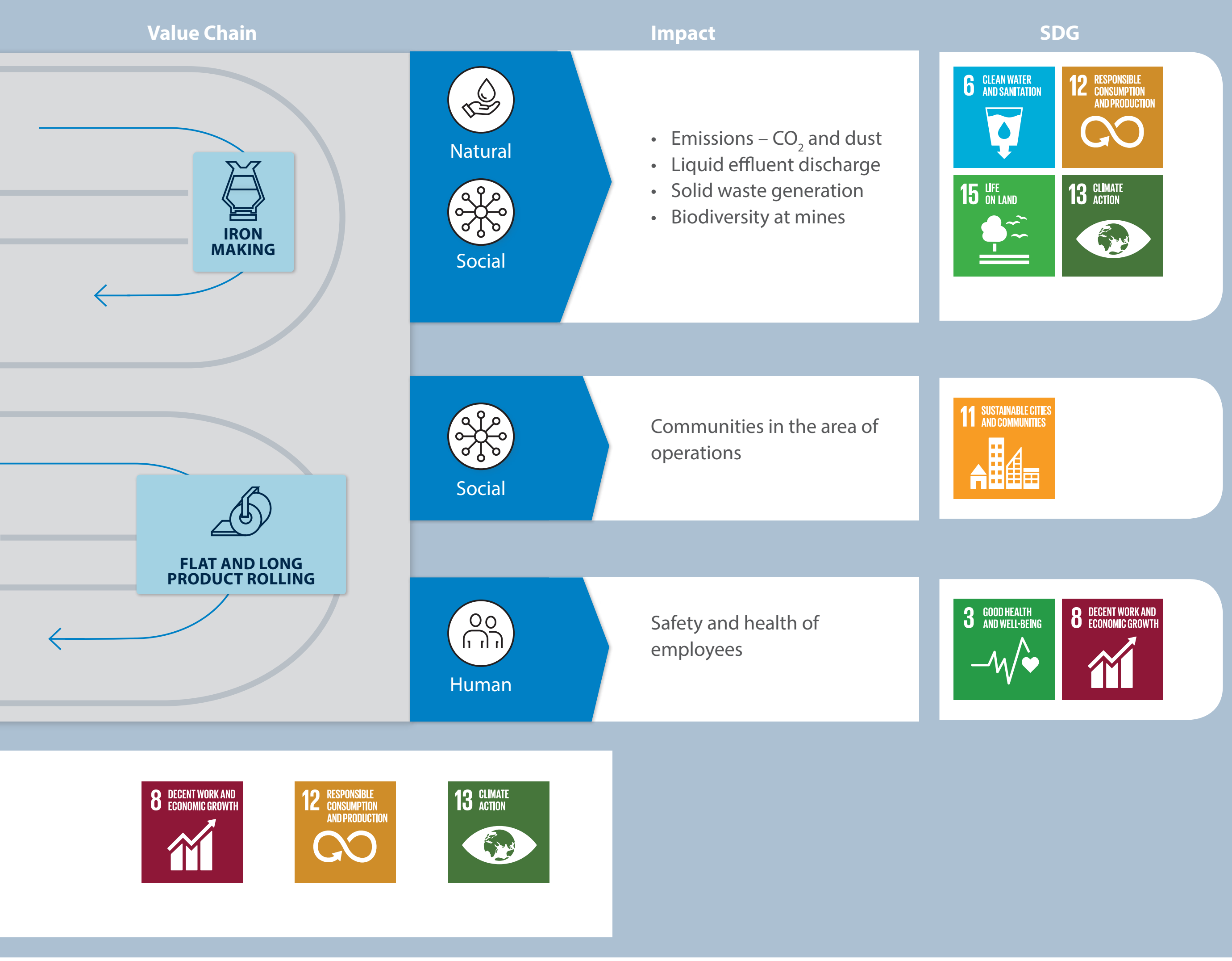


Key SDGs for Tata Steel

have a structured way of engaging with all our key stakeholders to capture their evolving needs and concerns. These inputs are then used in our strategic planning process.

Our strategic themes objectives and enablers are balanced across all stakeholders in the entire value chain, resulting in long-term sustainability for the organisation.

Our business model showing the various capitals as inputs, a snapshot of our processes, their output and outcomes is depicted on Page 20.



Business Model

Key Inputs

Manufactured Capital

Key Performance Indicator	UoM	FY18	FY17	
TSJ Capacity –CS	MnT	10	10	↔
TSK Capacity–CS	MnT	3	3	↔
Steel Processing Centres–Own	Nos.	24	19	→
Pan-India Stockyards	Nos.	18	18	↔

Natural Capital

Key Performance Indicator	UoM	FY18	FY17	
TSJ –Energy Intensity	Gcal/tcs	5.67	5.67	↔
TSK –Energy Intensity	Gcal/tcs	7.29	8.49	→
TSJ – Specific Water Consumption	m^3/tcs	3.68	3.83	→
TSK – Specific Water Consumption	m^3/tcs	4.75	7.66	→
Captive Iron Ore	%	100.00	100.00	↔
Captive Coal	%	29.00	30.00	↔
Inbound Raw Materials	MnTPA	~40	~40	↔
TSI –Trees Planted	'000 nos	390	400	↔
Capital Spend on Environment	₹ Cr.	544	605	↔

Financial Capital

Key Performance Indicator	UoM	FY18	FY17	
Capex	₹ Cr.	2,527	3,173	↔

Human Capital

Key Performance Indicator	UoM	FY18	FY17	
Employees on Rolls	Nos.	34,072	34,989	→
Investment in Employee Training and Development	₹ Cr.	60.17	52.55	→

Relationship Capital

Key Performance Indicator	UoM	FY18	FY17	
Pan-India Dealers	Nos.	11,883	11,550	→
Pan-India Distributors	Nos.	193	186	→
Pan-India Sales Offices	Nos.	26	26	↔
Application Engineers Working Jointly with Customers	Nos.	41	38	→
Customer-facing Processes	Nos.	8	8	↔
Customer Service Teams	Nos.	34	33	→

Intellectual Capital

Key Performance Indicator	UoM	FY18	FY17	
Collaborations/Membership (Technical Institutes)	Nos.	34	42	←
Patents Filed (Cumulative till FY)	Nos.	964	870	→
R&D Spend	₹ Cr.	181.64	144.58	→

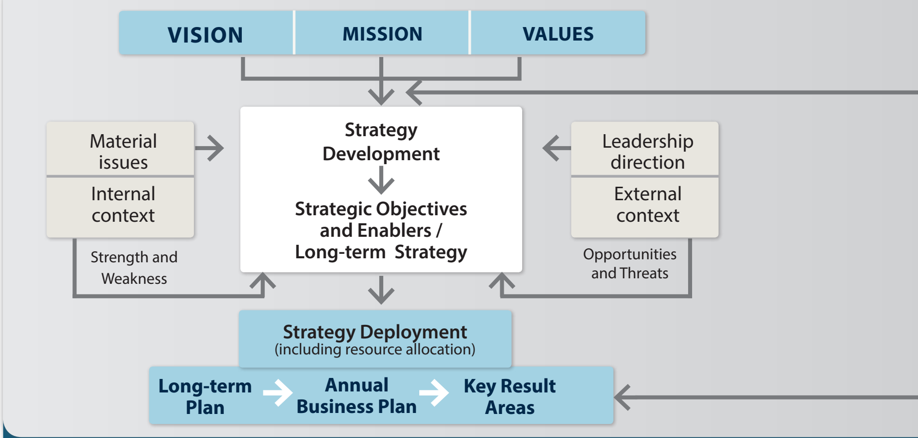
Social Capital

Key Performance Indicator	UoM	FY18	FY17	
CSR Spend	₹ Cr.	232	194	→

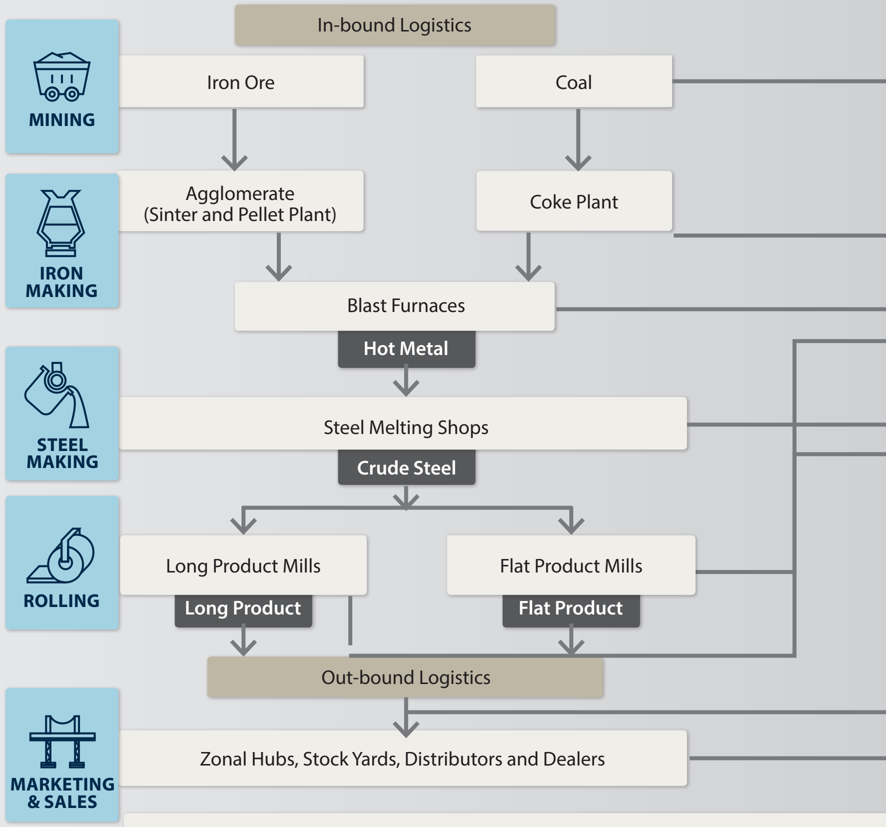
↔ No Change/New → Positive trend ← Negative trend

Business Activities

Strategic Planning Process Overview

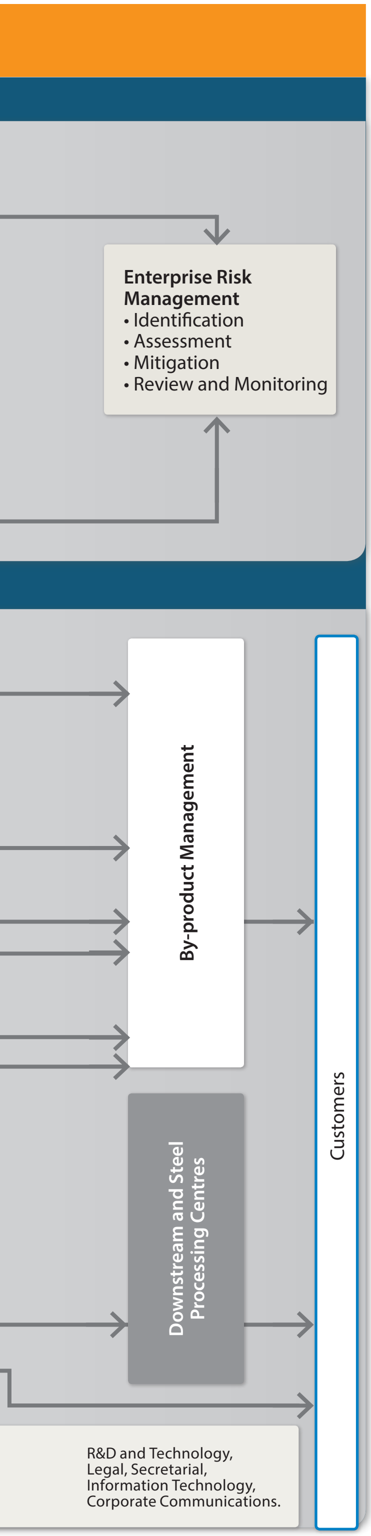


Tata Steel Value Chain



Key Support Functions: Strategy and Planning, Project Management, Asset Management, Financial Management, Risk Management, Improvement Management, Investor Relations, Supply Chain Management, Human Resource Management, Safety Health & Sustainability, Regulatory Affairs, Corporate Social Responsibility, Urban Community Management,

CS – Crude Steel **TSJ** – Tata Steel Jamshedpur **TSK** – Tata Steel Kalinganagar **TSI** – Tata Steel India
CSR – Corporate Social Responsibility



Outputs

13.86 MnT
Hot Metal Production

12.48 MnT
Crude Steel Production

12.2 MnT
Total Sales

8.9 MnT
Flat Product Sales

3.3 MnT
Long Product Sales

Key Segments and Products

- **Automotive**
  Hot Rolled, Cold Rolled, Coated Coils & Sheets, Precision Tubes, Tyre Bead Wires, Spring Wires, Bearings
- **Industrial and General Engineering**
  Hot Rolled, Cold Rolled, Coated Coils, Rebars, Wire Rods, Boiler Tubes, Pipes
- **Construction**
  Re-bars, Doors & Windows, Roofing sheets, Plumbing Pipes, TMT Rebars, Tubes, Cut & Bend Bars
- **Agriculture**
  Bearings, GI Wires, Conveyance Tubes

Key Segments and By-products

- **Power Plants, Brick Kilns**
  Coal Rejects (middlings, tailings, rejects)
- **Cement Industry**
  Granulated Blast Furnace Slag, Steel Slag
- **Construction Industry (Road and Civil)**
  Weathered Steel Slag, Ground Granulated Blast Furnace Slag
- **Foundry, Pencil Ingot Makers**
  Ferro-shots, Pooled Iron, High-Phosphorus Pig Iron, Slag Scrap
- **Aluminum Smelters, Graphite Industry**
  Coal Tar
- **White Goods**
  HR and CR Scrap

Outcomes

Financial Capital

Key Performance Indicator	UoM	FY18	FY17	
Turnover	₹ Cr.	60,519	53,261	→
EBITDA	%	26	22	→
PAT	₹ Cr.	4,170	3,445	→
TSI – Revenue from By-products	₹ Cr.	3,290	2,882	→
Revenue through Services and Solutions Business (incl. Profit Centre)	₹ Cr.	1,188	954	→
Revenue from New Products	₹ Cr.	1,987	1,935	→
Savings through Improvement Projects (Shikhar 25)	₹ Cr.	2,594	3,400	←

Relationship Capital

Key Performance Indicator	UoM	FY18	FY17	
Customer Satisfaction Index	Score	81.40	81.30	→
Quality/Customer Complaints – TSJ	PPM	606	759	→
NPS – Tata Tiscon	NPS-100	71	-	↔
NPS – Tata Shaktee	NPS-100	77	-	↔
Enriched/Value-added Products Sales	MnT	6.50	5.94	→
Repeat Customers	%	96	97	←

Natural Capital

Key Performance Indicator	UoM	FY18	FY17	
TSJ – GHG Emissions Intensity	TCO_2e/tcs	2.30	2.29	←
TSK – GHG Emissions Intensity	TCO_2e/tcs	2.65	3.08	→
TSJ – Dust Emissions Intensity	kg/tcs	0.41	0.44	→
TSK – Dust Emissions Intensity	kg/tcs	0.64	1.30	→
TSJ – Effluent Discharge Intensity	m^3/tcs	1.01	1.02	→
TSK – Effluent Discharge Intensity	m^3/tcs	0.59	-	↔
TSJ – Solid Waste Utilisation	%	84.40	82.40	→
TSK – Solid Waste Utilisation	%	87.22	66	→
Total Raw Material Sites Covered under Biodiversity Management Plan (BMP)	%	100	100	↔

Human Capital

Key Performance Indicator	UoM	FY18	FY17	
Fatality	Nos.	3	5	←
LTI	Nos.	64	80	→
Health Index	Score out of 16	12.47	12.59	←
Diversity – % Women in the Workforce	%	6.11	5.75	→
Diversity – % SC/ST in the Workforce	%	17.29	16.90	→
Employee Engagement – Officers	Score	66	-	↔
Employee Engagement – Unionised	Score	77	-	↔
Employee Productivity – TSJ	TCS/ Employee / Year	738	720	→
Employee Productivity – TSK	TCS/ Employee / Year	918	653	→

Social Capital

Key Performance Indicator	UoM	FY18	FY17	
Lives Touched in Communities	Mn nos.	1.00	1.10	←

Intellectual Capital

Key Performance Indicator	UoM	FY18	FY17	
Patents Granted (Cumulative till FY)	Nos.	418	360	
New Products Launched	Nos.	133	48	→

HR – Hot Rolled **CR** – Cold Rolled **LTI** – Loss Time Injury **SC/ST** – Scheduled Caste/Scheduled Tribe **TCO_2:** Tonne of CO_2
TCS: Tonne of crude steel **TSI** – Tata Steel India **PPM** – Parts per Million **NPS** – Net Promoter Score

Stakeholder Engagement

At Tata Steel, all stakeholders are treated as partners in our value-creation process. These stakeholders are vital to the business operations of Tata Steel and including their material feedback into our strategy and planning forms the backbone of our value-creation process. Tata Steel seeks feedback from its stakeholders on a regular basis, which is incorporated in the organisation's overall strategy and planning exercises.

Active stakeholder engagement mechanisms are in place at all stakeholder-sensitive functions, e.g. Investor Relations (Investors), Human Resource Management (Employees), Marketing and Sales (Customers), Procurement (Suppliers), Corporate Social Responsibility (Community), Corporate Communication (Media) and the Resident Executive (Government and Regulatory Bodies). The frequency and forum of engaging with the stakeholders is customised to the needs of the stakeholder and the pertinent business issues of the Company.

The various forums and nature of engagements with our key stakeholders have been listed on (Refer Page 23-25), while the engagement with employees has been discussed in the section on people. (Refer Page 32-37).

Our sustainability strategy is founded on a sound understanding of our stakeholders' issues and concerns and to lend credibility to this, our stakeholder engagement processes were reviewed by independent third-party auditors, PwC, during the materiality exercise of FY 2012-13. The material issues identified during that exercise have been largely addressed. In keeping with the developments in the external environment and evolving stakeholder expectations, we have identified some additional material issues, which are shown in the table alongside. A similar review exercise has been undertaken in the current financial year to capture key elements of our stakeholder engagement processes based on the principles of inclusiveness, transparency and accountability.

Such reviews are essential to enhance the current engagements with our stakeholders and helps in setting in context the most material Environmental, Social and Governance aspects of the business.

Material Economic Issues
Growth to meet customers' expectations
Long-term profitability

Material Social Issues
Health and safety
Capability building
Diversity and inclusion in the workforce
Impact-based Corporate Social Responsibility (CSR) in community areas in Jharkhand and Odisha

Material Environment Issues
Greenhouse Gas (GHG) emissions
Water consumption and effluent discharge
Resource efficiency
Biodiversity

Thousand Schools Project, Odisha

Investors

The Company is committed to excellence in governance and in creating long-term sustainable value.

Why Are They Important	Engagement Forum	Key Issues
Provide funds for business and growth	Investor and analyst meets *Frequency: Quarterly* Annual General Meeting	Strategy, operational and financial performance and outlook

Community

Our Founder believed that the community is not just another stakeholder in our business, but the very purpose of our existence. Hence, we not only aim to mitigate the negative impacts of our operations on the society, but continuously strive to be a benchmark of corporate citizenship.

Why Are They Important	Engagement Forum	Key Issues
Community is directly impacted by our operations	Public hearings, meetings with community leaders and the CSR Advisory Council *Frequency: Need Based*	Health, Education, Livelihood and Infrastructure

Suppliers

The Company ensures a strong relationship with the suppliers across the value chain by engaging with them through satisfaction surveys and issues such as safety, health, ethical practices and environment. There is a focus on developing new and small businesses for suppliers from the underprivileged community and the population that got displaced due to our expansion and to further enable and empower them through training and education. There is a specialised team in procurement called 'Sathis' who handhold these vendors for the initial couple of years to help them compete with the other vendors.

Safety, ethics and human rights are the main decisive factors for us to enter into business with suppliers. For ease of doing business and for improving transparency, electronic modes for transactional tasks, such as E-Proc, Easy Buy and Vessel Traffic Service (VTS) Indent System, have been implemented.

Why Are They Important	Engagement Forum	Key Issues
Provide critical materials and services for our production and delivery Act as our brand ambassadors	Vendor satisfaction survey, Vendor Capability Advancement Programme (VCAP), Vendor Grievance Redressal Committee (VGRC), Speak UP – Toll-free number, transporters' workshops and meets *Frequency: As per team plan/ Weekly/ Monthly/ Quarterly/ Annual*	Joint improvement projects for strategic vendors, ethical practices, safety, health and environment, among others

Investor meet in Kolkata

Samvaad Tribal Conclave 2017: Enabling conversations with the community

Vendor meet: Strengthening partnerships

Customers

Business-to-Business (B2B), Business-to-Customer (B2C), Emerging Corporate Accounts (ECAs) and Channel Partners

We have customised engagement plans with the different segments of our customers focussed not only on relationship building, capturing business and environmental issues, but also for training, awareness and familiarisation with the Tata Steel culture.

Why Are They Important	Engagement Forum	Key Issues
Market for our products and revenue generation	Specific projects carried out by Customer Service Teams for addressing specific issues on cost, price, delivery or value engineering, multi-stakeholder platforms such as Conference, Construction Conclave, Zonal Meets, Ecafez, Gen Y, 'Suraksha' Meet, 'Parivaar' Meet, and 'Wired to Win', among others. *Frequency: Need based/ As per team plan/ Annual/ Bi-annual*	Price, quality, cost and delivery, awareness on specific steel business related trends, safety, and environment, among others.

Ecafez: Training and awareness programmes for emerging corporate accounts (ECAs)

Government and Regulatory Bodies

Tata Steel has always been conscious of being compliant with laws and regulations. We have been ahead of the laws in many people-related initiatives and constantly strive to perform better than the regulatory requirements.

Why Are They Important	Engagement Forum	Key Issues
Develop legislation and policies that affect our business and have the ability to grant or revoke the licence to operate	Meetings and dialogues *Frequency: As per plan*	Sanctions, approvals and clearances

Media and Industry Bodies

Integrity is a core value of our Company and is reflected in the transparent and timely manner in which we disclose our performance and other developments to all our stakeholders. We support the steel industry and the country's development agenda through active participation in national and industry-level activities, policy advocacy and sharing of best practices.

Why Are They Important	Engagement Forum	Key Issues
Media influences the Company's brand image and reputation	Press conferences, media meets, sports tournaments, media dinner events, one-on-one interactions and familiarisation visits *Frequency: Monthly, Quarterly, Annual*	Updating stakeholders on corporate performance
Industry associations are the route to interact with the industry and the Government	Regional and national events such as conclaves and conferences of industry bodies Senior Management members of Tata Steel as chairs/co-chairs of various verticals *Frequency: As per plan*	Support towards industry and country-level problems through participation, funding, etc.

Gurukul: Training and capability development programmes for channel partners

Media meet: Building relationships

Our Growth Drivers

Business Environment FY 2017-18

3.8%

Growth in Global GDP

Growth recovery primarily driven by :

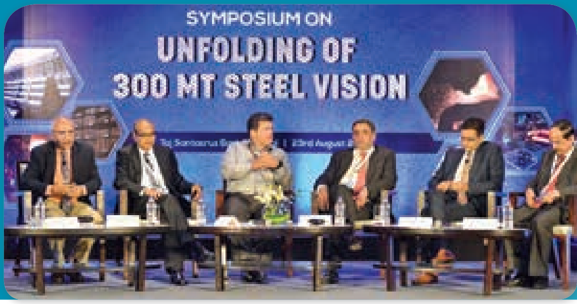
- Increase in global manufacturing activity
- Resilient growth in China driven by supply side reforms
- Pickup in commodity prices
- Favourable financing conditions globally

6.7%

Growth in India's GDP

Consumption led growth influenced by Government policies and investments.

Macro-economic Indicators



1,587* MnT

Global Steel Demand

Grew at nearly 2% driven by

- Growth in India (5%)
- Growth in ASEAN and MENA (5-6%)
- Growth in China (2.9%)

82 MnT

Indian Steel Demand

Grew at 7.8% fuelled by growth in Auto (14.8%) and Construction (5.7%).

Finished Steel Demand

69 ($/t)

Iron ore fine price

Cost and Freight (CFR) China

Led by resilient growth in China's steel demand due to supply side reforms.

198 ($/t)

Hard Coking coal - QBM Price

Free on Board (FoB) Australia

Chinese policies and environmental restrictions led to increased seaborne trade of coking coal and firmed up prices.

Raw Materials

Implications for Steel industry during FY 2017-18

- Global macro environment was conducive to stability of steel industry
- Steel demand growth and higher raw material prices led to nearly 20% increase in steel price in FY18

QBM: Quarterly Benchmark, **GDP**: Gross Domestic Product, **ASEAN**: Association of Southeast Asian Nations, **MENA**: Middle East and North Africa

Source: IMF, World Bank, OECD, WSA, RBI, JPC, CMIE, Team Analysis

* Data for calendar year CY 2017

Outlook for FY 2018-19

3.9-4%

Growth in Global GDP

Extension of policy stimulus to sustain growth and increase in commodity prices especially in metals and crude oil expected.

7 - 7.5%

Growth in India's GDP

Driven by increased Government spending on infrastructure and thrust on developmental projects as well as consumption led growth coupled with strong growth in service sector.

1,616 MnT**

Global Steel Demand

India, ASEAN and MENA – expected to grow at 5-6% to be a key driver.

87 MnT

Indian Steel Demand

Expected to revive with recovery in construction and capital goods sectors.

70 ($/t)

Iron Ore Fine Price Cost and Freight (CFR) China

Prices expected to be range bound, Fe premiums to remain at high levels.

198 ($/t)

Coking coal - QBM Price Australia Free on Board (FoB)

Price volatility expected to remain due to supply uncertainties arising from unpredictable extreme weather.

Demand from China will continue to be a key driver for seaborne prices.

Outlook for the Steel Industry for FY 2018-19

- Growth in demand and price stability expected for steel industry

** Data for calendar year CY 2018

Factors that make India an attractive region for steel

- Low per capita consumption of approximately 65 kgs (world average of 214 kgs, China 522 kgs)
- Conducive government stance towards the steel industry through policies focusing on 'Make in India', smart cities and infrastructure.
- Rapidly growing steel demand - Indian steel demand is expected to grow at a healthy rate of 6 – 7% with an expected GDP growth of 7-8% in the next decade
- Growth expected for some steel consuming sectors like Auto and Construction
- Contraction of domestic steel demand and cut in steel capacity in China expected over the next decade

Strategic Objectives and Enablers

A snapshot of our strategic objectives and enablers are depicted below. The performance against these objectives and enablers is detailed in the subsequent sections of this Report.

Strategic Objectives

SO1 Industry leadership in steel: Meet the growth aspirations of customers

SO2 Consolidate position as a global cost leader

SO3 Insulate revenues from steel cyclicality

SO4 Industry leader in CSR and SHE

Strategic Enablers

SE1 Employer of choice

SE2 Capability for global steel technology leadership

SE3 Leverage digital technologies – steel industry leader

SE4 Industry leading capability in agility and innovation

CSR: Corporate Social Responsibility **SHE:** Safety Health and Environment

SUSTAINABILITY GOALS

SG1 Benchmark in CO_2 emissions – < 2 TCO_2 / TCS by 2025

SG2 Zero effluent discharge by 2025

SG3 Safety leadership – committed to zero

SG4 Create a lasting impact on the communities in our operating areas – impacting 2 million lives by 2025

The link between our initiatives (People, Customer Focus, Operational Efficiency, Innovation, Supply Chain, Environment and Communities), Strategic Objectives and Sustainability Goals is shown in the subsequent sections of this Report.

TCO_2: Tonne of CO_2 **TCS:** Tonne of crude steel

Risk Governance and Management

Tata Steel operates in an interconnected world with stringent regulatory and environmental requirements, increased geopolitical risks and fast-paced technological disruptions that could have a material impact across the value chain of the organisation. Tata Steel has implemented an Enterprise Risk Management (ERM) process to provide a holistic view of aggregated risk exposures as well as to facilitate more informed decision-making.

In its journey towards risk intelligence, a robust governance structure has been developed across the organisation. The Board of Directors has constituted a Committee of the Board called the Risk Management Committee. At the Senior Management level, a Group Risk Review Committee has been constituted to drive the ERM process across the Tata Steel Group.

Information regarding key risks facing Tata Steel and their mitigation strategies is given here:

R1 Macroeconomic Risks

- Overcapacity and oversupply in the global steel industry as well as increased levels of imports may adversely affect steel prices, impacting profitability.
- Newer developments in the competitive global business environment and potential consolidation among competitors may adversely impact the Company's financial condition and prospects.
- Slower than expected pace of growth in India, coupled with expansion in domestic steel capacity, may result in lower than expected realisations.

KEY MITIGATION STRATEGIES

- **Diversification of product portfolio**
- **Development of alternate markets**
- **Participation in industry consolidation**

R2 Financial Risks

- Fluctuation in foreign exchange rates due to volatility in financial markets may impact the Company's debt servicing and create uncertainties in accessing the financial markets.
- Substantial amount of debt on the balance sheet may have an adverse impact on the Company's ability to raise finance at competitive rates.
- Changes in assumptions underlying the carrying value of certain assets may result in the impairment of such assets.

KEY MITIGATION STRATEGIES

- **Maximising operational cashflow**
- **Terming out debt and refinancing debt with favourable covenants**
- **Appropriate foreign exchange hedging policies**
- **Integration of business planning and cashflow projections with liquidity management**

R3 Regulatory Risks

- Non-compliance to increasing stringent regulatory environmental norms may result in liabilities and damage to reputation.
- The Company operates leased mines. Non-renewal of mining leases may result in the Company having to purchase minerals at higher prices from the open market, impacting its profitability.
- Removal of favourable trade measures such as anti-dumping laws, countervailing duties, etc. may impact the Company's business and prospects.

KEY MITIGATION STRATEGIES

- **Focus on compliance**
- **Dialogue with regulatory authorities for greater clarity and availing legal consultations for timely clearances**
- **Working with industry associations towards simplification of rules, a predictive policy regime and transition time for regulatory changes**

R4 Operational Risks

- The steel industry is prone to high proportion of fixed costs and volatility in the prices of raw materials and energy. Limitations or disruptions in the supply of raw materials could adversely affect the Company's profitability.
- Failure of critical information systems/ servers that control the Company's manufacturing plants may adversely impact business operations.
- Violation of safety standards, unsafe acts and conditions may lead to Lost Time Injuries (LTIs) or fatalities, resulting in stoppage of operations, loss of personnel, and damage to assets and reputation.

KEY MITIGATION STRATEGIES

- **Enhancing in-house capability and leveraging from past learnings and expertise**
- **Establishing sources of supplies from alternate geographies**
- **Enhancing in-house capability in rail logistics and developing Deep Sea Port capacity**
- **"Committed to Zero" - Safety drives across the Company**

R5 Market Related Risks

- Steel is a cyclical industry and excess volatility in the steel and raw material markets may adversely impact the Company's financial condition.
- Competition from substitute materials, or changes in manufacturing processes, may lead to a decline in product demand, resulting in loss of market share.
- Product liability claims could have an adverse impact on the Company's finances.

KEY MITIGATION STRATEGIES

- **Development of value-added products and enhanced services and solutions**
- **Strengthening contractual agreements**

R6 Climate Change Risks

- As of May 2018, 195 United Nations Framework Convention on Climate Change (UNFCCC) members have signed the Paris Agreement and 176 countries, including India, have become party to it. The Agreement aims to keep a check on the rising global temperatures and intensify actions required for a sustainable low-carbon future. Going forward, the steel industry will face stringent international and domestic regulations relating to Greenhouse Gas (GHG) emissions. Increasingly stringent climate control regulations may impact the Company's operations and prospects.

KEY MITIGATION STRATEGIES

- **Continued investment in environment related projects**
- **Collaboration with academic/research institutes for projects on climate change issues**

R7 People Risks

- Any labour dispute or social unrest in regions where the Company operates may adversely affect its operations and financial condition.
- Loss of one or more members of the Senior Management, or inability to attract and retain employees, may affect the Company's business and prospects.

KEY MITIGATION STRATEGIES

- **Build relations with key stakeholders including local/regional influential people, interest groups and bureaucracy across levels of administrative machinery (taluka to state level) to address labour or social unrest**
- **Succession planning for Senior Management to ensure continuity in business**
- **People related policies for attracting and retaining talent**

R8 Strategic Risks

- The Company is growing its Indian operations through organic and inorganic routes. The Company may be unable to realise the anticipated benefits of these growth plans which could have a material adverse impact on its financial condition and reputation.
- The Company may be subject to business risk relating to proposed joint venture with thyssenkrupp AG, including potential delays in completing the proposed transaction and/or the proposed transaction not consummating successfully.

KEY MITIGATION STRATEGIES

- **Strong engineering and project team to commission the expansion project within budgeted time and cost**
- **Ensuring that learnings from previous projects are applied for improved execution and faster ramp-up of production**
- **Deputation of experienced team from Tata Steel along with strong review and governance to accelerate the performance of the acquired assets**
- **Integrate the management of the acquired company to drive synergies. Bring Tata Steel expertise to the acquired assets in operations, maintenance and marketing to ensure high capacity utilisation, cost competitiveness and better product mix**
- **Experienced team driving focussed consultations with the relevant stakeholders in Europe**

The material issues mapped to key risks and long-term strategies have been detailed below.

Material Issues	Risks	Long-term Strategies
Economic		
Growth to meet customer aspirations	R1 R2 R3 R5 R8	• Organic and inorganic growth options (Refer Page 44)
Profitability	R1 R2 R3 R4 R5 R8	• Global benchmark in operational efficiency • Downstream focus - Service & solutions (S&S), Tubes, Wires • Revenue generation through enriched products • New materials business (Refer Page 39, 40, 42, 47)
Environment		
GHG emissions	R3 R4	• Waste gas utilisation • Reduction in fossil fuel based power consumption • Carbon rate reduction in blast furnace (Refer Page 55)
Water consumption	R6	• Minimise effluent discharge • Augment intake through recycling/ harvesting (Refer Page 56)
Resource efficiency	R2 R3 R4	• Enhance value from circular economy system- LD slag, By-product gas & Scrap • Global benchmark in operational efficiency (Refer Page 58)
Biodiversity	R3 R4	Sustainable Mining through focused initiatives around prevention, recovery, reuse and recycle to minimize ecological footprint (Refer Page 57)
Social		
Safety & Health	R4 R7	• Eliminate of incidents on rail and road • Improve competency for hazard identification and risk management • Contractor safety risk management • Excellence in process safety management (Refer Page 32)
Capability building	R7	• Build capability of contractor workforce, suppliers, dealers, distributors and other business partners • Benchmark with reputed institutes for seeding alternative learning methods • Augment management training resources/ infrastructure in line with new age digital technologies (Refer Page 36)
Impact based CSR	R4 R7	Address core development gaps for significant betterment in the well-being of communities in Jharkhand and Odisha through signature programs around key focus areas of Health, Education, Skill development, Sustainable livelihood, Sports & Ethnicity - Maternal & Newborn Survival Initiatives (MANSI), Right to education – Thousand schools project, Samvaad, etc. (Refer Page 60)
Diversity & Inclusion	R7	• Make manufacturing appeal to diverse talent & attract more women • Attract & recruit PwDs and improve accessibility for all • Develop women leaders through mentoring & training programs (Refer Page 36)

People

People are one of the most valued stakeholders for Tata Steel and we have institutionalised policies that lay the ground for right opportunities for our workforce, while ensuring their health, safety and well-being. We aim to nurture the future leadership of the Company.

The megatrends shaping up the global workspace are around enhancing employee experience, learning and innovation, diversity at the workplace and digitalisation. Our efforts are to work towards tapping these trends and leveraging our immense human capital to make the best use of these emerging trends and add value to the processes and the organisation at large.

Tata Steel has been a front-runner in people practices. The impetus now is to take the legacy forward, while the intent is to bring in new practices and keep ahead of the changing demography and needs of the future workforce. Safety and health of our employees is our top priority.

Promoting diversity

0.29
LTIFR

34,072
Employees on Rolls

66%
Employee Engagement - Officers

77%
Employee Engagement - Non-Officers

Safety line walk by the leadership team: Making safety part of our culture

Safety and Health

Safety and Health	SO4, SG3
KEY AREAS	• **Contractor safety risk management** • **Excellence in process safety management** • **Eliminating incidents on rail and road** • **Competency for hazard identification and risk management**

By its very nature, the steel industry is hazardous due to hot processes and moving equipments. Hence, leadership at Tata Steel gives top priority to the safety and health of the entire workforce. Safety and Health Management is integrated into our Annual Business Plan (ABP) and cascaded into the annual Key Result Areas (KRAs) of each executive, which is linked to remuneration, to place accountability and responsibility at all levels. Linking safety targets to remuneration and visible commitment from the Senior Management has led to the inclusion of safety into our culture and behaviour. We are 'Committed to Zero' harm. Our safety systems also focus on the contractor workforce who are semi-literate, less skilled and more exposed to safety hazards.

We have a Safety and Health Governance structure for guiding and reviewing the Safety and Health performance, both at the Board and Company levels. The SHE Committee of the Tata Steel Board (chaired by an Independent Director) and the Apex Safety Council (chaired by the Chief Executive Officer and Managing Director) meet on a quarterly basis. The Apex Safety Council Meeting is attended by the relevant Vice Presidents (VPs) for key decision making on our 'Commitment to Zero' harm. These directives are cascaded through six Apex Safety Sub-Committees chaired by the VPs of all the relevant functions, through monthly reviews. Divisional Implementation Committees (DICs) and Area Implementation Committees (AICs) facilitate the implementation of policy decisions at the grassroots level across all functions in the organisation.

Key Enablers and Initiatives

1. Build (safety) leadership capability at all levels to achieve zero harm

As part of the Safety Leadership Development, Felt Leadership Training has been completed for 4,060 officers so far. Felt Leadership Training has also started for Tata Steel's associated companies for improving their safety culture.

IMPACT CREATED

- **20% reduction in LTI cases –Improvement in safety performance**
- **Departments with more than 100 employees recording zero LTI have increased to 50 in FY 2017–18 from 42 in FY 2016–17 for Tata Steel India**

2. Improve competency and capability for hazard identification and risk management

To ensure the engagement of trained front-line leaders in identifying hazards and mitigating the risks, a new Job Cycle Check (JCC) system has been developed on the existing Company-wide IT-based 'Ensafe' platform. It aids the revision of Standard Operating Procedures (SOPs) for critical hazardous activities, which are known as Red SOPs. As part of skill development of contractor employees, focussed training programmes have been started.

IMPACT CREATED

- **1,223 (67%) out of 1,818 identified SOPs for critical hazardous activities have been revised to ensure a safe workplace**
- **183 contractor supervisors and 1,372 contractor workers have been trained and certified in various categories as part of skill development**

3. Contractor safety risk management

To ensure the deployment of competent vendors for high-risk jobs, Star-rating assessment was conducted for all high-risk vendors.

IMPACT CREATED

- **40% reduction in contractor fatalities and 21% reduction in LTI cases of contractor employees as a result of multiple initiatives**

4. Elimination of safety incidents on road and rail

For deployment of traffic segregation and density reduction, infrastructure improvement projects have been deployed. Heavy vehicle simulators have been installed to facilitate improvement in the competency of heavy vehicle drivers operating within Tata Steel, Jamshedpur.

IMPACT CREATED

Sustaining zero fatality on roads across Tata Steel India for three consecutive years

5. Excellence in Process Safety Management (PSM)

Five high-hazard departments - namely two steel melting shops (LD1 and LD2), one blast furnace (IBF) and the Cold Rolling Mill and By-Product Plant at Jamshedpur - have demonstrated excellence in PSM. These departments have been declared as Centres of Excellence (CoEs) based on internal assessments.

Achieving sustenance of CoE departments and rolling out of CoEs in other high-hazard departments, while improving the deployment of the Management of Change standards, are the key strategies under excellence in PSM.

IMPACT CREATED

7% reduction in total process incidences in FY 2017-18 over FY 2016-17

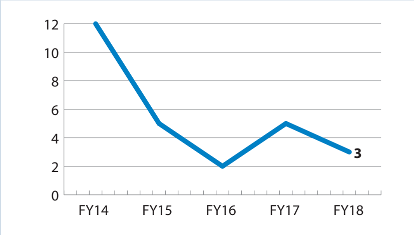
6. Establish industrial hygiene competency and improve occupational health

During the year, we upgraded our Occupational Health and Safety (OHS) IT system, implemented 12 hazard-control projects, strengthened the follow-up system through the Doctor @ Doorstep programme and enhanced focussed awareness and intervention programmes such as Doctor on line, theme-based awareness campaign, lifestyle management and stress management. To improve the competency among employees about emergency life support, refreshers training on first-aid and Cardio-Pulmonary Resuscitation has been initiated and 7,550 employees have been trained. 12,000 employees and contract employees have been covered in a theme-based health awareness campaign. During the year, we saw a 0.95% reduction in the health index over FY17 for which data has been analysed and corrective actions are being taken.

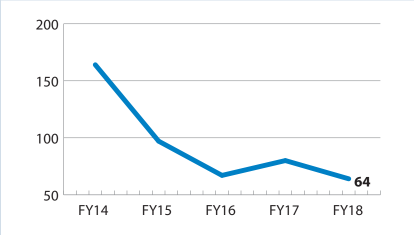
IMPACT CREATED

12 hazard-control projects implemented

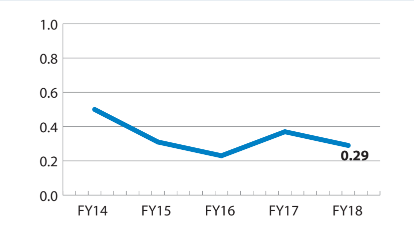
Our Performance



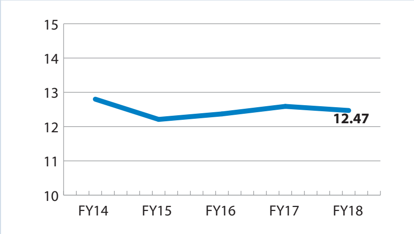
Fatality (Nos.)



LTI (Nos.)



LTIFR (Rate)



Health Index (Score out of 16)

Safety and Health

Way Forward

- Leadership training on updated risk matrix in India and South-East Asia facilities planned in FY 2018-19
- Skill improvement of contractor workforce and further improvement in the Star rating of high-risk job service providers to aid their employability and overall quality of life
- Implementing video analytics surveillance across the organisation in India along with road infrastructure improvement and introducing technology/digitalisation initiatives
- Strengthening Process Safety Management (PSM) – rolling out of PSM CoEs to nine new departments
- Implementation of identified industrial hygiene control measures in FY 2018-19 to achieve excellence in industrial hygiene – achieving 2% improvement in health index y-o-y

Joint Departmental Councils: A culture of working together

People

Employer of Choice

Employer of Choice	SE1
KEY AREAS	• Productivity • Diversity • Capability Development

Tata Steel has been a front-runner in people practices with many pioneering policies. Our people practices are based on the Tata Values, with emphasis on respect, dignity and unity, fostering a culture of working together. These values have contributed in getting us to the top position in the core sector in the 'Best Companies to Work for' study for two consecutive years.

We are now trying to leverage the diverse demography in the country through inclusion of women, underprivileged sections of the community and specially-abled people. Industrial harmony of almost 90 years is a testimony to our commitment towards working together.

Key Enablers and Initiatives

1. Improvement in Employee Productivity

We strive to improve employee productivity of our workforce without compromising on industrial harmony. Our key enablers to improve productivity are adopting automation and technological interventions, reorganisation, restructuring and rationalisation. Revision in the voluntary separation scheme, Sunhere Bhavishya Ki Yojna (SBKY) with multiple options and Job for Job scheme are some of the key initiatives undertaken in this direction in FY 2017–18.

IMPACT CREATED

Increase in employee productivity from 720 tcs/ employee/ year in FY 2016-17 to 738 tcs/ employee/ year in FY 2017-18 at Jamshedpur and from 653 tcs/ employee/ year to 918 tcs/ employee/ year at Kalinganagar.

tcs: Tonnes of Crude Steel

Gender inclusiveness

Heavy vehicle simulation training at safety excellence centre

Enabling employee productivity

2. Diversity and Inclusion

MOSAIC – The Diversity and Inclusion initiative by Tata Steel defines the path we follow to celebrate and encourage diversity and inclusion through a five-pillar approach:

i) **Recruitment**
In the context of hiring underprivileged and female candidates, the hiring authorities are encouraged to recruit the underprivileged or female candidate in the interest of diversity. Also, while sourcing CVs for hiring, incentives are given to head hunters who can source more diverse CVs for a particular position, all credentials and qualifications being the same. These efforts have also shown an increase in the numbers and percentage of women and underprivileged over the years.

To encourage female employees especially in technical fields, a scholarship programme 'Women of Mettle' has been implemented. 'Tata Steel Scholars' is a programme for underprivileged candidates in which undergraduate students are chosen and mentored. Many of these trainees are then absorbed in the organisation.

ii) **Development of Women Workforce**
Several initiatives across the organisation have been implemented, with our focus on developing the women workforce and nurturing them as future leaders. These include, Tata Mentors, a programme for cross-company mentoring for high-potential women executives trained by C-suite executives of other Tata companies, Reach Out, an opportunity for women leaders to learn and assimilate from leaders across India Inc., Tata Steel Engage, an internal women leaders programme, Tata Steel Ignite for emerging women leaders and Step Up to Success, a mentoring programme for female officers.

iii) **Sensitisation**
We have sensitisation programmes for C-suite executives, which include workshops on diversity for senior leadership, workshop on Power of Inclusive Management for middle management professionals and Zubaani, a platform for experience sharing by eminent speakers.

iv) **Supporting infrastructure**
We have in place creches and rest rooms for female employees and accessible washrooms and other infrastructure for Persons with Disabilities (PwDs).

v) **Celebration**
We celebrate International Women's Day and International Day for PwDs.

Inclusion of Persons with Disabilities (PwD) – Our efforts are directed towards establishing norms and practices that help create a more inclusive work environment for PwDs, with the first batch being inducted in FY 2017-18.

IMPACT CREATED

- **Employees from the underprivileged communities form 17.29% of the total employees**
- **Around 40% of management trainees from top business schools are females**
- **Increase in the percentage of women workforce at all levels and overall from 5.21% to 6.11%**
- **Decrease in female attrition from 9% to 6% from FY17 to FY18**

3. Capability Development

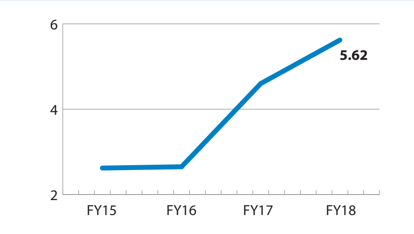
The capability development function has revamped its entire gamut of learning resources using digital technology and redesigned its training programmes to cater to the desired competencies of the entire workforce as per the business needs. E-learning modules have been rolled out with an aim to connect with approximately 80% of the workforce. Some key initiatives in this direction are:

i) Design of 41 new programmes for contractor skilling, covering > 2,100 contractor workforce.

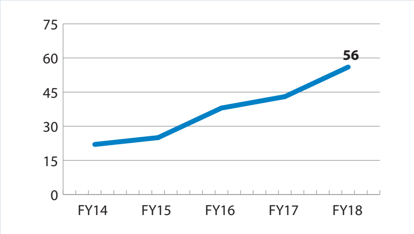
ii) Formation of Innovation Club, with 120 members, which provides financial and other support and covers more than 40 projects in areas spanning robotics, Internet of Things (IoT), waste management and alternative fuels.

iii) JN Tata Vocational Training Institute, which is run jointly by the Workers' Union and the Company, aims to provide vocational training in various sectors to the youth of Jharkhand. The initiative intends to cover 3,000 youth by 2020.

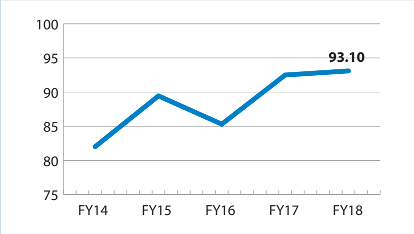
Our Performance



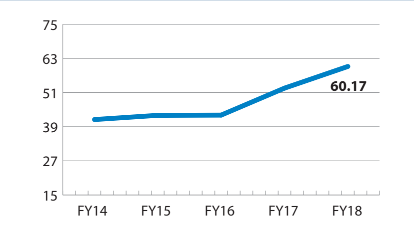
Training per employee (Man-days)



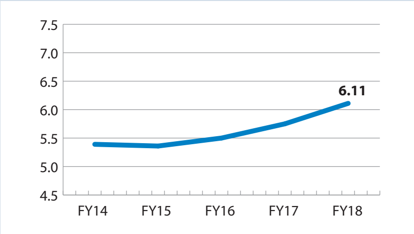
Unique employees trained (%)



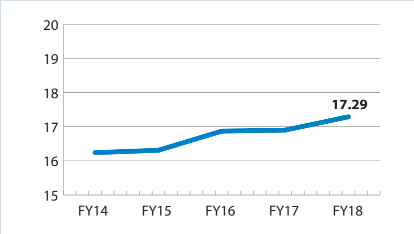
Employees involved in improvement activities (%)



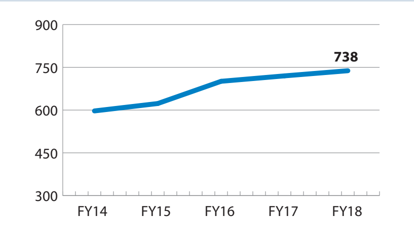
Investment in employee training and development (₹ in Cr.)



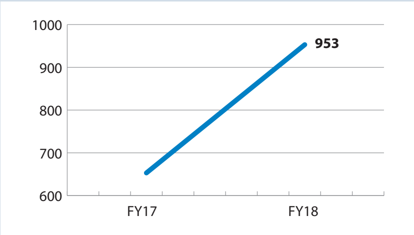
Diversity – Women in the workforce (%)



Diversity – SC/ST in the workforce (Affirmative Action) (%)



Employee productivity - TSJ* (TCS/ Employee/ Year)



Employee productivity - TSK* (TCS/ Employee/ Year)

**** Productivity calculations are based on the EOR of only the production departments, not the total EOR***

Capability development: Training programmes for contractor employees

Employer of Choice

Awards

- We won the Avatar Award for top 100 organisations for women to work in 2016 and 2017.
- Tata Steel's affirmative action has been appreciated many times by the Tata group's Tata Affirmative Action Programme Award for its work in this domain.
- We won the Golden Peacock Award for HR Excellence in FY18.

Way Forward

Continuing our efforts to provide equal opportunities to a diverse workforce and nurture future leaders. To achieve this, we have set certain time-bound objectives for ourselves:

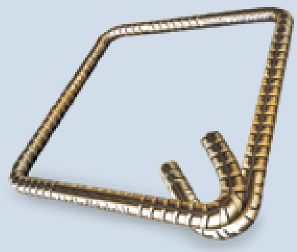
- Be an employer of choice in the top quartile across industries
- Increase productivity from 738 tcs/employee/ year to 900 tcs/ employee/year at Jamshedpur
- Aim to bring about 25% diversity in the workforce by 2025

Customer Focus

It is imperative that we keep pace with the growing needs of our customers, primarily those in the Automotive and Construction sectors. We aim to deliver enhanced benefits through customised services and solutions and value-added products throughout the customer's purchase journey. We are foraying into new lines of business to insulate ourselves from the cyclicality of the steel industry through continuous development of solutions beyond steel such as Pravesh Steel Doors and Windows, ReadyBuild cut and bend rebar solutions and Nest-In housing solutions.


Pravesh: steel doors and windows with the elegance of wood and the strength of steel

AquaNest: Water ATMs



TISCON Superlinks: High-Strength Stirrups

Solutions for enriched living

Tailoring solutions for customer requirements

96%
Loyal (repeat) customers

> 81
Customer satisfaction index (score out of 100)

Customer Focus	SO1, SO3
KEY AREAS	**Create value and meet the growth aspirations of customers through :** • **New and enriched products** • **Services and solutions** • **Entry into new segments** • **Maintaining leadership position in chosen segments**

The key differentiator of our marketing strategy has been our ability to develop and sustain relationships with our customers and channel partners, while managing a countrywide distribution network.

Our Value Analysis and Value Engineering (VAVE) initiative is supporting our automotive customers' growing requirements for cost-effective and lightweight solutions to reduce fuel consumption. We are capitalising on these opportunities by ramping up volumes and developing high-end products at our Kalinganagar plant and through our joint venture with Jamshedpur Continuous Annealing & Processing Company Private Limited (JCAPCPL). We have entered new market segments such as Oil and Gas, Lifting and Excavation (L&E) and Pre-engineered Building and also consolidated our market share in our existing product portfolio of automotive.

We continue to strive for superior quality offerings with our flagship brands in the Construction segment, such as Tata Tiscon and Tata Shaktee. We have also been able to meet the needs of Small and Medium Enterprises (SMEs) with our tailor-made offerings through our Emerging Corporate Accounts (ECA) brands.

Our application-specific grades and customised service offerings on Tata Astrum, Tata Steelium and Galvano to ECAs have achieved a 15% growth over FY 2016–17.

Key Enablers and Initiatives

1. To retain leadership position in the Automotive segment through our product and non-product value creation

With focus on the commercialisation of new products such as high-tensile HR grades for structural uses and by ensuring the majority share in most of the new automotive launches in the country, we have been able to attain a leading position in the automotive market.

IMPACT CREATED

- **Achieved a growth of 17% (over FY 2016-17) against an industry growth of 10%**
- **Growth in automotive high-end sales by 21% over FY 2016-17**

2. Ensuring sustained revenue by increasing retail play and safeguarding against price volatility (Tata Tiscon and Tata Shaktee)

Several initiatives were launched to increase reach, meet specific customer requirements and increase the value-added products' portfolio. Some of these are the Tiscon Footprint initiative to increase the network of dealers, Tata Discovery programme for engaging architects and organising dealer meets, launch of Tata Kosh for galvanised steel and Tata Sampoorna, a one-stop shop for all B2C brands to tap the potential of the rural market.

IMPACT CREATED

- **Tata Tiscon premium growth of 3% over FY 2016-17**
- **Tata Shaktee sales growth of 5% over FY 2016-17**

3. Unlock value from fragmented underserved markets through micro segmentation and enhancing capabilities

During FY 2017-18, we focussed on the development of new-grade products, carried out more than 250 customer-engagement activities and carried out programmes for enhancing the sales capabilities of area sales officers.

IMPACT CREATED

30% increase in turnover from ECAs achieved in FY 2017-18

4. Ramp-up sales of new product solutions from Tata Steel – Pravesh (steel doors) and Nest-In (housing)

Intensive product demonstration was carried out for end consumers, focussed on installation excellence for Tata Pravesh steel doors and expanding the Nest-In footprint through a network of partners across the country, while leveraging digitalisation and accelerating EzyNest's reach to the major segments.

IMPACT CREATED

- **Pravesh Steel Doors bookings increased five times as compared to FY 2016-17**
- **Nest-In revenue grew by 60% as compared to FY 2016-17**

71/100
NPS
Tata Tiscon

77/100
NPS
Tata Shaktee

NPS: Net Promoter Score

(Index ranging from **-100** to **+100** that measures the willingness of our customers to recommend our products to others)

5. Build capability to attain leadership in the Engineering segment

We have expanded our coverage in this segment through 30 new product developments and technical engagements with customers, while acquiring new customers during the year. We are developing relationships with the key players in the Oil and Gas segment. We have received almost 20 new customer approvals from the Kalinganagar plant in FY 2017-18.

IMPACT CREATED

The sales volume in the Engineering segment has doubled in FY 2017-18

6. Strengthening the Indian construction and infrastructure space

In order to facilitate faster and hassle-free construction at the project site, we launched the welded wire fabric 'Sm@rtFAB' for the construction and infrastructure industry. The cut and bend products have been approved as a preferred technology by nodal agencies such as Central Public Works Department (CPWD) and Engineers India Ltd. (EIL), among others.

IMPACT CREATED

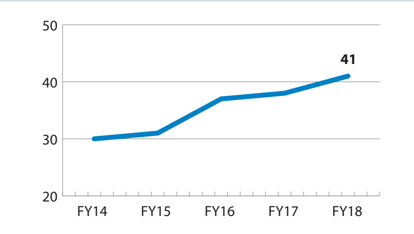
8% higher sales of ReadyBuild (cut and bend rebars) over FY 2016-17

Case Study

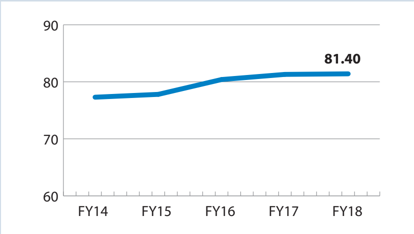
25% growth in the B2B segment (contributing to 60% of revenue) in FY 2017-18

- Our top-line growth in the B2B segment has been 25% over FY 2016-17. This can be mainly attributed to growth in demand in the Automotive Steel and Engineering segments.
- Automotive Steel achieved a growth of 17% against an industry growth of 10%. While there has been production growth in Original Equipment Manufacturers (OEMs), the higher sales of our HR and CR sheets have been enabled through increased customer engagements and cross-functional approach, which ensured agility in submitting trial material and getting quick approvals. We are ensuring future readiness and also developing and obtaining customer approvals for high-strength steels.
- Different sub-segments under the Engineering segment have registered remarkable growth, including Pre-engineered Buildings, L&E as well as Construction and related projects. New product development and customer approvals of new grades are the key enablers of this achievement.

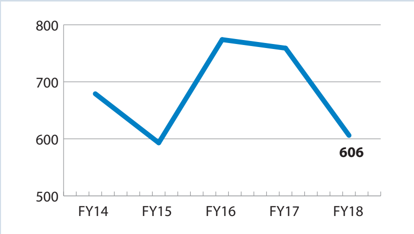
Our Performance



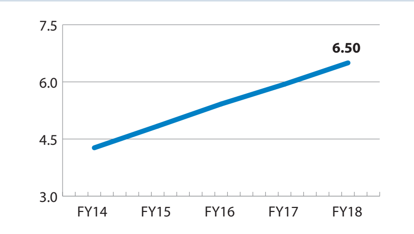
Application engineers working jointly with customers (Nos.)



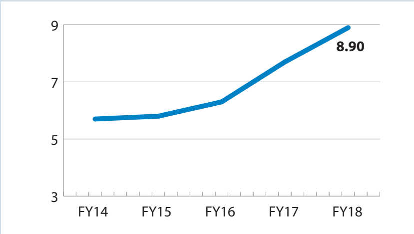
Customer Satisfaction Index (%)



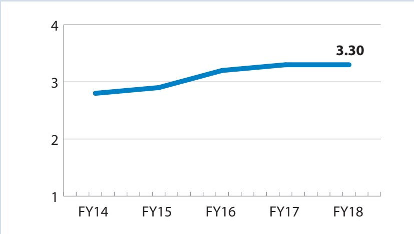
Quality/customer complaints – TSJ (PPM)



Enriched/value-added products sales (MnT)



Sales – Flat Products (MnT)



Sales – Long products (MnT)

PPM: Parts Per Million

Customer Focus

Awards

- **Maruti Suzuki**
  'Overall Performance Award' for FY 2016–17 at their vendor conference held in Singapore. The Award was given for exhibiting above-target performance in Quality, Cost, Delivery and Development. This is the third consecutive year that Tata Steel has been recognised with this award.
- **Toyota Kirloskar**
  'Quality Certificate' at their Annual Vendor Conference for achieving the quality targets in FY 2016-17. Against a target defect ratio of 0.2%, we have achieved a defect ratio of 0.05%, which is at par with imports.
- **Brakes India Ltd.**
  Best Supplier Award in the Raw Material Category at their Annual Vendor Conference in Chennai.
- **Tata Motors**
  Technology and Innovation Category at their Annual Supplier Conference in Pune. The Award was given for development of HS 800 for commercial vehicle long members and tipper body application.
- **Honda Cars**
  Appreciation Award for Outstanding Support in Sales Promotion at their Annual Supplier Convention 2018 in New Delhi.

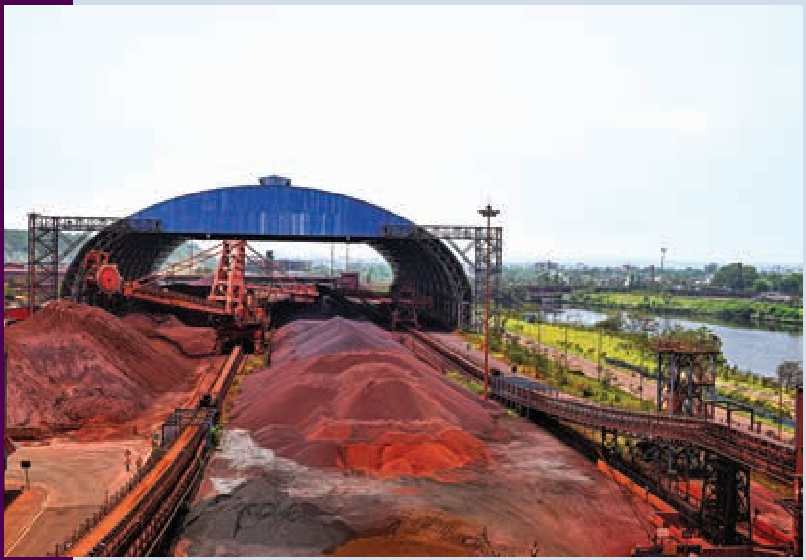
Way Forward

- Grow to keep pace with customers' growth aspirations
- Maintain market leadership in chosen segments
- Scale-up in chosen new segments – L&E, Pre-engineered Buildings, Defence and Oil and Gas
- Focus on Downstream Products – Tubes, Wires and Tinplate
- Capability building and strengthening supply chain to enhance the reach of Services and Solutions
- Venture into international markets by leveraging the strength of our brands

Customer Meet in Mumbai: Enduring Partnerships

Operational Excellence

Steel manufacturing is dependent on a wide variety of raw materials extracted from natural resources such as iron ore, coal and ferro alloys. The large variations in input quality characteristics of raw materials pose challenges to produce high-quality steel with minimum environmental footprint at a competitive cost. Hence, we endeavour to achieve efficiency and effectiveness by driving excellence across the steel value chain – spanning from raw material sourcing to the processed steel reaching the end consumer.



Pellet Plant, Jamshedpur Works: Achieving resource efficiency

Operational Excellence	SO2
KEY AREAS	• **Cost leadership** • **Business excellence**

Coke dry quenching

93.4%

Availability of critical manufacturing assets

₹2,594 Cr.

Savings accrued through improvement projects

Excelling in Quality and Efficiency

We ensure excellence in efficiency through continuous improvement in all areas of operations, such as process control, asset management and supply chain. Our initiatives are aimed at achieving superior product quality and delivery performance and optimising product mix, thereby improving efficiency at each stage of operations.

By doing so, we also lower our carbon rate, reduce waste generation and improve waste utilisation and maximise energy and material efficiency. Driving efficiency not only helps in cost reductions, but also enables us to reduce our environmental footprint.

Impact centre at cold rolling mill, Jamshedpur Works

Key Enablers and Initiatives

1. Continuous Improvement Culture

The Total Quality Management culture is deeply embedded in the ethos of Tata Steel, with all sections of people being involved in improvement projects, which helps us in sustaining the continuous improvement drive across the organisation. To accelerate and elevate improvement initiatives, a special programme called Shikhar25 was launched in FY 2015-16 with the objective of achieving sustained 25% EBITDA at the market price of raw materials.

A governance structure comprising cross-functional teams called 'Impact Centres' was put in place to achieve the objectives of Shikhar25. The Shikhar25 programme focusses on key structural issues such as improvement of Overall Equipment Effectiveness (OEE), effective utilisation of material, spend reduction and supply chain optimisation. At present, there are 21 Impact Centres functioning across the value chain, out of which five were added in FY 2017–18.

Other focussed TQM initiatives such as Small Group Activities (kaizens) and Suggestion Management also triggers improvements ensuring total employee involvement.

IMPACT CREATED

- **Total savings of approximately ₹2,594 Cr. has accrued in FY 2017–18**
- **Total number of Kaizens implemented were 34,712 in FY 2017–18**
- **Total number of suggestions implemented were 11,963 in FY 2017–18**

Projects* undertaken in FY 2017-18

AREA	PROJECT DESCRIPTION	IMPACT CREATED
Raw materials: West Bokaro	Segregation of left over coal contaminated with over burden during extraction and feeding back the same to washery, thus minimizing wastage of natural resources.	91 KT additional coal recovered from waste thereby enhancing mine life and resulting in saving of ~₹ 26.3 Cr.
	Recovery of coal wasted due to formation of wedges during mining through deployment of 3 stage mining process.	Additional raw coal extraction of 20 KT resulting in saving of ~₹ 7.8 Cr. and positively impacting mine life.
Iron making - Hot Metal	Reducing coke rate by increasing Hot Blast Temperature from 1,165 to 1,200 degrees centigrade at G and H blast furnace.	Reduction in CO_2 emission and cost savings of ~₹ 39 Cr. through reduction in coke rate by 6 kg/thm.
	Enhancing efficiency of coke drying system for reduction of coke moisture at H blast furnace through re-use of surplus cold blast thereby reducing coke rate.	Reduction in CO_2 emission and cost savings of ~₹ 12 Cr. through reduction in coke rate by 8 kg/thm.
Iron making- Agglomerate	Less consumption of fuel for producing pellet through utilisation of waste sludge of Gas Cleaning Plant (GCP)	11% reduction in fuel consumption at pellet plant thus saving ~₹ 6 Cr.
Steel Making	Reduction of specific lime consumption at LD1 by 6% through process optimization	Conservation of natural resources resulting in cost savings of ~₹ 15 Cr.
TSK	Reduction in rail idle freight using wagon load builder for optimized loading of coils	27% reduction in idle freight thus saving ~₹ 13 Cr.
Shared Services	Improvement of Mean Time Between Shutdown (MTBS) on an average by 80% across different plants by changing work practices, improving life of spares and shifting from time based to predictive maintenance	Additional throughput of 61 KT in Agglomerates, 29.5 KT in Iron Making and 14.7 KT in Steel Making thus saving ~₹ 26 Cr.
Environment	Reduction in Specific Water Consumption at Wet Processing Plant of OMQ by process optimization and design modification in water circuit at HBF and TSK blast furnace for recycling and reuse.	26.5% reduction in water consumption
Safety	Enhancing safety by fool proofing Torpedo circuit, CGL#2 Steam Network and in-house development of wireless transmitter for BF temperature measuring lance.	Eliminating unsafe incidents from 18 to zero.

* Selected projects. Not comprehensive.

2. Successful ramp-up of the Kalinganagar plant

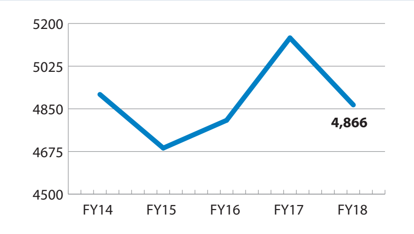
We have been able to demonstrate our organisation's strength in operational management and continuous improvement culture with the successful ramp-up of all our units at our Kalinganagar plant in FY 2017-18. (Refer to the table and chart on the right) Our Kalinganagar plant has till date rolled out 110 grades of steel, of which 40 were added in FY 2017-18. The necessary certifications required for servicing auto and other Original Equipment Manufacturer (OEM) customers have also been obtained. The Kalinganagar plant has enabled Tata Steel to enter new and promising market segments, including Oil and Gas, L&E and Defence.

Ramp-up of the Kalinganagar plant

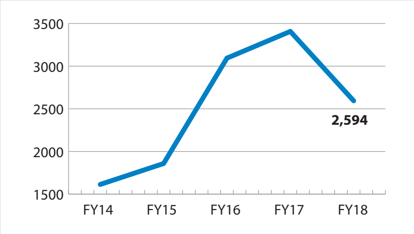
		PRODUCTION (MnT)		
	COMMISSIONING DATE	FY 2016-17	FY 2017-18	RATED CAPACITY (MnT)
Coke Plant (Gross Coke)	Sep '15	1.32	1.57	1.50
Sinter Plant (Net Sinter)	Jan '16	2.44	3.40	4.60
Blast Furnace	Mar '16	2.23	2.91	3.20
Steel Melting Shop	Mar '16	1.68	2.53	3.00
Hot Strip Mill	Oct '15	1.78	2.56	3.50

Kalinganagar Steel Works

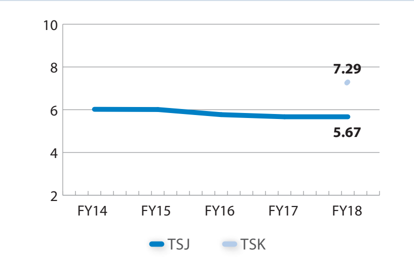
Our Performance



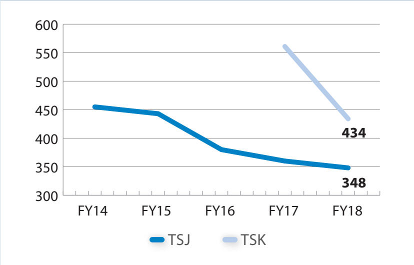
Completed improvement projects (Nos.)



Savings accrued through improvement projects (Shikhar 25) (₹ in Cr.)



TSJ & TSK - Energy intensity (Gcal/tcs)



Coke rate - TSJ & TSK (Kg/Tonne of Hot Metal)

Thin slab caster and rolling facility at Jamshedpur Steel Works

Operational Excellence

Awards

Prime Minister's Trophy for 'Best Integrated Steel Plant' for the assessment years 2014-15 and 2015-16

Way Forward

For us, the future course of action will encompass:

- Focussing on structural cost reduction for long-term competitiveness
- Optimising the use of captive raw materials and consequently improving mine life
- Exploring new opportunities for additional capacity at Jamshedpur through debottlenecking and replacing of old facilities with new, efficient and state-of-the-art facilities
- Benchmarking performance in plant reliability
- Optimising asset utilisation at the Kalinganagar plant by adopting maintenance practices deployed at Jamshedpur
- Rationalising product mix for optimum utilisation of capacity and capability of the two plants (Jamshedpur and Kalinganagar)
- Working towards environmental excellence by augmenting new environmental equipment, implementing new initiatives and investing in environment-related R&D projects
- Building over 20 algorithms under Project MARVEL (Making Analytics Real Valuable Efficient and Logical) and focusing on more than 200 projects under digitalization drive in the areas of Yield, Energy, Throughput and Quality (YETQ). Implementation of these ideas via an asset light IT strategy to enable near real time & intelligent decision making to become a more Agile & Mobile organization

Innovation

In the changing business environment, with competition from alternate materials and increasing regulatory risks, Tata Steel is leveraging capabilities in the areas of Research, Technology Development and Digital Initiatives. While our research and technical capabilities focus on manufacturing innovative products with lower environmental footprint, our digital initiatives ensure integration of Information Technology (IT) with our operational processes for productivity, safety, transparency and cost optimisation.

enGENE: The first-ever biotechnology laboratory established by a steel producer in the world

R&D facility, Jamshedpur Works: Pushing the frontiers of R&D

133
New products launched

₹181.64 Cr.
Spent on R&D

Innovation	SE2, SE3, SE4
KEY AREAS	• Research & Development • Product Technology • Process Technology • Advanced Materials • Digital

Key Enablers and Initiatives

1. Research and Technology Development

Our R&D and Technology projects are spread across the value chain and the key research areas include Raw Material Research, Coal, Coke, Iron and Steel-making Research, Product and Product Application Research and Environmental Research, among others. Our research is continuously focussed on optimised usage of natural raw materials and developing high-end products. Some of the key research areas include coatings, high-strength auto grade steels, leveraging low-grade raw materials, and value from by-products.

2. New Product Development

Our product development activities are focussed on making various grades of steel products that are lightweight and high-strength HR or CR steels for both the Automotive and Construction segments. We have collaborated with leading institutes such as the Cambridge University, University of Science and Technology, Beijing and Indian Institute of Science, among others, for the execution of lab-scale research into manufacturing facilities.

To augment automotive and construction steel production, we have entered into a 50:50 joint venture with Nippon Steel and BlueScope steel for producing a wide range of automotive steels, Galvalume and colour-coated sheets. Tata Steel Kalinganagar has further enabled us to enter new segments.

There are other steel grades that we are developing and they are at different stages of their development cycle.

Item	Application	Status
Pilot scale development of API X-80 for non-sour and API X-65 for sour application	Line pipe	Pilot trial done. Plant trial to be taken up
Pilot scale development of abrasion-resistant steel with 400 BHN for L&E application	L&E	Pilot trial done. Plant trial to be taken up
Development of polymer-coated steel (Poly Steel) for eliminating the cumbersome seven-stage pre-treatment process for powder coating	White goods and furniture	Commercial trial made. Supplied to customers
Cost-effective production of metallic glass powder, which is characterised by very high hardness (10X than steel) and good corrosion resistance	Liners in steel plant	Pilot trial is in progress

IMPACT CREATED

In FY 2017-18, we launched 133 new products* for different markets. On this front, we undertook the following initiatives:

- Developed and commercialised HR high-strength grade HS 800 for long-member application of commercial vehicles
- Commercialised the production of coloured Galvanised Iron (GI) barbed wire with organic coating for extra corrosion protection

*New product is defined as product developed at Tata Steel through new processes and technology and then commercialised.

3. Process Technology Improvement

In iron making, our process technology improvements focus on blast furnaces, which are major contributors to carbon emissions and wastewater discharge. Some of the key improvements we have undertaken during the year include in-house technology development for measuring blast furnace stave thickness, development of a novel compound for cyanide removal from wastewater and increase in the consumption of solid waste, resulting in reduced consumption of virgin raw materials.

IMPACT CREATED

- **The carbon rate at our blast furnaces at Jamshedpur has been reduced by 10 kg/tonne of hot metal**
- **Increase in the consumption of solid waste from 79 kg/tonne of sinter to 97 kg/tonne of sinter in one of our sinter plants**

4. Advanced Materials

With an increasing threat to our business from alternate materials, it is important for us to be proactive in researching advanced materials. Our Graphene Development Centre (GDC) completed a year in FY 2017-18. During the year, the centre produced corrosion-resistant graphene paint and supplied graphene powder to renowned tyre companies. It also demonstrated the potential of Graphene Inks (Gink).

Graphene development centre

5. Digitalisation

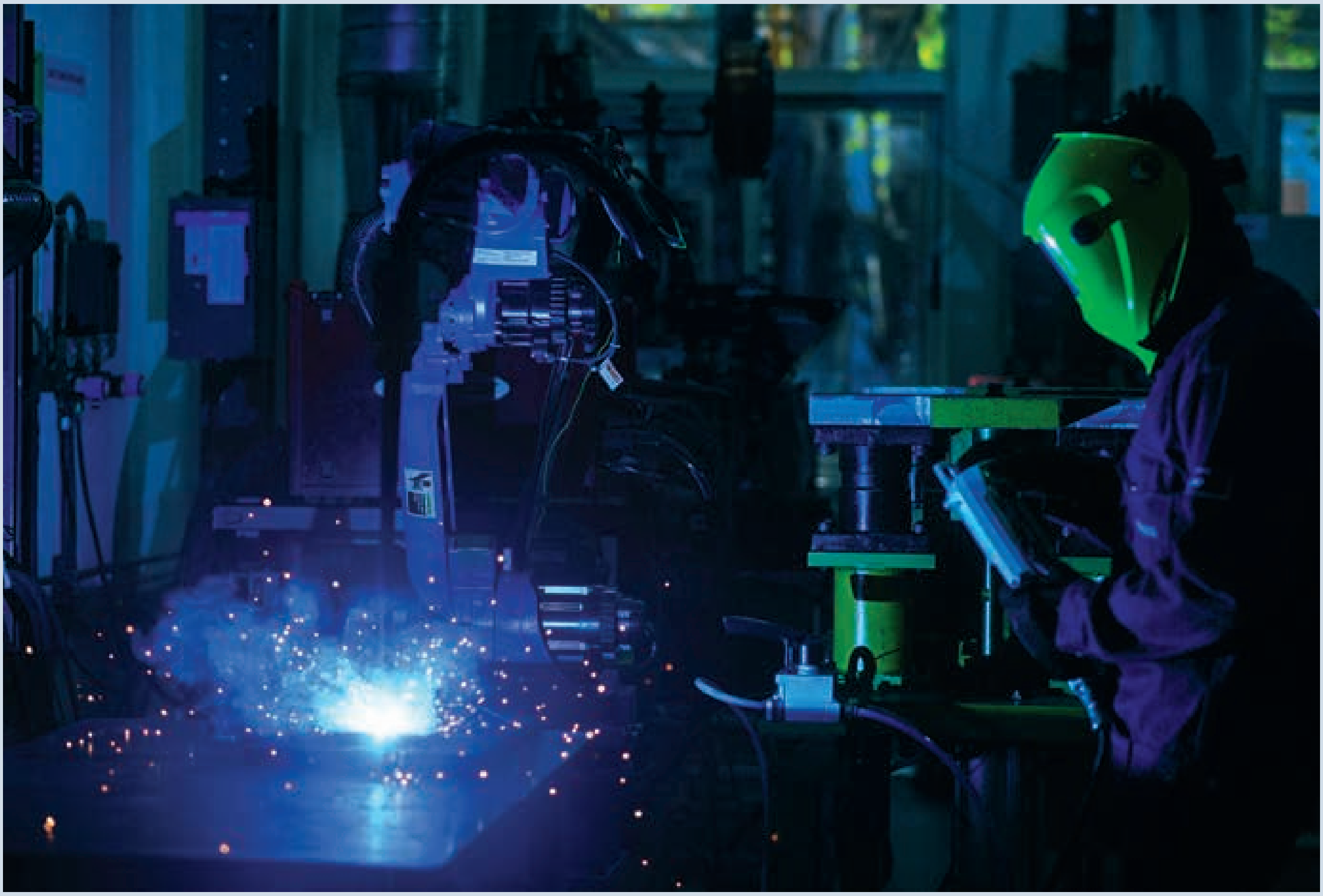
The opportunity presented by the emergence of Digital Technologies is one of the key strategic enablers to our sustainable growth. Confluence of information and operational technologies has helped us create safer, simpler and smarter operations. We co-developed, with external consultants, custom e-learning modules on various digital technologies, which have been undertaken by more than 10,000 of our employees, cutting across levels and geographies.

As a step towards process simplification, integration and speed, we have implemented the SAP S4 – HANA platform, thereby becoming the first integrated steel plant in India to do so. This has enabled the organisation with a single source for costing, financial accounting and asset accounting through its 'Universal Journal' architecture. We have been enhancing stakeholder experience and mobility through various applications and embedded analytics over business layers. This forms the foundation for our future process improvement journey and builds the right momentum for our journey towards being an Industry 4.0 company.

Moreover, through collaborations, we have developed and deployed advanced analytics, design thinking and agile methodologies.

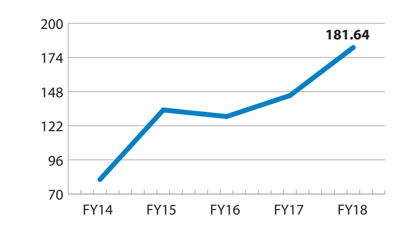
IMPACT CREATED

- **As a part of our efforts towards Smart Asset Management, we have deployed an online Fleet Management System to improve the utilisation of Heavy Earth Moving Machinery (HEMM) at our iron ore mines located at Noamundi and Katamati. The solution will get horizontally deployed at our other mining locations**
- **DigiWheels is a shared platform for our in-plant transport vehicles. The solution is being extended to the Kalinganagar plant and to raw material locations. RakeDrishti, a project with the Indian Railways, enables visibility of rakes in closed-circuit and improves loading or unloading planning**

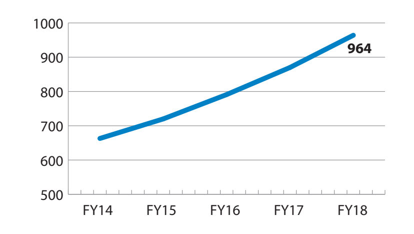


SeFondre: State-of-the-art centre for advanced welding and joining

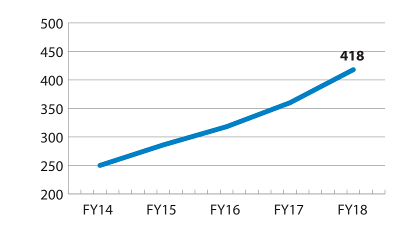
Our Performance



R&D spend (Cr.)



Patents filed (cumulative) (Nos.)



Patents granted (cumulative) (Nos.)

Innovation

Awards

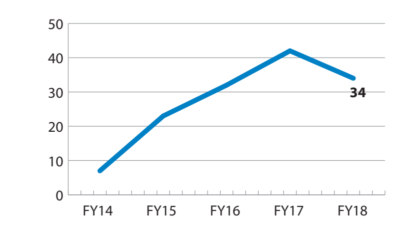
Following are the awards and recognitions won by Tata Steel representatives in various areas of innovation and technology developments:

- Award by Tata Motors in their annual supplier conference for developing and supplying HS 800 grade
- CII Environmental Best Practices Award under the Most Innovative Project category
- National Metallurgist Award (Industry)
- Winner and runner-up at the seventh Innovation Practitioner's Summit organised by All India Management Association (AIMA)

Way Forward

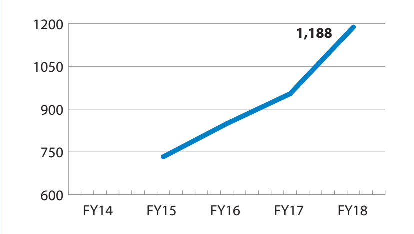
We will continue our efforts on all dimensions of research, technology development and digitalisation, while focussing on the following aspects:

- Make investments in Information Technology to be an agile and mobile organisation, and in the process, uncover greater cost savings across the value chain.
- Grow our Graphene business by becoming a reliable and quality producer of Graphene products
- Develop a strong product portfolio in advanced materials, while converting the concept proofs into potential business cases

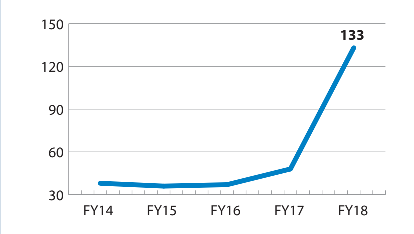


Collaborations/membership (technical institutes) (Nos.)

[Number of projects requiring external collaborations has reduced from the previous FY]



Revenue through services and solutions business (incl. Profit Centres) (Cr.)



New products launched (Nos.)

Supply Chain

Supply chain is a critical element in Tata Steel's value-creation process for ensuring on-time delivery of the right quality of raw materials, other goods and services to manufacturing locations, and finished products to the customers. Storage of semi-finished and finished products is a critical process with respect to timeliness of delivery, security and preserving quality.

Aiming for delivery compliance

Central warehouse at Jamshedpur

> 5,000
Supplier base

> 1,500
Number of local suppliers

Managing a Diverse Supply Chain

Supply Chain	SO2
KEY AREAS	• Optimising inbound & outbound logistics network • Managing suppliers & channel partners

Our major manufacturing locations are located in the eastern part of the country, in the states of Jharkhand and Odisha, while Profit Centres such as Wires Division, etc. and customer delivery points are located pan-India. To meet the delivery and quality requirements of customers, we have steel-processing centres and stockyards at strategic locations across the country to optimise the delivery time and cost. Our captive iron ore mines and collieries are located at sites around Jamshedpur and Kalinganagar.

- While railways are the most preferred mode of transportation in India from an environment point of view, it is wholly owned by the Government, which allocates the wagons to various agencies in the country. For the raw material segment, we are totally dependent on the Indian Railways for inbound transportation. We have closed-circuit rakes running between the captive mines, ports and manufacturing locations. We are one of the first in the steel industry to capitalise on incentives by the Indian Railways – Special Freight Train Operator (SFTO) Scheme and long-term tariff contract.

- The road conditions are not ideal for transportation of high-end steel products, which have to travel as far as 1,700 kms from the manufacturing locations to pan-India. Inland waterways in the country are in the early stages of development. Hence, it is not an open option at this stage, even though it is the most environment friendly mode.

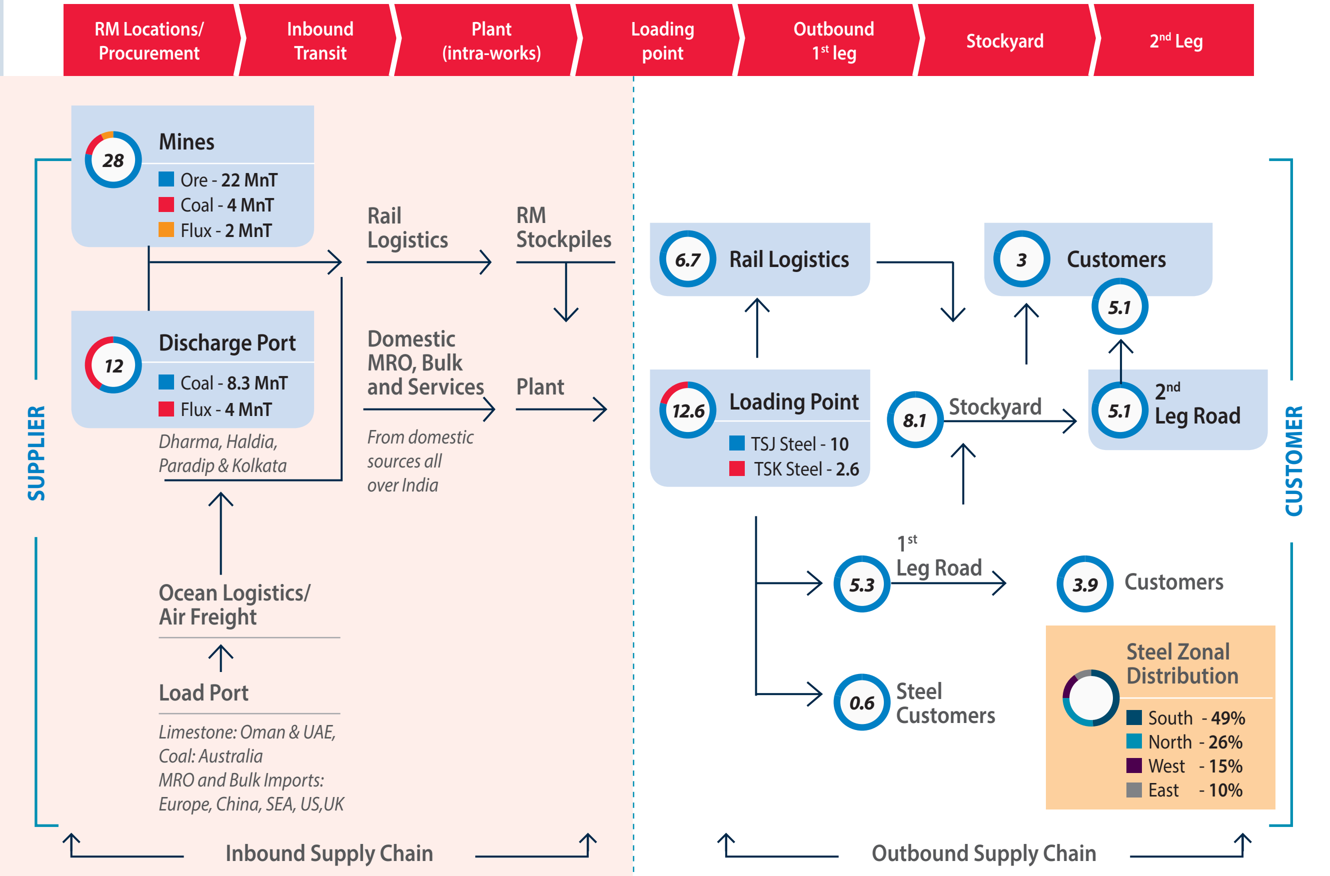
Therefore, we need to adopt multiple modes of transportation, taking into consideration the above constraints, aiming for the best possible delivery compliance and cost while taking utmost care of safety and the environment.

In FY 2017-18, Tata Steel imported almost 8.3 Million Tonnes (MnT) of coal from Australia, New Zealand, and North America, Canada/US and CIS; 4 MnT of fluxes were imported from the Middle East and Vietnam.

- Tata Steel plays a pivotal role in ensuring close co-ordination and planning between overseas miners, load ports, ship owners, port authorities in India, the Indian Railways and our plants receiving the raw materials. We are one of the first major steel manufacturers to initiate the deployment of energy-efficient and environment friendly vessels for ocean transportation.

With increasing focus on environment and on de-risking our supply chain from emerging regulatory and other climate change risks (Refer R3 and R6 on Page 30-31), we are now enhancing our focus on a Green Supply Chain and exploring the concepts of third-party logistics, modern state-of-the-art warehouses, use of energy-efficient and newer design eco-friendly ships, coastal shipping to reduce landside tonne miles and use of digital meals to simplify the cargo flow of raw materials and other bought-out goods (maintenance repair operations, bulk, etc.) and services. We ensure the implementation of Human Rights throughout the supply chain. The schematic depiction of our supply chain with the flow of materials is shown below:

For one tonne of finished goods, the total movement in the supply chain circuit is ~4 tonnes inclusive of raw material



*All figures in million tonne
MRO: Maintenance, Repair, Operations

Key Enablers and Initiatives*

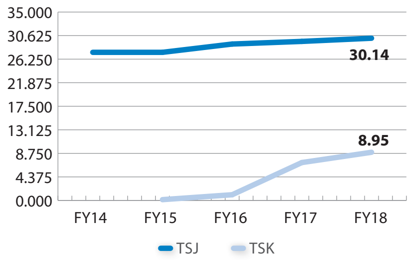
PROJECT DESCRIPTION	IMPACT
1 **Reduction of carbon emissions by hiring at least 50% vessels with GHG emissions rating of class A to D**	Almost 65% vessels hired of GHG class A to D. Average grams of CO_2 emissions per tonne nautical mile for vessels hired by Tata Steel in FY 2017-18 was 4 gm as compared to the global average of 10.9. **
2 **Reduction in the consumption of wooden dunnage used in FG steel dispatch by introducing SFTO rakes with inbuilt saddles**	• Wood savings of 80,352 cu. ft. every year for ~8,498 number of coils by eliminating the use of wooden dunnage, thereby reducing adverse environmental impact. • Enhanced delivery quality and savings of ₹3.3 Cr. in FY18.
3 **Develop and increase business with underprivileged and DP (Displaced) Vendors**	Development of the few first-generation entrepreneurs from the underprivileged section of the society with a business volume of ~₹80 Cr.
4 **Implementation of the Solid State Interlocking (SSI) system to improve safety in rail network**	• Cabin-operated rail traffic through control panel. • This also resulted in savings of ~₹1 Cr. in manpower productivity and ~₹25 Cr. on rail penal charges
5 **Implementation of Engine on Load (EOL) concept in raw material circuit for the first time in the steel industry**	• Throughput of rolling stock increased by 40% ensuring raw material security • Avoidance of one-time Capital Expenditure (~ ₹80 Cr.) with recurring savings of ~₹15 Cr. through better loco fleet utilisation • Improved safety performance: (Zero Loss Time Injury (LTI) and Reduction in derailment by 50%)

Pan-India retailer reach and a network of service partners in key consumption centres provide a unique competitive advantage to the TSL market

Plant Warehouses	**Jamshedpur and Kalinganagar**
Hubs	**6 (Delhi, Faridabad, Kolkata, Nagpur, Vijayawada, Chennai)**
Stockyards	**18 (pan-India)**

Key Facts

- 100% fleet covered by vehicle tracking system
- Judicious mix of rail (~60%) and road (~40%) movement (cost effective and timeliness)
- 150 sales officers in 26 locations (customer account managers for relationship building and ensuring service)
- 193 distributors, 1,500 distributors' feet, 11,883 dealers (strong network across India) reaching out to ~650 districts (95% coverage)
- Theory of Constraints (TOC) supply chain implemented in all product categories for retail sales (central warehouse enabled)
- Local/ customised production enabled by 24 Steel Processing Centres (SPCs) across Steel and Profit Centres
- Company distributor owned service centres for last point processing

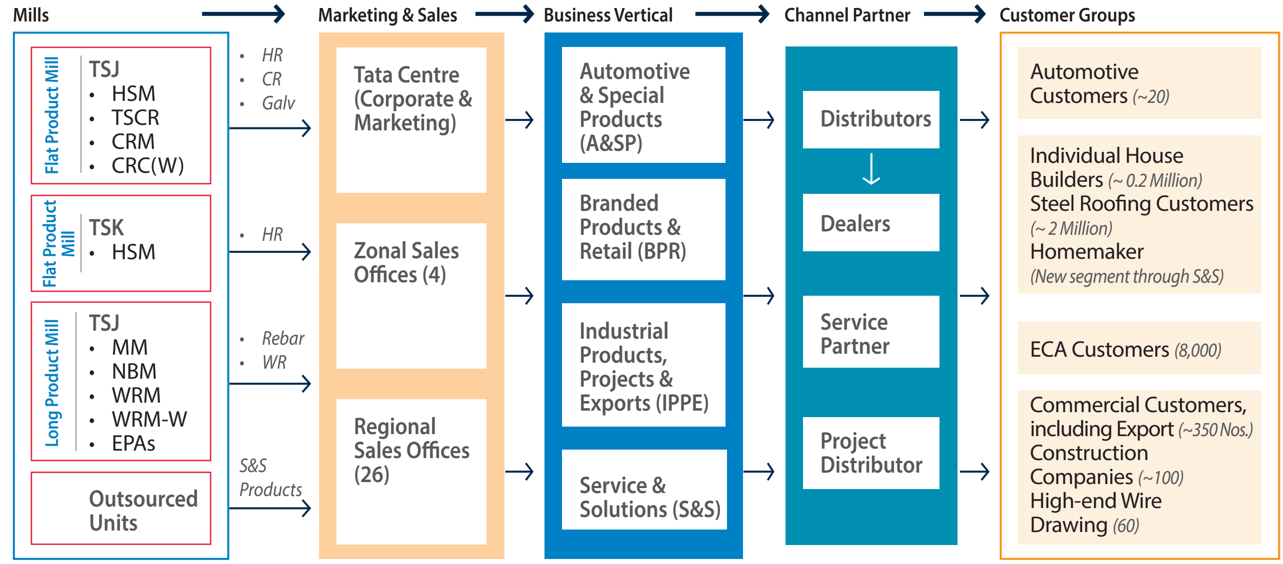


Raw Material handled (MnT)

* Selected projects. Not comprehensive.

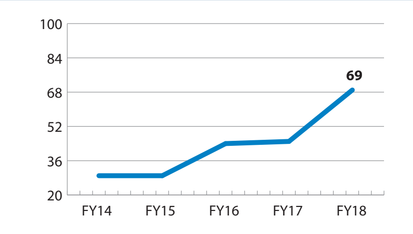
** Source: BIMCO (Baltic International Maritime Council) and Rightship – a Maritime Risk Management and Environmental Assessment Organisation.

Route to market has been designed to bring in user segment focus

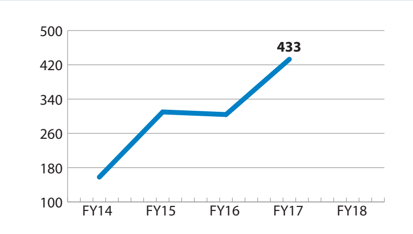


HSM: Hot Strip Mill **TSCR:** Thin Slab Caster and Rolling **CRM:** Cold Rolling Mill **CRC(W):** Cold Rolling Complex (West) **MM:** Merchant Mill
NBM: New Bar Mill **WRM:** Wire Rod Mill **HR:** Hot Rolled Steel **CR:** Cold Rolled Steel **GALV:** Galvanised Steel

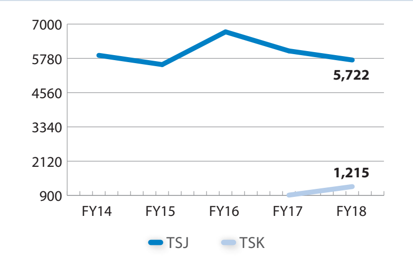
Our Performance



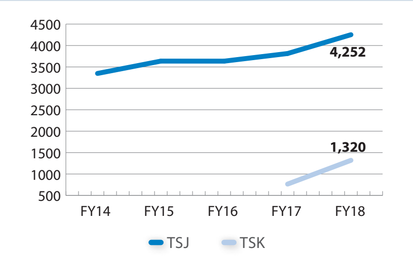
Number of underprivileged suppliers (Suppliers from the Scheduled Castes and Scheduled Tribes Community) (No.)



Suppliers trained through Vendor Capability Advancement Programme (VCAP) (No.)



Outbound despatch volumes: Rail (TSJ and TSK) (kT)



Outbound despatch volumes: Road (TSJ and TSK) (kT)

Supply Chain

Way Forward

- Network optimisation for improving the reliability and cost performance of the supply chain
- Asset-light and agile growth through utilisation of Private Freight Terminals (PFTs)
- Coastal steel shipping as a de-risking mechanism, for reduction in transport-related CO_2 emission and ensuring sustainable supplies for our customers in South and West India
- Connecting North-East India through barge transport on inland waterways from Kolkata/Haldia through Bangladesh – this route would avoid long-winding and expensive truck routes to North-East India
- Economic speed management of vessels whenever and wherever possible – close co-ordination by all entities in the supply chain

Responsible Behaviour

ENVIRONMENT

Steel-manufacturing process depends on as well as impacts natural resources. Coal, iron ore, ferro alloys and water are key inputs to our iron and steel-making processes, resulting in emissions (e.g. CO_2, dust and other gases), discharge of effluents and solid waste generation. Due to our captive mines and collieries, we have a significant impact on the natural ecosystem and biodiversity in our mining locations. We are exploring the opportunities for increasing the utilisation of LD slag, which is a problem for steel manufacturers across the globe, through market-based solutions.

With consumer consciousness and community expectations growing in the area of environmental performance, we have begun to focus more on product stewardship and environmental declarations for our products.

Taking forward the learnings from the TSJ plant, the TSK plant has in place state-of-the-art technologies and new facilities have been designed for minimal carbon and water footprint.

Butterfly park at Noamundi

₹544 Cr.

Capital spend on environment

A 3 MW solar power plant at Noamundi iron ore mine

Environment	SO4, SG1, SG2
KEY AREAS	• **CO_2 emission** • **Water consumption & effluent discharge** • **Solid waste utilization** • **Biodiversity** • **Dust emission**

Key Enablers and Initiatives

Responsible Behaviour: **Environment**

Increasing LD Slag Utilisation

- Started Material Reclamation Plant (MRP) at TSK and upgradation of MRP at TSJ to recover metallic matter from LD slag and recycling
- Developed new markets/applications for LD slag
- Launched branded LD slag products – Tata Aggreto and Tata Nirman – in January 2018

IMPACT CREATED

- **Year-on-year increase in the utilisation of LD slag (TSJ* and TSK figures are given below):**
  - FY 2015-16* – 43%
  - FY 2016-17* – 53%
  - FY 2017-18* – 59% (TSK – 56%)
- **Avoided excess landfill**

Responsible Behaviour: **Environment**

CO_2 Emission Reduction

1. Sustain carbon efficiency in iron making

IMPACT CREATED

Specific energy intensity (national benchmark)

- Sustained energy efficiency in FY 2017-18: 5.674 Gcal/TCS
- Sustained CO_2 emissions performance in FY 2017-18: 2.30 tCO_2/TCS

3. TSK: Ramp-up Top Recovery Turbine (18 MW)
Commission CDQ (12 MW)
Start pulverised coal injection in 2017
Optimise fuel use due to ramp-up

- Over 0.6 MnTPA dry-quenched coke used by blast furnaces
- Used 3,58,723 t of Pulverised Coal Injection (PCI) in the blast furnace (123kg/t of hot metal)
- Reduced coke rate in blast furnaces to 434 kg/thm in FY 2017-18 versus 561 kg/thm in FY 2016-17

IMPACT CREATED

Following ramp-up in FY 2017-18, 14% reduction in CO_2 intensity at TSK

2. Integrate climate change mitigation into business decision making

Continued to implement internal carbon pricing (shadow price of CO_2) in the financial appraisal of capital projects. One of the first Indian steel companies to do so.

IMPACT CREATED

- **Fast-tracked environmental projects**
- **Directed investments towards low carbon growth**
- **Brand enhancement**

4. Raw material locations: Commission 3 MW solar power plant at Noamundi
Use biodiesel in iron ore mines

- Generated 37,98,022 kWh solar power during FY 2017-18
- Used 18% biodiesel in Joda and Khondbond mines during October 2017

IMPACT CREATED

- **Offset 3,038 tCO_2 through solar energy**
- **3% of the Renewable Purchase Obligations (RPOs) met through own generation in FY 2017-18**
- **Replaced 104 KL of diesel with biodiesel and offset 300 tonnes of CO_2**

Responsible Behaviour: **Environment**

Blast Furnace Slag Utilisation and Ground Granulated Blast Furnace Slag (GGBS)

1. Application in manufacturing of Portland cement, glass, mineral wool insulation, replacement of sand, etc.

Granulated and sold 98.5% of blast furnace slag to the cement plant to replace clinker by more than 60% in cement making

IMPACT CREATED

Utilised 100% wet granulated slag in cement making, avoiding fugitive air emissions during transportation

2. Enhance value of products

GreenPro Certification awarded to Tata Steel's GGBS by CII-GBC, Hyderabad. Tata Steel is one of the first companies in India to get the green product certification for GGBS. GreenPro is a CII-awarded green label that enables wider acceptance by environment-conscious customers

IMPACT CREATED

Achieved highest-ever sales for GGBS of 16.5 KT, replacing equivalent quantity of Portland cement

3. Improve availability of processed slag and closely monitor and control effective utilisation of sinter plant assets

IMPACT CREATED

Recycled ~98% of process-generated waste in the iron-making process

Responsible Behaviour: **Environment**

Biodiversity

Progressively implemented Biodiversity Management Plans (BMPs) at raw material locations in partnership with the International Union for Conservation of Nature (IUCN)

- Developed biodiversity management plans for each mining site
- Planted around 1,90,000 saplings of 45 species
- Installed over 400 nest boxes to enhance birds' nesting niche at the Noamundi iron ore mine
- Used the globally recognised tool – Biodiversity Indicator and Reporting System (BIRS) for habitat enhancement monitoring and reporting

IMPACT CREATED

- **Began systematic action, monitoring and reporting on biodiversity enhancement**
- **Promoted diversity in plantation and discouraged monoculture at each site**

Niche Nesting

Central effluent treatment plant: Reducing water footprint

Water

Reducing Freshwater Intake

Over the last decade, several initiatives have been taken at TSJ, including infrastructure upgradation for increasing water recycling and reuse and augmentation of rainwater harvesting within and beyond the fence. Apart from these, multiple improvement projects were undertaken, as listed below:

- Metering and on-line monitoring
- Departmental water audits
- Replacement of freshwater with recovery water in low-end applications
- Improved utilisation of recycling assets (Common Effluent Treatment Plant (CETP), effluent pumping and catch pits)

The major capital projects include commissioning of six catch pits and capacity enhancement of the existing catchment area.

IMPACT CREATED

35% reduction in water consumption in the last five years. At TSK, the focus has been on increasing water recycling through improvement in the CETP performance, improvement in Biological Oxygen Demand (BOD) treatment and better diagnosis of leakage and remediation at blast furnaces and hot strip mills

Dust

Reducing Dust Emissions

At TSJ, several improvement measures along with capital investment projects were undertaken to reduce dust emissions. These include upgradation of the existing Air Pollutant Control Equipment (APCE) and torch-cutting and fume-extraction system at Metal Recovery and Slag Processing Plant (MRSPP) commissioned in FY 2016-17 at ₹16.6 Cr.

IMPACT CREATED

Maintained air emissions of TSJ at a level of 5 MnTPA while producing 10 MnTPA

Responsible Behaviour: **Environment**

Conserving and Enhancing Biodiversity

Assessment of leasehold areas to monitor the biodiversity and habitat enhancements using the Biodiversity Indicator and Reporting System (BIRS) tool

Tata Steel and IUCN have been working together since July 2013 and phase-I of our engagement culminated with the launch of the Company-level biodiversity policy and the finalisation of Biodiversity Management Plans (BMPs) for each of the mining sites of Tata Steel. In 2016, Tata Steel entered into phase-II of engagement with IUCN for roll-out of BMPs at all mining sites.

In 2017, Tata Steel became the first company to monitor BMP implementation progress using the Biodiversity Indicator and Reporting System (BIRS) tool.

Plantation in the mined-out area of hill 1 and 2 in Noamundi: Reducing the ecological footprint

Hibiscus park at Noamundi

Noamundi iron ore mine

BIRS is a simple system for assessing the overall biodiversity suitability of a defined site having different habitat types, expressed as 'Site Biodiversity Condition Class', on a scale of 1-10. It considers the area of every habitat type on a site, the ecological condition of these habitats (including enhancements and threats) and the uniqueness and ecological importance of each habitat in the regional context.

A rise in the calculated index value and especially an increase in the Site Biodiversity Condition Class, from one assessment to the next, would show an overall enhancement of the suitability of a site for biodiversity, while a decrease would signal a lowering of the site's value for biodiversity.

Assessment Review

- Feedback from the IUCN Regional Office and Country Office
- Feedback from the Tata Steel Senior Management

Key Development

Tata Steel conducted extensive BIRS assessments in 2017 at all mining sites. During the assessment, we identified site-specific key threats to biodiversity. Based on the BIRS report, Tata Steel is implementing measures to mitigate the threats, thereby contributing to the biodiversity enhancement of the site.

Way Forward

- BIRS will continue to be used for regular and standardised reporting on changes to biodiversity conditions
- Moving towards no net loss in biodiversity at its raw material location

IUCN: International Union for Conservation of Nature

Making the Best of By-products – LD Slag

Increasing the utilisation of by-products, especially LD slag, and introducing branded by-products, Tata Aggreto and Tata Nirman

The objective of our Industrial By-product Management Division (IBMD) is to deliver maximum value from our industrial by-products.

Exploring the Opportunities of a Circular Economy: Last year, IBMD processed ~13 MnT, of which ~6.8 MnT is slag from iron and steel-making. 18% slag was utilised internally in sinter making and another ~62% was used externally, mostly in cement making, reducing CO_2 emissions from clinker making while conserving natural resources (limestone). We are currently exploring strategies and avenues to bring back the balance 20%, which is mostly steel-making slag, as part of a circular economy.

The steel-making slag is finding application in other industries such as cement, civil construction, road-making, railway ballast, etc. Our intent is to standardise processing to deliver consistent product specifications to make them suitable for various external applications.

We have achieved the highest ever steel-making slag utilisation during the year at TSJ at the rate of 59%. We have successfully derived value from various streams of by-products and maximising this presents a great opportunity.

Deriving value from by-products

Achieved

Launched branded LD slag brands:

- **Tata Aggreto** was launched in January 2018 for the sale of steel-making slag with a promise to provide superior, ready-to-use material with consistent sizes. This product replaces natural aggregate for road making. With the focus on road building in India, this could open up a new window for the Company.
- **Tata Nirman** was launched for usage as raw material in fly ash brick making (replacing sand as filler and limestone as binder) and clinker making (replacing limestone to the quantity consumed).

Major initiatives pursued through partnerships for the future

- De-bottlenecking the present wet and dry cycle weathering facility at Galudih
- Open-steam aging at TSJ and TSK
- Closed-steam aging system at TSJ and TSK
- Dedicated testing lab at TSJ for quality control of Tata Aggreto
- Slag atomisation at TSK

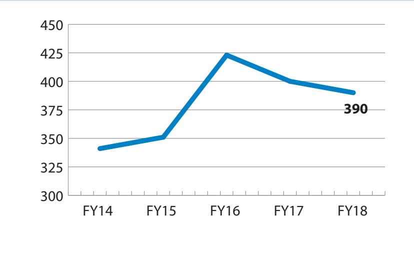
Responsible Behaviour: **Environment**

Way Forward

To demonstrate environmental leadership in the short and long term, we will pursue time-bound actions directed at the following:

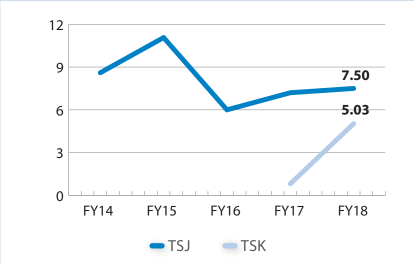
- Reducing carbon footprint across the value chain (< $2tCO_2$/tcs) by 2025
- Moving towards zero effluent discharge for Tata Steel India
- Moving towards world benchmark for specific water consumption at < 3 m^3/tcs at TSJ
- Utilising LD Slag at 90% for Tata Steel India by FY23

Our Performance

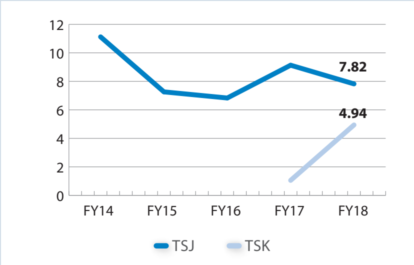


TSL – Trees planted (Thousand Nos.)

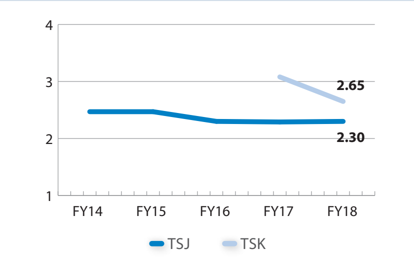
Dip due to lesser availability of reclaimed land in mining areas



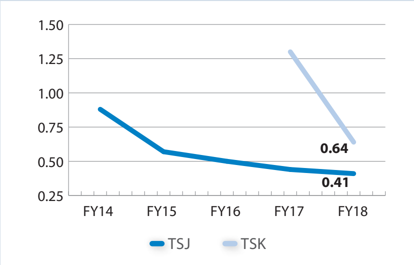
TSJ and TSK – Sulphur oxides (SOx) emission (kT)



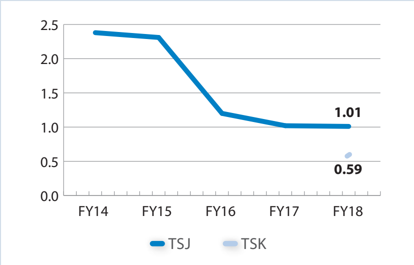
TSJ and TSK – Nitrogen oxides (NOx) emission (kT)



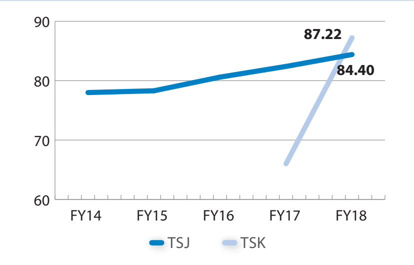
TSJ and TSK – GHG emissions intensity (tCO_2e/tcs)



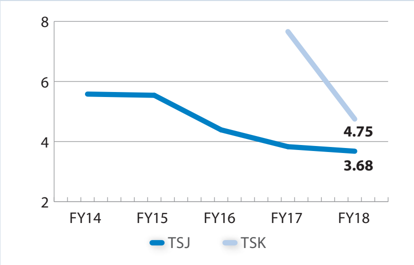
TSJ and TSK – dust emissions intensity (kg/tcs)



TSJ and TSK – effluent discharge intensity (m^3/tcs)



TSJ and TSK – Solid waste utilisation (%)



TSJ and TSK – Specific Water Consumption (m^3/tcs)

Steel-making sites (primary/ secondary) excl. downstream (as per worldsteel guidelines)	Particulars	Absolute Emission					
		UoM	2013-14	2014-15	2015-16	2016-17	2017-18
India (TSJ and TSK)	Scope-1	MnT CO_2	20.46	21.10	21.02	25.53	26.33
	Scope-1.1	MnT CO_2	2.33	2.27	2.31	3.69	4.07
	Scope-2	MnT CO_2	0.73	0.72	0.74	1.11	1.15
	Scope-3	MnT CO_2	-0.87	-1.08	-1.19	-2.21	-1.99
	Overall	MnT CO_2	22.65	23.02	22.89	28.11	29.55
Europe (incl. UK)	Overall	MnT CO_2	27.79	26.96	25.48	19.27	19.18
South East Asia (Tata Steel Thailand and NatSteel)	Overall	MnT CO_2	0.98	0.91	0.98	0.91	1.01

Kalinganagar Steel Plant was commissioned in 2016-17 followed by ramp-up process

Responsible Behaviour

COMMUNITY

The mining and metals business impacts the environment and communities around its area of operation. Our manufacturing and Raw Materials (RM) operations are in the eastern part of the country, having significant development challenges compared to the rest of the country.

Tata Steel actively engages with communities to respond to the development challenges in its operating areas through Corporate Social Responsibility (CSR) initiatives ranging across themes such as health, education and livelihood, along with initiatives in drinking water, sanitation, sports, empowerment, infrastructure creation and ethnicity. Our CSR approach is based on the needs assessed through community engagement.
(Refer Page 23)

While addressing the major challenges faced by communities, we focus on signature programmes aimed at creating development models that can be replicated at scale and adopted across geographies with similar issues. Programmes such as Maternal & Newborn Survival Initiative (MANSI), enhancing school education and Samvaad are some examples of signature programmes that have been deployed in large geographies.

> 1 Million

Lives impacted through Health, Education, Livelihood and other community initiatives

The first-ever tribal musical conclave, 'Sarjom Baa'

Community	SO4, SG4
KEY AREAS	**Impact based CSR in areas of** • **Health** • **Education** • **Skill development** • **Sustainable livelihood** • **Sports & Ethnicity**

Key Enablers and Initiatives

Responsible Behaviour: **Community / Rural**

Skill Development

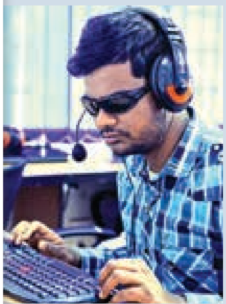
SABAL: Persons with Disabilities (PwDs) face discrimination and stigma in their lives (including from their own families and society) that restricts them in acquiring skills for a gainful employment

SABAL Centre for Abilities at Noamundi was created to empower PwDs through skilling programmes, which help mainstream them as well as sensitise communities to enable PwDs to lead productive and dignified lives. The centre is a joint venture of Tata Steel Skill Development Society (TSSDS) and Enable India.

IMPACT CREATED

- **28 PwDs empowered through training on skills**
- **15 persons (including six PwDs) underwent the Training of Trainers (ToT) module in FY 2017-18**

SABAL: Centre for Abilities



Empowering through skilling

Responsible Behaviour: **Community / Rural**

Education

1. Enhancing School Education: To bring out-of-school children from vulnerable backgrounds in the fold of education and also to improve the foundation of learning in Government primary schools

The project intends to implement Right to Education by increasing the access of children to school, by improving the quality of primary education in Government schools as well as ensuring better governance through School Management Committees (SMCs).

IMPACT CREATED

- **The initiative reached out to around 2,00,000 children across 2,800 habitations in Odisha and Jharkhand by the end of FY 2017-18**
- **1,165 habitations have been made child labour free zones by the end of FY 2017-18**
- **In Odisha, school functioning has improved, with up to 90% attendance in some schools, regular PTA meetings, quality mid-day meals and active libraries, school projects, Bal Panchayats and children's festivals**

2. Residential Bridging Schools: To provide a safe and conducive residential school atmosphere to children from vulnerable backgrounds and link them to the formal education system

Tata Steel operates two all-girls schools at Pipla and Noamundi and an all-boys school (Masti Ki Pathshala) at Jamshedpur. The schools provide residential bridge courses for out-of-school children to re-integrate them into the formal schooling system.

IMPACT CREATED

The three schools put together, 319 children have benefited in FY 2017-18

3. 30 Model Schools: To enable children from Educationally Backward Blocks (EBBs) to avail quality government educational infrastructure

Tata Steel has entered into a Memorandum of Understanding (MoU) with the government of Odisha to construct 30 Model Schools in 30 different blocks in the state to provide quality secondary education in EBBs. A total of nine Model Schools have been constructed and handed over to the state government so far, of which six were handed over in FY 2017-18.

IMPACT CREATED

Benchmark infrastructure has facilitated proper environment for learning among over 5,000 rural children in the nine Model Schools



Improving the quality of education

Responsible Behaviour: **Community / Rural**

Sustainable Livelihoods

Productivity improvement in agriculture and allied activities: Agriculture is the mainstay for the population in Jharkhand and Odisha. However, due to lack of knowledge about scientific agrarian practices, many farmers in the two states do not consider agriculture and allied activities as full-time and profitable occupations.

Tata Steel adopts a multi-pronged strategy to promote sustainable livelihood options among small and marginal farmers. They are capacitated with new skills and knowledge to improve production practices through regular training programmes. Scientific agrarian practices (System of Rice Intensification (SRI), multi-cropping, integrated cropping, etc.) and allied activities (pisciculture, lac culture, duck rearing, etc.) are also promoted among farmers. As dependence on rain limits the agriculture potential of the farmers in the two states, Tata Steel also provides them with irrigation facilities (ponds, check dams, etc.) that help increase cropping intensity.

IMPACT CREATED

Increase in paddy yield by almost 1 tonne/acre

Vaarta: A farmer's conclave to enable sustainability and profitability of agriculture

Responsible Behaviour: **Community / Rural**

Health

1. Maternal & Newborn Survival Initiative (MANSI): Lack of easy access to institutional care (during pregnancy, delivery and post pregnancy) and low level of awareness about proper care for mothers and babies lead to mortality among neonates (less than 1 month old) and infants (less than 1 year old) in remote rural areas.

MANSI reduces mortality among neonates and infants by enhancing the capacity of Government health volunteers (ASHAs/Sahiyas) in the Home Based Newborn Care (HBNC) system. Tata Steel, the National Health Mission (NHM), American India Foundation (AIF) and the Society for Education Action and Research in Community Health (SEARCH) – the pioneer of HBNC in India – have collaborated in this public-private partnership, working in 12 blocks across Jharkhand and Odisha.

IMPACT CREATED

- **Reduction in Neonatal Mortality Rate (NMR) – 61% since inception.**
- **Reduction in Infant Mortality Rate (IMR) – 63% since inception.**

(Based on the study from the period January 1, 2015 to December 31, 2015)

2. Regional Initiative for Safe Sexual Health by Today's Adolescents (RISHTA): Illiteracy and low level of awareness in rural areas lead to instances of early marriage and early parenthood, which have health-related as well as social and financial implications.

Project RISHTA enables adolescents to make informed choices about their sexual and reproductive health and overall well-being as well as provides coaching on life skills and self-development.

IMPACT CREATED

- **Increased awareness about adolescent reproductive and sexual health in communities and improved overall health of adolescents by identifying and training peer educators among them (more than 700 developed in FY 2017-18)**
- **Reached out to 19,601 adolescents in FY 2017-18**
- **Launched the RISHTA mobile application for profiling adolescents in FY 2017-18**

Providing institutional care to mothers, neonates and infants

Nurturing informed adolescents

Responsible Behaviour: **Community / Rural**

Ethnicity

1. Samvaad: Tribal communities across geographies find deep roots in their traditional heritage, wisdom and culture, which often hold valuable insights for their identity as well as a sustainable way or life for the rest of the society. Hence, there is a need to preserve and promote this knowledge and enable their voices to be heard.

The annual tribal conclave, Samvaad, offers a platform for indigenous communities from India and abroad to discuss critical issues and showcase their heritage. Each year, Samvaad focusses on a specific theme centred around an area of interest for tribal communities. Samvaad also reaches out to a wider audience among tribal communities through Regional Samvaad events organised in tribal pockets across India. All events in Samvaad are attended by luminaries of national and international stature who have worked on aspects of tribal and social development.

IMPACT CREATED

- **Regional Samvaad events held in 2017 at Wayanad (Kerala), Netrang (Gujarat), Guwahati (Assam), Amarkantak (Madhya Pradesh), Ranchi (Jharkhand) and Bhubaneswar (Odisha)**
- **Samvaad 2017 focussed on instilling leadership in tribal youth and was attended by many distinguished personalities working on development issues, including a Nobel Laureate**
- **Samvaad 2017 drew over 1,200 delegates representing tribal communities from India and abroad, with a first-ever international flavour, with representatives of tribes from Australia, Canada, Kenya and Zimbabwe**
- **More than 400 tribal youth representing 103 tribes from 22 states went through a structured leadership programme during Samvaad 2017 that encouraged them to take leadership roles within their communities – these included around 100 youth engaged through a specially designed Tribal Leadership Programme earlier in 2017**

Samvaad - A Tribal Conclave

2. Youth Empowerment through Sports (Football and Hockey): Communities residing in Tata Steel's operational areas have a natural inclination and talent for certain sports (e.g. football and hockey). There is a need to discover and hone this talent, which could provide career options to rural tribal youth. Also, age-old tribal sports (e.g. Sekkor and Kati) that are integral to tribal heritage have lost their prominence over the years and therefore need to be preserved.

- To train budding football talent from remote locations of the Company's operational areas, Tata Steel runs 31 under-10 football coaching centres.
- As part of the grassroots hockey development programme, Tata Steel operates 20 hockey centres in West Singhbhum, East Singhbhum and Seraikela-Kharsawan districts of Jharkhand.
- Hooking2Hockey involves training of students in the stick game through engaging modules; the programme implemented through 13 centres in Jharkhand and Odisha is designed by Hockey Australia, the governing body of hockey in Australia.
- Tata Steel consistently made efforts to revive and promote traditional tribal sports such as Kati, Sekkor, Chhur, Bahu Chor and Ramdel by organising tournaments among tribal communities in Jharkhand and Odisha.

IMPACT CREATED

- **22 cadets from the football and hockey training centres selected for sports academies (Minerva Punjab Academy, Chandigarh; United Sports Club Academy, Kolkata and Army Boys Sports Company-Bihar Regiment Centre-Danapur, an infantry of the Indian Army and Naval Tata Hockey Academy)**
- **950 children covered under the grassroots hockey development programmes (including hockey centres and the Hooking2Hockey initiative) in FY 2017-18**
- **First-ever Sekkor Premier League drew 2,300 players from villages in Jharkhand in FY 2017-18**
- **The second edition of Kati Premier League drew 1,890 players from villages in Jharkhand and Odisha in FY 2017-18**
- **Total 55,963 youth engaged through popular sports and tribal sports**

Responsible Behaviour: **Community / Urban**

1. Urban Amentities: Jamshedpur is the only million-plus city in India without a municipal corporation, with Tata Steel providing all amenities, such as power, water, sewage and sanitation, resulting in high Quality of Life (QoL) for its citizens. Tata Steel has ensured that the challenges posed by the surge in urban growth and aspiration for a world-class city with the best QoL in India have progressively been met. The Company consistently focusses on managing key urban amenities and resources efficiently and responsibly to make them available and affordable for the citizens. On metrics of QoL assessed by AC Neilson, Jamshedpur is neck to neck, and sometimes exceeding the likes of Chandigarh, with an eQ index of 88 and QoL index of 101 in FY 2017-18.

About 20 km of main roads have been de-congested through widening, including the creation of dividers, roundabouts and footpaths, over the last 3 years; 100% of streets are lighted.

IMPACT CREATED

This drive was taken primarily to ensure safe and smooth flow of traffic in town. Similar such projects are underway in the current year as well

2. Green City: Jamshedpur is known for its parks and gardens, which are an integral part since the conception of the city.
Eight new parks have been created in the last 3 years.

IMPACT CREATED

This has provided citizens an opportunity to be physically active and also reduces the Urban Heat Island Effect 37.54% – highest among industrial towns

3. Medical Services: Tata Steel runs a 1,000-bed modern tertiary-care hospital supported by eight Tata Memorial Hospital (TMH) clinics spread across Jamshedpur and has established a 200-bed Tata Steel Medical Hospital at Kalinganagar. TMHs are also located at Jamadoba, Noamundi, Sukinda, West Bokaro and Joda. These facilities meet the needs not only of the employees and their families, but also of the communities around our areas of operations.

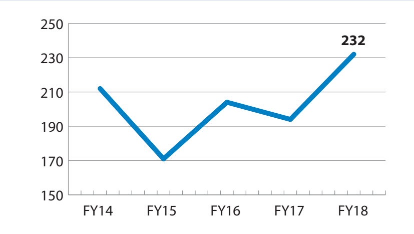
Upgradation of all key infrastructure is in progress to meet the growing needs of the town and provide quality services. Adoption of NPS to capture customer feedback and actionable points for improvement has resulted in a perceptible improvement. The Company ensures extended availability of specialists and services to the community during the evening hours. Commenced TMH PRIME.

The team comprises over 2,000 trained professionals, including over 350 doctors, 700 nurses and 150 paramedics.

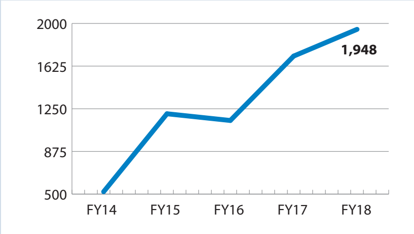
IMPACT CREATED

- **1.64 million OPD patients (including TMH clinics), 62,000 indoor admissions and around 19,000 surgeries and procedures**
- **TMH Prime has more than 67,000 OPD consultations, around 3,000 procedures and surgeries and 11,000 patients undergoing diagnostics**

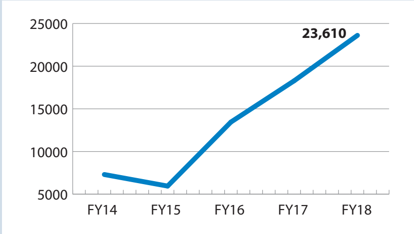
Our Performance



CSR spend (Cr.)



Youth placed / self-employed (Nos.)



Farmers covered through improved agricultural productivity (Nos.)

Responsible Behaviour: **Community/Sports**

Sports

Tata Steel engages employees, their families and the community in sporting activities. Tata Steel has been a promoter of sports – having built training centres for football, archery, hockey, mountain climbing, athletics, badminton, etc. The recent addition of a Tata-owned football club – Jamshedpur Football Club (JFC) – and matches of the Indian Super League (ISL) in Jamshedpur and Bhubaneswar have added to the sports orientation of the community.

1. Marathons

Tata Steel Kolkata 25K, a 25-km Run that has a social cause at its heart, supporting the Tata Medical Centre, a cancer hospital in Kolkata, was commenced four years back. Tata Steel has also organised running events in Jamshedpur and Noamundi (both in Jharkhand) and Bhubaneswar (Odisha).

IMPACT CREATED

Seeing increasing participation, enhanced community connect through increased health consciousness

2. Naval Tata Hockey Academy

Tata Steel and Tata Trust, along with Floris Jan Bovelander (Director of 'One Million Hockey Legs'), joined hands in 2017 to promote hockey in the state of Jharkhand in a formalised way to form 'The Naval Tata Hockey Academy'. The hockey stadium has a world-class astro turf for practice and tournaments. There is a special focus on the tribal community.

IMPACT CREATED

From around 4,500 boys, 24 tribal boys were selected for the first batch

Naval Tata Hockey Academy: Providing a platform to budding sportspersons

3. Tata Archery Academy

The Company continues to nurture the Tata Archery Academy. The Academy was established on October 4, 1996 with the aim to identify and train potential talented youth, particularly from Jharkhand, to achieve success at national and international meets. The cadets are provided a world-class ecosystem – highest quality infrastructure and highly qualified coaches and support staff (including Strength and Conditioning Coach, Sports Psychologist, Nutritionist and Masseurs). The cadets are also provided with the highest quality archery equipment every year with an expenditure of ₹1.5 lakh per cadet.

IMPACT CREATED

Over the last 16 years, the Academy has trained 127 cadets, 45 of whom have represented India at various levels. Its most popular student is Deepika Kumari, who has made it to the world's top ranks in the sport. The Academy has an enthused community that identifies closely with the sport of archery.

4. Tata Football Academy (TFA)

TFA was established in 1987 to train and nurture budding Indian footballers. TFA identifies and shortlists raw talent from all over the country. Selected candidates join up for a four-year residential programme. The Academy is now reaping the benefits from linkages with JFC.

IMPACT CREATED

Till date, of the 213 cadets graduated from TFA, 141 have represented the country. TFA cadets have also captained the Indian football team (in different age groups) and two former cadets have won the Arjuna Award. There are 28 ex-cadets participating in the current season of the ISL

5. Tata Steel Adventure Foundation (TSAF)

Established in 1984 and headed by Bachendri Pal, India's first woman to climb Mt. Everest, the TSAF is all about promoting the spirit of adventure and enterprise and leadership development. Not less than seven TSAF beneficiaries have managed to conquer Mt. Everest.

IMPACT CREATED

TSAF works with rural youth; more than 3,000 of them have benefited from TSAF's outdoor leadership programme. It has helped several enterprising mountaineers, including Premlata Agarwal, who became the oldest Indian woman to climb Mt. Everest at 48 years of age. Arunima Sinha, who lost her leg in a train accident, became the first female amputee in the world to climb Mt. Everest.

Tata Archery Academy

Tata Football Academy

6. Jamshedpur Football Club (JFC)

Tata Steel formed the JFC with Jamshedpur as the host city and participated in the ISL. The team brought together some of India's top talent, promising youngsters and experienced foreign players. Tata Steel has shown its seriousness by upping its budget for football from ₹20 million a couple of years ago to around ₹300 million now.

IMPACT CREATED

The larger intent behind JFC is to enhance the overall ecosystem of football, including grassroots football, youth football and women's football, and to help improve the infrastructure and training and development practices in the game. There is overwhelming excitement and support from the community.

Jamshedpur Football Club (JFC)

Ethics and Governance

The Chief Executive Officer and Managing Director of TSL is the Chief Ethics Officer.

The Ethics Champions have been introduced as the first touchpoint for frontline employees to spread awareness and dilemma clarifications.

There are 13 Internal Committees (IC) in TSL located in various zones.

Tata Steel has been conducting its business based on ethical principles and is sensitive to the communities it serves.

The Management of Business Ethics (MBE) is deployed across the organisation based on the MBE framework. This framework is founded on the core values that serve as a moral compass and is supported by the four pillars:

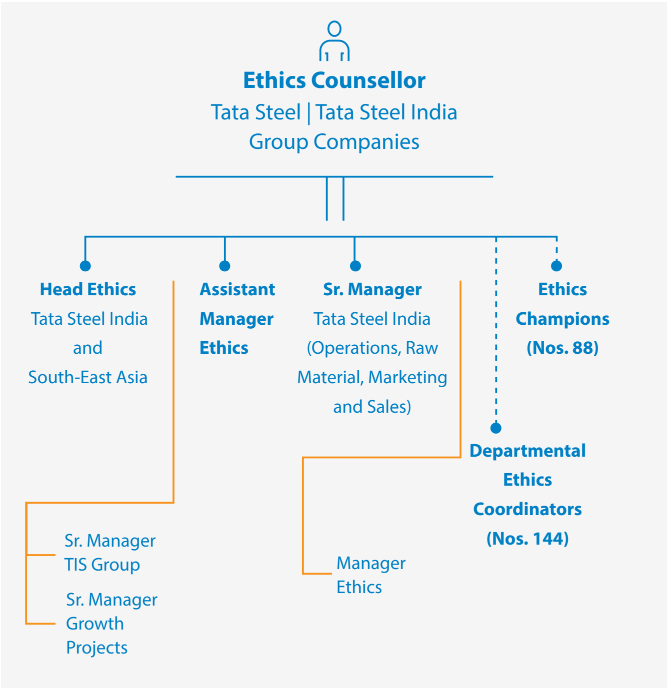
- Leadership
- Compliance Structure
- Communication and Training
- Measurement

Ethics Month 2017: Spreading awareness on ethics

Annual ethics co-ordinators' meet

Deploying MBE across the Organisation

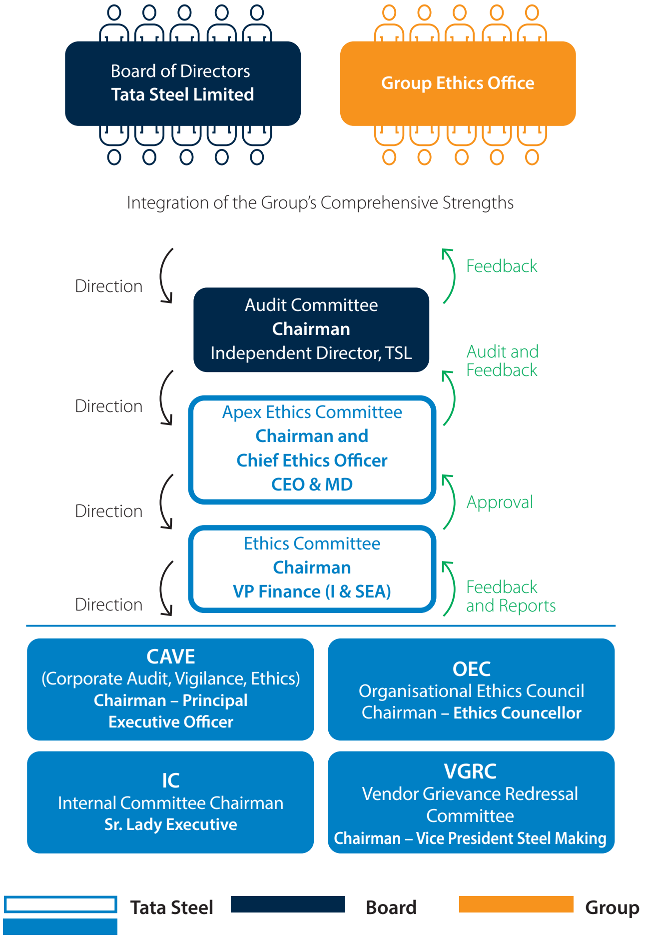
The Chief Executive Officer and Managing Director of TSL holds the position of Chief Ethics Officer. The Chief Ethics Officer, in turn, appoints a full-time Ethics Counsellor who heads the Corporate Ethics Department and has the overall responsibility for the deployment of MBE in the organisation. For this, the Ethics Counsellor is supported by Departmental Ethics Coordinators (DECs). Ethics Champions have also been introduced. Working in close association with the DECs, the Ethics Champions act as the first touchpoint for frontline employees in order to spread awareness and clarify dilemmas.



Establishing a Robust System for Governance

TSL has a robust Corporate Governance model in place with roles established at the Board and Management-level committees. The Ethics Counsellor regularly attends Audit Committee meetings to share updates on the status of the vigilance mechanism. On its part, the Apex Ethics Committee meets on a quarterly basis to decide upon policies and guidelines as well as review sexual harassment concerns and statistics of concerns. There are also 13 Internal Committees (IC) instituted across the organisation.

The Ethics Committee provides uniform decision making following the consequence management framework in case of ethical breaches, while also providing protection to the whistleblower. The MBE is promoted and enforced by the senior leadership through an appropriate reward and recognition policy to encourage whistleblowing. TSL also has a scheme for 'reputation champion' where stakeholders who demonstrate ethical behaviour are recognised and their actions publicised through the organisation.



Tata Network Forum India East - Ethics conclave 2017: Enriching ethical culture through sharing of best practices

Multiple Channels to Establish an Ethical Culture

Apart from TCoC, there are policies and guidelines in multiple languages to support the MBE deployment. TSL has leveraged digitalisation to promote a one-stop solution by providing an ethics compliance register called 'Darpan', which is accessible through the Company's intranet and mobile app. All the latest policies and guidelines are communicated through this portal, apart from the resource centre at intranet. The various ethics-related declarations and approvals are made in Darpan. The link to Web-based training modules (TCoC, POSH and Conflict of Interest), compliances to MBE activities and reports are available there. Among various reporting channels provided by TSL, an independent UK-based third-party helpline 'Intouch', popularly known as 'Speak Up', is provided to all stakeholders to enable whistle blowing. 'Speak Up' is communicated through posters, visiting cards, Company websites and IT - portal accessible to vendors. 'Ethics Line Walk 'is a new initiative where DECs and Ethics Champions interact at the workplace and help in building awareness and confidence.

Instituting Programmes to Ensure Awareness

Communication and training programmes have been instituted to raise awareness of Tata values, TCoC and ethical practices. The communication plans also reach out to external stakeholders. Several communication programmes such as quarterly theme-based campaigns, town hall events, departmental events and other MBE-related information are communicated through internal channels and various forums.

TSL also observes the Ethics Month in July every year. The theme for FY 2017-18 was 'Respectful Workplace' and multiple events were organised around the theme. A short movie based on the whistle blowing facility was released during Ethics Month FY 2017-18 and publicised widely. The Annual Organisational Ethics Council Meet in FY 2017-18 , in which all DECs participated, was an immersive experience with various creative workshops, deliberations and interactive sessions with the Chief Ethics Officer.

Policies

- Whistle Blower Policy for Directors and Employees
- Whistle Blower Policy for Business Associates
- Gift and Hospitality Policy
- Prevention of Sexual Harassment Policy at Workplace & Guidelines
- Conflict of Interest Policy
- Reward and Recognition Policy

Ensuring Compliance to Ethical Principles

All newly-appointed employees at TSL undergo a training programme on ethics, with mandatory Web-based trainings on POSH, CoI and TCoC acceptance. Even contractor employees are given training before gate passes are issued to them.

TSL has also instituted a supplier code of conduct and takes a formal acceptance from them for abiding by the TCoC during the vendor registration process. The Ethics Counsellor interacts with business associates in various forums such as vendor meets, dialogues for business associates (suppliers / vendors, distributors, channel partners and customers), etc.

The MBE perception survey is conducted internally as well as by an external agency in alternate years. The feedback is shared with the Senior Management and the way forward is incorporated in the Annual Business Plan (ABP). One of the actions emanating from this consist of an integrated information system for recording and monitoring MBE activities.

TSL has conducted several benchmarking exercises within Tata Group Companies and other reputed companies, apart from various international forums such as Ethics & Compliance Initiative (ECI) Best Practice Forum and Ethisphere Summit.

Awards

Tata Steel has consistently been rated as having the 'advanced maturity level' for process deployment and implementation by the Tata Group Ethics Office. Tata Steel has also been recognised as the World's Most Ethical Company by Ethisphere Institute for the sixth time and has the distinction of being the only Indian company to win the Award in the Metals, Minerals & Mining sector.

6 times

recognised as the World's Most Ethical Companies by Ethisphere

Score of Tata Steel in 2018: 78 out of 100

(World's Most Ethical Companies average score was 74 out of 100)

Key Performance Indicators

MBE Perception Survey	UoM (Index out of 100)
Officers	85
Non-officers	90
Vendors	91

Concerns	UoM (Nos.)
Closed	332
Open	64
Total	396

Sexual harassment cases*	UoM (Nos.)
Closed	16
Open	8
Total	24

* This data is included in number of concerns

Training	UoM (Nos. of people trained)
Officers	1,564
Non-officers	5,725
Contract Employees	> 30,000

Concerns Severity	UoM (% of concerns addressed in target investigation cycle time)
High	84
Medium	79
Low	89

Target investigation cycle time:

High (within 90 days), Medium (within 60 days), Low (within 30 days)

Sustainability

World Steel Association conference, Brussels

The CSR Committee of Tata Steel was re-designated as the CSR and Sustainability Committee to enhance the governance of integrated thinking and working of Tata Steel.

Sustainability Review and Governance

For Tata Steel, sustainability is an integral part of the business and is driven by the Company's leadership, with an organisation-wide governance structure around it.

The performance related to various sustainability aspects is reviewed at the Corporate as well as the Board levels. The scope and membership of the Board-level Committees have been detailed in the Corporate Governance Report. (Refer Page 114) At the Corporate level, various committees review the sustainability and governance initiatives. These include the Apex Safety Committee, Apex Environment Committee, Apex HRD Committee, Apex CSR Committee, Apex R&D Committee and Quality and Production Meeting. These Committees are chaired by the Chief Executive Officer and Managing Director or the Executive Director and Chief Financial Officer.

FY 2017-18 has been a year in which the Company has strengthened the governance structure for addressing the environmental, social and people-related material issues and mitigating the related risks.

A new Safety, Health and Sustainability division was created and is led by a new dedicated VP (Safety, Health and Sustainability) for focussed action planning and review. A new team of about 80 sustainability champions was constituted across Tata Steel India to create capabilities for integrated approach and to drive sustainability issues across the organisation. In addition, the Life Cycle Assessment (LCA) team, responsible for conducting LCA studies for the processes and products of the Company, was integrated with the Corporate Sustainability Group. To keep ourselves abreast with the changing global environment, emerging stakeholder needs and the risks and opportunities thereof, Tata Steel has undertaken an extensive stakeholder engagement and 'materiality assessment'.

Tata Steel Limited named as one of the Steel Sustainability Champions 2017 by World Steel Association

Global Water Summit 2018, Paris: Representation in international sustainability forums

Safety and Health Excellence Recognition 2017 by World Steel Association

Thought Leadership with Participation in National and International Forums

Our senior leaders actively engage with various industry bodies such as the World Steel Association (WSA), the Confederation of Indian Industry (CII), Global Reporting Initiative (GRI), International Integrated Reporting Council (IIRC), UN Global Compact (UNGC) and the Task Force on Climate-related Financial Disclosures (TCFD), guiding the Company further on implementing sustainability practices.

Creating a Culture of Sustainability

Corporate Sustainability shares the best sustainability practices, benchmark data and reports on the key developments in the organisation through a quarterly Sustainability Management Information Systems (MIS). Customised awareness programmes for Tata Steel employees are conducted at regular intervals across the Company. Such programmes on relevant aspects of sustainability are also made available to external stakeholders such as suppliers and the community. Focussed campaigns and celebrations (such as World Environment Day, World Water Day, Biodiversity Day, Safety Week, World Health Day and Ethics Month) are undertaken to drive awareness on environmental, health and safety issues. In June every year, we celebrate the Tata Sustainability Month to mainstream sustainability in our business and conduct focussed campaigns for all employees, suppliers and the community. In 2017, Tata Sustainability Month was celebrated with the theme of 'Mainstreaming Sustainability', touching more than 1,000 stakeholders, including Group Companies, employees, suppliers and the community.

External Experts' Perspectives

Our Corporate Sustainability team also drives various external assessments such as the Dow Jones Sustainability Index (DJSI) and those conducted by the CII. We use feedback from these external assessments for further improvement. We use the feedback from the panel of experts of IIRC for bringing about improvements in our IR.

Key Developments in FY 2017-18

Focus Area	Development
Climate Change Mitigation	• Continued the inclusion of a shadow carbon price of \$15/ tCO_2 for evaluation of capital projects • Identified technology partners for Carbon Sequestration and Use (CSU) for doing pilot projects
LCA Studies	Initiated projects for the first time beyond the gate to study the 'use phase' impacts of steel in automobile and selected value-added products for the Construction segment
Embedding the SDGs	Conducted an exercise to map the UN SDGs, to which Tata Steel is already contributing, and to identify the way forward to enhance this contribution
Renewable Energy	Commissioned a 3 MW solar plant in Noamundi, part compliance of Renewable Purchase Obligation, for the first time in FY 2017-18 through own generation

Key Challenges Faced by Corporate Sustainability in FY 2017-18

- Embedding environmental practices in the supply chain, considering the broad base and varying profiles of partners.
- Finding a suitable Indian partner for baselining and identification of hot spots for GHG emissions and water across the value chain.

Awards

- Tata Steel Limited and Tata Steel Europe are two companies out of the six that have been recognised by World Steel Association (WSA) as **Sustainability Champion** for 2017. Both companies were shortlisted based on the criteria laid down by WSA.
- Awarded the **Gold Class rating** for the second year in a row in the steel sector in the **DJSI Corporate Sustainability Assessment 2017**.
- Tata Steel Jamshedpur Works, Iron Ore Mines and JUSCO were recognised by the CII for **Excellence in Water Management** at the Annual Water Summit.
- **Integrated Report (IR) for FY 2016-17 has been recognised as Asia's Best Integrated Report** by Asia Sustainability Reporting Awards (ASRA), the highest regional recognition for sustainability and integrated reporting. Tata Steel IR has been the only Indian winning entry among all the 16 awards categories and has competed with company reports from the entire ASEAN as well as Middle Eastern countries.
- Ground Granulated Blast Furnace Slag (GGBS) of Tata Steel was **GreenPro (green label) certified by CII–GBC**. This is the first Green Label Certification for any product in Tata Steel India.

Way Forward

- Creation of the cross-functional CoE for long-term focus on climate mitigation and adaptation
- Integration of function-wise material issues and relevant SDGs in annual and long-term business planning
- Using the outcome of LCA studies in design and manufacturing
- Institutionalising sustainability initiatives with supply chain partners
- Environmental declarations for key steel products

Our Disclosures

Disclosures during FY 2017-18	Scope
Integrated Annual Report presenting the value-creation story of Tata Steel to all stakeholders	Tata Steel India
Disclosure to RobecoSAM DJSI Corporate Sustainability Assessment	Tata Steel India
CDP (erstwhile Carbon Disclosure Project) disclosure for climate change and water	All four integrated steel plants of Tata Steel (Port Talbot, IJmuiden, Tata Steel Jamshedpur and Tata Steel Kalinganagar)
Application for World's Most Ethical Companies (WME) to Ethisphere Institute, US	Tata Steel India
Communication of Progress to UNGC on the ten principles of sustainability	Tata Steel India
Data against the sustainability indicators of WSA	Tata Steel India and Tata Steel Europe

Our Partnerships

The Company is an active member of the following industry associations that have an international and nationwide presence:

- World Steel Association
- United Nations Global Compact
- Confederation of Indian Industry
- Federation of Indian Chambers of Commerce and Industry and Federation of Indian Mineral Industries
- Indian Institute of Metals
- The Energy and Resources Institute
- Tata Steel is an active member of the steel industry's 'Energy Operating Committee' to share performance and enablers as well as form industry opinion for advocacy
- Tata Steel has supported the Bureau of Energy Efficiency (BEE) as a member of the Industry Expert Group
- Ongoing partnership with IUCN for consultation and action planning for biodiversity at mines

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TATA STEEL

Directors' Report

To the Members,

Your Directors take pleasure in presenting the 3rd Integrated Report (prepared as per the framework set forth by the International Integrated Reporting Council) and the 111th Annual Accounts on the business and operations of your Company, along with the summary of standalone and consolidated financial statements for the year ended March 31, 2018.

A. Financial Results

(₹ crore)

Particulars	Tata Steel Standalone		Tata Steel Group	
	2017-18	2016-17	2017-18	2016-17
Gross revenue from operations	60,519.37	53,260.96	1,33,016.27	1,17,419.94
Total expenditure before finance cost, depreciation (net of expenditure transferred to capital)	44,740.41	41,385.01	1,11,125.84	1,00,412.12
Operating Profit	15,778.96	11,875.95	21,890.53	17,007.82
Add: Other income	763.66	414.46	909.45	527.47
Profit before finance cost, depreciation, exceptional items and taxes	16,542.62	12,290.41	22,799.98	17,535.29
Less: Finance costs	2,810.62	2,688.55	5,501.79	5,072.20
Profit before depreciation, exceptional items and taxes	13,732.00	9,601.86	17,298.19	12,463.09
Less: Depreciation	3,727.46	3,541.55	5,961.66	5,672.88
Profit/(Loss) before share of profit/(loss) of joint ventures & associates, exceptional items & tax	10,004.54	6,060.31	11,336.53	6,790.21
Share of profit/(loss) of Joint Ventures & Associates	-	-	174.10	7.65
Profit/(Loss) before exceptional items & tax	10,004.54	6,060.31	11,510.63	6,797.86
Add/(Less): Exceptional Items	(3,366.29)	(703.38)	9,599.12	(4,324.23)
Profit before taxes	6,638.25	5,356.93	21,109.75	2,473.63
Less: Tax Expense	2,468.70	1,912.38	3,405.39	2,778.01
(A) Profit/(Loss) after taxes – from Continuing operations	4,169.55	3,444.55	17,704.36	(304.38)
Profit/(loss) before tax from Discontinued operations	-	-	53.30	(770.86)
Less: Tax expense of Discontinued Operations	-	-	-	8.01
Profit/(Loss) after tax from Discontinued Operations	-	-	53.30	(778.87)
Profit/(Loss) on Disposal of Discontinued Operations	-	-	5.15	(3,085.32)
(B) Net Profit/(loss) after tax – from Discontinued operations	-	-	58.45	(3,864.19)
(C) Net Profit/(Loss) for the Period [A + B]	4,169.55	3,444.55	17,762.81	(4,168.57)
Total Profit/(Loss) for the period attributable to:				
Owners of the Company	-	-	13,434.33	(4,240.80)
Non-controlling interests	-	-	4,328.48	72.23
(D) Total other comprehensive income	(61.12)	675.79	(3,078.01)	(563.06)
(E) Total comprehensive income for the period [C + D]	4,108.43	4,120.34	14,684.80	(4,731.63)
Retained Earnings: Balance brought forward from the previous year	12,280.91	10,075.75	(11,447.01)	(2,415.49)
Add: Profit for the period	4,169.55	3,444.55	13,434.33	(4,240.80)
Less: Distribution on Hybrid perpetual securities	266.13	266.10	266.13	266.10
Add: Tax effect on distribution of Hybrid perpetual securities	92.70	92.09	92.70	92.09
Add: Other Comprehensive Income recognised in Retained Earnings	155.39	(142.42)	(2,780.05)	(3,549.43)
Add: Other movements within equity	3,427.46	1.75	9,926.37	(142.57)
Balance	19,859.88	13,205.62	8,960.21	(10,522.30)
Which the Directors have apportioned as under to:-				
(i) Dividend on Ordinary Shares	971.22	776.97	970.05	776.97
(ii) Tax on dividends	188.41	147.74	188.17	147.74
Total Appropriations	**1,159.63**	**924.71**	**1,158.22**	**924.71**
Retained Earnings: Balance to be carried forward	18,700.25	12,280.91	7,801.99	(11,447.01)

Notes:

During the year, the exceptional items primarily include:

a) Provision of (₹3,214) crore in respect of certain statutory demands and claims, net of liability towards district mining fund no longer required, written back and provision for advances paid for repurchase of equity shares in Tata Teleservices Ltd. from NTT DoCoMo Inc. (₹27 crore) at Tata Steel India.

b) Charge on account of Employee Separation Scheme ('**ESS**') under Sunhere Bhavishya Ki Yojana ('**SBKY**') scheme (₹108 crore) mainly at Tata Steel India and at Jamshedpur Utilities & Services Company Limited.

c) Restructuring and other provisions of ₹13,851 crore represents gains arising out of modification in benefit structure for members of the new pension scheme ('**NBSPS**') versus their benefits under Tata Steel Europe's British Steel Pension Scheme ('**BSPS**'), offset by settlement charges for those members who did not join the **NBSPS** and one-off costs at Tata Steel Europe.

d) Impairment charges (₹903 crore) in respect of property, plant and equipment (including Capital Work-in-Progress) and intangible assets relating to global mineral entities.

The exceptional items in Financial Year 2016-17 primarily include:

a) Provision for demands and claims (₹218 crore), charge on account of Employee Separation Scheme ('**ESS**') under Sunhere Bhavishya Ki Yojana ('**SBKY**') scheme (₹207 crore), provision for advances given for repurchase of Equity shares in Tata Teleservices Ltd. from NTT DoCoMo Inc. (₹125 crore) at Tata Steel India

b) Impairment charges (₹268 crore) in respect of property, plant and equipment (including CWIP) and intangible assets mainly relating to European & South-East Asian operations.

c) Restructuring and other provisions (₹3,614 crore) primarily include curtailment charge relating to closure of Tata Steel Europe's British Steel Pension Scheme ('**BSPS**') to future accrual.

d) Profit on sale of investments in subsidiaries, associates and joint ventures ₹23 crore and profit on sale of assets of a subsidiary in South-East Asia on liquidation ₹86 crore.

1. Dividend Distribution Policy

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**') the Board of Directors of the Company has formulated and adopted the Dividend Distribution Policy ('**the Policy**'). As per the Policy, the Company endeavours to pay dividend up to 50% of profit after tax of the Company subject to the applicable rules and regulations.

The Policy is annexed to this report (**Annexure 1**) and is also available on our website www.tatasteel.com

2. Dividend

The Board of Directors of the Company ('**the Board**') has recommended a dividend of ₹10 per Fully Paid Ordinary Share on 112,64,84,815 Ordinary Shares of Face Value ₹10 each for the year ended March 31, 2018. (Dividend for Financial Year 2016-17: ₹10 per Ordinary Share on 97,12,15,889 Ordinary Shares of ₹10 each).

The Board has recommended a dividend of ₹2.504 per Partly Paid Ordinary Share on 7,76,34,625 Ordinary Shares of Face Value ₹10 (paid-up ₹2.504 per share) each for the year ended March 31, 2018.

The Board has recommended dividend based on the parameters laid down in the Dividend Distribution Policy.

The dividend on Ordinary (fully paid as well as partly paid) Shares is subject to the approval of the Shareholders at the ensuing Annual General Meeting ('**AGM**') scheduled to be held on Friday, July 20, 2018. The dividend once approved by Shareholders will be paid on and from Monday, July 23, 2018. The total dividend pay-out works out to 33% (Previous Year: 34%) of the net profit for the standalone results.

The Register of Members and Share Transfer Books of the Company (for fully paid as well as partly paid shares) will remain closed from Saturday, July 7, 2018 to Friday, July 20, 2018 (both days inclusive) for the purpose of payment of dividend for the Financial Year ended March 31, 2018 and the AGM.

3. Transfer to Reserves

The Board of Directors has decided to retain the entire amount of profits in the profit and loss account.

4. Capex and Liquidity

During the year, the Company on a consolidated basis spent ₹7,479 crore on capital projects across India, Europe, South-East Asia, and Canada. The spend was largely towards essential sustenance, replacement and on-growth projects in India and Netherlands. Despite this significant spend, the Company was able to keep the gross debt level stable during the year.

The Company's liquidity position remains strong at ₹36,320 crore as on March 31, 2018, which includes undrawn lines.

5. Management Discussion and Analysis

The Management Discussion and Analysis as required in terms of the Listing Regulations is annexed to the report (**Annexure 2**) and is incorporated herein by reference and forms an integral part of this report.

B. Integrated Report

Commitment to society has always been at the forefront in the Company. In furtherance to this commitment, in 2016, the Company transitioned from compliance based reporting to governance based reporting and adopted the <IR> framework developed by the International Integrated Reporting Council. Our Integrated Report for Financial Year 2016-17 has been recognised as Asia's Best Integrated Report by Asia Sustainability Reporting Awards ('**ASRA**'), the highest regional recognition for sustainability and integrated reporting.

In continuation with our efforts towards enhancing stakeholder value, we are happy to present to you our 3rd Integrated Report which endeavours to articulate the measures undertaken by the Company in the journey towards long-term sustainability and value creation.

TATA STEEL

C. External Environment

1. Macroeconomic Condition

During the Financial Year 2017-18, the global economy continued its broad-based momentum and registered a growth of 3.8%, its strongest level since 2011, as more than half of the world's economies registered growth. Global manufacturing activity continued to grow on account of favourable financing conditions globally, accommodative policies, rising investor confidence and increase in commodity prices.

Global economy was aided by rebound in global trade, investment recovery in advanced economies and continued growth in emerging Asia. Growth in advanced economies was driven by strong domestic demand and improved labour markets while emerging markets witnessed strong consumption and trade momentum. The United States of America ('**US**') witnessed a growth of 2.3% on the back of strong external demand, private investment and a weaker dollar. Demand was positively affected by the overhaul of the tax code in 30 years - the corporate income tax rate was slashed to 21% from 35% and taxes for households were also lowered. Strong domestic demand is also a recurring theme in Europe and Asia. Euro area registered a growth of 2.4%, which is almost 0.6% higher than previous year. Policy stimulus and strengthening global demand has contributed to this increase in growth. In Japan, strong domestic demand aided by recovery in consumer spending and investment helped achieve growth of 1.7%. Among the emerging and developing economies, China continued to maintain its growth rate at approximately 7%, aided by policy support and recovery in trade. Growth in India was 6.7% owing to consumption led growth influenced by Government policies and investments. Growth in Middle-East and sub-Saharan Africa was impacted by geo-political/domestic conflicts. Overall, improved growth in US, Europe and other key regions more than offset the lower growth in other regions and helped sustain growth momentum.

2. Economic Outlook

According to International Monetary Fund ('**IMF**'), global growth is projected to rise to 3.9% in 2018 and 2019, closer to the long-term growth trend of 4%. The IMF estimates that the growth of more than 1.5% in 2017 in each of the world's seven biggest economies—the US, China, Germany, Japan, France, the UK and India— will provide an impetus to the world economy to achieve more robust growth in 2018.

Advanced economies are expected to maintain their growth momentum in 2018. The US economy is projected by IMF to grow at a faster pace (2.7%) in 2018 aided by fiscal stimulus and policies. The euro area economic recovery has broadened across its member nations and is likely to be aided by rise in capex and consumption. Unemployment rate has reached its lowest level since 2009 and the European Central Bank ('**ECB**') is expected to keep interest rates unchanged and gradually scale back on asset purchases with an eye on economic growth. Among other key regions, China's GDP growth is likely to moderate to 6.5% in 2018 as the policy makers continue their efforts to promote quality growth. Supply side reforms through capacity cuts, rural revitalisation, urbanisation & housing reform and controlled pace of credit growth are likely to determine domestic demand and potential movement in commodity prices. As per IMF, India is expected to grow between 7.0% to 7.5% in Financial Year 2018-19 aided by rural development, infrastructure investment and expansion of manufacturing activity. Outlook for Middle-East and North Africa is gradually improving on the back of higher commodity prices.

Structural issues though continue to pose a significant risk to the global growth cycle. While the supportive economic environment, policies and commodity prices are likely to aid growth in the short term, possible financial stress, increased protectionism and rising geopolitical tensions may pose as downside risks to growth. Further, restrictions by the US government on imports and other protectionist measures in Europe & other regions may disrupt global trade and investment adversely affecting global growth and sentiment. Also, high leverage levels among nations makes them financially vulnerable and any tighter financial conditions in US, Europe or China is likely to have adverse spill-over effect on global growth. Outcome of the Brexit negotiations is likely to impact the pace of recovery in UK as well as the Eurozone economy.

D. Steel Industry

1. Global Steel Industry

Global steel markets continued their recovery in Financial Year 2017-18. Steel prices were up across the regions aided by growth in regional demand, supply side reforms in China and low inventory levels. During 2017, global steel demand grew by nearly 2% to 1.58 billion tonnes while the global crude steel production increased by 4% to 1.7 billion tonnes, as compared to the previous year. Policy led capacity cuts have led to improved utilisation levels in China. This coupled with strong domestic demand has led to lower steel exports from China compared to the previous year. China's steel net exports were down 20% to 0.08 billion tonnes. Low level of exports coupled with volatile raw material prices have led to demand pull and cost push for steel prices at various times during the year.

Iron ore prices were positively affected by growth in China and increased demand for higher quality raw material. Along with these factors, weather disruptions and production outages have contributed to coking coal price movements.

During the year, India witnessed steel (including alloy and stainless steel) demand growth of approximately 7.8% in apparent steel use terms, aided by strong demand in steel consuming sectors i.e. Auto, Construction and Consumer durables etc. The Indian steel industry has witnessed improved utilisation levels (approximately 80%) even as the resolution process under Insolvency and Bankruptcy Code, 2016 paves way for further consolidation within the industry. This is likely to ease the financial stress and further improve utilisation levels within the industry. The domestic crude steel production was around 102 MnT with approximately 91 MnT being consumed. India continued to remain a net exporter.

In Europe, anti-dumping legislation, domestic demand and currency movement have led to an increase in demand by approximately 2% to 159 MnT as compared to 2016. Steel demand grew broadly in line with economic growth. Domestic steel production also witnessed an increase in market share as compared to imports.

2. Outlook for Steel Industry

As per the World Steel Association ('**WSA**'), global steel demand is expected to grow at 1.8% in 2018 to 1.62 billion tonnes and a further 0.7% in 2019 to reach 1.63 billion tonnes. Broad-based global growth momentum is expected to aid growth in advanced as well as developing markets. However, possible escalation of trade tensions between US and China and rising inflationary pressure due to oil prices poses a significant risk to the outlook.

China's steel demand which accounts for 46% of global steel demand is expected to be flat at 737 MnT in 2018 while declining by 2% in 2019. However, steel demand in rest of the world is expected to grow at 3.4% in 2018 and 2.9% in 2019. Advanced economies are expected to grow at a steady pace while much of the growth is likely to be witnessed in Asia, Middle-East and North Africa.

India's prospects continue to remain bright considering that India's per capita consumption of approximately 65 kg is one-third of the global average and government intends to increase it to approximately 160 kg by Financial Year 2031 (CAGR approximately 8%) under the National Steel Policy. Public investment, government initiatives such as 'Make in India', Smart cities and focus on rural development is likely to support growth in domestic demand while headwinds exist in the form of increased competitiveness and possible delay in increase of investment cycle particularly private investments. As per WSA, Indian steel demand is expected to grow at 6-7% per annum in the next two years.

In Europe, increase in non-residential construction and strong manufacturing activities are expected to aid growth in steel demand. As per WSA, EU is expected to grow at 2% to approximately 166 MnT in 2018 and a further 0.8% to approximately167 MnT in 2019. Growth in automotive sector is likely to moderate while machinery sector is expected to benefit from rising investment. At the same time, the construction sector is likely to witness growth in 2018 and 2019 on back of rise in consumer confidence and access to low cost finance.

E. Operations and Performance

1. Tata Steel Group

During the year under review, the Tata Steel Group ('**the Group**') recorded total deliveries of 25.27 MnT (previous year - 23.88 MnT). The turnover for the Group was at ₹1,33,016 crore (previous year - ₹1,17,420 crore), an increase of 13% over the previous year. This increase is due to additional volumes from Tata Steel Kalinganagar ('**TSK**') which were capitalised from June 2016 as well as increased realisations. The chrome business also saw an increase in revenue owing to higher volumes. The turnover at Europe increased due to improvement in average revenue per tonne.

The Group EBITDA was ₹22,045 crore (previous year - ₹17,025 crore), an increase of 29.5% over the previous year. This increase in EBITDA is attributable to higher volumes and improved realisations, partly offset by increase in operating costs mainly raw materials in India as well as on account of favourable foreign exchange movement at Tata Steel Global Holdings. This increase was partly offset by decline in steel spread and operational issues encountered in Europe and higher operating costs at Tata Steel Thailand.

During the year, the Group reported a consolidated profit after tax (including discontinued operations) of ₹17,763 crore as against a consolidated loss of ₹4,169 crore in the previous year. The year's profit includes an exceptional gain of ₹9,599 crore as against a charge of ₹4,324 crore during the previous year. The exceptional gain during the year is primarily due to non-cash accounting surplus arising from the formation of the new British Steel Pension Scheme. The underlying profit during the year is driven by increased production due to ramp-up at the Kalinganagar plant and improved selling prices.

2. India

During the year, total deliveries at Tata Steel India were at 12.15 MnT (previous year - 10.97 MnT), recording an increase of 10.7% over the previous year. The turnover from the Indian operations was ₹60,519 crore (previous year - ₹53,261 crore), 13.6% higher than the previous year. The increase in turnover was primarily through higher volumes at TSK and higher realisations and volumes at Tata Steel Jamshedpur. Higher revenue at Ferro Alloys and Minerals Divison from ferro chrome and ferro manganese as well as Wires and Tubes Division has also contributed to the increase. The EBITDA from Indian operations was ₹15,800 crore (previous year - ₹11,944 crore), 32% higher than the previous year. The increase in EBITDA is on account of improved steel margins attributable to higher volumes and realisations. The profit after tax from Indian operations was ₹4,170 crore (previous year - ₹3,445 crore), 21% higher than previous year. The increase is primarily on account of improved realisations and higher deliveries, partly offset by higher exceptional charges over previous year.

The Company's branded products portfolio has been growing strongly and the Company continues to invest in this portfolio with the aim of gaining greater market share. The branded products contributed to around 46% of total sales. The Company continued its focus towards value added products and achieved highest ever annual sales in value added segments over last year through the various product development initiatives.

The Company is striving to continuously increase its presence in Services & Solutions space for better consumer connect and experience. 'Pravesh' (Steel doors and windows) won the 'Best Online Marketing Campaign of the year' award by ET now.

3. Europe

During the year, our European operations continued to focus on improving operational efficiencies and minimising environmental impact.

Our European operations recorded total deliveries of 9.99 MnT (previous year – 9.93 MnT). The turnover increased from ₹52,085 crore in the previous year to ₹59,985 crore during the year, thereby recording an increase of ₹7,900 crore (15%). The increase can be attributed to improvement in average revenue per tonne driven by improved market conditions which were a result of the imposition of anti-dumping measures along with marginal increase in deliveries, partly offset by adverse exchange impact on translation. The EBITDA from European operations was ₹3,792 crore as against ₹4,705 crore in the previous year. The decrease of ₹913 crore (19%) was mainly due to decline in steel spread and operational issues encountered in Strip UK and Strip MLE, partly offset by improvement in steel prices. The profit after tax reported during the year was ₹11,687 crore as against a loss of ₹4,515 crore in the previous year. The significant increase in profits is due to an exceptional gain of Regulated Apportionment Arrangement credit.

During the year, several strategic and critical re-structuring initiatives were undertaken including signing of Memorandum of Understanding between Tata Steel and thyssenkrupp AG to create a new 50:50 joint venture company, restructuring the British Steel Pension Scheme and sale of Tata Steel UK 42-inch and 84-inch pipe mills in Hartlepool.

During the year, Tata Steel Europe won a 'Steelie', the highest award for the steel industry, presented by the World Steel Association for taking a new approach towards demonstrating that steel is a highly sustainable product. BMW announced that TSE has been awarded the best performing supplier with a maximum rating of 100 for quality, as per their rating system.

4. South-East Asia

During the year, the demand for steel in South-East Asia was weak but price stability was observed due to supply side reforms and lower exports from China. The turnover stood at ₹9,542 crore (previous year – ₹8,245 crore) and the EBITDA was ₹437 crore (previous year – ₹528 crore). The Profit after tax for the year stood at ₹141 crore (previous year - ₹175 crore). The operational profit witnessed a negative growth despite improved selling prices primarily due to negative sentiment in construction sector in both Singapore and Thailand and elevated scrap prices.

During the year, NatSteel Holdings ('**NSH**') witnessed a stable operating profitability. The EBITDA for the year was ₹201 crore as compared to ₹206 crore in the previous year. The better management of spreads and upward movement of selling prices helped to offset the weakening demand caused due to slump in the construction activities. The profit for the year showed a significant drop as compared to previous year, since the profits of the previous year included a one-time gain relating to sale of land and other assets at NatSteel Xiamen.

Our operations in Thailand witnessed a drop in deliveries owing to weak market sentiments and sluggish demand for rebar partly offset by higher export volumes. However, there was an increase in turnover owing to improvement in realisation, driven by increase in input metallic price and international prices, partly offset by lower volumes. The EBITDA for the year was ₹236 crore as compared to ₹322 crore in the previous year. The decline is mainly due to higher metallic prices along with increase in the cost of electrodes. The profit for the year was however higher as compared to previous year, since the profits of the previous year contained one time provision for impairment of Mini Blast Furnace.

F. Strategy

Tata Steel, in line with its Vision of being a global benchmark in 'Value Creation' and 'Corporate Citizenship', is pursuing the following priorities in the medium term:

Industry leadership in India and Europe: India is expected to be one of the few large regions with good demand growth. Tata Steel intends to grow through organic and inorganic routes to ensure it remains the leading steel player in attractive segments and also at the overall industry level. The Company has initiated execution of expansion of the steel plant at Kalinganagar from 3 MnTPA to 8 MnTPA. The Company will continue to look for inorganic opportunities that provide a good strategic fit in terms of assets and product mix. In Europe, the Company is working out a strategic JV with thyssenkrupp AG which will be the second largest steel company in Europe and generate synergies through complementarities in manufacturing and products.

Cost competitiveness and focus on downstream: Operational efficiency is one of our key strengths, and one of our key priorities is to be the lowest cost producer in the regions in which we operate. The Netherlands plant has world class operating parameters and we will continue to build on this platform. In India, our ongoing operational excellence programme continues to bring more of our operations closer to world benchmark levels further consolidating our position as a global cost leader. To counter the cyclicality of steel business, Tata Steel continues to focus on, and now scale up, downstream products & services which are less vulnerable to steel down cycles.

Industry Leadership in CSR: In India, Tata Steel has a long value chain from mining to steel manufacturing and these have significant impact on the communities neighbouring the operating sites. Tata Steel expects to continue funding its signature programmes on Health, Education & Tribal Welfare in collaboration with local communities and other stakeholders.

Focus on Safety & Environment: Creating a safe working environment is a key focus area for Tata Steel. Safety of its people is the Company's top priority. Tata Steel through the 'Committed to Zero' programme aims to achieve Zero Lost Time Injury across all its sites. Safety performance will continue to remain a priority with concentrated efforts in the areas of Organisational Safety Competency and Capability Improvement, Contractor Safety Risk Management etc.

Tata Steel is committed to minimising the impact of its operations on the environment. Reducing carbon footprint is one of the key goals that Tata Steel has set for itself. In India, Tata Steel has reduced the specific emission of CO_2 by 24% in the last 10 years and is currently the Indian steel industry benchmark at 2.29 tCO_2/tcs. Steps are being taken to bring this down to below 2.0 tCO_2/tcs by 2025. In Europe, the Tata Steel plant has achieved CO_2 emission of 1.8 tCO_2/tcs. In addition, the HIsarna pilot plant at Tata Steel in IJmuiden uses groundbreaking technology to convert iron ore fines and coal almost directly into liquid iron which can reduce CO_2 emissions by 20%. Further, steel is a completely recyclable material, and in India, steel scrap availability is expected to increase in the future, and therefore Tata Steel is taking substantial steps to create an organised circular economy system for steel recycling.

Leverage digital technologies: Digital technologies have the potential to transform all aspects of the steel value chain. Tata Steel is actively seeking opportunities to redefine existing processes and systems through digital technologies to create innovative products & services and increase flexibility and productivity of operations. Keeping pace with the global trends of digitalisation, a number of projects have been initiated to identify business opportunities and build capabilities – for better value and improved stakeholder experience.

G. Key Developments

1. India

Acquisitions

Bhushan Steel Limited

Pursuant to the Insolvency and Bankruptcy Code, 2016 ('**IBC**'), the Company had submitted its bid for the acquisition of Bhushan Steel Limited ('**BSL**'). At a meeting of the Committee of Creditors ('**CoC**') of BSL held on March 6, 2018, Tata Steel Limited was identified as the highest evaluated compliant resolution applicant to acquire controlling stake in BSL under the Corporate Insolvency Resolution Process ('**CIRP**') of the IBC.

Thereafter, CoC of BSL declared Tata Steel Limited as the successful resolution applicant, subject to obtaining necessary regulatory approvals, including approval from National Company Law Tribunal ('**NCLT**') and the Competition Commission of India ('**CCI**'). On April 25, 2018, CCI accorded its approval to the resolution plan ('**RP**') submitted by the Company. NCLT vide its order dated May 15, 2018 also approved the RP.

As per the terms of the RP, the Company will acquire 72.65% equity stake in BSL through its wholly-owned subsidiary company, Bamnipal Steel Limited, for an aggregate amount of ₹158.89 crore. To complete the acquisition process, the financial creditors will be given a total consideration of ₹35,200 crore for settlement of the existing financial debt of BSL. Further, the financial creditors will also be allotted equity shares by virtue of conversion of loan amount of ₹14.5 crore. The Company will carry out the further necessary steps in this process as per the stipulations under the CIRP of the IBC.

Bhubaneshwar Power Private Limited

As on November 30, 2017, Tata Steel held 26% stake in Bhubaneshwar Power Private Limited ('**BPPL**'). In order to increase its captive source of power to meet the growing demand, the Company, on November 30, 2017, executed definitive agreements with JL Power Ventures Private Limited, to acquire 74% equity shares of BPPL. BPPL is engaged in the business of generation of power. BPPL owns a 135 MW (2 x 67.5 MW) thermal power plant at Anantapur village in Cuttack district in Odisha. The acquisition of the remaining 74% shares was completed on February 1, 2018.

Subarnarekha Port Private Limited

In January 2017, the Company entered into definitive agreement to acquire 51% equity stake in Creative Port Development Private Limited ('**CPDPL**') for the development of Subarnarekha Port at Odisha through a wholly-owned subsidiary Subarnarekha Port Private Limited ('**SPPL**'). CPDPL had executed a 34 years Concession agreement with the Government of Odisha to develop and operate the Subarnarekha port which is to be carried out through SPPL. As per the terms of the definitive agreement, in March 2017, the Company had subscribed to 3% equity shares of SPPL.

On April 9, 2018, the Company entered into a definitive agreement to subscribe to additional 4.19% equity shares of SPPL. Pursuant to the additional subscription, the Company's equity stake in SPPL shall increase to 7.06%.

Divestments

Tata Motors Limited

On June 23, 2017, the Company sold 8,35,37,697 equity shares held in Tata Motors Limited for a profit of ₹3,427.29 crore.

Rights Issue

The Board, at its meeting held on December 18 and 19, 2017, approved the issuance of equity and equity linked instruments including ordinary shares of the Company by way of a rights issue to the existing shareholders of the Company for an amount not exceeding ₹12,800 crore. Subsequently, the Executive Committee of the Board approved the simultaneous but unlinked issue of 4:25 fully paid shares for amount upto ₹8,000 crore at a price of ₹510 per share and 2:25 partly paid shares for amount upto ₹4,800 crore at price of ₹615 per share (₹154 per share payable as application money and ₹461 per share payable on first and final call) on a rights basis. The said issue opened for subscription by shareholders on February 14, 2018 and closed on February 28, 2018. The shares were allotted to the shareholders on March 14, 2018.

Credit Rating

During the year, Brickwork revised its rating outlook on the Company from 'Stable' to 'Positive' while, Moody's revised its rating outlook on the Company from 'Negative' to 'Stable'.

2. Europe

Joint Venture between Tata Steel and thyssenkrupp AG

On September 20, 2017, the Company and thyssenkrupp AG signed a Memorandum of Understanding to create a leading European steel enterprise by combining the flat product businesses of the two companies in Europe and the steel mill services of the thyssenkrupp group. The proposed 50:50 joint venture (thyssenkrupp Tata Steel) would be formed through a non-cash transaction framework, based on fair valuation where both shareholders would contribute debt and liabilities to achieve an equal shareholding in the venture. The proposed joint venture would be focused on quality and technology leadership and the supply of premium and differentiated products to customers, with annual shipments of about 21 MnT of flat steel products. The proposed venture is expected to benefit from the scale and network capability of the combined assets to achieve quality, technology and cost leadership in the European steel industry.

British Steel Pension Scheme

In furtherance to its ongoing efforts to ensure a sustainable and enduring future for the business, Tata Steel UK ('**TSUK**'), on August 11, 2017, signed the documentation for a Regulated Apportionment Agreement ('**RAA**') with the Trustee of the British Steel Pension Scheme ('**BSPS**'), offering more sustainable outcomes for the pensioners, employees and the business. Consequent to the signing of the documentation, the Pensions Regulator issued a determination notice and a clearance statement in response to Tata Steel's application for clearance and approval in respect of the RAA. This resulted in the commencement of a 28 days period during which the affected parties by the RAA could refer the decision to approve the RAA to the Upper Tribunal.

On September 11, 2017, the Pensions Regulator approved the RAA. Consequent to the approval, the BSPS has been separated from TSUK and a number of affiliated companies. As part of the RAA, a payment of £550 million from TSUK has been made to BSPS and the shares in TSUK, equivalent to a 33% economic equity stake in TSUK have been issued to the BSPS Trustee, under the terms of the Shareholder's Agreement.

TSUK also agreed to sponsor a new pension scheme subject to certain qualifying conditions being met. The members of the BSPS were offered an option to transfer to the new Scheme. 69% of the members of the BSPS opted to transfer to the new scheme. The new scheme would have lower future annual increases for pensioners and deferred members than the BSPS, giving it an improved funding position which would pose significantly less risk for TSUK.

Divestments

Sale of Hartlepool SAW pipe mills

As part of restructuring the UK portfolio of the Company, TSUK, on July 11, 2017, signed a definitive agreement with Liberty House Group for sale of its Hartlepool Submerged Arc Weld ('**SAW**') pipe mills. The sale covers the 42-inch and 84-inch pipe mills which employs about 140 people to manufacture pipeline for gas and oil products around the world. The sale was completed on August 1, 2017.

3. South-East Asia

Issue of Bonds

During the year, ABJA Investment Co. Pte. Ltd., a wholly-owned subsidiary of the Company, issued a dual tranche of USD 1.3 billion unsecured bonds in the international markets. The issue comprises USD 300 million 4.45% Unsecured bonds due on July 24, 2023 and USD 1 billion 5.45% Unsecured bonds due on January 24, 2028.

H. Sustainability

At Tata Steel, sustainability is embedded in the culture of the organisation, stemming from the belief of our founder that the community is not just another stakeholder, but the very purpose of our existence. This belief is embedded in the vision and values of Tata Steel which balances the aspiration for value creation with that of the responsibility of being a benchmark corporate citizen.

The sustainability approach of the Company is articulated in the Sustainability policy of the Company as well as in various other policies such as CSR Policy, HR Policy, Affirmative Action Policy, Climate Change Policy, Environment Policy, Energy Policy, etc. which embed the triple bottom line approach in its systems and processes. Further, the Company has established various platforms for periodically listening to the voice of stakeholders i.e. community, investors, customers, employees, etc. which are prioritised and embedded in our business objectives and strategies. The Company is also focused on embedding Sustainability in its mining operations, across supply chains and towards product stewardship through Life Cycle Analysis studies. The Company is also examining the relevance of the UN Sustainable Development Goals to progressively embed them into the strategy of the Company. The Company is associated with various industry bodies such as Confederation of Indian Industry ('**CII**'), Global Reporting Initiative, International Integrated Reporting Council and the Taskforce for Climate Related Financial Disclosures of the Financial Stability Board on implementing Sustainability practices.

During the year, the Company has strengthened the Governance structure for mitigating the environmental, social and people related material issues and related risks. The Corporate Social Responsibility ('**CSR**') Committee of the Board was re-designated as the CSR and Sustainability Committee to enhance the Governance of Integrated Thinking and the working of Tata Steel.

There is a dedicated Corporate Sustainability Group at Tata Steel which is responsible for implementing and mainstreaming sustainability across the organisation and throughout its value chain. The group tracks the global best practices related to sustainability and facilitates their incorporation in the key processes of the Company. The group also drives various external assessments like the Dow Jones Sustainability index and those conducted by the CII. Globally, the Company has been awarded the Gold Class Rating for the second year in a row in the steel sector in the Dow Jones Sustainability index – Corporate Sustainability Assessment 2017.

1. Environment

The Company aims to be the benchmark for environmental stewardship in Steel Industry by focusing on climate change mitigation and reducing its resource footprint. Given the nature of the business and the industry that we operate in, the Company recognises its impact on the environment and is conscious of its duty towards safeguarding the environment. The Company is committed to responsible use and protection of the natural environment through conservation and sustainable practices. The Company focuses on operational excellence aimed at resource efficiency through a 'Prevent, Minimise, Recover, Reuse and Recycle' hierarchical approach to reducing its ecological footprint. The Company has also implemented environmental management systems that meet the requirements of international standard ISO14001 at all of its leading manufacturing sites. These systems provide the Company with a framework for managing compliance and improving environmental performance, making it future ready to address stakeholder requirements.

The Company pursues responsible advocacy on policy and regulatory issues by being the member of World Steel Association Environment Policy Committee, Central Pollution Control Board's National Taskforce, Indian Steel Association and various other organisations. During the year, the Company engaged with Government of India to address environmental issues such as actions to surpass National Development Council's commitments, international bilateral initiatives, showcasing achievements on climate response and pursuing growth under blue sky to realise aspirations under 'Make in India'.

The Company is currently national benchmark in Specific Energy Consumption in integrated steel sector and CO_2 emission intensity (coal based integrated steel plants, BF-BOF route). In order to cater to various stakeholders' requests for greater reporting scopes, the Company is consolidating its GHG footprint of business. The Company has in place a Safety, Health & Environment Committee that provides the necessary direction and guidance on matters relating to environment and also monitors the performance of the Company and its impact on the environment.

In Europe, the Company continues to invest in short to medium term CO_2 emission reduction and energy efficiency improvements. In addition to these improvements, as a follow up to the ULCOS (Ultra-Low CO_2 Steel-making) co-operative research initiative to achieve a step change in CO_2 emissions from steel-making, the Company is also working on a longer term major project to develop a new smelting reduction technology ('**HIsarna**') to produce steel without the need for coke making or agglomeration processes, thereby improving efficiency, reducing energy consumption and reducing CO_2 emissions. The pilot plant is located at the Company's IJmuiden site in the Netherlands.

NatSteel Holdings ('**NSH**') in South-East Asia, operates one of the most energy efficient steel operations in the world. NSH is ranked in the top 25% for CO_2 emission for Electric Arc Furnace operators. All three manufacturing sites of Tata Steel Thailand were awarded with the Green Industry Award level 4 by Ministry of Industry, Thailand.

2. Climate Change

Climate change is the defining environmental issue of the early 21st Century and the Company recognises that it has an obligation to minimise its own contribution to climate change. Furthermore, the Company aims to play a leadership role in addressing the challenge of climate change. However, the Company also understands that steel products will be an integral part of the solution to climate change and that local, short-term action will not necessarily help to tackle this global, long-term issue. Considering all these factors, the Company has formulated a climate change strategy based on 5 key themes as outlined below:

Emissions Reduction: To improve its current processes to increase its energy efficiency and to reduce its carbon footprint. The Company aims to reduce its carbon dioxide emissions per tonne of crude steel by at least 20% compared to 1990 levels.

Investing in Technology: To invest in the development of long-term breakthrough technologies through initiatives such as HIsarna & Carbon Capture & Utilisation ('**CCU**').

Market Opportunities: To develop new products and services that reduce environmental impact over product life cycles and in turn help its customers to reduce their carbon footprints.

Employee Engagement: To actively engage its workforce and encourage everyone to contribute to its strategy.

Lead by Example: To develop its pro-active role in global steel sector initiatives through the World Steel Association.

3. Health and Safety

Health and safety remains the Company's highest priority and Tata Steel aspires to be the steel industry benchmark in health & safety. Safety and Health Management is integrated into the Annual Business Plan and is cascaded into the personal key result areas ('**KRAs**') of each officer to place accountability and responsibility at all levels in the Company. The Company has made some significant achievements through the 'Committed to Zero' programme. The Company's strategic efforts are directed towards ensuring committed leadership, engaged employees and effective systems in order to minimise risk. At the Group level, the Company achieved a 21% improvement in Lost Time Injury Frequency Rate ('**LTIFR**') in Financial Year 2017-18 as compared to the previous year.

It is with regret we report that, during the year, in India, there were 3 fatalities. However, the Company is continuously channelising its efforts to eliminate such incidents and achieve zero fatality.

Several initiatives were undertaken during the year to improve health & safety standards of the Company. Steps were taken to improve competency and capability for hazard identification and risk management. To ensure deployment of competent vendors for high risk jobs, star-rating assessment was conducted for all high-risk vendors and 88% of the vendors have achieved star rating 3 and above. This helped in 40% reduction in contractor fatalities and 21% reduction in Lost Time injury cases of contractor employees across Tata Steel India.

We regret to report that, in Europe, the Company had one fatality during the year. However, efforts are being made to ensure such instances are avoided in future. Training for Group Senior Managers focusing on their leadership role related to health & safety has been completed. The same was also extended to more junior Business Senior Managers during Financial Year 2017-18. In addition, process safety leadership training was continued throughout the year under review. The combined LTIFR in Financial Year 2017-18 for employees and contractors improved to 1.36 as compared to 1.51 in the previous year. The recordables rate, which includes lost time injuries as well as minor injuries, also improved from 5.12 in Financial Year 2016-17 to 4.13 in Financial Year 2017-18. A 'back to basics' campaign focusing on hazard identification and risk minimisation was undertaken during the year and there were various initiatives to accelerate deployment of standards and to improve maturity of the Group's health & safety management system.

During the year, NatSteel recorded the lowest LTI in the last 5 years. The Government of Singapore has selected NatSteel as one of the pioneering companies in the area of Safe Working. NatSteel was awarded the 'bizSAFE award' by the Work Place Safety and Health Council, Singapore for exemplary risk management systems. Tata Steel Thailand ('**TSTH**') was recognised at World Steel Association for Contractor Safety Management practices and NTS plant of TSTH won Prime Minister Industry award for Safety Excellence.

4. Research and Development

The competitive business environment in which the Company operates makes innovation imperative for success of the business. Recognising the need to improve, expand and innovate, the Company is concentrating efforts on research and development of alternate materials and new products.

The Company has started working on the technology roadmap that aligns with it's vision of becoming a leader among the innovation driven organisations. A number of research and development projects have reached high Technology Readiness Levels. The Company is focusing on making these innovations ready for the market through lean, scalable, efficient and sustainable processes.

Venturing into new market areas is another focus area for research and development and accordingly, a number of new product developments have been targeted. The planning for plant trials of new products is underway and will be completed in the next couple of months.

In Europe, the Company is continuously engaged in various research and technology initiatives. To illustrate, the Company has progressed its activities to reduce CO_2 emissions through the HIsarna project i.e. a collaborative project amongst the major steelmakers in Europe to develop a more flexible new smelting reduction technology to produce steel from lower grade raw materials without the need for coke making or agglomeration processes. The HIsarna pilot plant is now in the final testing phase undertaking a 6 month sustained campaign, after which the Company will look at scaling up for commercial-scale production.

5. New Product Development

Creating value for customers, meeting their ever-increasing expectations and responsibility towards the environment sets the foundation for the Company to invest its resources to create new and enriched products, services and solutions, which not only provide enhanced benefits to the customer but also reduce the negative impact on the environment.

During the year, in India, the major focus for new product development was to leverage the superior capability of the products from the Kalinganagar steel plant. During the year, 133 new products were launched in India of which 108 were from the Kalinganagar plant. This resulted in an additional sales of 190 kilo tonnes during the year.

The major focus was to address the needs of automotive segment and accordingly different grades for wheels and structural applications were developed. In the industrial products and projects vertical, grades for lifting and excavation segment, pre-engineered buildings and oil & gas sector were developed. In addition, a grade for line pipes was also designed, which is in the final stage of plant trial. In the branded products segment, a grade steel was developed for bank ATM application. For the first time in India, hot rolled enameling grade steel was developed for grain silos. Galvanised Coated steel for solar back panel application and new grades of wire rods were also developed.

In Europe, the Company launched 23 new products during the year. These launches include major developments for the automotive, construction, engineering and packaging markets. Prominent examples of product and service launches include Hilumin® and Prime Lubrication Treatment. Hilumin® is a nickel plated strip for lithium-ion batteries for application in automotive energy storage solutions. Prime Lubrication Treatment is a booster lubricant that improves press performance, by reducing tool pollution during deep drawing of GI Full Finish. The solution enables a switch from electrogalvanised to hot dipped galvanised products. Advantica® SDP 35 TR a tailored offering for construction of large, high thermal insulation roof-sandwich panels for cooled trailers was also developed. Protact® is a cost-efficient, environmentally friendly laminated packaging steel product which already has a proven track record for two-piece can making, has now been developed for three-piece cans. The Protact® offering has also extended its range of available colours, offering customers even greater design options and in particular, enhancing content appearance. The Company has also succeeded in making its Colorcoat range of organic coated steel products hexavalent chrome free to comply with European legislation called REACH.

In Singapore, in line with the Government's push for digital transformation, NatSteel collaborated with a key customer to develop a system to automate steel rebar procurement process. Through digitalised selection process aided with 3D visualisation under the Building Information Modelling environment, the customer can now easily place order for rebar, and the order placed integrates seamlessly into NatSteel's back-end system. This project won the title of 'Most Scalable Collaboration' at the 2018 Singapore International Chamber Of Commerce Awards Gala. NatSteel launched bars and couplers in Singapore which support the government's initiative for higher construction productivity by speeding up construction and increasing construction safety. In Thailand, the Company developed and commercialised Tyre Cord grade wire rods for Bridgestone Thailand. Revenue from new products increased by 36% over last year.

6. Customer Relationship

The Company endeavours to develop and sustain long-term value-creating partnerships with our customers and channel partners through a wide range of product offerings, innovative services and unique solutions.

In India, the customers are segmented into B2B, B2C and B2ECA (Emerging Corporate Accounts). These segments are further divided into micro-segments based on applications and buying behavior. The Company concentrates its efforts to understand the expectations and requirements of current and potential customers/ market segments in order to deliver customer specific products and services and provide value-creating solutions.

The Company engages with B2B customers through cross-functional Customer Service Teams ('**CSTs**') to work on new product development, quality improvement and value-creating ideas which helps it to achieve operational excellence. The Company has also collaborated with key automotive customers to provide cost and weight reduction solutions using the Value Analysis & Value Engineering ('**VAVE**') platform and the Advanced Product Application support. This has also enabled the Company to partner with these customers for future product launches. These initiatives are now extended to industrial customers as well. In March 2018, the Company also launched the Digital Supply Chain Real Time Visibility Portal to track end-to-end material movement.

The Company has increased its customer engagement with Emerging Corporate Accounts through the ECafez initiative which facilitates upgradation of shop floor workers under programmes such as 'Skills4India' and promotes a culture of safety through 'Safety First' initiative. The Company also conducts 'Qualithon clinic'- expert sessions on powder coating, welding with customer quality people and 'PurchasePro' for people in supply chain division. 'CREATE'- Collaborative Reform with ECA for Advanced Technical Enhancement is carried out to strengthen partnership in value chain.

The Company's B2C brands have embraced digital solutions to substantially enhance the consumer buying experience. In February 2018, TATA Tiscon launched the early engagement platform, aashiyana.tatasteel.com, for individual house builders. The platform has 4 sections - Inspirational Home Designs, Material Estimator, Service Provider Directory and E-Commerce.

To reach out to the rural consumers at the last mile intensive mobile marketing campaigns are conducted under the programme of 'Ek Kadam Parivartan ki Ore' (A step towards positive change) where the consumers are educated about the benefits of Tata Shaktee vis-à-vis other roofing solutions prevalent in the region. The Group Rural Action Mission ('**GRAM**') initiative continues to focus on harnessing synergies with other group companies for creating rural consumers awareness and to lead generation programmes. The programme was further strengthened with digital enrolling of fabricators (6,000 nos. registered) and training programme on best practices.

During the year, the Company organised a 'Construction Conclave' to bring together industry experts from around the globe as well as from India – including our customers. This initiative has facilitated the Company to develop deeper understanding of the construction and infrastructure industry thereby helping to build new partnerships. The Company also organised other knowledge-sharing platforms such as 'Wired 2 Win' and 'Technical Seminars with Original Equipment Manufacturing customers' to provide insights on current and future industry trends and to promote new services & solution offerings. The senior leadership team of Tata Steel frequently interacts with strategic and key customers at various customer meets, business seminars and during plant visits undertaken by the customers and at celebration events to commemorate the milestones achieved.

In Europe, the Company partners with customers to help them excel in their market, co-creating more sustainable value throughout the entire value chain. 'Customer Focus', a company wide programme, reinforces our mission and drive towards customer centricity. Improvements on this front have also been acknowledged in the Tata Business Excellence Model assessment. The Company also has a value chain transformation programme known as 'Future Value Chain' programme, which focuses on driving service improvements. Our European operations are also focusing on a balanced portfolio and differentiation strategy, which aims to increase the proportion of differentiated products. As part of the strategy, the Company launched 23 new products in Europe this year. These launches include major developments for the automotive, construction, engineering and packaging markets. Along with products, the Company also offers services such as Electronic Data Interchange, Track and Trace, Early Vendor Involvement, Design and Engineering support, Technical Support, Building Information Modelling and Life

Cycle Analysis. In June 2017, the Company launched an overarching programme called 'Future Commercial Excellence' that focuses on commercial improvements.

In Singapore, the Company continues to focus on building strong relationship with key customers and providing high levels of service. To improve customer connectivity, a new solutions team was created to address the needs and requirements of customers at the design level. The Company achieved the best ever Customer Satisfaction Score against its competitors in the country. In Thailand too the Customer Satisfaction Index of the Company increased from 77 to 81, being the highest among its peers in the country.

7. Human Resources Management & Industrial Relations

Human Resource has always been the central focus at Tata Steel. The emphasis on the people of the organisation stems from the belief that human resource is the key factor to achieving success in business.

Tata Steel has been a front runner in its people practices with many pioneering policies in the area of human resources. Our people practices are based on the Tata Values with emphasis on respect, dignity, unity and fostering a culture of togetherness.

Financial year 2017-18 was a milestone year for the Company, as major improvements were seen in areas related to diversity & inclusion and training & development where initiatives were undertaken to bring about a change in culture and mind set of the workforce. The focus for the year was on Gender diversity and inclusion of differently abled persons. Special efforts have been put in on hiring and creating infrastructure for diverse workforce as well as retaining and developing women leaders.

During the year, learning and development underwent a shift in pedagogy and various e-learning courses on managerial and functional competencies were assigned to more than 15,000 persons (not unique) through the Skillsoft learning platform. The Digital capability programme saw a participation of more than 9,000 employees. With the management focusing on Learning and Innovation, the Innovation club was started during the year with more than 120 members and over 40 projects. The Company undertook an exhaustive exercise to re-look at its training programmes. Training programmes at the Tata Steel Management Development Centre were aligned with the 9 managerial competencies under Management Competency framework and have been redesigned to include a blend of facilitator-led sessions and e-learning including complete revamp of the Cadre training methodology and content.

Safety and health of the workforce is of utmost importance and hence the need was felt for the same to percolate from the top leadership in form of learning and experience-sharing. Steps were taken to ensure complete coverage of employees for Felt leadership training across various locations of Tata Steel India with senior leaders as trainers sharing with the audience their learning and advice on matters related to work and safety.

Improving employee productivity is the key focus area for the Company and achieving benchmark performance in this area, year on year, is a major goal for the Company led by the Human Resource division. This focus has led to an improvement in productivity from 709 tonnes of crude steel/employee/year to 769 tonnes/employee/year with the employees on roll reducing from 34,989 to 34,072 in India.

This being our 89th year of Industrial harmony, our focus has been to have highly engaging and meaningful partnership with our Unions in order to achieve our targets and improve productivity over last year.

During the year Tata Steel won the Golden Peacock Award for HR Excellence in 2018. Tata Steel was also declared the Best Place to Work in the Core Sector by Business Today. This recognition was bestowed on the Company for the 2nd year in a row. Tata Steel was also certified as Great Place to Work in the Great Place to Work study conducted for the year 2017.

In Europe too, the Company continues to invest in the recruitment, engagement, health, skills and capabilities of its employees. The Tata Steel Academy in Europe strengthens the organisation's competitive advantage by enabling its people to achieve the highest standards of technical and professional expertise, with a combined use of practical, virtual and classroom training to maximise training effectiveness. The major part of the training remains 'on the job', but is structured through the creation of 12 distinct faculties focused on par leadership, health & safety, sales & marketing, manufacturing, engineering, technical, supply chain, finance, HR, IT, procurement and total quality management. The Company aims to create modern employment conditions that ensure healthy long-term employability and a well-received Employer Value Proposition with current and potential employees. The Company has responsible pension schemes that allow for a sustainable business. The Company has also made the provision of an income for enrolled employees beyond retirement.

In Europe, the Company employs a wide range of strategies to engage its employees. Steps are taken to regularly review the organisational health through surveys as well as comparisons with other companies using the Organisational Health Index method supported by McKinsey. The Company strives to ensure that the employees' motivation and capabilities are enhanced by its leaders, organisational structure, operational protocols, including daily management and operational excellence programmes, communication processes & business excellence and reward and recognition policies.

In Europe, the Company also focused on developing a healthy work environment. Physical health is promoted through various central and local programmes and a range of sporting and outdoor activities. The Company provides training and support to promote mental health inside and outside the workplace. Health and wellbeing of employees is an important part of the local labour conditions and a focus of improvement initiatives.

In Singapore too, the Company has begun a focus initiative on building employee capability at all levels through secondment opportunities, job rotations and trainings. NatSteel achieved its best ever Employee Engagement Score (58%) and the lowest attrition level in Financial Year 2017-18. In Thailand, the Company undertook the Shop Floor Knowledge Transformation Programme to identify and share best practices among various operating units. The Company has also taken steps to improve employee agility and cut unproductive work. The Siam Construction Steel Co. Ltd. ('**SCSC**'), a subsidiary company, was awarded the Kaizen Gold award and Thailand Quality Circle award from Ministry of Industry. SCSC and NTS Steel Group Plc also received the Thailand Labour Management Excellence Award 2017.

8. Corporate Social Responsibility

The Company's vision is to be a global benchmark in 'value creation' and 'corporate citizenship'. The objective of the Company's Corporate Social Responsibility ('**CSR**') initiatives is to improve the quality of life of communities through long-term value creation for all stakeholders.

For decades, the Company has pioneered various CSR initiatives. The Company continues to remain focused on improving the quality of life and engaging communities through health, education, livelihood, sports and infrastructure development. The Company is working with indigenous communities in its areas of operation in India (primarily in Jharkhand and Odisha).

Towards achieving excellence in our CSR activites, the Company has partnered with the State Governments of Jharkhand and Odisha and with various reputed national and international organisations such as American India Foundation, The Hans Foundation, Timken Foundation, NABARD, Welt Hunger Hilfe and Tata Trusts amongst others.

The Company has in place a CSR policy which provides guidelines to conduct CSR activities of the Company. The CSR policy is available on the website of the Company www.tatasteel.com During the year, the Company spent ₹232 crore on CSR activities. The Annual Report on CSR activities, in terms of Section 135 of the Companies Act, 2013 ('**Act**'), is annexed to this report **(Annexure 3)**.

In Europe too, the Company focuses on working with local communities in three key areas - education & learning, health & well-being and environment & sustainability. The Company is building on education and learning partnerships which have been formed with local organisations. The Company works with these organisations to increase the social skills and confidence of young people, boost pupils' level of understanding about the steel industry and improve the understanding and ambition of students. The Company also runs its own Academy in IJmuiden. Every year, around 100 students start their education in mechanics, electro or process technology. The Academy is currently working closely with municipalities and the Province Noord Holland in order to have more regional impact.

Further, the Company at its site in IJmuiden is cooperating with local and regional parties on sustainable energy projects such as residual heat and wind turbines. Through our community partnership programme, we invest in a range of sustainable initiatives which benefit large groups within our communities ranging from sports groups to charities and key community organisations.

In Singapore, the Company continues to promote active volunteerism and touches the lives of people through three of its adopted charities. In Thailand, the Company encourages each of its employees to participate in at least one CSR activity and has clocked over 11 man hours/employee on CSR activities.

I. Corporate Governance

At Tata Steel, we ensure that we evolve and follow the corporate governance guidelines and best practices sincerely, not only to boost long-term shareholder value, but also to respect minority rights. We consider it our inherent responsibility to disclose timely and accurate information regarding our operations and performance, as well as the leadership and governance of the Company.

Pursuant to the Listing Regulations, the Corporate Governance Report along with the Certificate from a Practicing Company Secretary, regarding compliance of conditions of Corporate Governance, is annexed to this report (**Annexure 4**).

1. Board Meetings

For seamless scheduling of meetings, a calendar is prepared and circulated in advance. The Board has also adopted an activity guidance giving them visibility on the upcoming topics for discussions.

The Board met 7 times during the year, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Act and the Listing Regulations.

2. Selection of New Directors and Board Membership Criteria

The Nomination and Remuneration Committee ('**NRC**') works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgement, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner. The Policy on appointment & removal of Directors and determining Directors' independence was adopted by the Board on March 31, 2015. During the year, there have been no changes to the Policy. The same is annexed to this report (**Annexure 5**) and is available on our website www.tatasteel.com

3. Familiarisation Programme for Independent Directors

All new Independent Directors ('**IDs**') inducted on the Board go through a structured orientation programme. Presentations are made by Executive Directors and Senior Management giving an overview of our operations, to familiarise the new IDs with the Company's business operations. The new IDs are given an orientation on our products, group structure and subsidiaries, Board constitution and procedures, matters reserved for the Board, and our major risks and risk management strategy. Visits to Plant and mining locations are organised for the IDs to enable them to understand the business better.

Details of orientation given to our existing IDs in areas of strategy, operations & governance, safety, health and environment, industry & regulatory trends, competition and future outlook are provided in the Corporate Governance Report and is also available on our website www.tatasteel.com

4. Evaluation

The Board evaluated the effectiveness of its functioning, that of the Committees and of individual Directors. The Board sought the feedback of Directors on various parameters such as:

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

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

The Board considered and discussed the inputs received from the Directors. Further, the IDs at their meeting reviewed the performance of non Independent Directors, Board as a whole and Chairman of the Board after taking into account views of Executive Directors and Non-Executive Directors.

The evaluation process endorsed the Board Members' confidence in the ethical standards of the Company, the resilience of the Board and Management in navigating the Company during challenging times, cohesiveness amongst the Board Members, constructive relationship between the Board and the Management and the openness of the Management in sharing strategic information to enable the Board Members to discharge their responsibilities.

In the coming year, the Board intends to enhance focus on diversity of the Board through the process of induction of members having industry expertise, strategic plan for portfolio restructuring of Tata Steel Europe, exploring new drivers of growth for the Tata Steel Group and further enhancing engagement with investors.

5. Compensation Policy for the Board and Senior Management

Based on the recommendations of the NRC, the Board has approved the Remuneration Policy for Directors, Key Managerial Personnel ('**KMPs**') and all other employees of the Company. As part of the policy, the Company strives to ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship between remuneration and performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, KMPs and Senior Management involves a balance between fixed and incentive pay, reflecting short, medium and long-term performance objectives appropriate to the working of the Company and its goals.

The Remuneration Policy for Directors, KMPs and other Employees was adopted by the Board on March 31, 2015. During the year, there have been no changes to the Policy. The same is annexed to this report (**Annexure 6**) and is available on our website www.tatasteel.com

6. Particulars of Employees

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules forms part of the report (**Annexure 7**).

7. Independent Directors' Declaration

The Company has received the necessary declaration from each ID in accordance with Section 149(7) of the Act that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and the Listing Regulations.

8. Directors

The year under review saw the following changes to the Board of Directors ('**Board**').

Inductions to the Board

On the recommendations of the NRC, the Board appointed Mr. Saurabh Agrawal as an Additional (Non-Executive) Director of the Company effective August 10, 2017. Mr. Agrawal brings to the Board his extensive knowledge and experience in finance, strategy and capital markets.

The resolution for confirming the above appointment forms part of the Notice convening the Annual General Meeting ('**AGM**') scheduled to be held on July 20, 2018. We seek your support and hope you will enthusiastically vote in confirming Mr. Saurabh Agrawal's appointment to the Board.

Re-appointments

In terms of the provisions of the Act, Mr. N. Chandrasekaran will retire at the ensuing AGM and being eligible, seeks re-appointment. The Board recommends, seeks your support and hopes you will enthusiastically vote in confirming the re-appointment of Mr. N. Chandrasekaran.

During the year, based on the recommendations of Nomination and Remuneration Committee, the Board of Directors re-appointed Mr. Koushik Chatterjee as a Whole Time Director of the Company for a period of five years effective November 9, 2017. The re-appointment is subject to the approval of the Members of the Company at the ensuing AGM of the Company. The Board seeks your support and hopes you will enthusiastically vote in confirming the re-appointment of Mr. Koushik Chatterjee.

The profile and particulars of experience, attributes and skills that qualify the above Directors for the Board membership is disclosed in the Notice convening the AGM to be held on July 20, 2018.

Cessation

In accordance with the retirement policy applicable for the Company's Board, Mr. Ishaat Hussain and Mr. Andrew Robb retired from the Board effective September 1, 2017.

Mr. Hussain joined the Company in 1983 and has been a Member of the Board since July, 1989 and Mr. Robb joined the Tata Steel Board in 2007.

Mr. D. K. Mehrotra stepped down as a Member of the Board effective May 16, 2018. Mr. Mehrotra joined the Board as a Non-Executive Director on October 22, 2012.

The Board expresses its gratitude towards Mr. Hussain, Mr. Robb and Mr. Mehrotra for their contributions to the Company. The Board acknowledges that the Company has immensely benefitted from their profound knowledge and experience in the steel industry. The Board deeply appreciates Mr. Hussain's invaluable dedication and support throughout his tenure with the Company. The Board sincerely appreciates Mr. Robb's valued counsel and deep insights in the areas of Governance and Finance as well as his effective stewardship and expert supervision at Tata Steel Europe. The Board thanks Mr. Mehrotra for his contributions as a Director of the Company.

Leadership changes

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors on October 30, 2017, elevated Mr. T. V. Narendran as the global Chief Executive Officer and Managing Director of Tata Steel. Prior to this elevation, Mr. Narendran was the Managing Director (India and South East Asia). The Board approved his elevation based on his track record of successfully executing and commissioning one of the largest greenfield projects in India, the Kalinganagar Steel Plant and enhancing its ability to deliver to higher value segments like steel for automobiles. Mr. Narendran's career in Tata Steel has spanned across many areas, in India and abroad – including, Marketing & Sales, International Trade, Supply Chain & Planning, Operations and General Management.

Further, based on the recommendations of the NRC, the Board of Directors also re-appointed Mr. Koushik Chatterjee as Whole-time Director for a period of 5 years effective November 9, 2017 and designated him as Executive Director and Chief Financial Officer. The Board approved the re-appointment of Mr. Koushik Chatterjee based on his significant contributions to the financial management of the Company and in view of the key role he has played in the re-organisation of Tata Steel Europe.

9. Key Managerial Personnel

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are – Mr. T. V. Narendran, Chief Executive Officer and Managing Director, Mr. Koushik Chatterjee, Executive Director and Chief Financial Officer and Mr. Parvatheesam K, Company Secretary and Compliance Officer. During the year, there has been no change in the Key Managerial Personnel.

10. Audit Committee

The Audit Committee was constituted in the year 1986. The Committee has adopted a Charter for its functioning. The primary objective of the Committee is to monitor and provide effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

The Committee met 5 times during the year, the details of which are given in the Corporate Governance Report. As on date of this report, the Committee comprises Mr. O. P. Bhatt (Chairman), Mr. Aman Mehta, Dr. Peter Blauwhoff and Mr. Saurabh Agrawal. All the members of the Committee have deep knowledge in accounts and finance.

11. Internal Control Systems and Internal Audit

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

The Company has an IFC framework, commensurate with the size, scale and complexity of its operations. The framework has been designed to provide reasonable assurance with respect to recording

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and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorised use, executing transactions with proper authorisation and ensuring compliance with corporate policies. The controls, based on the prevailing business conditions and processes have been tested during the year and no reportable material weakness in the design or effectiveness was observed. The framework on Internal Financial Controls over Financial Reporting has been reviewed by the internal and external auditors.

The Company uses various IT platforms to keep the IFC framework robust and our Information Management Policy governs these IT platforms. The systems, standard operating procedures and controls are implemented by the executive leadership team and are reviewed by the internal audit team whose findings and recommendations are placed before the Audit Committee.

The scope and authority of the Internal Audit function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Audit function reports directly to the Chairman of the Audit Committee. The Internal Audit team develops an annual audit plan based on the risk profile of the business activities. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the plan.

The Internal Audit team monitors and evaluates the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the controls. Significant audit observations and corrective action(s) thereon are presented to the Audit Committee.

The Audit Committee reviews the reports submitted by the Internal Auditors in each of its meeting. Also, the Audit Committee at frequent intervals has independent sessions with the external auditor and the Management to discuss the adequacy and effectiveness of internal financial controls.

12. Risk Management

Several factors such as advancements in technology, prevalent geo-political environment and stringent regulatory and environmental requirements have consequential impacts across the value chain of a business. These impacts are likely to continue and intensify over time and for a business to be sustainable, it needs to adapt to the environment by managing risks and opportunities in a systematic manner.

The Company follows a robust 5 step Enterprise Risk Management ('**ERM**') process to address the risks associated with its business. The ERM process is based on international standards such as ISO 31000 and Committee of Sponsoring Organisation of the Treadway Commission ('**COSO**') with inputs drawn from the best practices of leading companies across industries.

The ERM process aims to develop a 'Risk intelligent culture' within the Company to encourage risk informed business decision-making as well as resilience to adverse environment and to create awareness of opportunities in order to enhance the long-term stakeholder value.

To achieve the stated objectives, the Company has constituted a robust governance structure comprising three levels of risk management responsibilities viz. Risk Oversight, Risk Infrastructure and Risk Ownership.

- The Risk Oversight function consists of the Board, Risk Management Committee ('**RMC**') & Group Risk Review Committee ('**GRRC**') that provide guidance for implementing the ERM framework and policy across the organisation.

  The RMC assists the Board in developing and revising the risk management plan for the Company and reviewing and guiding the risk management policy. The RMC periodically reviews key risks to the Tata Steel Group and actions deployed by the Management with respect to their identification, impact assessment, mitigation and monitoring.

  GRRC is a Management Committee comprising Senior Management personnel as its members. The GRRC has the primary responsibility of implementing the Risk Management Policy of the Company and achieving the stated objective of developing a risk intelligent culture that helps ameliorate the Company's performance.

- The Company has a dedicated ERM unit to successfully deploy and maintain the ERM framework across business units. The ERM unit is led by Group Head – Corporate Finance & Risk Management, who acts as the Chief Risk Officer ('**CRO**') of the Company.

- The responsibility of tracking and monitoring the key risks of the division periodically and implementing suitable mitigation plans proactively is with the senior executives of various functional units. These risk owners are expected to avoid any undue deviations or adverse events and ultimately help in creating value for the business.

- In addition to the above, the ERM process is also integrated with other core processes of the Company such as strategy & planning, capital allocation, internal audit etc. to not only reduce risk but also embrace opportunities, thereby creating hallmark of a risk intelligent culture. Risks identified through the ERM process are used as inputs in the strategy & planning process while risk assessment of capital allocation and key investment proposals for organic and inorganic growth ensure risk informed decision making. Similarly, integration with internal audit assures that the risk management and internal control framework is operating effectively.

During the year, the Company undertook multiple initiatives to strengthen, widen and deepen the scope and coverage of the ERM process across the Company. Various analytical tools were introduced for assessment of risks. The ERM process was rolled out to domestic and overseas subsidiaries. An in-house digital platform which facilitates real time reporting, data mining and escalation mechanisms across the Enterprise was successfully deployed. Various training and communication programmes were conducted to enhance skillsets and to help create a risk aware culture across the organisation.

The Board is happy to report that the Company has won the award for 'Best Risk Management Framework & Systems' in Metals & Mining category and also in the category 'Firm of the year: Risk Governance' at the '4th India Risk Management Awards 2018' organised by ICICI Lombard & CNBC-TV18. These awards are a testimony to the Company's commitment towards ensuring a risk intelligent culture.

13. Vigil Mechanism

Commitment towards highest moral and ethical standards in the conduct of business is of utmost importance to the Company. To advance standards of ethical practices, the Company has deployed the Management of Business Ethics ('**MBE**') across the organisation through a well-defined Framework. The Company has adopted the Tata Code of Conduct ('**TCoC**') which is driven by five core values – Unity, Integrity, Responsibility, Understanding and Excellence.

The Company also has a Vigil Mechanism that provides a formal mechanism for all Directors, employees and vendors to approach the Ethics Counselor/Chairman of the Audit Committee and make protective disclosures about the unethical behaviour, actual or suspected fraud or violation of the TCoC.

The Vigil Mechanism comprises 3 policies viz. the Whistle Blower Policy for Directors & Employees, Whistle Blower Policy for Vendors and Whistle Blower Reward and Recognition Policy for Employees. The same is available on our website www.tatasteel.com

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

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

The Whistle Blower Reward and Recognition Policy for Employees has been implemented in order to encourage employees to genuinely blow the whistle on any misconduct or unethical activity taking place in the Company. The disclosures reported are addressed in the manner and within the time frames prescribed in the Whistle Blower Policy.

During the year, the Company undertook a series of communication and training programmes for internal and external stakeholders, with the aim to create awareness of Tata values, TCoC and other ethical practices of the Company. The Company started various theme based campaigns, round table discussions and departmental events. 'Neeti Katha' i.e. storytelling through snippet series were mailed to employees as part of the awareness campaign. Each snippet consisted of a short story based on situations related with accepting of gifts and hospitality from business associates. The Company also celebrates the month of July as Ethics Month. This practice has helped in reinforcing employee involvement and passion in driving the Management of Business Ethics.

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

Tata Steel has been recognised as the World's Most Ethical company by Ethisphere Institute for the sixth time and has the distinction of being the only Indian Company to win the Award in Metals, Minerals & Mining sector.

During the year, the Company received 372 whistle-blower complaints of which 316 were investigated and appropriate action was taken. Investigations are underway for the remaining complaints.

14. Related Party Transactions

During the year, the Company did not have any contracts or arrangements with related parties in terms of Section 188 (1) of the Act. Also, there were no material related party contracts entered into by the Company and all contracts were at arms length and in ordinary course of business.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act along with the justification for entering into such contracts or arrangements in Form AOC-2 does not form part of the report.

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

The Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

During the year, the Company received 24 complaints of sexual harassment, out of which 16 complaints have been resolved by taking appropriate actions. The remaining 8 complaints are under investigation.

16. Directors' Responsibility Statement

Based on the framework of internal financial controls established and maintained by the Company, work performed by the internal, statutory, cost and secretarial auditors and external agencies including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial Year 2017-18.

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

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

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

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

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

e) that proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively; and

f) that proper internal financial controls were laid down and that such internal financial controls are adequate and were operating effectively.

17. Business Responsibility Report

The Securities and Exchange Board of India ('**SEBI**') requires companies to prepare and present to stakeholders a Business Responsibility Report ('**BRR**') in the prescribed format. SEBI, however, allows companies to follow an internationally recognised framework to report on the environmental and social initiatives undertaken by the Company. Further, SEBI has on February 6, 2017 advised companies that Integrated Reporting may be adopted on a voluntary basis from the Financial Year 2017-18 by top 500 companies which are required to prepare BRR.

As stated earlier in the Report, the Company has followed the <IR> framework of the International Integrated Reporting Council to report on all the six capitals that we use to create long term stakeholder value. Our Integrated Report has been assessed and KPMG has provided the required assurance. We have also provided the requisite mapping of principles between the Integrated Report, the Global Reporting Initiative ('**GRI**') and the Business Responsibility Report as prescribed by SEBI. The same is available on our website www.tatasteel.com

18. Subsidiaries, Joint Ventures and Associates

The Company has 244 subsidiaries and 64 associate companies (including 30 joint ventures) as on March 31, 2018. During the year, the Board of Directors reviewed the affairs of material subsidiaries. We have, in accordance with Section 129(3) of the Companies Act, 2013 prepared consolidated financial statements of the Company and all its subsidiaries, which form part of the Integrated Report. Further, the report on the performance and financial position of each subsidiary, associate and joint venture and salient features of the Financial Statements in the prescribed Form AOC-1 is annexed to this report (**Annexure 8**).

In accordance with the provisions of Section 136 of the Companies Act, 2013 and the amendments thereto, the audited Financial Statements, including the consolidated financial statements and related information of the Company and financial statements of the subsidiary companies will be available on our website www.tatasteel.com These documents will also be available for inspection during business hours at the Registered Office of the Company.

The names of companies that have become or ceased to be subsidiaries, joint ventures and associates during the year are disclosed in the annexure to this report (**Annexure 9**).

19. Auditors

Statutory Auditors

Members of the Company at the Annual General Meeting ('**AGM**') held on August 8, 2017, approved the appointment of Price Waterhouse & Co Chartered Accountants LLP ('**PW**'), Chartered Accountants, as the statutory auditors of the Company for a period of five years commencing from the conclusion of the 110th Annual General Meeting held on August 8, 2017 until the conclusion of 115th Annual General Meeting of the Company to be held in the year 2022.

PW has audited the book of accounts of the Company for the Financial Year ended March 31, 2018 and have issued the Auditors' Report thereon. There are no qualifications or reservations or adverse remarks or disclaimers in the said Report.

In terms of the provisions relating to statutory auditors forming part of the Companies Amendment Act, 2017, notified on May 7, 2018, ratification of appointment of Statutory Auditors at every AGM is no more a legal requirement. Accordingly, the Notice convening the ensuing AGM does not carry any resolution on ratification of appointment of Statutory Auditors. However, PW has confirmed that they are eligible to continue as Statutory Auditors of the Company to audit the books of accounts of the Company for the Financial Year ending March 31, 2019 and accordingly PW will continue to be the Statutory Auditors of the Company for Financial Year ending March 31, 2019.

Cost Auditors

In terms of Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant. In this connection, the Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s Shome & Banerjee as the cost auditors of the Company for the year ending March 31, 2019.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board has to be ratified by the members of the Company. Accordingly, appropriate resolution forms part of the Notice convening the AGM. We seek your support in approving the proposed remuneration of ₹18 lakh plus applicable taxes and out-of-pocket expenses payable to the Cost Auditors for the Financial Year ending March 31, 2019.

M/s Shome & Banerjee have vast experience in the field of cost audit and have been conducting the audit of the cost records of the Company for the past several years.

The Cost Audit Report of the Company for the Financial Year ended March 31, 2017 was filed in XBRL mode by the Company on September 1, 2017.

Secretarial Auditors

Section 204 of the Companies Act, 2013 inter-alia requires every listed company to annex with its Board's report, a Secretarial Audit Report given by a Company Secretary in practice, in the prescribed form.

The Board appointed Parikh & Associates, practicing Company Secretaries, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2017-18 and their report is annexed to this report (**Annexure 10**). There are no qualifications or reservations or adverse remarks or disclaimers in the said Report.

The Board has also appointed Parikh & Associates as Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2018-19.

20. Extract of the Annual Return

The details forming part of the extract of the Annual Return in Form MGT-9 as per provisions of the Companies Act, 2013 and Rules thereto are annexed to this report (**Annexure 11**).

21. Significant and Material Orders passed by the Regulators or Court

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

Further, the Securities and Exchange Board of India vide adjudication order dated December 7, 2017, imposed a penalty of ₹10 lakh on the Company for delayed disclosures under the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, in relation to the Company's shareholding in The Tinplate Company of India Limited pursuant to rights issue of shares in 2009 and the automatic conversion of fully convertible debentures in 2011. The penalty has been paid by the Company.

22. Particulars of Loans, Guarantees or Investments

Particulars of loans, guarantees given and investments made during the year in accordance with Section 186 of the Companies Act, 2013 is annexed to this report (**Annexure 12**).

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

Details of the energy conservation, technology absorption and foreign exchange earnings and outgo are annexed to this report (**Annexure 13**).

24. Deposits

During the year, the Company has not accepted any public deposits under the Companies Act, 2013.

25. Secretarial Standards

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

J. Acknowledgements

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

We thank the Government of India, the State Governments where we have operations and other government agencies for their support and look forward to their continued support in the future.

On behalf of the Board of Directors

sd/-
N. CHANDRASEKARAN
Chairman
DIN: 00121863

Mumbai
May 16, 2018

TATA STEEL

Declaration regarding Compliance by Board Members and Senior Management Personnel with the Code of Conduct

This is to confirm that the Company has adopted the Tata Code of Conduct for its employees including the Managing Director and the Whole-time Directors. In addition, the Company has adopted the Tata Code of Conduct for the Non-Executive Directors. Both these Codes are available on the Company's website www.tatasteel.com

I confirm that the Company has in respect of the Financial Year ended March 31, 2018, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Chief Executive Officer and Managing Director as on March 31, 2018.

sd/-
T. V. NARENDRAN
Chief Executive Officer and Managing Director
DIN: 03083605

Mumbai
May 16, 2018

ANNEXURE 1
Dividend Distribution Policy

1. Preamble

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

1.2 The Board of Directors (the '**Board**') of Tata Steel Limited (the '**Company**') has adopted the Policy of the Company as required in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the '**Listing Regulations**') at its meeting held on April 20, 2017.

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

2. Effective Date

The Policy shall become effective from the date of its adoption by the Board i.e. April 20, 2017.

3. Purpose, Objectives and Scope

3.1 The Securities and Exchange Board of India ('**SEBI**') vide its Gazette Notification dated July 8, 2016 has amended the Listing Regulations by inserting Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy in place by the top five hundred listed companies based on their market capitalisation calculated as on the 31st day of March of every year.

3.2 As the Company is one of the top five hundred companies as on March 31, 2016, the Board has laid down a broad framework for distribution of dividend to its shareholders and/or retaining or plough back of its profits. The Policy also sets out the circumstances and different factors for consideration by the Board at the time of taking such decisions of distribution or of retention of profits, in the interest of providing transparency to the shareholders.

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

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

4. Parameters to be considered while declaring Dividends

4.1 Financial Parameters

a) **Magnitude of current year's earnings of the Company:** Since dividend is directly linked with the availability of earning over the long haul, the magnitude of earnings will significantly impact the dividend declaration decisions of the Company.

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

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

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

e) **Obligations to lenders:** The Company should be able to repay its debt obligations without much difficulty over a reasonable period of time. Considering the volume of such obligations and time period of repayment, the decision of dividend declaration shall be taken.

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

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

4.2 Proposals for major capital expenditures

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

TATA STEEL

4.3 Agreements with lending institutions/Bondholders/ Debenture Trustees

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

4.4 Statutory requirements

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

5. Factors that may affect Dividend Payout

5.1 External Factors

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

5.2 Internal Factors

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

6. Target Dividend

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

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

7. Circumstances under which the Shareholders can or cannot expect Dividend

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

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

8. Manner of Dividend Payout

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

8.2 In case of final dividends:

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

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

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

8.3 In case of interim dividend:

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

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

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

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

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

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

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

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

10. Provisions in regard to various classes of shares

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

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

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

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

11. Applicability of the Policy

11.1 The Policy shall not apply to:

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

12. Reporting and Disclosure

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

13. Review of the Policy

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

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

14. Compliance Responsibility

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

TATA STEEL

ANNEXURE 2
Management Discussion and Analysis

A. Overview

The following operating and financial review is intended to convey the Management's perspective on the financial and operating performance of the Company at the end of Financial Year 2017-18. This Report should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Integrated Report. The Company's financial statements have been prepared in accordance with Indian Accounting Standards ('**Ind AS**') complying with the requirements of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India ('**SEBI**').

This report is an integral part of the Directors' Report. Aspects on industry structure and developments, outlook, risks, internal control systems and their adequacy, material developments in human resources and industrial relations have been covered in the Directors' Report. Your attention is also drawn to sections on Strategy forming part of the Integrated Report. This section gives significant details on the performance and the risks faced by the Company.

B. Tata Steel Group Operations

1. Tata Steel India

(₹ crore)

	FY 18	FY 17
Turnover	60,519	53,261
EBITDA	15,800	11,944
Profit before tax (PBT), before exceptional	10,005	6,060
Profit before tax (PBT)	6,638	5,357
Profit after tax (PAT), before exceptional	7,536	4,148
Profit after tax (PAT)	4,170	3,445

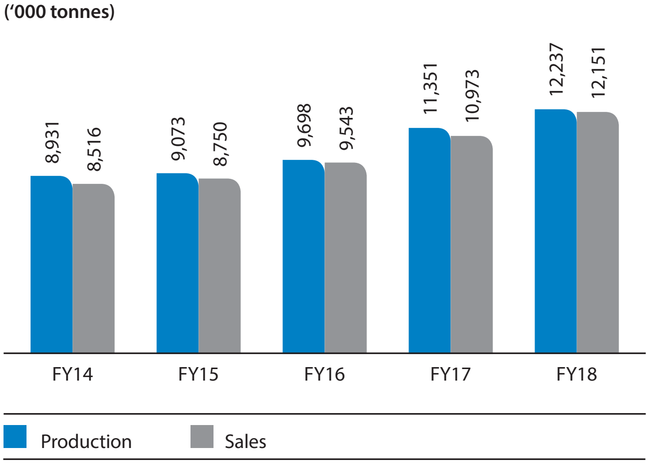
a) Operations

(in million tonnes)

	FY 18	FY 17	Change (%)
Hot Metal	13.86	13.05	6
Crude Steel	12.48	11.68	7
Saleable Steel	12.24	11.35	8
Sales	12.15	10.97	11

The saleable steel production and sales trend over the years is as follows:

Production and sales of Steel Division



During Financial Year 2017-18, the saleable steel production stood at 12.24 MnT which is ~8% increase over previous year. The hot metal production for the Financial Year was at 13.86 MnT which is 6% higher over previous year. The improvement in performance is due to stabilisation of operations at Kalinganagar which commissioned in June 2016 and various on-going initiatives undertaken for stable performance. Accordingly, Tata Steel Jamshedpur ('**TSJ**') has achieved the Indian bench mark in specific consumption of energy, refractory, pulverised coal injection and coke rate.

Tata Steel Kalinganagar ('**TSK**') strives to maintain a world-class environment in the premises by following environmental management systems in accordance with rules and regulations framed by the government and have comprehensive processes in place for ensuring health and safety of people, plant and equipment. The plant is designed to have minimal water footprint, by-product gas based power generation leading to reduction in carbon footprints, Coke Dry Quenching technology, zero-effluent discharge and significant reduction of noise and dust pollution.

During Financial Year 2017-18, capacity utilisation at TSK reached higher levels over the previous year in all the major facilities marking extremely improved performance. There was a significant quality ramp-up in steel making and successful development of 108 new products as against the plan of 101 new products. The acceptance of the products was good by customers. The product mix comprised of low carbon, medium & high carbon and peritectic grades, which served different market segments such as LPG, tube making, tin plating, construction & projects, lifting & excavation, automotive, heavy engineering, amongst others. The plant has also produced higher automotive grades and is poised to produce Advanced High Strength Steel grades.

After successful ramp-up, TSK has embarked upon second phase of expansion which will take its production capacity to 8 MnTPA.

b) Marketing and Sales Initiatives

During Financial Year 2017-18, our Steel Business Unit ('**SBU**') has achieved a growth in sales of ~11% over previous year, outperforming the market growth.

The break-up of sales in our various segments and the break-up of domestic sales to exports are as follows:

(in million tonnes)

Particulars	FY 18	FY 17
Automotive & Special products	1.94	1.58
Branded Products, Retail & Solutions	3.80	3.47
Industrial Products & Projects	4.24	4.03
Domestic	**9.98**	**9.08**
Exports	1.15	0.74
Domestic + Exports	**11.13**	**9.82**
Transfers (Wires, Tubes, Agrico, Tinplate)	1.02	1.15
Total Deliveries	**12.15**	**10.97**

Following are the Key Business Initiatives and achievements of Financial Year 2017-18:

Automotive and Special Products: Achieved best ever annual sales in Automotive sector thereby registering a growth of 23% year-on-year as against industry growth of 14% (mainly driven by 2 & 3 wheelers) leading to an increase in market share to 45%. This was achieved due to initiation of commercial supplies of hot rolled products from TSK, ramp-up of cold rolled volumes from Jamshedpur Continuous Annealing & Processing Company Private Limited. ('**JCAPCPL**'), high share received in new models through development of advanced hi-end products and various non-product services such as Value Analysis & Value Engineering ('**VAVE**') work shops, collaborative improvement as part of Customer Service Team's initiatives. As a recognition of the various initiatives, the Company received accolades from its key customers and automotive leaders, the 'Best Supplier Award', 'Business Alignment Gold' award and 'Technology/ Innovation' award.

Branded Products, Retail and Solutions: Sales of branded products grew by ~10% in Financial Year 2017-18 over the previous year. The Company maintained market leadership in B2C sales of Tata Tiscon and Tata Shaktee. Further, there was an increase in B2C sales of new products and brands like Tata Kosh, Tata Shaktee Long Lengths. In Financial Year 2017-18, the Company achieved best ever Emerging Corporate Account ('**ECA**') sales of 2,145 kilo tonnes. Channel capability enhancement and Augmentation of service centres resulted in enhancing our presence in key micro segments (e.g. Solar, Transmission & Distribution, etc) of ECA business. The Company also augmented digital tools for covering entire Tata Tiscon eco-system in order to enhance consumer engagement. Tata Tiscon won 'Asia's most admired Brand' award in construction category, Tata Shaktee received the 'Flame leadership award' from the Rural Marketing Association of India ('**RMAI**') for innovative marketing campaign and recognition from one of its Key customers as part of customer centricity for localisation & stabilisation of Enameling process.

Industrial Products, Projects and Exports: The Company continued its focus towards value added products and achieved highest ever annual sales in value added segments of hot rolled coupled with two times growth in Engineering Segment Sales (Pre-Engineered Building, Lifting & Excavation, Construction & Projects and Oil & Gas) over last year through the various product development initiatives. Industrial Products business enhanced its presence in international geographies and crossed the landmark of 1 MnT of exports for the first time in Financial Year 2017-18. The Company has increased its downstream businesses like Cut & Bend (Readybuild) & Couplers and also launched India's first Branded Welded Wire Fabric 'Smart Fab' to capture its market.

Services & Solutions: The Company is increasing its presence in Services & Solutions space for better consumer connect and experience. 'Pravesh' (steel doors & windows) has won 'Best Online Marketing Campaign of the year' award by ET Now and crossed bookings of 1.2 lakh for the year. The Company enhanced its product portfolio in services & solution through the launch of 'Nestudio' under 'Nest-in' family of products (a construction solution) for premium housing category for both B2B and B2C consumers and 'Tata Tiscon Ultima' coated products of Tata Tiscon such as Plasma coated Rebars and GFX coated Superlinks (Stirrups).

c) Ferro Alloys and Minerals Division

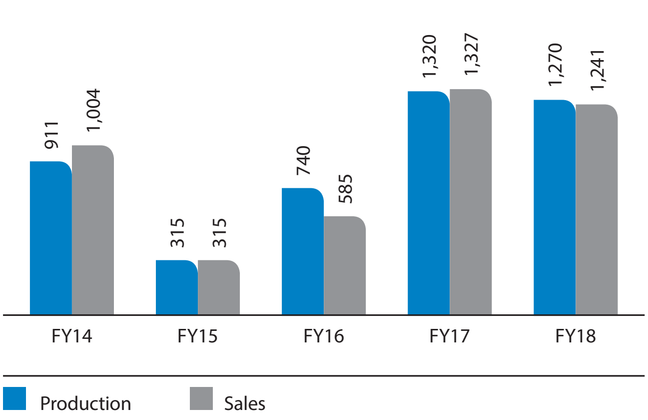
Our Ferro Alloy and Minerals Division ('**FAMD**') is amongst the top six chrome alloy producers in the world with operations spanning across two continents. In India, it is the largest producer of ferro chrome and one of the leading manganese alloy producer.

During the year, there was softening of Ferro Chrome prices in the international market. As market inclination is towards alloys business, the Company has shifted its business model from sale of minerals to Value Addition (to alloys) through Ferro Processing Centres.

FAMD achieved a production of 1,270 kilo tonnes as against 1,320 kilo tonnes in the previous year.

Production and Sales of (FAMD)

('000 tonnes)



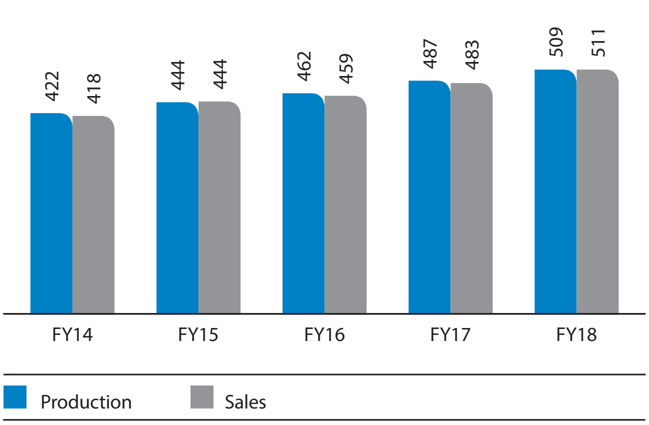
The Company started the first ever Gas Cleaning Plant (Slurry Processing) in the industry to recover Manganese rich sludge and water re-circulation at Ferro Alloys Plant, Joda. Further, the Company launched first of its kind Global Positioning System ('**GPS**') based Ferro Alloy consignment tracking along with mobile app: FASTRACK.

d) Tubes Division:

Our Tubes Strategic Business Unit is a leading manufacturer of pipes and tubes in India having its manufacturing facility situated at Jamshedpur with an annual production capacity of ~500 kilo tonnes. The three main lines of businesses are conveyance tubes (Tata Pipes), structural tubes (Tata Structura), precision tubes for auto and boiler segments.

Production and Sales of Tubes Division

('000 tonnes)



During Financial Year 2017-18, the Tubes Strategic Business Unit achieved 6% growth in sales over previous year mainly contributed by 17% growth in precision tubes in line with the growth of automotive industry and 9% growth in Tata Structura due to improved demand in the construction segment (Telecom, Metro railway projects). The division has developed new products like Colour coated tubes - Primer, Graphene, multilayer coated & Thin Organic Coating ('**TOC**'). The division has also started new facilities of Hollow section Universal Mill and Precision Tube Mill at Jamshedpur along with large diameter Tube Mill at TSK.

The division won 'The Best Company of the Year' for its contribution to the Construction Industry at the Construction Times Awards 2017.

e) Industrial By-products and Management Division

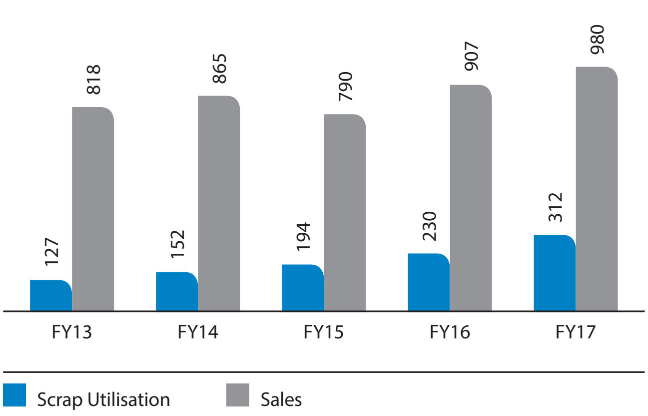
Our Industrial By-products and Management Division ('**IBMD**') handles variety of by-products in the entire value chain. The business operates on the principle of 3Rs (Reduce, Reuse, Recycle), thereby ensuring contribution towards the green journey of the Company. The product portfolio comprises of steel by-products such as metallic scrap, slag, coal tar, flat product scrap and coal by-products like middlings tailings and rejects. Product branding has been done to create recognition among peers and customers' brands.

During year, the division launched India's first ever branded LD Slag products Tata Aggreto and Tata Nirman. Further, first ever Blast Furnace Slag was exported to Bangladesh and Tata Ferroshots to Indonesia.

During the Financial Year 2017-18, by-product utilisation at the Plant increased substantially and sales increased by 8% over the previous year.

Scrap Utilisation at Plant and Sales of IBM Division

('000 tonnes)



Harnessing 'Value from waste and by-products' has been the objective of the division. It is committed to becoming a knowledge driven business unit leveraging digital and innovation days as key pillars. The division has also delved into downstream value enhancement of by-products which serve as quality benchmarks in the industry. The division is in the process of developing steel recycling business comprising pan-India steel collection and processing centres. These centres would feed the processed scrap to captive electric arc furnace for steel making and downstream rolling which would further contribute towards developing a sustainable ecosystem in the long run.

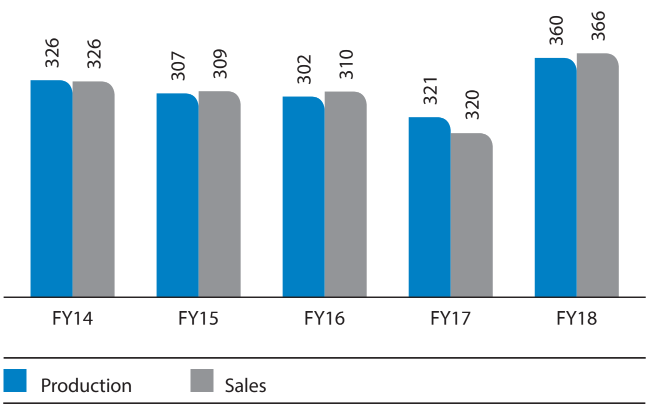
The division has been awarded with Green-Pro Certification for Ground Granulated Blast Furnace Slag ('**GGBS**') by CII-GBC council. Tata Steel is one of the first companies, in India, to get the green product certification for GGBS.

f) Wires Division

Our Global Wires India Business Unit is the largest manufacturer of steel wires in India. The plants are located at Tarapur, Mumbai, Pithampur, Indore and at Jamshedpur, having an annual capacity of 375 kilo tonnes. The products offered are Tyre Bead wire for the tyre industry, spring and spoke wires for the auto industry, Prestressed Concrete ('**PC**') Strands and PC wires for the construction industry, Galvanised wires for fencing and Binding wires for the rural markets.

Production and Sales of Wires Division

('000 tonnes)



During Financial Year 2017-18, the division achieved 14% growth in sales over previous year mainly contributed by 20% growth in infrastructure segment, 13% growth in automotive segment (in line with the growth of automotive industry) and 11% growth in the retail segment. The Pithampur plant has undertaken major expansion. The annual capacity increased to ~88 kilo tonnes from ~53 kilo tonnes.

The division has won the following accolades:

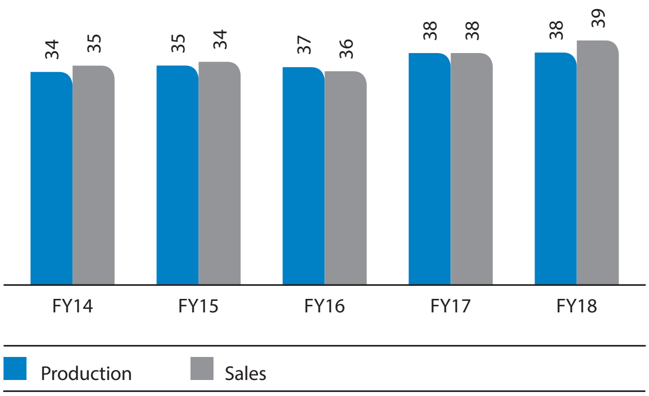
- The Brand Excellence Award in Iron & Steel Industry' and Tata Wiron was awarded 'Emerging Brand Award' at the brand excellence award hosted by the World Marketing Congress.
- SPANDAN – a farmer connect initiative has been awarded 'Best Integrated Rural Marketing Campaign' by National awards for Excellence in Rural Marketing.

g) Bearings Division

Our Bearings Division is one of the India's largest quality bearing manufacturers, having its manufacturing facility situated at Kharagpur, West Bengal with an annual production capacity of 40 million bearing numbers. The Company is foremost in the manufacturing of a wide variety of bearings and auto assemblies and product range includes Ball Bearings, Taper Roller Bearings, Hub Unit Bearings, Clutch Release Bearings, Double Row Angular Contact Bearings, Centre Bearings and Magneto Bearings. It is the only bearings manufacturer in India to win the TPM Award (2004) from Japan Institute of Plant Maintenance, Tokyo.

Production and Sales of Bearings Division

(Mn nos.)



The division achieved 3% growth in sales over previous year mainly due to increased off-take by auto two-wheeler and engineering segments. The division has also improved plant availability by de-bottlenecking and leveraging its existing resources for sustainable operations.

The division has been conferred with DOL (Direct on Line) certification from Rockman Industries (Auto components Manufacturer in India).

h) Shikhar 25 (Operational Improvement programmes)

Shikhar 25 programme is a multi-divisional, multi-location, cross functional programme that intends to drive breakthrough improvement projects with best of rigor and simplified governance, without compromising on safety, environment and people standards and works in collaboration with internal/external stakeholders to achieve best in class in operational performance.

The continuous learning and improvement journey has been one of the foundation pillars for driving a benchmark performance across the value chain. The programme was rolled out in steel value chain with structured collaboration from Raw Material division to Marketing & Sales division as an umbrella initiative.

During the year, the Shikhar 25 programme was extended to tap potentials for Cross cutting themes across divisions and the new facility at TSK. Further, 5 new Impact Centres were established namely Value in Use, Jharia, Shared Services, GST and export logistics and TSK. All the Impact Centres focused on new technology adaptation in collaboration with suppliers and integrating digital initiatives to explore new horizons of improvements. Key levers for improvement were improvement in fuel rate in Blast Furnaces and throughput, sale of enriched products, increase in throughput at West Bokaro collieries, cost reduction at Mines and Collieries, solid waste utilisation at Sinter Plants, Hot Metal and Scrap yield, Lime consumption, Ferro Alloys cost reduction at LDs, reduction in the spend base of Inbound/Outbound Logistics, packaging cost, energy efficiency, cost optimisation for other procured goods and services amongst others.

Total improvement savings achieved in Financial Year 2017-18 is ₹2,594 crore.

2. Tata Steel Europe

Global GDP growth in 2017 was 3.8%. The eurozone economy grew by 2.3% in 2017 which was higher than 1.8% in 2016. In order to avoid a deflationary environment, the European Central Bank extended the quantitative easing programme. The UK economy grew by 1.8% in 2017 (1.9% in 2016). The immediate impact of the referendum to leave the EU has been modest. In 2017 the pound depreciated slightly against the euro from 1.16 in January 2017 to 1.13 in December 2017.

Even though steel margins have improved in Europe, there are ongoing challenges due to the overcapacity in Europe and the slowdown in China. The persistent overcapacity in Europe is expected to continue with demand forecast to increase by around 1% per annum over the next 10 years. Current industry forecasts predict EU steel spreads in Financial Year 2018-19 to reduce from current levels by >€20/tonne.

Whilst the Company seeks to increase differentiated/premium business that is less dependent on market price movements, it still retains focus in both the UK and IJmuiden on improving its operations, consistency and taking measures to protect against unplanned interruptions and property damage. Best practices are in asset management, enhancing technical knowledge and skills, improving process safety, targeted capital expenditure and focused risk management.

The turnover and profit/loss figures of TSE (continuing operations) are given below:

(₹ crore)

	FY 18	FY 17
Turnover	59,985	52,085
EBITDA	3,792	4,705
Profit before tax (PBT), before exceptional	(1,803)	(326)
Profit before tax (PBT)	12,048	(4,079)
Profit after tax (PAT), before exceptional	(2,164)	(762)
Profit after tax (PAT)	11,687	(4,515)

The production and sales performance of TSE (continuing operations) is given below:

(in million tonne)

	FY 18	FY 17	Change (%)
Liquid Steel Production	10.69	10.56	1
Deliveries	9.99	9.93	1

TSE's revenue of ₹59,985 crore for Financial Year 2017-18 increased by ₹7,900 crore (15%) owing to increase in average revenue per tonne due to improved market conditions and marginal increase in deliveries.

The principal activities in Financial Year 2017-18 comprised manufacture and sale of steel products throughout the world. TSE's continuing operations produced carbon steel by the basic oxygen steelmaking method at its integrated steelworks in the Netherlands at IJmuiden and in the UK at Port Talbot. During Financial Year 2017-18 these plants produced 10.7 MnT of liquid steel.

Strip Products Mainland Europe – During Financial Year 2017-18, the liquid steel production at IJmuiden Steel Works, Netherlands was at 7.1 MnT which was 0.1 MnT higher than the previous year. Record annual outputs of 1.4 MnT were achieved at the Direct Sheet Plant and 0.6 MnT at third galvanising line. The plant has undertaken improvement initiatives on cost reduction, business specific improvement plans and securing access to cost effective raw materials. It is undergoing a 'Sustainable Profit' programme which is targeting improvements to delivery and yield performance and reduce operating costs and unplanned downtime and a 'Strategic Asset Roadmap' ('**STAR**') capital investment programme to support the strategic growth of differentiated, high value products in the automotive, lifting & excavating, energy and power market sectors. During Financial Year 2017-18, further progress was achieved towards the installation of a new caster to allow enhanced casting capabilities for advanced products and the commissioning of a heavy-duty coiler at the hot strip mill.

Strip Products UK – During the year, the liquid steel production at Port Talbot Steel Works, Wales was at 3.6 MnT which is same as the previous year. Strip Products UK increased the capacity of the ZODIAC automotive hot dipped galvanising line by 100 kilo tonnes to 600 kilo tonnes/annum through enhancements to the furnace and pre and post pot cooling sections, and commissioned a new Automotive Finishing Line ('**AFL**') to provide all material processing requirements for the Strip Automotive market. The hub is pursuing with its 'Delivering Our Future' improvement initiative programme. TSE had supplied steel structure to create steel and concrete composite flooring at overseas infrastructure projects, light weight composite steel to automotive makers and transport sectors.

Awards and Accolades:

- TSE won a 'Steelie', steel industry's highest awards, presented by the World Steel Association for taking a new approach to demonstrating that steel is a highly sustainable construction product.
- BMW announced that TSE had been awarded the best performing supplier with a maximum rating of 100 for quality in their scoring system.

3. NatSteel Holdings

The turnover and profit/loss figures of NatSteel Holdings ('**NSH**') for Financial Year 2017-18 are as follows:

(₹ crore)

	FY 18	FY 17
Turnover	5,181	4,478
EBITDA	201	206
Profit before tax (PBT), before exceptional	39	27
Profit before tax (PBT)	39	132
Profit after tax (PAT), before exceptional	52	30
Profit after tax (PAT)	52	134

During the year, the Singapore economy grew by 3.5%, highest in 3 years, supported by strong manufacturing and service sectors. Construction continues to be lagging behind. The demand for steel to remain stagnated due to contraction in construction spend. Steel demand in Malaysia grew by 5%, driven by infrastructure and construction demand and the steel demand in Vietnam is expected to grow at a slower rate than previous years.

During Financial Year 2017-18, the deliveries were 1,293 kilo tonnes as against 1,349 kilo tonnes of previous year. The decline in volumes were due to lower demand because of slowdown of the construction activities and lower exports. An increase in turnover was reported due to increased realisation offset by lower volumes.

During the year, NSH received the national bizSAFE partner award and Singapore Health Award.

4. Tata Steel Thailand

The turnover and profit/loss figures of Tata Steel Thailand ('**TSTH**') for Financial Year 2017-18 are as follows:

(₹ crore)

	FY 18	FY 17
Turnover	4,361	3,767
EBITDA	236	322
Profit before tax (PBT), before exceptional	114	202
Profit before tax (PBT)	114	84
Profit after tax (PAT), before exceptional	89	159
Profit after tax (PAT)	89	41

During 2017, the Thailand economy grew by 3.9%, above its 10-year average, improving from 3.2% in 2016. Private consumption continually expanded by 3.2%, which was supported by government stimulus measures. Private consumption growth was encouraged by an increase in minimum wage and more deductions for personal income tax. Public spending growth slowed down due to delay in investments in mega projects and disbursement of the government's annual budget.

The steel consumption declined by 14% Y-o-Y, the worse impact being on long products which declined 26% Y-o-Y. Construction sector declined by 5.5% Y-o-Y mainly due to slowdown in public investments because of slow budget disbursements. The price of finished products increased in line with strong global metallic price trend, high prices of ferro alloys and electrodes.

During Financial Year 2017-18, the deliveries were at 1,217 kilo tonnes as against 1,262 kilo tonnes of previous year primarily due to slowdown in the construction sector. The turnover increased over previous year, due to increased realisation partly offset by lower sales volumes. The increase in profits is attributable to one-off item in Financial Year 2016-17 relating to provision of impairment loss of Mini Blast Furnace which is not present in the current year.

During the year, TSTH received the following awards:

- N.T.S. Steel Group Public Company Ltd. won the prestigious Prime Minister's Awards 2017 on Safety Management.
- The Siam Construction Steel Company Ltd. ('**SCSC**') and The Siam Iron and Steel Company Ltd. ('**SISCO**') plants received 'CSR – DIW Awards' from the Department of Industrial Works.
- TSTH won the Kaizen Gold award in the category of Innovation during Thailand Kaizen Award 2017.

5. Tata Metaliks Limited

The turnover and profit/loss figures of Tata Metaliks Limited ('**TML**') for Financial Year 2017-18 are as follows:

(₹ crore)

	FY 18	FY 17
Turnover	1,894	1,410
Profit before tax (PBT)	200	152
Profit after tax (PAT)	159	116

TML has its manufacturing plant at Kharagpur, West Bengal, India which produces annually 300 kilo tonnes of pig iron and 200 kilo tonnes of ductile iron pipes. Pig iron is marketed under the brand name 'Tata eFee' (world's first brand) and ductile iron pipe is marketed in the brand name 'Tata Ductura'.

During Financial Year 2017-18, the sale of pig iron was at 291 kilo tonnes as against 195 kilo tonnes of previous year and sale of Ductile Iron pipes was at 209 kilo tonnes as against 182 kilo tonnes of previous year due to increased demands. The annual profits of current year are higher as compared to previous year primarily due to higher volumes of pig iron and ductile iron pipes.

TML took following strategic measures during the year:

- Air pre-heater in Mini Blast Furnace ('**MBF**') - 1 higher hot blast temperature leading to lower coke rate.
- 40 tonnes Hot Metal carrier for transfer of hot metal from MBF to Ductile Iron for lower temperature loss and higher yield.

ICRA increased the credit rating of TML from A+ to AA group due to better performance.

6. The Tinplate Company of India Limited

The turnover and profit/loss figures of The Tinplate Company of India Limited ('**TCIL**') for Financial Year 2017-18 are as follows:

(₹ crore)

	FY 18	FY 17
Turnover	1,931	849
Profit before tax (PBT)	115	41
Profit after tax (PAT)	73	28

TCIL is the largest indigenous producer of tin coated and tin free steel used for metal packaging. It has also been 'value-adding' its products by way of providing printing and lacquering facility to reach closer to food processors/fillers. TCIL has two Cold Rolling Mills and two electrolytic tinning lines with an installed annual production capacity of around 379 kilo tonnes of tinplate and tin-free steel.

During the year, TCIL achieved sales of 361 kilo tonnes as against 317 kilo tonnes of previous year. The annual production of tinning is at 356 kilo tonnes which is 11% higher than previous year at 321 kilo tonnes. Turnover is higher over the previous year due to shift in business model from conversion to buy and sale model along with higher deliveries and improvement in realisations. The annual profits improved over previous year in line with higher turnover, partly offset by increase in input steel cost.

7. Tata Steel Processing and Distribution Limited

The turnover and profit/loss figures of Tata Steel Processing and Distribution Limited ('**TSPDL**') for Financial Year 2017-18 are as follows:

(₹ crore)

	FY 18	FY 17
Turnover	3,196	2,472
Profit before tax (PBT)	96	56
Profit after tax (PAT)	64	40

TSPDL has extended its footprint with a new distribution centre at Sanand, Gujarat in the year 2017. It has commissioned a Wide Cut To Length ('**WCTL**') line having an annual capacity of 410 kilo tonnes to process thick Hot Rolled materials (8-25mm) at the Company's Kalinganagar facility in June 2017. An inspection and parting line with annual capacity of 120 kilo tonnes was commissioned at CRM Bara Complex of the Company in August 2017. These have enabled to increase the total capacity to 3.3 MnT as compared to the installed capacity of 2.8 MnT in the previous year. However, during the year, the capacity utilisation has been 2.13 MnT compared to 1.9 MnT achieved in the previous year. As a constant endeavour to improve the quality of products to customers, TSPDL developed a scale brushing system which has been commissioned at Narrow Cut To Length ('**NCTL**') in Chennai and WCTL line at Kalinganagar. TSPDL undertook an EBITDA improvement initiative 'Lakshya 25'.

During the year, the profits increased due to higher contribution from tolling business along with increase in tolling compensation received from the Company and others. Distribution volumes increased by 32% due to increase in production.

During the year TSPDL received the following accolades:

- Pune unit was awarded the 'Energy Efficient Unit' at CII National Energy Management Award 2017,
- NSCI safety award - 2017 Prashansa Patra (certificate) in Group D under the manufacturing sector category.

8. Tata Sponge Iron Limited

The turnover and profit/loss figures of Tata Sponge Iron Limited ('**TSIL**') for Financial Year 2017-18 are as follows:

(₹ crore)

	FY 18	FY 17
Turnover	817	615
Profit before tax (PBT)	210	84
Profit after tax (PAT)	141	58

TSIL is a manufacturer of sponge iron with an annual production capacity of 390 kilo tonnes and generates 26 MW of power through the waste heat recovery route.

During the year, sale of sponge iron was 414 kilo tonnes as against 393 kilo tonnes of previous year. Further, the sale of power during the Financial Year 2017-18 was at 143 MKWH as against 132 MKWH of previous year. These increases are primarily due to increased realisation from sponge iron.

C. Financial Performance

1. TATA STEEL INDIA

During the year, the Company recorded a profit after tax of ₹4,170 crore (previous year: ₹3,445 crore). The increase is primarily on account of improved realisations and higher deliveries, partly offset by higher exceptional charges over previous year. The basic and diluted earnings per share for Financial Year 2017-18 were at ₹38.57 and ₹38.56 respectively (previous year: ₹31.74).

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

a) Net sales and other operating income

(₹ crore)

	FY 18	FY 17	Change (%)
Sale of products	57,614	51,011	13
Sale of power and water	1,691	1,418	19
Income from town, medical and other services	148	136	9
Other operating income	1,066	696	53
Total income from operations	**60,519**	**53,261**	**14**

During the year, overall turnover was higher as compared to the previous year, primarily due to increased operations at Tata Steel Kalinganagar ('**TSK**') along with increase in realisations. Ferro Alloys and Mineral Division ('**FAMD**') registered higher revenue owing to higher production of Ferro Chrome along with improved demand in the international market.

b) Purchase of finished, semi-finished steel and other products

(₹ crore)

	FY 18	FY 17	Change (%)
Purchase of finished, semi-finished steel and other products	647	881	(27)

During the year, purchase of finished and semi-finished materials decreased as compared to the previous year due to lower purchases of steel wire rods and imported rebars for resale.

c) Raw materials consumed

(₹ crore)

	FY 18	FY 17	Change (%)
Raw materials consumed	16,878	12,497	35

During the year, the consumption of Raw Material increased primarily due to increased operations at TSK as well as higher cost of imported coal.

d) Employee benefits expense

(₹ crore)

	FY 18	FY 17	Change (%)
Employee benefits expense	4,829	4,605	5

During the year, the expense increased, primarily on account of salary revisions and its consequential impact on the retirement provisions.

e) Depreciation and amortisation expense

(₹ crore)

	FY 18	FY 17	Change (%)
Depreciation and amortisation expense	3,727	3,542	5

The increase in depreciation is primarily due to full year charge (TSK commenced operations with effect from June 1, 2016), partly offset by lower amortisation charges.

f) Other expenses

(₹ crore)

	FY 18	FY 17	Change (%)
Other expenses	21,841	24,732	(12)

Other expenditure represents the following expenditure:

(₹ crore)

	FY 18	FY 17	Change (%)
Consumption of stores and spares	3,306	2,752	20
Repairs to buildings	72	71	1
Repairs to machinery	2,603	2,282	14
Relining expenses	52	55	(7)
Fuel oil consumed	154	111	39
Purchase of power	2,771	2,770	0
Conversion charges	2,838	2,701	5
Freight and handling charges	4,102	3,784	8
Rent	75	76	(0)
Royalty	1,573	1,146	37
Rates and taxes	966	1,298	(26)
Insurance charges	111	80	40
Commission, discounts and rebates	194	207	(6)
Allowance for credit losses/ provision for advances	54	16	239
Excise Duty (including recovered on sales)	903	5,268	(83)
Other expenses	2,404	2,333	3
Less:-Expenditure (other than interest) transferred to capital & other accounts	337	218	55
Total Other expenses	**21,841**	**24,732**	**(12)**

Other expenses were higher as compared to the previous year, primarily on account of higher consumption of stores and spares on account of increased operations at TSK. Further, increase in repairs and maintenance expenses was due to higher contract jobs at mines and collieries and at TSK. There was increase in royalty charges, freight and handling, fuel oil consumed and insurance charges at TSK due to full scale operations of the facilities. This was partly offset by lower expenses under rates and taxes due to implementation of GST.

g) Finance costs and Net Finance costs

(₹ crore)

	FY 18	FY 17	Change (%)
Finance costs	2,811	2,689	5
Net Finance costs	2,068	2,342	(12)

During the year, finance costs were higher as previous year included higher interest capitalised in relation to TSK. Net finance charges were lower on account of higher income from mutual funds, partly offset by increase in finance costs.

h) Exceptional items

(₹ crore)

	FY 18	FY 17	Change (%)
Exceptional items	(3,366)	(703)	(379)

The exceptional items during the year primarily represents statutory demands and claims, net of liability towards district mineral foundation no longer required, written back, charge on account of Employee Separation Scheme ('**ESS**') under 'Sunhere Bhavishya ki Yojana' ('**SBKY**') scheme, provision for advances given for repurchase of equity shares in Tata Teleservices Limited from NTT DoCoMo Inc. and provision for diminution in value of investment held in subsidiaries and joint ventures.

i) Fixed Assets

(₹ crore)

	FY 18	FY 17	Change (%)
Property, Plant and Equipment	70,943	71,779	(1)
Capital work-in-progress	5,642	6,125	(8)
Other Intangible assets	786	788	(0)
Intangible assets under development	32	39	(18)
Total Fixed Assets	**77,402**	**78,731**	**(2)**

Capitalisation of Kalinganagar facilities from June 1, 2016.

j) Investments

(₹ crore)

	FY 18	FY 17	Change (%)
Investment in Subsidiary, JVs and Associates	3,666	3,398	8
Other Investments	5,971	4,958	20
Current Investments	14,640	5,310	176
Total Investments	**24,277**	**13,666**	**78**

During the year, the increase in total investments was predominantly on account of higher investments in Mutual Funds as compared to the previous year and fair value adjustments of non-current investments.

k) Inventories

(₹ crore)

	FY 18	FY 17	Change (%)
Stock-in-Trade			
Finished and semi-finished goods	3,658	4,205	(13)
Work-in-progress	7	6	15
Raw materials	4,953	3,899	27
Stores and spares	2,405	2,127	13
Total Inventory	**11,023**	**10,237**	**8**

Finished and semi-finished inventory decreased as compared to the previous year mainly due to decrease in flat products inventory at Jamshedpur. The increase in raw material inventories as compared to the previous year is mainly due to increase in inventory of coal at Jamshedpur and Kalinganagar. The increase in stores and spares inventory is due to increase in prices.

l) Sundry Debtors

(₹ crore)

	FY 18	FY 17	Change (%)
Gross Debtors	1,908	2,025	(6)
Less: Provision for doubtful debts	32	18	77
Net Debtors	**1,876**	**2,007**	**(7)**

The decrease in sundry debtors as compared to the previous year is primarily due to better realisation.

m) Gross Debt and Net Debt

(₹ crore)

	FY 18	FY 17	Change (%)
Gross Debt	28,126	28,285	(1)
Less: Cash and Bank balances (incl. Non-current balances)	4,717	1,008	368
Less: Current investments	14,640	5,310	176
Net Debt	**8,769**	**21,967**	**(60)**

The Net debt was lower as compared to the previous year. This is attributable to increase in current investments along with cash and bank balances.

Gross debt was almost at par as there was less drawal of commercial paper (net of payment) which was offset by increase in term loans (net of repayment).

n) Cash Flow

(₹ crore)

	FY 18	FY 17	Change (%)
Net Cash Flow from operating activities	11,791	11,167	6
Net Cash Flow from investing activities	(12,273)	(3,956)	(210)
Net Cash Flow from financing activities	4,166	(7,280)	157
Net increase/(decrease) in cash and cash equivalents	**3,684**	**(69)**	**5,403**

Net cash flow from operating activities

During the year, the net cash flow from operating activities was ₹11,791 crore as compared to ₹11,167 crore during the previous year. The cash operating profit before working capital changes and direct taxes was ₹15,109 crore as compared to ₹11,561 crore during the previous year due to higher operational profit. Working Capital increased during the year by ₹815 crore mainly due to increase in inventories by ₹785 crore and decrease in trade payables and other liabilities by ₹487 crore, which is partly offset by decrease in

Non-current/Current financial and other assets by ₹457 crore. The income taxes paid during the year was ₹2,503 crore as compared to ₹1,541 crore during the previous year.

Net cash flow from investing activities

During the year, the net cash outflow from investing activities amounted to ₹12,273 crore as compared to ₹3,956 crore during the previous year. The outflow during the year broadly represents purchase (net of sale) of current investments of ₹8,651 crore, purchase of investments in subsidiaries of ₹5,019 crore, capex of ₹2,527 crore, partly offset by sale of investments in Tata Motors Limited of ₹3,778 crore.

Net cash flow from financing activities

During the year, the net cash inflow from financing activities was ₹4,166 crore as compared to an outflow of ₹7,280 crore as compared to previous year. The inflow during the year represents proceeds from rights issue of equity capital ₹9,087 crore partly offset by payment of interest of ₹2,770 crore, payment of dividend including taxes of ₹1,160 crore and repayment of borrowings (net of proceeds) of term loans of ₹506 crore.

2. TATA STEEL GROUP

Tata Steel Group profit after tax from continuing operations before exceptional items for the current year was ₹8,105 crore as against ₹4,020 crore during previous year. Exceptional items, including non-cash gains arising out of modification in benefit structure of Pension Scheme, aggregating to ₹9,599 crore resulted in a profit of ₹17,704 crore from continuing operations during the current year.

a) Net sales and other operating income

(₹ crore)

	FY 18	FY 17	Change (%)
Tata Steel	60,519	53,261	14
TSE	59,985	52,085	15
NSH	5,181	4,478	16
TSTH	4,361	3,767	16
Others	38,261	31,145	23
Eliminations & Adjustments	(35,292)	(27,316)	(29)
Total income from operations	**1,33,016**	**1,17,420**	**13**

The turnover of the Group was higher as compared to previous year. The increase at Tata Steel India was primarily on account of higher volumes from TSK and higher revenue at FAMD owing to higher production of Ferro Chrome along with increase in realisation of Ferro Manganese. Moreover, revenues from Wires and Tubes division also increased due to higher volumes and increase in realisations.

The increase in turnover at Tata Steel Europe ('**TSE**') was mainly on account of an increase in average revenue per tonne, partly offset by adverse exchange impact on translation.

The increase in turnover of NSH and TSTH was mainly on account of higher realisations.

b) Purchases of finished, semi-finished steel & other products

(₹ crore)

	FY 18	FY 17	Change (%)
Tata Steel	647	881	(27)
TSE	4,800	5,518	(13)
NSH	3,740	3,149	19
TSTH	2,521	2,385	6
Others	4,327	2,518	72
Eliminations & Adjustments	(5,031)	(3,026)	(66)
Purchase of finished, semi-finished steel and other products	**11,003**	**11,425**	**(4)**

Purchases at TSTH and NSH increased owing to increase in production and input metallic price. Indian operations decreased primarily on account of lower purchases of imported rebars due to lower requirement. The decline at TSE was due to change in sales mix after the sale of long products along with favourable exchange impact on translation.

c) Raw materials consumed

(₹ crore)

	FY 18	FY 17	Change (%)
Tata Steel	16,878	12,497	35
TSE	22,629	16,883	34
NSH	105	69	51
TSTH	341	205	66
Others	28,569	24,035	19
Eliminations & Adjustments	(27,316)	(21,271)	(28)
Raw materials consumed	**41,205**	**32,418**	**27**

The increase at Tata Steel India is due to higher consumption at TSK and cost of imported coal, higher production at FAMD and increase in cost of ore. The increase at TSE is primarily due to increase in price of coke which has doubled from previous year, along with increase in iron ore and coking coal prices, partly offset by favourable exchange impact on translation.

Others primarily reflect activities at Tata Steel Group Procurement in relation to raw material procurement, eliminated on consolidation.

d) Employee benefits expense

(₹ crore)

	FY 18	FY 17	Change (%)
Tata Steel	4,829	4,605	5
TSE	11,407	11,344	1
NSH	458	470	(3)
TSTH	178	172	4
Others	734	661	11
Employee benefits expense	**17,606**	**17,252**	**2**

Employee Benefit expenses increased in Tata Steel India mainly on account of salary revisions and its consequential impact on the

TATA STEEL

retirement provisions. The wage cost at TSE increased on account of normal increase in wages and contribution to provident and other funds, partly offset by favourable exchange impact on translation.

e) Depreciation and amortisation expense

(₹ crore)

	FY 18	FY 17	Change (%)
Tata Steel	3,727	3,542	5
TSE	1,727	1,639	5
NSH	124	143	(13)
TSTH	96	93	3
Others	287	256	12
Depreciation and amortisation expense	**5,962**	**5,673**	**5**

The increase in depreciation is primarily at Tata Steel India due to due to full year charge (TSK commenced operations with effect from June 1, 2016), partly offset by lower amortisation charges. Expense increased at TSE which was partly offset by favourable exchange impact on translation.

f) Other expenses

(₹ crore)

	FY 18	FY 17	Change (%)
Tata Steel	21,841	24,732	(12)
TSE	17,793	16,362	9
NSH	771	837	(8)
TSTH	1,114	894	25
Others	1,881	3,189	(41)
Eliminations & Adjustments	(2,046)	(2,159)	5
Other expenses	**41,355**	**43,855**	**(6)**

Other expenditure represents the following expenditure:

(₹ crore)

	FY 18	FY 17	Change (%)
Consumption of stores and spares	8,658	7,881	10
Repairs to buildings	102	101	1
Repairs to machinery	5,923	5,333	11
Relining expenses	152	141	8
Fuel oil consumed	544	467	17
Purchase of power	4,840	4,754	2
Conversion charges	2,693	2,343	15
Freight and handling charges	8,101	7,268	11
Rent	2,439	2,364	3
Royalty	1,658	1,188	39
Rates and taxes	1,245	1,644	(24)
Insurance charges	293	426	(31)
Commission, discounts and rebates	258	235	10
Allowance for credit losses/ provision for advances	102	46	122
Excise Duty (including recovered on sales)	861	5,121	(83)
Other expenses	4,487	5,308	(15)
Less: Expenditure (other than interest) transferred to capital & other accounts	1,001	765	31
Total Other expenses	**41,355**	**43,855**	**(6)**

Other expenditures in Tata Steel India were higher mainly on account of increased operations at TSK. Increase at TSE is primarily on account of increase in levels of maintenance activity in Strip Products MLE, higher stores and spares consumed, freight and handling expenses due to increase in transport costs, partly offset by exchange impact on translation. The decrease in others is primarily due to favourable exchange rate movement at Tata Steel Global Holdings, Singapore.

g) Finance costs and Net Finance costs

(₹ crore)

	FY 18	FY 17	Change (%)
Tata Steel	2,811	2,689	5
TSE	3,912	3,413	15
NSH	43	40	6
TSTH	27	28	(4)
Others	2,786	2,528	10
Eliminations & Adjustments	(4,077)	(3,626)	(12)
Finance costs	**5,502**	**5,072**	**8**

(₹ crore)

	FY 18	FY 17	Change (%)
Tata Steel	2,068	2,342	(12)
TSE	3,868	3,392	14
NSH	37	36	3
TSTH	26	27	(4)
Others	(358)	(291)	(23)
Eliminations & Adjustments	(1,068)	(951)	(12)
Net Finance costs	**4,573**	**4,555**	**0**

Higher finance cost at Tata Steel India as compared to previous year included interest capitalised mainly on account of TSK. Increase at TSE is primarily due to addition of subordinate loan over last year along with higher utilisation of working capital facility following an increase in raw material prices, partly offset by exchange impact on translation.

Net finance charges were almost at par as the increase in finance cost was almost offset by increase in finance income at Tata Steel India mainly due to higher income from mutual funds.

h) Exceptional items

(₹ crore)

	FY 18	FY 17	Change (%)
Tata Steel	(3,366)	(703)	(379)
TSE	13,851	(3,753)	469
NSH	0	105	(100)
TSTH	0	(118)	(100)
Others	(921)	(30)	(2,956)
Eliminations & Adjustments	36	175	(80)
Exceptional items	**9,599**	**(4,324)**	**322**

Exceptional items during the year primarily represents:

a) Statutory demands and claims, net of liability towards district mineral foundation no longer required written back and provision for advances paid for repurchase of equity shares in Tata Teleservices Ltd. from NTT DoCoMo Inc. at Tata Steel India.

b) Charge on account of Employee Separation Scheme ('**ESS**') under Sunhere Bhavishya Ki Yojana ('**SBKY**') scheme at Tata Steel India and at Jamshedpur Utilities & Services Company Limited.

c) Gains arising out of modification in benefit structure for members of the new pension scheme ('**NBSPS**') vis-à-vis their benefits under Tata Steel Europe's British Steel Pension Scheme ('**BSPS**'), offset by settlement charges for those members who did not join the NBSPS and one-off costs at TSE.

d) Impairment charges in respect of property, plant and equipment (including Capital Work-in-progress) relating to Global mineral entities.

Exceptional items during the previous year primarily represents:

a) Statutory demands and claims, provision for advances given for repurchase of equity shares in Tata Teleservices Limited from NTT DoCoMo Inc. and charge on account of Employee Separation Scheme ('**ESS**') under 'Sunhere Bhavishya Ki Yojana' ('**SBKY**') at Tata Steel India.

b) Impairment of property plant and equipment mainly relating to the European and South East Asian operations.

c) Curtailment charge relating to closure of Tata Steel Europe's British Steel Pension Scheme ('**BSPS**') to future accrual.

i) Fixed Assets

(₹ crore)

	FY 18	FY 17	Change (%)
Tata Steel	77,402	78,731	(2)
TSE	20,562	15,605	32
NSH	811	835	(3)
TSTH	692	695	(0)
Others	9,512	8,760	9
Eliminations & Adjustments	(358)	(330)	(9)
Fixed Assets	**1,08,620**	**1,04,296**	**4**

TSE was impacted on account of increase in closing exchange rate of GBP during the year as compared to previous year.

j) Inventories

(₹ crore)

	FY 18	FY 17	Change (%)
Stock-in-Trade			
Finished and semi-finished goods	9,854	9,185	7
Work-in-progress	5,145	4,379	18
Raw materials	9,551	8,020	19
Stores and spares	3,780	3,220	17
Total Inventory	**28,331**	**24,804**	**14**

(₹ crore)

	FY 18	FY 17	Change (%)
Tata Steel	11,023	10,237	8
TSE	13,762	11,770	17
NSH	1,053	818	29
TSTH	725	587	24
Others	1,826	1,449	26
Eliminations & Adjustments	(58)	(57)	(2)
Inventories	**28,331**	**24,804**	**14**

Increase was primarily at Tata Steel India on account of increase in raw material inventory mainly increase in quantity of coal, partly offset by decline in inventory of finished and semi-finished goods mainly in flat products at Indian operations. At TSE, the increase was primarily in finished and semi-finished inventory on account of exchange impact on translation and lower deliveries.

Stores and spares stock increased in Tata Steel India mainly due to increase in prices. The increase at TSE was on account of exchange impact on translation.

k) Sundry Debtors

(₹ crore)

	FY 18	FY 17	Change (%)
Tata Steel	1,876	2,007	(7)
TSE	6,451	6,255	3
NSH	516	421	22
TSTH	254	179	42
Others	14,805	12,223	21
Eliminations & Adjustments	(11,486)	(9,498)	(21)
Net Debtors	**12,416**	**11,587**	**7**

Increase at TSE was mainly on account of exchange impact on translation, partly offset by decrease at Tata Steel India. Increase in NSH and TSTH was in line with increase in turnover due to higher realisations.

l) Gross Debt and Net Debt

(₹ crore)

	FY 18	FY 17	Change (%)
Gross Debt	92,147	83,014	11
Less: Cash and Bank balances (incl. Non-current balances)	8,023	4,975	61
Less: Current investments	14,909	5,673	163
Net Debt	**69,215**	**72,366**	**(4)**

Increase in Gross Debt was mainly on account of proceeds from borrowings (net of repayment) by ₹4,225 crore along with exchange impact on translation being ₹3,567 crore (mainly at TSE). The increase in borrowings was mainly at Singapore entities, partly offset by net repayments at NSH and Tata Steel India.

The decrease in Net Debt was mainly on account of increase in current investments and cash and bank balances at Tata Steel India, partly offset by net increase in gross debt.

m) Cash Flow

(₹ crore)

	FY 18	FY 17	Change (%)
Net Cash Flow from operating activities	8,023	10,824	(26)
Net Cash Flow from investing activities	(12,026)	(9,076)	(33)
Net Cash Flow from financing activities	6,640	(2,579)	357
Net increase/(decrease) in cash and cash cash equivalents	**2,638**	**(831)**	**418**

Net cash flow from operating activities

During the year, the Group generated ₹8,023 crore from operations as compared to ₹10,824 crore in the previous year. The cash generated from operations before changes in working capital and tax payments during the year was ₹20,187 crore as against ₹17,581 crore in previous year reflecting higher operating profits. Working capital increased during the year by ₹9,276 crore primarily due to decrease in trade payable and other liabilities along with increase in inventories. The payments of income taxes during the year were ₹2,888 crore as compared to ₹1,843 crore in the previous year.

Net cash flow from investing activities

During the year, the cash outflow was ₹12,026 crore as compared to ₹9,076 crore in the previous year. The outflow represents capex by ₹7,479 crore and purchase (net of sale) of current investments by ₹8,555 crore partly offset by proceeds from sale of investments in Tata Motors ₹3,778 crore.

Net cash flow from financing activities

During the year, net cash inflow from financing activities amounted to ₹6,640 crore as compared to an outflow of ₹2,579 crore in the previous year. The net inflow broadly represents proceeds from rights issue of equity shares by ₹9,087 crore and proceeds from borrowings (net of repayment) was ₹4,225 crore, partly offset by interest paid by ₹5,146 crore and dividend payment by ₹1,180 crore.

D. Risks and Mitigation Strategies

Tata Steel operates in an interconnected world with stringent regulatory and environmental requirements, increased geopolitical risks and fast-paced technological disruptions that could have a material impact across the value chain of the organisation. Tata Steel has implemented an Enterprise Risk Management (‘**ERM**’) process to provide a holistic view of aggregated risk exposures as well as to facilitate more informed decision-making.

In its journey towards risk intelligence, a robust governance structure has been developed across the organisation. The Board of Directors has constituted a Committee of the Board called Risk Management Committee. At the Senior Management level, a Group Risk Review Committee has been constituted to drive the ERM process across the Tata Steel Group.

Information regarding key risks facing Tata Steel and their mitigation strategies is given here:

1. Macroeconomic Risks

- Overcapacity and oversupply in the global steel industry as well as increased levels of imports may adversely affect steel prices, impacting profitability.
- Newer developments in the competitive global business environment and potential consolidation among competitors may adversely impact the Company’s financial condition and prospects.
- Slower than expected pace of growth in India, coupled with expansion in domestic steel capacity, may result in lower than expected realisations.

Key Mitigation Strategies

- Diversification of product portfolio
- Development of alternate markets
- Participation in industry consolidation

2. Financial Risks

- Fluctuation in foreign exchange rates due to volatility in financial markets may impact the Company’s debt servicing and create uncertainties in accessing financial markets.
- Substantial amount of debt on the balance sheet may have an adverse impact on the Company’s ability to raise finance at competitive rates.
- Changes in assumptions underlying the carrying value of certain assets may result in the impairment of such assets.

Key Mitigation Strategies

- Maximising operational cashflow
- Terming out debt and refinancing debt with favourable covenants
- Appropriate foreign exchange hedging policies
- Integration of business planning and cashflow projections with liquidity management

3. Regulatory Risks

- Non-compliance to increasing stringent regulatory environmental norms may result in liabilities and damage to reputation.
- The Company operates leased mines. Non-renewal of mining leases may result in the Company having to purchase minerals at higher prices from the open market, impacting its profitability.
- Removal of favorable trade measures such as anti-dumping laws, countervailing duties, etc. may impact the Company’s business and prospects.

Key Mitigation Strategies

- Focus on compliance
- Dialogue with regulatory authorities for greater clarity and availing legal consultations for timely clearances
- Working with industry associations towards simplification of rules, a predictive policy regime and transition time for regulatory changes

4. Operational Risks

- The steel industry is prone to high proportion of fixed costs and volatility in prices of raw materials and energy. Limitations or disruptions in the supply of raw materials could adversely affect Company's profitability.
- Failure of critical information systems/ servers that control the Company's manufacturing plants may adversely impact business operations.
- Violation of safety standards, unsafe acts and conditions may lead to Lost Time Injuries or fatalities, resulting in stoppage of operations, loss of personnel, damage to assets and reputation.

Key Mitigation Strategies

- Enhancing in-house capability and leveraging from past learnings and expertise
- Establishing sources of supplies from alternate geographies
- Enhancing in-house capability in rail logistics and developing Deep Sea Port capacity
- "Committed to Zero" - Safety drives across the Company

5. Market Related Risks

- Steel is a cyclical industry and excess volatility in the steel and raw material markets may adversely impact the Company's financial condition.
- Competition from substitute materials, or changes in manufacturing processes, may lead to a decline in product demand, resulting in loss of market share.
- Product liability claims could have an adverse impact on the Company's finances.

Key Mitigation Strategies

- Development of value-added products and enhanced services and solutions
- Strengthening contractual agreements

6. Climate Change Risks

- As of May 2018, 195 United Nations Framework Convention on Climate Change (UNFCCC) members have signed the Paris agreement, and 176 countries, including India, have become party to it. The Agreement aims to keep a check on rising global temperatures and intensify actions required for a sustainable low-carbon future. Going forward, the steel industry will face stringent international and domestic regulations relating to Greenhouse Gas emissions. Increasingly stringent climate control regulations may impact the Company's operations and prospects.

Key Mitigation Strategies

- Continued investment in environment related projects
- Collaboration with academic/research institutes for projects on climate change issues

7. People Risks

- Any labour dispute or social unrest in regions where the Company operates may adversely affect its operations and financial condition.
- Loss of one or more members of the Senior Management, or inability to attract and retain employees, may affect the Company's business and prospects.

Key Mitigation Strategies

- Build relations with key stakeholders including local/ regional influential people, interest groups and bureaucracy across levels of administrative machinery (taluka to state level) to address labour or social unrest
- Succession planning for Senior Management to ensure continuity in business
- People related policies for attracting and retaining talent

8. Strategic Risks

- The Company is growing its Indian operations through organic and inorganic routes. The Company may be unable to realise the anticipated benefits of these growth plans which could have a material adverse impact on its financial condition and reputation.
- The Company may be subject to business risk relating to proposed joint venture with thyssenkrupp AG, including potential delays in completing the proposed transaction and/or the proposed transaction not consummating successfully

Key Mitigation Strategies

- Strong engineering and project team to commission the expansion project within budgeted time and cost
- Ensuring that learnings from previous projects are applied for improved execution and faster ramp-up of production
- Deputation of experienced team from Tata Steel along

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with strong review and governance to accelerate the performance of the acquired assets

- Integrate the management of acquired company to drive synergies. Bring Tata Steel expertise to the acquired assets in operations, maintenance and marketing to ensure high capacity utilisation, cost competitiveness and better product mix
- Experienced team driving focused consultations with the relevant Stakeholders in Europe

E. Opportunities

India is expected to experience sustained growth in short to medium term driven by growth in steel consuming sectors, revival of rural demand, increased spending on infrastructure amongst others. Further, the conducive government stance towards the steel industry through policies focusing on 'Make in India' and Smart City Mission reinforces India's stance as an attractive place for the steel industry. India continues to be an attractive region for steel given its low per capita consumption of approximately 65 kg (world average of 208 kg, China 493 kg). This shows that there is significant headroom for consumption growth. The Company expects to take advantage of the growth opportunity provided by the Indian economy.

The Company aims to be at the forefront in attaining the leadership position in the steel industry. Towards this objective it has plans to grow organically as well as inorganically. The Company has seized the opportunity to acquire distressed assets in the steel industry under the Insolvency and Bankruptcy Code, 2016 and expects to leverage its acquisition opportunities on possibilities for synergies, broadening customer base, access to raw materials, manufacturing facilities, infrastructure, new geographic locations, advanced technology and growth.

Further, India's iron ore reserves and competitive labour costs give steel manufacturers based in the country a distinctive cost advantage. The Company seeks to leverage this advantageous position and strengthen its status as a low-cost and high-quality producer of steel.

The competitive business environment, the Company operates in, makes innovation imperative for success of the business. Recognising the need to improve, expand and innovate, the Company is concentrating efforts on research and development of alternate materials and new products.

Steel is a completely recyclable material making it ideal for achieving a circular economy in India. The Company will seize the opportunity to create an organised circular economy system for steel recycling.

The Company expects the demand for steel products to be strong in the developing economies and the Company proposes to utilise it as well as its Group's existing network to meet this increased demand.

The Company is actively seeking opportunities to redefine existing processes and systems by leveraging digital technologies which has the potential to transform all aspects of the steel value chain. Keeping pace with the global trends of digitalisation, the digital team of the Company has been working in tandem with the business to identify business opportunities and drive digitalisation initiatives across the value chain to add value to the business by being a key enabler for the Company's strategies.

To enable the Company's customers to realise value from its by-products, the Company assists them in exploring new application areas.

F. Statutory Compliance

The Chief Executive Officer and Managing Director makes a declaration at each Board Meeting regarding compliance with provisions of various statutes after obtaining confirmation from respective units of the Company. The Company Secretary ensures compliance with Company Law, SEBI and other corporate laws applicable to the Company.

ANNEXURE 3

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

I. Overview of the Corporate Social Responsibility ('CSR') Policy

Our CSR Policy ('**Policy**') was adopted by the Board of Directors on September 17, 2014. The Policy is available on the Company's website www.tatasteel.com The guidelines for our CSR activities are outlined in the Policy. Our CSR activities are in line with the Tata Group focus initiatives namely education, health, livelihood, rural and urban infrastructure. Our Company also undertakes other community-centric interventions in the areas of sports, disaster relief, environment and ethnicity.

II. Composition of CSR and Sustainability Committee of the Board

To guide the CSR activities of the Company, we have in place a Corporate Social Responsibility and Sustainability Committee of the Board that comprises Mr. Deepak Kapoor (Chairperson), Mr. O. P. Bhatt, Mr. D. K. Mehrotra, Mr. Koushik Chatterjee and Mr. T. V. Narendran.

III. CSR Advisory Council

We have a CSR Advisory Council comprising of eminent personalities from academia and the development sector. The members of the Advisory Council provide macro policy-level inputs to the apex CSR and Sustainability Committee and guide the Company in its approach towards CSR.

IV. CSR Delivery Arms

In terms of the Companies Act, 2013, companies are allowed to carry out their CSR activities through registered trusts and/or societies. We carry out our community centric interventions through a number of CSR delivery arms including the following:

Tata Steel Rural Development Society ('**TSRDS**'), a registered society under Societies Registration Act, 1860. The principal aim and objective of the society is to undertake, promote, sponsor, assist or aid directly any activity/project/programme for the promotion and growth of the rural economy, rural welfare, socio-economic development and upliftment of the people in rural areas.

Tribal Cultural Society ('**TCS**'), a registered society under Societies Registration Act, 1860. The principal objective of the society is to promote and undertake cultural activities, cultural education and training of various tribes.

Tata Steel Skill Development Society ('**TSSDS**'), a registered society under Societies Registration Act, 1860. The principal aim and objective of the society is to provide facilities for technical and other skill enhancement trainings within the nation.

Tata Steel Family Initiatives Foundation ('**TSFIF**'), a registered trust under Indian Trusts Act, 1882. The principal objective of the trust is to undertake projects/programmes on reproductive health, prevention of drug or alcohol addiction and empowerment of women through literacy and income generation.

Tata Steel Zoological Society ('**TSZS**'), a registered society under Societies Registration Act, 1860. The principal objective of the society is to provide natural habitats to various animals suitable for their conservation and propagation. It also acts as a facilitator to spread the message of nature conservation by building awareness and conducting educational programmes.

Tata Steel Foundation ('**TSF**'), a Section 8 Company incorporated under the Companies Act, 2013. The main objective of the formation of TSF is to strengthen the CSR deployment and governance system of Tata Steel's CSR as well as create a distinct brand identity for it.

V. Financial Details

Particulars	(₹ crore)
Average net profit of the Company for last three financial years	4,280.96
Prescribed CSR expenditure (2% of the average net profits)	85.62
Details of CSR spent during the financial year:	
(a) Total amount to be spent for the financial year	85.62
(b) Amount spent	231.62
(c) Amount unspent, if any	Nil

The manner in which the amount is spent on CSR activities undertaken during the year is given as an annexure to this report. Details of CSR projects undertaken during the year along with its impact is discussed in the Community Section of this Integrated Report.

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VI. Responsibility Statement

We hereby affirm that the CSR Policy, as approved by the Board, has been implemented and the Corporate Social Responsibility and Sustainability Committee monitors the implementation of CSR Projects and activities in compliance with the CSR objectives and CSR Policy of the Company.

sd/-
DEEPAK KAPOOR
Chairman of CSR and Sustainability Committee
DIN: 00162957

sd/-
T. V. NARENDRAN
Chief Executive Officer and Managing Director
DIN: 03083605

Mumbai
May 16, 2018

Annexure to the Corporate Social Responsibility Annual Report

Manner in which the amount spent during the financial year is detailed below:

(₹ crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Location of project (District & State)**	**Amount outlay**	**Amount spent on the projects or programmes during current reporting period**	**Cumulative amount spent on the projects or programmes upto current reporting period**	**Amount spent: Direct or through implementing agency**
1	Promoting health care including preventive Healthcare and Sanitation	Health	**Jharkhand** - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh **Odisha** - Ganjam, Jajpur, Kendujhar, Sundargarh **Maharashtra** - Mumbai **West Bengal** - Kolkata	117.31	94.65	265.79	Direct, TSRDS, TCS, TSFIF
	Total			**117.31**	**94.65**	**265.79**	
2	Making Available safe Drinking Water	Drinking Water	**Jharkhand** - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh **Odisha** - Ganjam, Jajpur, Kendujhar, Sundargarh **West Bengal** - Haldia	11.47	12.33	54.96	Direct, TSRDS
	Total			**11.47**	**12.33**	**54.96**	
3	Promotion of education including special education	Education	**Jharkhand** - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh, Ranchi **Odisha** - Ganjam, Jajpur, Kendujhar, Sundargarh, Puri **Maharashtra** - Tarapur	52.22	57.81	205.70	Direct, TSRDS, TCS
	Total			**52.22**	**57.81**	**205.70**	
4	Employment enhancing vocational skills especially to Women, Children, Differently abled	Livelihood	**Jharakhand** - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh, Ranchi **Odisha** - Ganjam, Jajpur, Kendujhar, Sundargarh	25.46	23.99	114.76	Direct, TSRDS, TCS , TSSDS
5	Livelihood enhancement projects						
	Total			**25.46**	**23.99**	**114.76**	

(₹ crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR project or activity identified	Sector in which the project is covered	Location of project (District & State)	Amount outlay	Amount spent on the projects or programmes during current reporting period	Cumulative amount spent on the projects or programmes upto current reporting period	Amount spent: Direct or through implementing agency
6	Environmental sustainability, protection of flora & fauna, agro forestry, animal welfare, resource conservation, maintaining quality of soil, air, water	Environment	**Jharkhand** - East Singhbhum, Ramgarh **Odisha** - Jajpur, Kendujhar **West Bengal** - Burdwan	3.61	4.21	15.49	Direct, TSRDS, TSZS
	Total			**3.61**	**4.21**	**15.49**	
7	Protection and restoration of national heritage, promotion of art, culture, handicrafts, setting up public libraries etc	Ethnicity	**Jharakhand** - East Singhbhum, West Singhbhum, Ramgarh, Ranchi **Odisha** - Kendujhar, Jajpur	5.32	5.63	18.95	TCS
	Total			**5.32**	**5.63**	**18.95**	
8	Promotion of Rural, Nationally recognised, Paralympic and Olympic sports especially training	Sports	**Jharkhand** - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh, Ranchi **Odisha** - Ganjam, Jajpur, Kendujhar, Sundargarh	12.90	7.46	25.43	Direct, TSRDS
	Total			**12.90**	**7.46**	**25.43**	
9	Rural development projects (infrastructure and other developments)	Rural & Urban Infrastructure	**Jharkhand** - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh **Odisha** - Ganjam, Jajpur, Kendujhar	17.42	14.51	61.91	Direct, TSRDS
	Total			**17.42**	**14.51**	**61.91**	
	Total Direct expenses of projects & programmes (A)			245.71	220.59	762.99	
	Overhead Expenses (restricted to the 5% of total CSR expenditure) (B)			12.29	11.03	38.16	
	Total (A) + (B)			**258.00**	**231.62**	**801.15**	

Note: Cumulative amount spent on the projects or programmes upto current reporting period has been calculated from Financial Year 2014-15 onwards.

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ANNEXURE 4

Corporate Governance Report

Company's Corporate Governance Philosophy

Corporate governance is the creation and enhancement of long-term sustainable value for our stakeholders through ethically driven business process. At Tata Steel, it is imperative that our Company's affairs are managed in a fair and transparent manner.

We ensure that we evolve and follow not just the stated corporate governance guidelines, but also global best practices. We consider it our inherent responsibility to protect the rights of our shareholders and disclose timely, adequate and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

In accordance with our Vision, Tata Steel Group ('**the Group**') aspires to be the global steel industry benchmark for 'value creation' and 'corporate citizenship'. The Group expects to realise its Vision by taking such actions as may be necessary to achieve its goals of value creation, safety, environment and people.

Corporate Governance Guidelines

The Board of Directors ('**the Board**') has adopted the Tata Group Guidelines on Board Effectiveness to help fulfil its corporate governance responsibility towards its stakeholders. These guidelines provide for the composition and role of the Board and ensure that the Board will have the necessary authority and processes in place to review and evaluate the Company's operations. Further, these guidelines allow the Board to make decisions that are independent of the Management of the Company.

Board of Directors

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

Size and Composition of the Board

Our policy is to have an appropriate mix of Executive Directors ('**EDs**'), Non-Executive Directors ('**NEDs**') and Independent Directors ('**IDs**') to maintain the Board's independence as well as separate its functions of governance and management. As on March 31, 2018, the Board comprised of ten members, two of whom are EDs, three NEDs and five IDs including a Woman Director. The Board periodically evaluates the need for change in its composition and size. Detailed profile of our Directors is available on our website www.tatasteel.com None of our NEDs serve as IDs in more than seven listed companies and none of the EDs serve as IDs on any listed company.

The Company has issued formal letters of appointment to the IDs. As required under Regulation 46 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**'), the terms and conditions of appointment of IDs including their role, responsibility and duties are available on our website www.tatasteel.com

Table A: Composition of the Board and Directorships held as on March 31, 2018:

Name of the Director	DIN	Indian Public Companies(1)	All Companies worldwide(2)	Board Committees(3)	
				Chairperson	Member
Non-Executive Directors					
Mr. Natarajan Chandrasekaran	00121863	7	8	-	-
Mr. D. K. Mehrotra(4)	00142711	9	10	2	4
Mr. Saurabh Agrawal(5)	02144558	8	13	1	4
Independent Directors					
Ms. Mallika Srinivasan	00037022	8	10	-	-
Mr. O. P. Bhatt	00548091	4	6	2	4
Dr. Peter Blauwhoff	07728872	1	10	-	-
Mr. Aman Mehta	00009364	6	8	1	6
Mr. Deepak Kapoor	00162957	3	4	1	2
Executive Directors					
Mr. T. V. Narendran	03083605	7	9	-	-
Mr. Koushik Chatterjee	00004989	7	11	-	1

(1) Directorships in Indian Public Companies including Tata Steel Limited and excluding Section 8 Companies.

(2) Includes Directorship in Indian and foreign companies including Tata Steel Limited and excluding Section 8 Companies.

(3) As required under Regulation 26(1)(b) of the Listing Regulations, the disclosure includes chairmanship/membership of the Audit Committee and Stakeholders' Relationship Committee in Indian public companies including Tata Steel Limited.

(4) Mr. D. K. Mehrotra ceased to be Member of the Board effective May 16, 2018.

(5) Mr. Saurabh Agrawal was appointed as an Additional (Non-Executive) Director effective August 10, 2017.

Note:

There are no inter-se relationships between our Board Members.

Selection of New Directors and Board Membership Criteria

The Nomination and Remuneration Committee ('**NRC**') works with the Board to determine the appropriate qualifications, positive attributes, characteristics, skills and experience required for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. The Policy for appointment and removal of Directors and determining Directors' independence is annexed to the Directors' Report and is available on our website www.tatasteel.com

Familiarisation Programme for Independent Directors

All new Independent Directors inducted on the Board are given a formal orientation. The familiarisation programme for our Directors is customised to suit each one's interests and area of expertise. The Directors are encouraged to visit the plant and raw material locations of the Company and interact with the members of Senior Management as part of the induction programme. The Senior Management make presentations giving an overview of the Company's strategy, operations, products, markets, group structure and subsidiaries, Board constitution and guidelines, matters reserved for the Board and the major risks and risk management strategy. This enables the Directors to get a deep understanding of the Company, its people, values and culture and facilitates their active participation in overseeing the performance of the Management.

Further, during the year, the Board held one meeting at our Jamshedpur Plant location to discuss strategy. The Board Members also interacted with the Senior Management Personnel and visited the facilities in proximity to Jamshedpur.

As stated in the Director's Report, the details of orientation given to our existing Independent Directors are provided in Table B below.

Table B: Details of orientation given to the existing Independent Directors during the year are as follows:

Name	Safety, Health and Environment Initiatives	Strategy/ Industry Trends	Governance and Operations	Total Hours
Mr. O. P. Bhatt	1.5	20.0	33.4	54.90
Ms. Mallika Srinivasan	0.8	11.5	15.3	27.60
Dr. Peter Blauwhoff	7.7	16.0	11.6	35.30
Mr. Aman Mehta	1.4	13.8	15.6	30.80
Mr. Deepak Kapoor	7.7	18.2	14.0	39.90

Dr. Peter Blauwhoff, Mr. Aman Mehta and Mr. Deepak Kapoor, Independent Directors of the Company, were taken through a comprehensive induction programme, spanning over 7-10 days, covering the economic, environmental and social aspects of the organisation. As part of their induction, they met Senior Management Personnel at various plant and raw material locations.

These details are also available on our website www.tatasteel.com

Board Evaluation

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

Compensation Policy for Board and Senior Management

The Board has approved the Remuneration Policy for Directors, Key Managerial Personnel ('**KMPs**') and all other employees of the Company. The same is annexed to the Directors' Report and is available on our website www.tatasteel.com Details of remuneration for Directors in Financial Year 2017-18 are provided in Table C below.

Table C: Shares held and cash compensation paid to Directors for the year ended March 31, 2018:

(₹ in lakh)

Name	Fixed Salary			Commission	Sitting Fees	Total Compensation
	Basic	Perquisite/ Allowance	Total Fixed Salary			
Non-Executive Directors						
Mr. N. Chandrasekaran	–	–	–	–	4.80	4.80
Mr. Ishaat Hussain	–	–	–	80.00	4.80	84.80
Mr. D. K. Mehrotra	–	–	–	80.00	5.30	85.30
Mr. Saurabh Agrawal	–	–	–	–	3.70	3.70
Independent Directors						
Ms. Mallika Srinivasan	–	–	–	115.00	4.40	119.40
Mr. O. P. Bhatt	–	–	–	170.00	10.00	180.00
Mr. Andrew Robb	–	–	–	50.00	2.40	52.40
Dr. Peter Blauwhoff	–	–	–	75.00	4.40	79.40
Mr. Aman Mehta	–	–	–	80.00	4.40	84.40
Mr. Deepak Kapoor	–	–	–	70.00	5.60	75.60
Executive Directors						
Mr. T. V. Narendran	120.00	172.94	292.94	650.00	–	942.94
Mr. Koushik Chatterjee	111.60	202.20	313.80	600.00	–	913.80

Notes:

As a policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving commission from the Company. Further, in line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in full time employment with any other Tata Company. The commission of Mr. D. K. Mehrotra is paid to Life Insurance Corporation of India.

Mr. Ishaat Hussain and Mr. Andrew Robb retired as Members of the Board effective September 1, 2017.

Dr. Peter Blauwhoff is a Director of Tata Steel Europe ('**TSE**') and Chairman and Member of Supervisory Board of Tata Steel Nederland BV ('**TSN BV**'). Towards this, he receives an annual fee of £70,000 from TSE and €80,000 from TSN BV. The fee paid is consistent with the market practices and are aligned to the benchmark figures published by global consulting firms.

In addition to the compensation shown above, Mr. T. V. Narendran was paid ₹42.30 lakh under the Company's Long Term Incentive Plan. This amount relates to the period April 1, 2013 through September 17, 2013 prior to him becoming Member of the Board.

Mr. T. V. Narendran holds 2,032 Fully Paid Ordinary Shares and 139 Partly Paid Ordinary Shares of the Company and Mr. Koushik Chatterjee holds 1,531 Fully Paid Ordinary Shares and 105 Partly Paid Ordinary Shares of the Company as on March 31, 2018.

None of the Directors hold stock options as on March 31, 2018. None of the Executive Directors are eligible for payment of any severance fees and the contracts with Executive Directors may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof.

Board Meetings

Scheduling and selection of agenda items for Board Meetings

Dates for Board Meetings in the ensuing financial year are decided in advance and communicated to the Board. The information as required under Regulation 17(7) read with Schedule II Part A of the Listing Regulations is made available to the Board. The Board reviews minutes of the meetings of board of directors of the unlisted subsidiaries of the Company. The agenda and explanatory notes are sent to the Board in advance. The Board periodically reviews compliance reports of all laws applicable to the Company. The Board meets at least once a quarter to review the quarterly financial results and other items on the agenda and also on the occasion of the Annual General Meeting ('**AGM**') of the Shareholders. Additional meetings are held, when necessary. Committees of the Board usually meet the day before the formal Board Meeting, or whenever the need arises for transacting business. The recommendations of the Committees are placed before the Board for necessary approval and noting.

7 Board Meetings were held during the year ended March 31, 2018 on April 20, 2017, May 16, 2017, August 7, 2017, September 8, 2017, October 30, 2017, December 18, 2017 continued through December 19, 2017 and February 9, 2018. The gap between any two Board meetings during this period did not exceed one hundred and twenty days.

Table D: Attendance details of Directors for the year ended March 31, 2018 are given below:

Name of the Director	Category	No. of Meetings Attended	Attendance (%)
Mr. N. Chandrasekaran (Chairperson)	NED	7	100
Mr. Ishaat Hussain	NED	3	100
Mr. D. K. Mehrotra	NED	7	100
Mr. Saurabh Agrawal	NED	4	100
Mr. Andrew Robb	ID	3	100
Ms. Mallika Srinivasan	ID	6	86
Mr. O. P. Bhatt	ID	7	100
Dr. Peter Blauwhoff	ID	7	100
Mr. Aman Mehta	ID	6	86
Mr. Deepak Kapoor	ID	7	100
Mr. T. V. Narendran	ED	7	100
Mr. Koushik Chatterjee	ED	7	100

NED – Non-Executive Director; ID – Independent Director;
ED – Executive Director

Mr. Saurabh Agrawal was appointed as an Additional (Non-Executive) Director effective August 10, 2017.

Mr. Ishaat Hussain and Mr. Andrew Robb retired from the Board effective September 1, 2017.

All the Directors as on the date of the AGM were present at the AGM of the Company held on August 8, 2017.

Discussions with Independent Directors

The Board's policy is to regularly have separate meetings with Independent Directors, to update them on all business related issues, new initiatives and changes in the industry specific market scenario. At such meetings, the Executive Directors and other Members of the Management make presentations on relevant issues.

Meeting of the Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013, the Independent Directors met on April 20, 2017 without the presence of Non-Independent Directors and Members of the Management. The Independent Directors *inter alia* evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board taking into account the views of Executive and Non-Executive Directors and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

Board Committees

Audit Committee

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting. The Committee oversees the work carried out in the financial reporting process by the Management, the internal auditor, the statutory auditor and the cost auditor and notes the processes and safeguards employed by each of them. The Committee further reviews the process and controls including compliance with applicable laws, Tata Code of Conduct and Tata Code of Conduct for Prevention of Insider Trading, Whistle Blower Policy and related cases thereto, functioning of the Prevention of Sexual Harassment at Workplace Policy and guidelines and internal controls. The Tata Code of Conduct is available on our website www.tatasteel.com

Discussion with external Auditors:

To ensure independence and objectivity of external auditors, the Committee discusses on significant issues pertaining to Financial Statements, impairment of assets, appropriate estimates and judgements of the Management, conclusions reached by Auditors in respect of key judgement and identifying any other issues in relation to the above.

The Board of Directors of the Company adopted the Charter on March 31, 2015 which was revised on March 2, 2017.

The Company Secretary acts as the Secretary to the Committee. The internal auditor reports functionally to the Audit Committee. The Executive Directors and Senior Management of the Company also attend the meetings as invitees to address concerns raised by the Committee Members.

5 meetings of the Committee were held during the year ended March 31, 2018 on April 20, 2017, May 15, 2017, August 7, 2017, October 29, 2017 and February 8, 2018.

Table E: The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings Attended	Attendance (%)
Mr. O. P. Bhatt (Chairperson)	ID	5	100
Mr. Andrew Robb	ID	3	100
Mr. Aman Mehta	ID	4	80
Dr. Peter Blauwhoff	ID	1	100
Mr. Ishaat Hussain	NED	3	100
Mr. Saurabh Agrawal	NED	2	100

ID – Independent Director; NED – Non-Executive Director

Dr. Peter Blauwhoff was appointed as Member of the Audit Committee effective December 18, 2017 and Mr. Saurabh Agrawal was appointed as an Additional (Non-Executive) Director effective August 10, 2017 and was appointed as a Member of the Audit Committee effective same date.

Mr. Ishaat Hussain and Mr. Andrew Robb retired from the Board effective September 1, 2017 and consequently ceased to be Members of the Audit Committee effective same date.

Mr. O. P. Bhatt, Chairman of the Audit Committee as on date of the AGM was present at the AGM of the Company held on August 8, 2017.

Nomination and Remuneration Committee

The purpose of the Nomination and Remuneration Committee ('**NRC**') is to oversee the Company's nomination process including succession planning for the senior management and the Board and specifically to assist the Board in identifying, screening and reviewing individuals qualified to serve as Executive Directors, Non-Executive Directors and Independent Directors consistent with the criteria as stated by the Board in its Policy on Appointment and Removal of Directors and to recommend, for approval by the Board, nominees for election at the AGM of the Shareholders.

The Board has adopted the NRC Charter for the functioning of the Committee on May 20, 2015.

The NRC also discharges the Board's responsibilities relating to compensation of the Company's Executive Directors and Senior Management. The Committee has formulated the Remuneration Policy for Directors, KMPs and all other employees of the Company. The remuneration policy and the criteria for making payments to Non-Executive Directors is available on our website www.tatasteel.com The Committee has the overall responsibility of approving and evaluating the compensation plans, policies and programmes for Executive Directors and the Senior Management. The Committee reviews and recommends to the Board, the base salary, incentives/ commission, other benefits, compensation or arrangements and executive employment agreements for the Executive Directors for its approval. The Committee co-ordinates and oversees the annual self-evaluation of the performance of the Board, Committees and of individual Directors.

5 meetings of the Committee were held during the year ended March 31, 2018 on April 20, 2017, May 16, 2017, August 7, 2017, October 5, 2017 and October 30, 2017.

Table F: The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings Attended	Attendance (%)
Ms. Mallika Srinivasan (Chairperson)	ID	5	100
Mr. O. P. Bhatt	ID	5	100
Mr. N. Chandrasekaran	NED	3	100
Mr. Ishaat Hussain	NED	3	100

ID – Independent Director; NED – Non-Executive Director

Mr. N. Chandrasekaran was appointed as Member of the Nomination and Remuneration Committee on May 16, 2017. Ms. Mallika Srinivasan, Chairperson of the Nomination and Remuneration Committee was present at the AGM of the Company held on August 8, 2017.

Mr. Ishaat Hussain retired from the Board effective September 1, 2017 and consequently ceased to be Member of the NRC effective same date.

Corporate Social Responsibility and Sustainability Committee

The purpose of our Corporate Social Responsibility and Sustainability ('**CSR&S**') Committee is to formulate and recommend to the Board, a Corporate Social Responsibility Policy. The Policy shall indicate the initiatives to be undertaken by the Company, recommend the amount of expenditure the Company should incur on Corporate Social Responsibility ('**CSR**') activities and to monitor from time to time the CSR activities and Policy of the Company. The Committee provides guidance in formulation of CSR strategy and its implementation and also reviews practices and principles to foster sustainable growth of the Company by creating values consistent with long-term preservation and enhancement of financial, manufactured, natural, social, intellectual and human capital.

The Board has approved a Charter for the functioning of the Committee, on March 31, 2015 which was subsequently revised on March 2, 2017.

The CSR policy is available on our website www.tatasteel.com

4 meetings of the CSR&S Committee were held during the year ended March 31, 2018 on June 6, 2017, July 14, 2017, October 30, 2017 and February 8, 2018

Table G: The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings Attended	Attendance (%)
Mr. Deepak Kapoor (Chairperson)	ID	2	100
Mr. O. P. Bhatt	ID	4	100
Mr. Ishaat Hussain	NED	2	100
Mr. D. K. Mehrotra	NED	4	100
Mr. T. V. Narendran	ED	4	100
Mr. Koushik Chatterjee	ED	4	100

NED – Non-Executive Director; ID – Independent Director;
ED – Executive Director

Mr. Deepak Kapoor was appointed as Chairperson and Member of the CSR&S Committee effective August 7, 2017. He was present at the AGM held on August 8, 2017.

Mr. Ishaat Hussain retired from the Board effective September 1, 2017 and consequently ceased to be Member of the CSR&S Committee effective same date.

Risk Management Committee

Risk Management is crucial to achieve the Group's objective in strengthening its financial position, safeguarding interests of stakeholders, enhancing its ability to continue as a going concern and maintain a consistent sustainable growth.

The Company has constituted a Risk Management Committee ('**RMC**') for framing, implementing and monitoring the Risk Management Policy of the Company. The Committee assists the Board in fulfilling its oversight responsibility with respect to Enterprise Risk Management ('**ERM**').

The terms of reference of the RMC are:

a) Overseeing key risks, including strategic, financial, operational and compliance risks.

b) Assisting the Board in framing, implementing and monitoring the risk management plan for the Company and reviewing and guiding the Risk Policy.

c) Developing risk management policy and risk management system/framework for the Company.

The Board has adopted a Charter for the RMC Committee on May 20, 2015 in accordance with Regulation 21 of the Listing Regulations.

2 meetings of the RMC were held during the year ended March 31, 2018 on July 14, 2017 and February 8, 2018.

Table H: The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings Attended	Attendance (%)
Mr. O. P. Bhatt (Chairperson)	ID	2	100
Mr. Aman Mehta	ID	1	100
Mr. Deepak Kapoor	ID	2	100
Mr. Ishaat Hussain	NED	1	100
Mr. D. K. Mehrotra	NED	2	100
Mr. Saurabh Agrawal	NED	1	100
Mr. T. V. Narendran	ED	2	100
Mr. Koushik Chatterjee	ED	2	100
Dr. Hans Fischer	MoM	2	100
Mr. Anand Sen	MoM	2	100
Mr. Sandip Biswas	MoM	1	50
Mr. N. K. Misra	MoM	2	100

ID – Independent Director; NED – Non-Executive Director;
ED – Executive Director; MoM – Member of Management.

Mr. Aman Mehta and Mr. Saurabh Agrawal were appointed as Members of the RMC effective August 7, 2017.

Mr. Ishaat Hussain retired from the Board effective September 1, 2017 and consequently ceased to be Member of the RMC effective same date.

Note: Details on risks and opportunities including commodity price risks and foreign exchange risks are available in the Risks and Opportunities sections of the Management Discussion and Analysis annexed to the Directors' Report.

Stakeholders' Relationship Committee

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

1 meeting of the SRC was held during the year on February 9, 2018.

Table I: The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings Attended	Attendance (%)
Mr. D. K. Mehrotra (Chairperson)	NED	1	100
Mr. Saurabh Agrawal	NED	1	100
Mr. Koushik Chatterjee	ED	1	100

NED – Non-Executive Director; ED – Executive Director

Mr. Saurabh Agrawal was appointed as an Additional (Non-Executive) Director effective August 10, 2017 and was inducted as a Member of the SRC effective same date.

Mr. Ishaat Hussain retired from the Board effective September 1, 2017 and consequently ceased to be a Member of the SRC effective same date.

Further, Mr. D. K. Mehrotra, Chairman of the SRC was present at the AGM of the Company held on August 8, 2017.

In terms of Regulation 6 and Schedule V of the Listing Regulations, the Board has appointed Mr. Parvatheesam K, Company Secretary as the Compliance Officer of the Company.

The details of complaints received and resolved during the Financial Year ended March 31, 2018 are given in the Table below. The complaints relate to non-receipt of annual report, dividend, share transfers and other investor grievances.

Table J: Details of complaints received and resolved during the Financial Year 2017-18:

Opening as on April 1, 2017	10
Received during the year	229
Resolved during the year	218
Closing as on March 31, 2018	21

Executive Committee of the Board

The Executive Committee of the Board ('**ECOB**') approves capital expenditure schemes or any change in their scope if any and donations within the stipulated limits and to recommend to the Board, capital budgets and other major capital schemes, to consider new businesses, acquisitions, alliances and Joint Ventures, subsidiaries, divestments, changes in organisational structure, financing requirements of the Company and Company contracts above 5 years. It also periodically reviews the Company's business plans and future strategies and metrics for long-term value creation. The Committee also reviews climate change matters and regulatory compliance and policy advocacy. The Finance Committee of the Board and the Committee of Directors have been merged and form part of the ECOB effective August 7, 2017.

2 meetings of the ECOB were held during the year ended March 31, 2018 on January 19, 2018 and March 14, 2018.

Table K: The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings Attended	Attendance (%)
Mr. N. Chandrasekaran (Chairperson)	NED	2	100
Mr. Saurabh Agrawal	NED	2	100
Mr. O. P. Bhatt	ID	2	100
Mr. T. V. Narendran	ED	2	100
Mr. Koushik Chatterjee	ED	2	100

NED – Non-Executive Director; ID – Independent Director;
ED – Executive Director

Mr. O. P. Bhatt was appointed as Member of the ECOB effective August 7, 2017. Also, Mr. Saurabh Agrawal was appointed as an Additional (Non-Executive) Director effective August 10, 2017 and was inducted as a Member of the ECOB effective same date.

Mr. Ishaat Hussain retired from the Board effective September 1, 2017 and consequently ceased to be a Member of the ECOB effective same date.

Safety, Health and Environment Committee

The Safety, Health and Environment Committee ('**SH&E Committee**') of the Board oversees the policies relating to Safety, Health and Environment and their implementation across Tata Steel Group.

The Board has approved a Charter for the functioning of the Committee on October 27, 2009.

3 meetings of the Committee were held during the year ended March 31, 2018 on July 6, 2017, October 25, 2017 and February 8, 2018.

Table M: The composition of the Committee and the attendance details of the Members are given below:

Names of Members	Category	No. of Meetings Attended	Attendance (%)
Dr. Peter Blauwhoff (Chairperson)	ID	3	100
Mr. Deepak Kapoor	ID	3	100
Mr. T. V. Narendran	ED	3	100
Dr. Hans Fischer	MoM	3	100

ID – Independent Director; ED – Executive Director,
MoM - Member of Management

General Information for Shareholders

Disclosures regarding the appointment or re-appointment of Directors

In terms of the relevant provisions of the Companies Act, 2013, Mr. N. Chandrasekaran is liable to retire by rotation at the ensuing Annual General Meeting ('**AGM**') and being eligible, seeks re-appointment.

Further, during the year under review, based on the recommendation of the NRC, the Board appointed Mr. Saurabh Agrawal as an Additional (Non-Executive) Director effective August 10, 2017. The Board has recommended that Mr. Agrawal be appointed as a Director, subject to Shareholders' approval at the ensuing AGM. Further, based on the recommendation of the NRC, the Board re-appointed Mr. Koushik Chatterjee as Whole Time Director, designated as Executive Director and Chief Financial Officer of the Company, liable to retire by rotation, with effect from November 9, 2017 to November 8, 2022 upon the terms and conditions as mentioned in the Notice convening the AGM.

The Board recommends above appointment/re-appointments for approval of the Shareholders.

The detailed profiles of the above Directors and particulars of their experience, skill or attributes that qualify them for Board Membership are provided in the Notice convening the AGM.

Communication to the Shareholders

We send quarterly financial results to our Shareholders electronically. Key financial data is published in The Indian Express, Financial Express, Nav Shakti, Free Press Journal and Loksatta. The financial results along with the earnings releases are also posted on the Company's website www.tatasteel.com

Earnings calls are held with analysts and investors and their transcripts are published on the website. Presentations made to analysts and others are also made available on the Company's website www.tatasteel.com

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

The Company's website is a comprehensive reference on it's leadership, management, vision, mission, policies, corporate governance, sustainability, investor relations, products and processes and updates and news. The section on 'Investors' serves to inform the Shareholders, by giving complete financial details, shareholding patterns, corporate benefits, information relating to Stock Exchanges, Stock Exchange Compliances, details of Registrars & Transfer Agents and Frequently Asked Questions ('**FAQs**'). Investors can also submit their queries and get feedback through online interactive forms. The section on 'Media' includes all major press reports and releases, awards and campaigns, amongst others.

Investor grievance and share transfer

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

For shares transferred in physical form, the Company provides adequate notice to the seller before registering the transfer of shares. For matters regarding share transfer in physical form, share certificates and dividends amongst others, shareholders should communicate with TSR Darashaw Limited, the Company's Registrars and Transfer Agents ('**RTA**') quoting their folio number or Depository Participant ID ('**DP ID**') and Client ID number.

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

Code of conduct

The Company has adopted the Tata Code of Conduct ('**TCoC**') for Executive Directors, Senior Management Personnel and other Executives, which is available on the website www.tatasteel.com The Company has received confirmations from the EDs as well as Senior Management Personnel regarding compliance of the Code during the year under review. The Company has also adopted the Code of Conduct for Non-Executive Directors of the Company which is available on the website www.tatasteel.com The Company has received confirmation from the NEDs regarding compliance of the Code for the year under review.

Details of non-compliance

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital markets during the last three years. There has been no instance of non-compliance with any legal requirements during the year except as below:

Vide Adjudication Order No. EAD-2/DSR/RG/869/2017 dated December 7, 2017, the adjudication officer appointed by the SEBI has imposed a monetary penalty of ₹10,00,000/- (Rupees Ten Lakh Only) on the Company for delayed disclosures under Regulation 13(3) read with Regulation 13(5) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 in relation to the increase in the Company's shareholding in The Tinplate Company of India Limited pursuant to a rights issue of shares in 2009 and the automatic conversion of fully convertible debentures in 2011. This penalty has been paid by the Company. There have not been any other strictures imposed by any stock exchange or SEBI on the Company in last 3 years.

None of the Company's listed securities are suspended from trading.

Auditors' certificate on corporate governance

As required by Regulation 34(3) and Schedule V Part E of the Listing Regulations, the certificate given by Parikh and Associates, Practising Company Secretaries, is annexed to this report.

CEO and CFO certification

As required by Regulation 17(8) read with Schedule II Part B of the Listing Regulations, the CEO & MD and ED & CFO have given appropriate certifications to the Board of Directors.

Reconciliation of Share Capital Audit

In terms of Regulation 40(9) and 61(4) of the Listing Regulations, certificates on half-yearly basis have been issued by a Company Secretary in Practice with respect to due compliance of share and security transfer formalities by the Company.

The Company Secretary in Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited ('**NSDL**') and Central Depository Services (India) Limited ('**CDSL**') (collectively '**Depositories**') and the total issued and listed capital. The audit confirms that the total paid-up capital is in agreement with the aggregate of the total number of shares in physical form and in dematerialised form (held with the Depositories) respectively.

Related Party Transactions

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the Listing Regulations during the year under review were on an arm's length price basis and in the ordinary course of business. These have been approved by the Audit Committee. The Company has not entered into any materially significant related party transaction that may have potential conflict with the interests of the Company at large. The Board of Directors have approved and adopted a Policy on Related Party Transactions and the same has been uploaded on the website of the Company and can be accessed at www.tatasteel.com

During the Financial Year 2017-18, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors apart from paying Director's remuneration. Further, the Directors have not entered into any contracts with the Company or its subsidiaries, which will be in material conflict with the interest of the Company.

In the preparation of financial statements, the Company has followed the applicable Accounting Standards. The significant accounting policies that are applied have been set out in the Notes to Financial Statements. The Board has received disclosures from KMPs relating to material, financial and commercial transactions where they and/or their relatives have personal interest.

Policy for Determining Material Subsidiaries

The Company has formulated a Policy for Determining Material Subsidiaries and the same is available on the Company's website www.tatasteel.com

Vigil Mechanism

The Vigil Mechanism approved by the Board provides a formal mechanism for all Directors, employees and vendors of the Company to approach the Ethics Counsellor/Chairman of the Audit Committee of the Company and make protective disclosures regarding the unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. Under the Policy, every Director, employee or vendor of the Company has an assured access to the Ethics Counsellor/Chairman of the Audit Committee. Details of the Vigil Mechanism are given in the Directors' Report. The whistle blower policy is available on the Company's website www.tatasteel.com

General Body Meetings

Table N: Location and time where last three AGMs were held:

Financial Year Ended	Date	Time	Venue	Special Resolution Passed
March 31, 2017	August 8, 2017	3:00 p.m. (IST)	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400 020.	Issue of Non-Convertible Debentures on private placement basis not exceeding ₹10,000 crore
March 31, 2016	August 12, 2016			
March 31, 2015	August 12, 2015			Further issuance of securities not exceeding ₹10,000 crore

No Special Resolution was passed by the Company last year through Postal Ballot. None of the businesses proposed to be transacted at the ensuing AGM require passing a Special Resolution through Postal Ballot.

Table O: Annual General Meeting 2018:

Date	July 20, 2018
Time	3:00 p.m. IST
Venue	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400 020.
Financial Year	April 1 to March 31
Book Closure Dates	July 7, 2018 to July 20, 2018 (both days inclusive) (For both, Fully Paid & Partly Paid Ordinary Shares)
Dividend Payment Date	On and from July 23, 2018

Dematerialisation of shares and liquidity

The Company's Ordinary Shares are tradable compulsorily in electronic form. We have established connectivity with both the depositories, i.e., NSDL and CDSL. The International Securities Identification Number ('**ISIN**') allotted to the Fully paid and Partly paid Ordinary Shares under the Depository System are **INE081A01012** and **IN9081A01010** respectively.

The Company has 1,17,78,08,646 Ordinary Shares (including Fully and Partly paid shares) representing 97.81% of the Company's share capital which is dematerialised as on March 31, 2018. To enable us to serve our Shareholders better, we request our Shareholders whose shares are in physical mode to dematerialise shares and to update their bank accounts and e-mail ids with their respective DPs.

Further, 1,27,40,651 outstanding GDR Shares (31.03.2017: 1,55,10,420) 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.

Designated e-mail address for investor services

To serve the investors better and as required under Regulation 46(2)(j) in the Listing Regulations, the designated e-mail address for investor complaints is cosec@tatasteel.com This email address for grievance redressal is continuously monitored by the Company's Compliance Officer.

Investor Awareness

As part of good governance we have provided subscription facilities to our investors for IR alerts regarding press release, results, webcasts, analyst meets and presentations amongst others. We also provide our investors a facility to write queries regarding their rights and shareholdings and have provided details of persons to be contacted for this purpose. We encourage investors to visit our website for reading the documents and for availing the above facilities at www.tatasteel.com

Legal proceedings

There are certain pending cases related to disputes over title to shares in which we had been made a party. However, these cases are not material in nature.

Share Transfer System

Share Transfers in physical form can be lodged with TSR Darashaw Limited. The transfers are normally processed within 15 days from the date of receipt if the documents are complete in all respects.

Table P: Distribution of Shareholding of Ordinary Shares:

Fully Paid Shares

Shareholding	Total No. of Shareholders as on March 31		% to total holders as on March 31		Total No. of Shares as on March 31		% to total capital as on March 31	
	2018	2017	2018	2017	2018	2017	2018	2017
1	21,327	25,545	2.76	3.02	21,327	25,545	0.00	0.00
2-10	1,13,210	1,16,936	14.64	13.85	7,61,432	8,09,461	0.07	0.08
11-50	2,29,602	2,58,030	29.70	30.56	66,82,927	77,96,201	0.59	0.80
51-100	1,20,595	1,40,993	15.60	16.70	92,35,996	1,13,09,854	0.82	1.17
101-200	1,25,266	1,38,784	16.20	16.43	1,80,02,217	2,05,85,912	1.60	2.12
201-500	96,320	97,576	12.46	11.55	2,95,63,645	3,07,73,602	2.63	3.17
501-1,000	34,067	35,088	4.40	4.16	2,40,00,787	2,52,36,294	2.13	2.60
1,001-5,000	27,738	26,908	3.59	3.19	5,47,92,310	5,35,08,710	4.86	5.51
5,001-10,000	2,782	2,639	0.36	0.31	1,92,88,108	1,83,57,019	1.71	1.89
10,001-1,00,000	1,832	1,658	0.24	0.20	4,38,39,362	3,90,11,303	3.89	4.02
1,00,001 and above	371	272	0.05	0.03	92,02,96,704	76,38,01,538	81.70	78.64
Total	**7,73,110**	**8,44,429**	**100.00**	**100.00**	**1,12,64,84,815**	**97,12,15,439**	**100.00**	**100.00**

Partly Paid Shares (as on March 31, 2018)

Shareholding	Total No. of Shareholders	% to total holders	Total No. of Shares	% to total capital
1	5,990	3.45	5,990	0.01
2-10	60,702	34.99	3,53,322	0.45
11-50	74,752	43.08	18,17,111	2.34
51-100	16,382	9.44	12,16,790	1.57
101-200	8,405	4.84	12,22,880	1.57
201-500	4,790	2.76	15,04,180	1.94
501-1,000	1,409	0.81	10,00,904	1.29
1,001-5,000	807	0.47	16,13,296	2.08
5,001-10,000	90	0.05	6,31,577	0.81
10,001-1,00,000	138	0.08	50,38,057	6.49
1,00,001 and above	44	0.03	6,32,30,518	81.45
Total	**1,73,509**	**100.00**	**7,76,34,625**	**100.00**

Note : The Partly Paid Shares of the Company were alloted on March 14, 2018 and hence there are no comparable numbers for previous year.

Transfer of Unclaimed Dividend and Shares to the Investor Education and Protection Fund ('IEPF')

Pursuant to the provisions of the Companies Act, 2013 read with The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, ('**Rules**'), the dividends, unclaimed for a consecutive period of seven years from the date of transfer to the Unpaid Dividend Account of the Company are liable to be transferred to IEPF. Further, the shares (excluding the disputed cases having specific orders of the Court, Tribunal or any Statutory Authority restraining such transfer) pertaining to which dividend remains unclaimed for a period of continuous seven years from the date of transfer of the dividend to the unpaid dividend account are also mandatorily required to be transferred to the IEPF established by the Central Government. Accordingly, the Company has transferred eligible Shares to IEPF Demat Account maintained by the IEPF authority within statutory timelines.

The Company has sent individual communication to the concerned shareholders at their registered address, whose dividend remained unclaimed and whose shares were liable to be transferred to the IEPF by November 30, 2017. The communication was also published in national English and local Marathi newspapers.

Any person whose unclaimed dividend and shares pertaining thereto, matured deposits, matured debentures, application money due for refund, or interest thereon, sale proceeds of fractional shares, redemption proceeds of preference shares, amongst others has been transferred to the IEPF Fund can claim their due amount from the IEPF Authority by making an electronic application in e-form IEPF-5. Upon submitting a duly completed form, Shareholders are required to take a print of the same and send physical copy duly signed along with requisite documents as specified in the form to the attention of the Nodal Officer, at the Registered Office of the Company. The e-form can be downloaded from our website www.tatasteel.com under the 'unclaimed dividend' section and simultaneously from the website of Ministry of Corporate Affairs www.iepf.gov.in

Table Q: The status of dividend remaining unclaimed is given hereunder:

Unclaimed Dividend	Status	Whether it can be claimed	Can be claimed from	Action to be taken
Up to and including the Financial Year 1994-95	Transferred to the General Revenue Account of the Central Government	Yes	Office of Registrar of Companies, Central Government Office Building, 'A' Wing, 2nd Floor, Next to Reserve Bank of India, CBD, Belapur - 400 614	Claim to be forwarded in prescribed Form No. II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978
For the Financial Years 1995-96 to 2009-10	Transferred to the IEPF of the Central Government	Yes	Submit e-form IEPF-5 to the Registered Office of the Company addressed to the Nodal Officer along with complete documents	IEPF Authority to pay the claim amount to the shareholder based on the verification report submitted by the Company and the documents submitted by the investor
For the Financial Years 2010-11 to 2016-17	Amount lying in respective Unpaid Dividend Accounts	Yes	TSR Darashaw Limited, Registrars and Transfer Agents	Letter on plain paper

The Company has hosted on its website the details of the unclaimed dividend/interest/principal amounts for the Financial Year 2016-17 as per the Notification No. G S R 352 (E) dated May 10, 2012 of Ministry of Corporate Affairs. (As per Section 124 of the Companies Act, 2013).

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

Year	Dividend Per Share	Date of Declaration	Due date for Transfer to IEPF
2011	12	August 03, 2011	September 08, 2018
2012	12	August 14, 2012	September 18, 2019
2013	8	August 14, 2013	September 16, 2020
2014	10	August 14, 2014	September 16, 2021
2015	8	August 12, 2015	September 16, 2022
2016	8	August 12, 2016	September 17, 2023
2017	10	August 08, 2017	September 09, 2024

Shareholders are requested to get in touch with the RTA for encashing the unclaimed dividend/interest/principal amount, if any, standing to the credit of their account.

Nomination Facility

Shareholders whose shares are in physical form and wish to make/ change a nomination in respect of their shares in the Company, as permitted under Section 72 of the Companies Act, 2013, may submit to RTA the prescribed Forms SH-13/SH-14. The Nomination Form can be downloaded from the Company's website www.tatasteel.com under the section 'Investors'.

Shares held in Electronic Form

Shareholders holding shares in electronic form may please note that instructions regarding change of address, bank details, e-mail ids, nomination and Power of Attorney should be given directly to the DP.

Shares held in Physical Form

Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, e-mails ids, nomination and Power of Attorney should be given to the Company's RTA i.e. TSR Darashaw Limited.

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

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

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

Regulation 12 of the Listing Regulations, allows the Company to pay dividend by cheque or 'payable at par' warrants where payment by electronic mode is not possible. Shareholders to note that payment of dividend and other cash benefits through electronic mode has many advantages like prompt credit, elimination of fraudulent encashment/delay in transit and more. Shareholders are requested to opt for any of the above mentioned electronic modes of payment of dividend and other cash benefits and update their bank details:

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

Listing on Stock Exchanges

The Company has issued Fully and Partly paid Ordinary shares which are listed on BSE Limited and National Stock Exchange of India Limited in India. The annual listing fees has been paid to the respective stock exchanges.

Table S: ISIN details

Stock Exchanges	ISIN	Stock Code
BSE Limited ('**BSE**') Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, Maharashtra, India	INE081A01012 (Fully Paid Shares)	500470 (Fully Paid Shares)
	IN9081A01010 (Partly Paid Shares)	890144 (Partly Paid Shares)
National Stock Exchange of India Limited ('**NSE**') Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Mumbai - 400 051, Maharashtra, India	INE081A01012 (Fully Paid Shares)	TATASTEEL (Fully Paid Shares)
	IN9081A01010 (Partly Paid Shares)	TATASTEELPP (Partly Paid Shares)

Table T: International Listings of securities issued by the Company are as under:

Global Depository Receipts ('GDRs'):

GDRs	1994	2009
ISIN	US87656Y1091	US87656Y4061
Listed on	Luxembourg Stock Exchange	London Stock Exchange

Table U(i): Perpetual Hybrid Securities in the form of Non-Convertible Debentures are listed on the Wholesale Debt Market segments of the Stock Exchanges as under:

Rate (%)	11.80	11.50
ISIN	INE081A08165	INE081A08173
Principal Amount (₹ in crore)	1,500	775
Date of Maturity	Perpetual	Perpetual
Listed on	NSE & BSE	NSE

Table U(ii): Unsecured Redeemable Non-Convertible Debentures ('NCDs') are listed on the Wholesale Debt Market segment of the Stock Exchanges as under:

(₹ crore)

Coupon Rate (%)	ISIN	Principal Amount	Maturity	
			Amount	Date
9.15	INE081A08199	500.00	500.00	January 24, 2019
10.40	INE081A08124	650.90	650.90	May 15, 2019
11.00	INE081A08132	1,500.00	1,500.00	May 19, 2019
9.15	INE081A08207	500.00	500.00	January 24, 2021
2.00	INE081A08181	1,500.00	1,500.00	April 23, 2022
8.15	INE081A08215	1,000.00	1,000.00	October 1, 2026
10.25	INE081A08140	500.00	166.67	December 22, 2028
			166.67	December 22, 2029
			166.66	December 22, 2030
10.25	INE081A08157	2,500.00	833.34	January 6, 2029
			833.33	January 6, 2030
			833.33	January 6, 2031

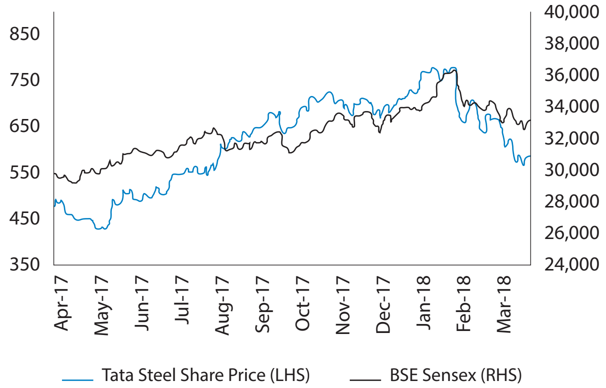
TATA STEEL

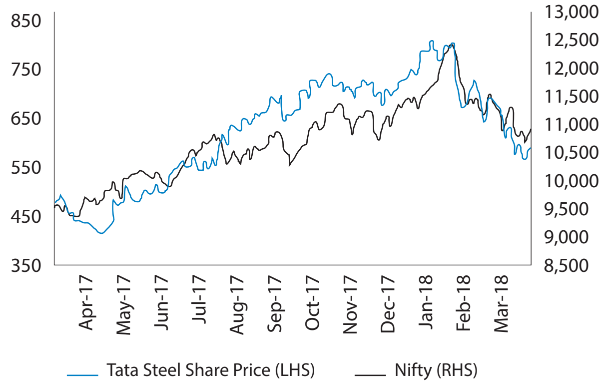
Market Information

Table V: Market Price Data- High, Low (based on the closing prices) and volume during each month in last Financial Year of fully paid shares:

Month	BSE Limited			National Stock Exchange of India Limited		
	Low (₹)	High (₹)	Volume (No. of shares)	Low (₹)	High (₹)	Volume (No. of shares)
April 2017	445.75	501.65	1,18,62,807	445.85	501.65	9,20,06,980
May 2017	432.00	511.80	2,55,97,116	431.90	511.85	20,01,30,043
June 2017	490.00	544.35	1,34,05,300	490.30	545.75	12,05,68,808
July 2017	546.35	571.00	1,05,48,255	547.55	571.20	8,57,01,393
August 2017	559.55	638.95	1,15,46,864	559.30	639.00	12,48,84,567
September 2017	640.15	687.65	88,41,728	639.75	687.65	9,34,22,737
October 2017	658.70	729.45	75,03,317	659.00	729.20	9,31,15,900
November 2017	678.05	711.60	68,53,226	677.75	712.70	7,33,65,756
December 2017	668.05	734.65	60,31,305	667.60	736.25	8,81,94,926
January 2018	705.05	783.20	83,04,413	705.05	783.50	10,32,80,698
February 2018	637.85	712.50	1,47,48,625	637.55	713.10	16,62,65,169
March 2018	566.60	675.30	1,69,37,765	566.50	675.05	21,36,41,395
Yearly	**432.00**	**783.20**	**14,21,80,721**	**431.90**	**783.50**	**1,45,45,78,372**

Tata Steel Fully Paid Share Price versus BSE Sensex/NIFTY





The Company's shares are regularly traded on BSE Limited and National Stock Exchange of India Limited, as is seen from the volume of shares indicated in the Table containing Market Information.

Secretarial Audit

The Company's Board of Directors appointed Parikh and Associates, Practising Company Secretaries Firm, to conduct the secretarial audit of its records and documents for the Financial Year 2017-18. The secretarial audit report confirms that the Company has complied with all applicable provisions of the Companies Act, 2013, Secretarial Standards, Depositories Act 1996, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Prohibition of Insider Trading) Regulations, 2015 and all other regulations and guidelines of SEBI as applicable to the Company. The Secretarial Audit Report forms part of the Directors' Report.

Green Initiative

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

Shareholders who have not registered their e-mail addresses so far are requested to do the same. Those holding shares in demat form can register their e-mail address with their concerned DPs. Shareholders who hold shares in physical form are requested to register their e-mail addresses with the RTA, by sending a letter, duly signed by the first/sole holder quoting details of Folio Number.

Major Plant Locations:

Tata Steel Kalinganagar Plant
Tata Steel Limited
Kalinganagar Industrial Complex
Duburi, Dist. Jajpur
Odisha - 755026

Tata Steel Jamshedpur Plant
Tata Steel Limited
P.O. Bistupur
Jamshedpur - 831001

Cold Rolling Mill Complex, Bara
Tata Steel Limited
P.O. Agrico, P.S. Sidhgora
Block: Jamshedpur, Dist. Purbi Singhbhum
Pin - 831009

Tata Steel Growth Shop
Tata Steel Limited
Adityapur Industrial Estate,
P.O. Gamharia, Dist. Seraikela-Kharsawan
Pin - 832 108

Tata Steel Tubes Division
Tubes Division
Tata Steel Limited
P.O. Burma Mines
Jamshedpur - 831 007

Joda East Iron Mine
Joda Central Organisation
Tata Steel Limited, Joda
Dist. Keonjhar, Odisha - 758 034

Cold Rolling Complex (West)
Tata Steel Limited
Plot No S 76, Tarapur Industrial Area
P.O. 22, Tarapur Industrial Estate
District Palghar, Maharashtra - 401 506

Wire Division, Tarapur
Tata Steel Limited - Wire Division
Plot F8 & A6, Tarapur MIDC
P.O. Boisar, Dist. Palghar - 401 506

Wire Division, Indore
Tata Steel Limited - Wire Division
Plot 14/15/16 & 32 Industrial Estate
Laxmibai Nagar, Fort Indore
Madhya Pradesh - 452 006

Wire Division, Pithampur
Tata Steel Limited-Wire Division
Plot 158 & 158A, Sector III
Industrial Estate, Pithampur
Madhya Pradesh - 454 774

Bearings Division
Tata Steel Limited
P.O. Rakha Jungle
Nimpura Industrial Estate
Kharagpur, West Bengal - 721 301

Chromite Mine, Sukinda
Tata Steel Limited - Sukinda
Chromite Mine
P.O. Kalarangiatta, Dist. Jajpur
Odisha - 755 028

Noamundi Iron Mine
Tata Steel Limited
West Singhbhum, Noamundi
Jharkhand - 833 217

Ferro Alloys Plant
Tata Steel Limited
P.O. Bamnipal, Dist. Keonjhar
Odisha - 758 082

Joda West Manganese Mines
Tata Steel Limited
P.O. Bichakundi, Joda, Dist. Keonjhar
Odisha - 758 034

Bamebari Manganese Mines
Tata Steel Limited
P.O. Polaso 'Ka', Via: Joda, Dist. Keonjhar,
Odisha - 758 036

Gomardih Dolomite Quarry
Tata Steel Limited
P.O. Tunmura, Dist. Sundergarh
Odisha-770 070

Jharia Division
Tata Steel Limited
Jamadoba, Dhanbad
Jharkhand - 828 112

West Bokaro Division
Tata Steel Limited
Ghatotand, Dist. Ramgarh
Jharkhand - 825 314

Hooghly Met Coke Division
Tata Steel Limited
Patikhali, Haldia, Purba
Medinipur, West Bengal - 721 606

Ferro Alloy Plant, Joda
Tata Steel Limited - Joda
Dist. Keonjhar, Odisha - 758 034

Ferro Chrome Plant
Tata Steel Limited - Gopalpur Project
P.O. Chamakhandi, Chatrapur Tahsil
Dist. Ganjam, Odisha - 761 020

Investor Contact:

Registered Office:
Bombay House, 24, Homi Mody Street,
Fort, Mumbai-400 001.
Tel.: +91 22 6665 8282; Fax: +91 22 6665 7724
E-mail: cosec@tatasteel.com
Website: www.tatasteel.com
Corporate Identity Number -
L27100MH1907PLC000260

Name, designation & address of Compliance Officer:

Mr. Parvatheesam K, Company Secretary
Bombay House, 24, Homi Mody Street,
Fort, Mumbai-400 001.
Tel.: +91 22 6665 7279; Fax: +91 22 6665 7724
E-mail: cosec@tatasteel.com

Name, Designation & Address of Investor Relations Officer:

Mr. Sandep Agrawal,
Head - Group Investor Relation
One Forbes, 6th Floor, 1, Dr. V. B. Gandhi
Marg, Fort, Mumbai-400 001.
Tel.: +91 22 6665 0530; Fax: +91 22 6665 0598
E-mail: ir@tatasteel.com

TATA STEEL

Registrars and Transfer Agents:

TSR Darashaw Limited
Unit: Tata Steel Limited,
6-10, Haji Moosa Patrawala Industrial Estate,
Nr. Famous Studio, 20, Dr. E Moses Road,
Mahalaxmi, Mumbai-400 011.
Contact Person: Ms. Mary George
Tel.: +91 22 6656 8484/8411/8412/8413
Fax: +91 22 6656 8494
Timings: Monday to Friday,
10 a.m. to 3.30 p.m.
E-mail: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

Stock Exchanges:

BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai-400 001.
Tel.: +91 22 2272 1233; Fax: +91 22 2272 1919
Website: www.bseindia.com

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
G Block Bandra-Kurla Complex,
Bandra (E), Mumbai-400 051.
Tel.: +91 22 2659 8100; Fax: +91 22 2659 8120
Website: www.nseindia.com

Luxembourg Stock Exchange
35A Boulevard Joseph II
L-1840 Luxembourg,
Tel: (+352) 4779361
Fax: (+352) 473298
Website: www.bourse.lu

London Stock Exchange
10 Paternoster Square,
London - EC4M 7LS
Tel: (+44) 20 7797 1000
Website: www.londonstockexchange.com

Depository Services:

National Securities Depository Limited
Trade World, A Wing, 4th & 5th Floors,
Kamala Mills Compound,
Lower Parel, Mumbai-400 013.
Tel.: +91 22 2499 4200; Fax:+91 22 2497 6351
E-mail: info@nsdl.co.in
Investor Grievance: relations@nsdl.co.in
Website: www.nsdl.co.in

Central Depository Services (India) Limited
Marathon Futurex, A-Wing, 25th Floor,
NM Joshi Marg,
Lower Parel (East), Mumbai-400013.
Tel.: +91 22 2305 8640/8642/8639/8663
E-mail: helpdesk@cdslindia.com
Investor Grievance:
complaints@cdslindia.com
Website: www.cdslindia.com

Debenture Trustee:

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate,
Mumbai-400 001.
Tel.: +91 22 4080 7000; Fax:+91 22 6631 1776
E-mail: itsl@idbitrustee.com
Website: www.idbitrustee.com

Details of Corporate Policies

Particulars	Website Details/Links
Dividend Distribution Policy	http://www.tatasteel.com/media/6086/dividend-policy-final.pdf
Composition and Profile of the Board of Directors	http://www.tatasteel.com/corporate/our-organisation/leadership/
Terms and conditions of appointment of Independent Directors	http://www.tatasteel.com/media/2917/terms-and-conditions-of-appointment-of-independent-directors.pdf
Policy on Appointment and Removal of Directors	http://www.tatasteel.com/corporate/pdf/Policy-on-Appointment-and-Removal-of-Directors.pdf
Familiarisation Programme for Independent Directors	http://www.tatasteel.com/media/7040/familiarization-programme-for-independent-directors.pdf
Remuneration Policy of Directors, KMPs & Other Employees	http://www.tatasteel.com/media/6817/remuneration-policy-of-directors-etc.pdf
Tata Code of Conduct	http://www.tatasteel.com/corporate/pdf/TCOC.pdf
Criteria of Making Payments to Non-Executive Directors	http://www.tatasteel.com/media/3931/criteria-of-making-payments-to-neds.pdf
Corporate Social Responsibility Policy	http://www.tatasteel.com/media/7039/csr-policy.pdf
Code of Conduct for Non-Executive Directors	http://www.tatasteel.com/media/3930/tcoc-non-executive-directors.pdf
Policy on Related Party Transactions	http://www.tatasteel.com/media/5891/policy-on-related-party-transactions.pdf
Policy on Determining Material Subsidiary	http://www.tatasteel.com/media/5890/policy-on-determining-material-subsidiaries.pdf
Whistle Blower Policy	http://www.tatasteel.com/media/5892/vigil-mechanism.pdf
Code of Corporate Disclosure Practices	http://www.tatasteel.com/media/6843/code-of-corporate-disclosure-practices.pdf
Policy on Determination of Materiality for Disclosure	http://www.tatasteel.com/media/6844/tata-steel-determination-of-materiality-policy.pdf
Document Retention and Archival Policy	http://www.tatasteel.com/media/6845/tata-steel-document-retention-policy.pdf
Prevention of Sexual Harassment (POSH) at Workplace Policy	http://www.tatasteel.com/media/5819/posh.pdf

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To The Members of
Tata Steel Limited

We have examined the compliance of the conditions of Corporate Governance by Tata Steel Limited ('**the Company**') for the year ended on March 31, 2018, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**SEBI Listing Regulations**').

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2018.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates

Practising Company Secretaries

sd/-
P. N. PARIKH
FCS No.: 327 CP No.: 1228

Mumbai, May 16, 2018

TATA STEEL

ANNEXURE 5

Policy on Appointment & Removal of Directors

1. Introduction

1.1 In terms of Section 178 of the Companies Act, 2013, rules made thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**') (erstwhile Listing Agreement) the Committee has formulated this policy on appointment and removal of Directors. The Policy has been adopted by the Nomination and Remuneration Committee ('**NRC**') vide its resolution dated 31 March, 2015 and approved by the Board of Directors vide its resolution dated 31 March, 2015.

1.2 This policy shall act as a guideline for determining qualifications, positive attributes, independence of a Director and matters relating to the appointment and removal of Directors.

2. Objective of the Policy

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

3. Appointment of Directors

This Policy enumerates guidelines which may be used by NRC in selecting/appointing/re-appointing and removal of a Director.

3.1 Assess skill-sets the Board needs given the strategies, challenges faced by the Company.

3.2 In selecting individuals for appointment/re-appointment/ removal of directors, the NRC may refer to the following guidelines/policies:

3.2.1 Board Membership Criteria (Refer **Schedule A**)

3.2.2 Board Diversity Policy (Refer **Schedule B**)

3.2.3 Criteria for determining independence of Directors (in case of appointment of Independent Directors Refer **Schedule C**)

3.3 Request candidature from the database maintained by Tata Group HR/Company or list of potential candidates shared by the external consultants or any other source as deemed appropriate by the Committee.

3.4 NRC members (either jointly/individually, as delegated) shall meet the potential candidate and assess his/her suitability for the role.

3.5 NRC to recommend the appointment of shortlisted candidate to the Board for its consideration.

3.6 Emergency Succession: If position of a Director suddenly becomes vacant by reason of death or other unanticipated occurrence, the NRC shall convene a special meeting at the earliest opportunity to fill such vacancy.

4. Policy Implementation

4.1 The Committee is responsible for recommending this Policy to the Board.

4.2 The Board is responsible for approving and overseeing implementation of this Policy (with the support of the Committee).

5. Review of the Policy

This Policy will be reviewed and reassessed by the Committee as and when required and appropriate recommendations shall be made to the Board to update this Policy based on changes that may be brought about due to any regulatory amendments or otherwise.

6. Applicability to Subsidiary Companies

This Policy may be adopted by the Company's subsidiaries subject to suitable modifications and approval of the Board of Directors of the respective subsidiary companies.

7. Compliance Responsibility

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

Schedule A

Board Membership Criteria

The NRC works with the Board to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education, and public service. Characteristics expected of all Directors include independence, integrity, high personal and professional ethics, sound business judgement, ability to participate constructively in deliberations and willingness to exercise authority in a collective manner.

In evaluating the suitability of individual Board members, the Committee considers many factors, including general understanding of marketing, finance, operations management, public policy, international relations, legal, governance and other disciplines relevant to the success of a large publicly traded metals and mining company in today's business environment; understanding of the Company's business; experience in dealing with strategic issues and long-term perspectives; maintaining an independent familiarity with the external environment in which the Company operates and especially in the Directors particular field of expertise; educational and professional background; personal accomplishment; and geographic, gender, age, and ethnic diversity.

The Board evaluates each individual in the context of the Board as a whole, with the objective of having a group that can best perpetuate the success of the Company's business and represent stakeholders' interests through the exercise of sound judgment, using its diversity of experience.

In determining whether to recommend a Director for re-election, the Committee also considers the Director's past attendance at meetings, participation in meetings and contributions to the activities of the Board, and the results of the most recent Board self-evaluation.

Board members are expected to rigorously prepare for, attend and participate in all Board and applicable committee meetings. Each member is expected to ensure that their other current and planned future commitments do not materially interfere with the responsibilities at Tata Steel.

Schedule B

Board Diversity Policy

1. Purpose

The need for diversity in the Board has come into focus post the changes in the provisions of the Companies Act, 2013 ('**Act**') and the corporate governance requirements as prescribed by Securities and Exchange Board of India ('**SEBI**') under Listing Regulations.

The NRC has framed this Policy to set out the approach to diversity on the Board of the Company ('**Policy**').

2. Scope

This Policy is applicable to the Board of the Company.

3. Policy Statement

The Company recognises the importance of diversity in its success. Considering the global footprint of the Company, it is essential that the Company has as diverse a Board as possible.

A diverse Board will bring in different set of expertise and perspectives. The combination of Board having different skill set, industry experience, varied cultural and geographical background and gender diversity will bring a variety of experience and viewpoints which will add to the strength of the Company.

While all appointments to the Board are made on merit, the diversity of Board in aggregate will be of immense strength to the Board in guiding the Company successfully through various geographies.

The Committee reviews and recommends appointments of new Directors to the Board. In reviewing and determining the Board composition, the Committee will consider the merit, skill, experience, gender and other diversity of the Board.

To meet the objectives of driving diversity and an optimum skill mix, the Committee may seek the support of Tata Group Human Resources.

4. Monitoring And Reporting

The Committee will report annually, in the Corporate Governance section of the Annual Report of the Company, the process it employed in Board appointments. The report will include summary of this Policy including purpose and the progress made in achieving the same.

5. Review of the Policy

This Policy will be reviewed and reassessed by the Committee as and when required and appropriate recommendations shall be made to the Board to update this Policy based on changes that may be brought about due to any regulatory amendments or otherwise.

6. Applicability to Subsidiaries

This Policy may be adopted by the Company's subsidiaries subject to suitable modifications and approval of the Board of Directors of the respective subsidiary companies.

7. Compliance Responsibility

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

Schedule C

Criteria for Determining Independence of Directors

1. Purpose

The purpose of this Policy is to define guidelines that will be used by the Nomination and Remuneration Committee/Board to assess the independence of Directors of the Company.

2. Independence Guidelines

A Director is considered independent if the Board makes an affirmative determination after a review of all relevant information. The Board has established the categorical standards set forth below to assist it in making such determinations.

An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director,—

(a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

(b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;

(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

(c) apart from receiving directors remuneration has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

(d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

(e) who, neither himself nor any of his relatives —

(i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

(ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of —

(A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

(B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;

(iii) holds together with his relatives two percent or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the company; or

(v) is a material supplier, service provider or customer or a lessor or a lessee of the Company

(f) who is not less than 21 years of age

(g) who possesses such other qualifications as prescribed

Definitions in Addition to Those Provided Above

1. 'Nominee Director' implies a Director nominated by any financial institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any government or any other person to represent its interests.

2. 'Associate Company' implies a company which is an 'associate' as defined in Accounting Standard ('AS') 23, 'Accounting for Investments in Associates in Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India.

3. 'Relative' implies anyone who is related to another if they are members of HUF; if they are husband and wife; or if one person is related to the other in such manner as may be prescribed under the Act. A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely – Father (includes step-father), Mother (includes step-mother), Son (includes step-son), Son's wife, Daughter, Daughter's husband, Brother (includes step-brother), Sister (includes step-sister).

Explanations:

Consecutive Terms: He/she shall be eligible for appointment as Independent Director after the expiration of three years of ceasing to be a Director on the Board of the Company provided that he/she shall not during the said period of three years, be appointed in or associated with Tata Steel in any other category, either directly or indirectly.

ANNEXURE 6

Remuneration Policy of Directors, KMPs and other employees

The philosophy for remuneration of Directors, KMP and all other employees of Tata Steel Limited ('**Company**') is based on commitment demonstrated by the Directors, KMPs and other employees towards the Company and truly fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ('**Act**') and Regulation 19(4) read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('**Listing Regulations**'). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law. While formulating this Policy, the Nomination and Remuneration Committee ('**NRC**') has considered the factors laid down under Section 178(4) of the Act, which are as under:

a) 'the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

c) remuneration to Directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals'.

Key principles governing this remuneration policy are as follows:

Remuneration for Independent Directors and Non-Independent Non-Executive Directors

Overall remuneration should be reflective of the size of the Company, complexity of the sector/industry/Company's operations and the company's capacity to pay the remuneration.

Independent Directors ('**ID**') and Non-Independent Non-Executive Directors ('**NED**') may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits. Quantum of sitting fees may be subject to review on a periodic basis, as required.

Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.

Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).

Overall remuneration practices should be consistent with recognised best practices.

The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company's performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.

The NRC will recommend to the Board, the quantum of commission for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by Directors other than in meetings.

In addition to the sitting fees and commission, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his/her role as a Director of the Company. This could include reasonable expenditure incurred by the Director for attending Board/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organised by the Company for Directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

Remuneration for Managing Director (MD)/Executive Directors (EDs)/KMP/rest of the employees

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:

- Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent),
- Based on the role played by the individual in managing the Company including responding to the challenges faced by the Company,

- Reflective of size of the Company, complexity of the sector/ industry/company's operations and the Company's capacity to pay,
- Consistent with recognised best practices and
- Aligned to any regulatory requirements.
- In terms of remuneration mix or composition,
  - The remuneration mix for the MD/EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
  - Basic/fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
  - In addition to the basic/fixed salary, the Company may provide employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimisation, where possible. The Company may also provide all employees with a social security net (subject to limits) by covering medical expenses and hospitalisation through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
  - The Company provides retirement benefits as applicable.
  - In addition to the basic/fixed salary, benefits, perquisites and allowances as provided above, the Company may provide MD/EDs such remuneration by way of bonus/performance linked incentive and/or commission calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.
  - The Company may provide the rest of the employees a performance linked bonus and/or performance linked incentive and/or long-term incentive as applicable. The performance linked bonus/performance linked incentive would be driven by the outcome of the performance appraisal process and the performance of the Company.

Remuneration payable to Director for services rendered in other capacity

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such Director in any other capacity unless:

a) The services rendered are of a professional nature; and

b) The NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession.

Premium on Insurance policy

Where any insurance is taken by the Company on behalf of its NEDs, for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration.

Where any insurance is taken by the Company on behalf of its MD/EDs, KMP and any other employees for indemnifying them against any liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of the remuneration. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Policy implementation

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

Review of the Policy

This Policy will be reviewed and reassessed by the NRC as and when required and appropriate recommendations shall be made to the Board to update this Policy based on changes that may be brought about due to any regulatory amendments or otherwise.

Applicability to subsidiaries

This Policy may be adopted by the Company's subsidiaries subject to suitable modifications and approval of the Board of Directors of the respective subsidiary companies.

Compliance Responsibility

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

ANNEXURE 7

Particulars of Remuneration

Part A: Information pursuant to Section 197(12) of the Companies Act, 2013
[Read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Ratio of the remuneration of each Director/KMP to the median remuneration of all the employees of the Company for the Financial Year:

Median remuneration of all the employees of the Company for the Financial Year 2017-18	₹9,45,788
The percentage increase in the median remuneration of employees in the Financial Year	8.78%
The number of permanent employees on the rolls of Company as on March 31, 2018	34,072

Name of Director	Remuneration for Financial Year (₹ lakh)		% increase in remuneration	Ratio of remuneration to median remuneration of all employees
	2017-18	2016-17		
Non-Executive Directors				
Mr. N. Chandrasekaran (1)	4.80	0.80	^	0.51
Mr. Ishaat Hussain (2)	84.80	130.20	*	*
Mr. D. K. Mehrotra (3)	85.30	75.20	13.43	9.02
Mr. Saurabh Agrawal (4)	3.70	-	*	*
Independent Directors				
Ms. Mallika Srinivasan	119.40	93.60	27.56	12.62
Mr. O. P. Bhatt	180.00	129.60	38.89	19.03
Mr. Andrew Robb (5)	52.40	77.70	*	*
Dr. Peter Blauwhoff	79.40	25.40	^	8.40
Mr. Aman Mehta (6)	84.40	-	^	8.92
Mr. Deepak Kapoor (7)	75.60	-	^	7.99
Executive Directors/KMP				
Mr. T. V. Narendran	942.94	817.31	15.37	99.70
Mr. Koushik Chatterjee	913.80	809.91	12.83	96.62
Mr. Parvatheesam K.(8)	124.91	153.47	*	*

^Since the remuneration of these Directors is only for part of the previous year, increase in remuneration is not stated.

*Since the remuneration of these Directors/KMP is only for part of the year, the ratio of their remuneration to median remuneration is not comparable and increase in remuneration is not stated.

Notes:

(1) As a policy, Mr. N. Chandrasekaran, Chairman, has abstained from receiving commission from the Company.

(2) Mr. Ishaat Hussain retired as Member of the Board effective September 1, 2017.

(3) Commission of Mr. D. K. Mehrotra is paid to Life Insurance Corporation of India.

(4) Mr. Saurabh Agrawal was appointed as an Additional (Non-Executive) Director effective August 10, 2017. In line with the internal guidelines of the Company no payment is made towards commission to the Non-Executive Directors of the Company, who are in full time employment with any other Tata Company.

(5) Mr. Andrew Robb retired as Member of the Board effective September 1, 2017.

(6) Mr. Aman Mehta was appointed as an Additional (Independent) Director effective March 29, 2017.

(7) Mr. Deepak Kapoor was appointed as an Additional (Independent) Director effective April 1, 2017.

(8) Mr. Parvatheesam K. is on study leave from August 28, 2017 through June 18, 2018. Accordingly, his remuneration includes salary drawn by him as Company Secretary and Compliance Officer for the period April 1, 2017 through August 27, 2017 and salary received by him up to March 31, 2018 towards his earned leave.

(9) The ratio of remuneration to median remuneration is based on remuneration paid during the period April 1, 2017 to March 31, 2018.

During the year, the average percentage increase in salary of the Company's employees, excluding the Key Managerial Personnel ('**KMP**') was 4.86%. The total remuneration of the KMPs for the Financial Year 2017-18 was ₹1,981.65 lakh as against ₹1,780.69 lakh during the previous year. The percentage increase in remuneration during the Financial Year 2017-18 to Mr. T.V. Narendran, CEO & Managing Director was 15.37% and to Mr. Koushik Chatterjee, Executive Director & CFO was 12.83%. During the year, there has been no exceptional increase in remuneration for the KMPs.

Remuneration is as per the remuneration policy of the Company.

On behalf of the Board of Directors
sd/-
N. CHANDRASEKARAN
Chairman
DIN: 00121863

Mumbai
May 16, 2018

TATA STEEL

Part B: Statement of Disclosure Pursuant to Section 197 of Companies Act, 2013
[Read with Rules 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

A. Names of Top 10 employees in terms of remuneration drawn during the Financial Year 2017-18:

Sl.No.	Name	Designation	Remuneration (₹)	Qualification	Experience (Years)	Date of Commencement of Employment	Age (Years)	Last employment
1	T. V. Narendran	Chief Executive Officer and Managing Director	8,84,24,318	B.E., PGDM	29	01.07.1988	52	-
2	Koushik Chatterjee	Executive Director and Chief Financial Officer	8,28,80,386	B.Com. (Hons), FCA	22	13.11.1995	49	Tata Sons Ltd.
3	Anand Sen	President (TQM & Steel Business)	6,57,42,153	B.Tech (Hons), Met. Engg., PGDBM	36	27.07.1981	58	-
4	Suresh Dutt Tripathi	Vice President (Human Resource Management)	4,82,52,598	M.Sc., Diploma in Social Welfare	35	18.10.2012	57	SRF
5	Sandip Biswas	Group Executive Vice President (Finance)	4,35,35,978	B.Com.(Hons), ACA, ACS	25	01.04.2005	50	First India Asset Management Co. (P) Ltd.
6	Dibyendu Bose	Group Director (Investments & New Ventures)	3,19,69,654	B. Tech., PGDM	29	01.07.1988	56	Tisco Collieries
7	R. Ranganath	Vice President (Finance India & SE Asia)	3,08,13,264	B.Sc., ACA	34	16.05.2013	58	Cairn India Ltd.
8	Binod Kumar Das*	Vice President (Iron Making)	3,05,19,665	M.Tech.	37	01.08.1980	60	-
9	Sudhansu Pathak	Vice President (Steel Manufacturing)	2,98,34,396	B.E, PGDBM	33	02.07.1984	56	-
10	Rajesh Ranjan Jha	Vice President (Engineering & Projects)	2,85,10,747	B.E, PGDBM	27	02.07.1990	48	Tata Projects Ltd.

B. Names of other employees who are in receipt of aggregate remuneration not less than Rupees One crore and two lakh during the Financial Year 2017-18:

Sl.No.	Name	Designation	Remuneration (₹)	Qualification	Experience (Years)	Date of Commencement of Employment	Age (Years)	Last employment
1	A. D. Kothari	General Manager (Projects TSK)	1,44,60,624	B.Tech.	26	01.07.1991	49	-
2	A. K. Bhatnagar	Chief (Natural Resources Division)	1,11,53,349	B. Tech.	25	01.07.1992	48	-
3	Ajay Tiwari	Chief (HRM PC & Corporate Functions)	1,16,25,577	B.Sc. (Hons), PGD (PM&IR)	18	01.08.2014	47	Hindustan Lever Ltd.
4	Ajit Kar	Chief (Electrical Maint. Steel Making)	1,03,09,439	B.Tech.	25	13.07.1992	49	-
5	Amit Kumar Chatterjee	Chief (Electrical Maintenance)	1,47,66,149	B.E.	30	27.07.1987	55	-
6	Amitabh Panda	Group Head (Shipping & Logistics)	1,08,22,580	B. E., PGDBM	28	01.10.2004	50	FreeMarkets Services Pvt. Ltd.
7	Amitava Baksi	Chief (Procurement Officer)	1,28,39,629	B.Sc. (Engg)	31	30.06.1986	54	-
8	Amrendra Ranjan	Chief (Electrical Maintenance)	1,26,75,013	B.Tech, PGDBM	37	01.07.1980	58	-
9	Anup Sahay	Chief (Corporate Strategy & Planning)	1,34,01,183	B.A.(Hons), PGDBM	31	01.07.1986	56	S B Billimoria & Company
10	Arun Misra	Vice President (Gopalpur Project)	2,55,77,640	B.Tech.	29	01.07.1988	52	-
11	Ashok Kumar	Chief (Technology Officer, Process)	1,59,29,014	B.Tech.	33	01.07.1984	56	-
12	Atrayee Sarkar	Chief (Group HR)	1,11,01,368	B.A., PGDBM	23	01.06.1998	47	Hindustan Lever Ltd.
13	Avneesh Gupta	Vice President (Shared Services)	1,75,59,069	B.Tech, PGDBM	31	01.07.1986	54	-

Sl.No.	Name	Designation	Remuneration (₹)	Qualification	Experience (Years)	Date of Commencement of Employment	Age (Years)	Last employment
14	Baidyanath Saha	Chief (Civil & Structure)	1,11,39,073	B. E.	10	01.12.2012	54	The Tata Power Company Ltd.
15	Baran Sengupta	Chief (Project Engineering)	1,07,10,096	B.Tech., M.E., ICWA	34	18.11.2013	57	Ausenco Engineers Ltd.
16	Ch. Ramesh Babu	Chief (Design & Engineering-Process)	1,28,52,172	B.E.	33	24.12.2012	53	AEGIS Ltd.
17	Chaitanya Bhanu	General Manager (Operations, TSK)	1,14,13,885	M.Tech.	25	15.07.1992	47	-
18	Chanakya Chaudhary	Group Director (Corporate Comm. & Regulatory Affairs)	2,80,08,427	B.E.	29	16.12.1988	53	-
19	D B Sundara Ramam	Principal Executive Officer	1,59,08,063	B.Sc. (Engg)	27	28.07.1990	48	-
20	Debashis Das	Chief (Manufacturing, Long Product)	1,33,27,565	B.Tech.	35	02.08.1982	58	-
21	Debashish Bhattacharjee*	Vice President (New Materials Business)	99,71,258	B.E., M.Tech., Ph.D	24	01.04.1996	52	University of Cambridge
22	Dibyendu Dutta	Group Head (M&A and Treasury)	1,50,25,022	B.Com, FCA, ACWA	24	16.04.2009	51	Indian Hotels Co. Ltd.
23	Dipali Talwar	Group General Counsel	2,00,93,633	B.A, LL.M	23	30.06.2014	48	Pfizer Inc.
24	Dwarika Nand Jha	GM (Design & Engineering, Kalinganagar and Growth Shop)	1,65,34,463	B.Sc. (Engg), PGDM	37	01.08.1980	58	-
25	Gopal Prasad Choudhary	Chief (Security & Brand Protection)	1,75,93,992	B.A. (Hons), LLB	29	01.01.2013	54	WIPRO
26	M. C. Thomas	Executive-in-Charge (FAM)	1,17,31,284	B. E.	25	01.07.1992	46	-
27	Manish Kumar Singh	Chief (Automation & IT Shikhar)	1,10,41,948	B.Sc. (Engg)	21	02.05.1996	51	RINL,Vishkapatnam
28	Manish Sharma	Chief (Corporate Audit & Assurance) India and South Easat Asia	1,29,84,788	B.Tech., PGDM	26	25.08.1991	53	-
29	Meena Lall	Chief (Legal & Compliance)	1,17,55,534	B.Sc., LLB	28	10.01.1990	53	-
30	Nirbhay Singh Salar	Chief (Project Planning)	1,16,77,519	B.E, M.Tech	27	01.07.2013	51	CGPL (Tata Power)
31	P. K. Ghose	Chief (Projects, Jamshedpur)	1,45,83,305	B.Tech.	26	01.07.1991	48	-
32	Parthasarathi Mishra	Chief (HRM OM&Q)	1,21,54,020	M.A, LLB	23	02.09.2013	53	Pipavav Defence & Offshore Engineering Co. Ltd.
33	Parvatheesam Kanchinadham*	Company Secretary	1,44,98,567	B.Com (Hons), ACS, LLB, MBA	18	12.01.2015	42	Infosys Ltd.
34	Peeyush Gupta	Vice President Steel Marketing & Sales	2,54,56,618	B.E., MBA	25	01.01.1993	49	-
35	Prabhat Kumar	COMS (Industrial Products, Projects & Export)	1,15,41,001	B.Sc. (Engg)	27	01.10.1990	50	-
36	Probal Ghosh	Chief (Mechanical Maintenance)	1,19,64,855	B.E.	27	02.07.1990	50	-
37	Prosenjit Sarkar	Chief (Utilities & Power Systems, TSK)	1,20,32,316	B. Sc. (Engg), PGDBM	37	02.02.1981	59	-
38	Rajeev Singhal	Vice President (Raw Material)	2,65,02,168	B.Tech, PGDBM	32	01.07.1985	54	-
39	Rajesh Chintak	Chief (HRM E&P)	1,09,24,912	B.Sc. (Engg)	28	01.07.1989	50	-
40	Rajesh Kumar	Chief (LD#3 & TSCR)	1,12,51,855	B.Tech, PGDBM	30	01.07.1987	51	-
41	Rajesh N.	Chief (Manufacturing), Flat Product	1,15,92,884	B.Tech.	29	01.07.1988	51	-
42	Rajiv Kumar	Vice President (Operation - TSK)	2,39,19,049	B.Sc. (Engg)	27	01.10.1990	50	-
43	Rajiv Kumar Soni	Executive-In-Charge (Global Wires - India)	1,27,41,309	B.Sc. (Engg), PGDBM	35	02.08.1982	57	-
44	Rakesh Ambastha	Chief (Sinter Plant, Kalinganagar)	1,03,98,757	B.Tech.	27	02.07.1990	51	-

Sl.No.	Name	Designation	Remuneration (₹)	Qualification	Experience (Years)	Date of Commencement of Employment	Age (Years)	Last employment
45	S. K. Singh	General Manager (Coal)	1,40,44,503	B.Tech.	26	01.07.1991	49	-
46	S. Mokashi*	Chief (Group Information Services)	1,57,24,992	B.Tech., PGDBM	36	01.02.1982	60	-
47	Samita Shah	Group Head (Corporate Finance & Risk Management)	1,66,60,881	B.A.(Hons), PGDM	25	18.10.2012	47	Axis Bank
48	Sanjay Chandra	Chief (R&D and Scientific Services)	1,27,97,980	B.Tech,Ph.D	34	08.08.1983	57	-
49	Sanjay Kumar Kedia	Chief (Mechanical Maint. Steel Making)	1,03,44,775	B.E.	26	20.09.1991	55	Century Cement & Maihar Cement
50	Sanjay Rajoria*	GM Projects (RM & Infrastructure)	1,17,37,818	B.E.	29	01.07.1988	52	-
51	Sanjiv Paul	Vice President Safety, Health & Sustainability	1,83,60,686	B.Sc.(Engg)	31	01.07.1986	55	-
52	Sarajit Jha	Chief (Business Transformation & Digital Solutions)	1,10,71,243	B.Sc.(Hons), PGDM	17	01.04.2015	42	Tata Business Support Services
53	Satish Kumar Tiwari	Chief (Mechanical Maintenance)	1,30,26,490	B.E.	28	01.07.1989	52	-
54	Shankar K. Marar	Chief Group Investment Management	1,12,57,243	B.E., PGDBM	20	01.04.2005	48	Jindal Steel Ltd.
55	Subodh Pandey	Executive-in-Charge (Tubes)	1,23,69,566	B.Tech.	25	13.07.1992	48	-
56	Sunil Bhaskaran	Vice President (Corporate Services)	2,80,25,420	B.Tech, PGDM	33	01.07.1987	53	Tata International
57	Suresh Kumar*	Vice President (Shared Services)	2,00,11,724	B.Tech., PGDBM	37	01.08.1980	60	-
58	T.S. Suresh Kumar*	Chief (Natural Resources Division)	51,68,622	M.Sc.	38	20.07.2009	60	ACC Ltd.
59	Ujjal Chakraborti	Executive-In-Charge (IBMD)	1,06,40,954	B.E.	27	02.07.1990	49	-
60	Uttam Singh	Vice President (Iron Making)	1,52,45,979	B.Tech.	25	13.07.1992	49	-
61	V. K. Shah	Chief (Hot Strip Mill)	1,04,94,846	B.E., PGDM	27	02.07.1990	50	-
62	Ved Prakash Srivastava	Chief (IT - Infra & Technology Excellence)	1,27,68,549	B.Tech, PGDM	37	01.08.1980	58	-
63	Vinay V. Mahashabde	Chief (Technology Officer Products)	1,31,61,629	B.Tech.	31	01.07.1986	52	-

Notes:

(1) Gross Remuneration comprises salary, allowances, monetary value of perquisites, commission to the Directors and the Company's contribution to Provident and superannuation Funds but excludes contribution to Gratuity Fund on the basis of actuarial valuation as separate figures are not available.

(2) The nature of employment in all cases is contractual.

(3) None of the employees mentioned above is a relative of any Director of the Company or Manager of the Company.

(4) *Indicates earnings for the part of the year.

On behalf of the Board of Directors

sd/-
N. CHANDRASEKARAN
Chairman
DIN: 00121863

Mumbai
May 16, 2018

ANNEXURE 8

Form AOC-1
Statement containing salient features of the financial statements of the Subsidiaries/Joint Ventures/Associate Companies

Pursuant to Section 129(3) of the Companies Act, 2013
[Read with Rule 5 of the Companies (Accounts) Rules, 2014]

PART 'A'-Summary of Financial Information of Subsidiary Companies

Sl. No.	Name of the Company	Date since when subsidiary was acquired	Reporting currency	Exchange rate @	Share capital * (₹ crore)	Reserves & Surplus (₹ crore)	Total Assets (₹ crore)	Total Liabilities (₹ crore)	Total Investments (₹ crore)	Turnover (₹ crore)	Profit before Taxation (₹ crore)	Provision for Taxation (₹ crore)	Profit after Taxation (₹ crore)	Proposed Dividend (₹ crore)	Ownership (%)
1	ABJA Investment Co. Pte. Ltd.	April 12, 2013	USD	65.17	1.08	(247.75)	19,843.83	20,090.50	-	-	32.30	12.43	19.87	-	100.00
2	Adityapur Toll Bridge Company Limited	June 12, 2002	INR	1.00	46.78	(7.05)	58.68	18.95	-	5.80	(0.05)	-	(0.05)	-	88.50
3	Tata Steel Special Economic Zone Limited	October 11, 2006	INR	1.00	154.74	(6.55)	156.40	8.21	-	0.38	(3.43)	-	(3.43)	-	100.00
4	Indian Steel & Wire Products Ltd	December 20, 2003	INR	1.00	5.99	67.53	136.96	63.44	0.00	261.72	15.56	5.78	9.78	-	95.01
5	Jamshedpur Utilities & Services Company Limited	August 25, 2003	INR	1.00	20.35	68.60	717.60	628.65	39.31	918.97	36.93	10.98	25.95	-	100.00
6	Haldia Water Management Limited	December 6, 2008	INR	1.00	27.77	(201.66)	13.88	187.76	-	-	(13.05)	-	(13.05)	-	60.00
7	Kalimati Global Shared Services Limited	January 8, 2018	INR	1.00	0.15	(0.25)	0.10	0.19	-	-	(0.29)	(0.05)	(0.25)	-	100.00
8	Mohar Export Services Pvt Ltd.	April 30, 2015	INR	1.00	0.01	(0.04)	0.06	0.10	-	-	(0.00)	-	(0.00)	-	66.46
9	NatSteel Asia Pte. Ltd.	February 15, 2005	USD	65.17	1,120.80	291.88	1,452.62	39.94	6.73	-	(49.45)	-	(49.45)	-	100.00
10	TS Asia (Hong Kong) Ltd.	September 27, 2006	USD	65.17	7.44	133.95	474.92	333.53	-	2,193.34	26.52	1.00	25.52	-	100.00
11	Rujuvalika Investments Limited	April 30, 2015	INR	1.00	1.33	102.91	104.30	0.07	104.01	-	5.38	0.79	4.59	-	100.00
12	T S Alloys Limited	March 14, 2007	INR	1.00	65.71	54.51	154.68	34.46	-	192.15	14.78	2.56	12.22	-	100.00
13	Tata Korf Engineering Services Ltd	October 30, 1985	INR	1.00	0.40	(10.24)	0.89	10.73	-	-	(0.04)	-	(0.04)	-	100.00
14	Tata Metaliks Ltd.	February 7, 2008	INR	1.00	25.29	333.39	1,125.09	766.41	10.03	1,894.21	200.38	41.20	159.18	-	50.09
15	Tata Sponge Iron Limited	August 28, 2012	INR	1.00	15.40	971.03	1,213.18	226.76	199.63	816.65	210.18	69.33	140.86	30.80	54.50
16	TSIL Energy Limited	November 20, 2012	INR	1.00	1.06	0.10	1.18	0.02	1.15	-	0.02	-	0.02	-	100.00
17	Tata Steel (KZN) (Pty) Ltd.	November 20, 2012	ZAR	5.57	85.69	(1,246.16)	248.91	1,409.39	-	-	-	-	-	-	90.00
18	T Steel Holdings Pte. Ltd.	July 5, 2006	GBP	92.27	47,875.33	6,275.07	59,263.53	5,113.13	5,113.04	-	(0.12)	-	(0.12)	-	100.00
19	T S Global Holdings Pte Ltd.	July 4, 2008	GBP	92.27	54,148.81	(41,904.52)	49,670.64	37,426.35	19,119.02	2.91	(32,878.28)	206.11	(33,084.39)	-	100.00
20	Orchid Netherlands (No.1) B.V.	March 20, 2009	GBP	92.27	0.12	1.71	1.84	-	-	-	(0.01)	-	(0.01)	-	100.00
21	NatSteel Holdings Pte. Ltd.	May 23, 2008	SGD	49.82	996.49	(911.50)	2,323.89	2,238.90	578.59	3,422.74	56.89	(18.61)	75.50	-	100.00
22	Easteel Services (M) Sdn. Bhd.	February 15, 2005	MYR	16.86	33.71	2.79	203.26	166.76	-	478.10	3.72	0.36	3.36	-	100.00
23	Eastern Steel Fabricators Philippines, Inc.	February 15, 2005	SGD	49.82	21.64	(64.49)	12.35	55.20	-	-	-	-	-	-	67.00
24	NatSteel (Xiamen) Ltd.	February 15, 2005	CNY	10.38	633.95	(703.45)	4.23	73.73	-	-	41.95	-	41.95	-	100.00
25	NatSteel Recycling Pte Ltd.	February 15, 2005	SGD	49.82	49.82	168.47	308.79	90.51	-	1,470.08	5.76	(0.04)	5.80	-	100.00
26	NatSteel Trade International (Shanghai) Company Ltd.	February 15, 2005	CNY	10.38	1.72	(2.09)	0.60	0.97	-	-	(0.07)	-	(0.07)	-	100.00
27	NatSteel Trade International Pte. Ltd.	February 15, 2005	USD	65.17	9.38	5.94	15.72	0.40	-	-	0.48	0.03	0.46	-	100.00
28	NatSteel Vina Co. Ltd.	February 15, 2005	VND	0.00	69.71	0.97	102.78	32.09	-	455.59	(7.78)	(0.18)	(7.61)	-	56.50
29	The Siam Industrial Wire Company Ltd.	February 15, 2005	THB	2.09	95.93	1,005.46	1,163.22	61.83	87.59	1,165.86	66.92	8.01	58.91	66.73	100.00
30	TSN Wires Co., Ltd.	April 5, 2012	THB	2.09	145.98	(96.84)	208.75	159.61	-	173.99	(13.70)	-	(13.70)	-	60.00
31	Tata Steel Europe Limited	April 2, 2007	GBP	92.27	38,190.07	(55,928.56)	16,939.06	34,677.55	-	-	467.53	0.92	466.61	-	100.00
32	Apollo Metals Limited	April 2, 2007	USD	65.17	0.00	125.52	156.64	31.12	-	155.67	26.51	(25.95)	52.46	-	100.00
33	Automotive Laser Technologies Limited	April 2, 2007	GBP	92.27	0.00	-	0.00	-	-	-	-	-	-	-	100.00
34	Beheermaatschappij Industriele Produkten B.V.	April 2, 2007	EUR	80.80	0.15	(56.50)	56.55	112.91	56.22	-	(0.80)	(0.20)	(0.60)	-	100.00
35	Bell & Harwood Limited	April 2, 2007	GBP	92.27	0.00	(0.00)	-	-	-	-	11.65	-	11.65	-	100.00
36	Blastmega Limited	April 2, 2007	GBP	92.27	0.00	858.21	858.24	0.02	858.12	-	-	-	-	-	100.00
37	Blume Stahlservice GmbH	April 2, 2007	EUR	80.80	-	-	-	-	-	-	9.86	2.21	7.64	(69.49)	100.00
38	Bore Samson Group Limited	April 2, 2007	GBP	92.27	0.00	138.48	207.81	69.33	207.81	-	-	-	-	-	100.00
39	Bore Steel Limited	April 2, 2007	GBP	92.27	0.00	157.31	157.31	-	-	-	-	-	-	-	100.00
40	British Guide Rails Limited	April 2, 2007	GBP	92.27	0.00	44.83	44.83	-	-	-	-	-	-	-	100.00

TATA STEEL

Sl. No.	Name of the Company	Date since when subsidiary was acquired	Reporting currency	Exchange rate @	Share capital * (₹ crore)	Reserves & Surplus (₹ crore)	Total Assets (₹ crore)	Total Liabilities (₹ crore)	Total Investments (₹ crore)	Turnover (₹ crore)	Profit before Taxation (₹ crore)	Provision for Taxation (₹ crore)	Profit after Taxation (₹ crore)	Proposed Dividend (₹ crore)	Ownership (%)
41	British Steel Corporation Limited	April 2, 2007	GBP	92.27	166.79	114.67	281.46	-	-	-	-	-	-	-	100.00
42	British Steel Directors (Nominees) Limited	April 2, 2007	GBP	92.27	0.00	-	0.00	-	-	-	-	-	-	-	100.00
43	British Steel Engineering Steels (Exports) Limited	April 2, 2007	GBP	92.27	0.00	-	0.11	0.11	-	-	-	-	-	-	100.00
44	British Steel Nederland International B.V.	April 2, 2007	EUR	80.80	0.15	370.79	391.43	20.49	197.91	-	33.52	1.89	31.63	-	100.00
45	British Steel Service Centres Limited	April 2, 2007	GBP	92.27	184.54	304.29	722.93	234.09	-	-	(4.58)	-	(4.58)	-	100.00
46	British Tubes Stockholding Limited	April 2, 2007	GBP	92.27	0.00	-	0.00	-	-	-	-	-	-	97.17	100.00
47	C V Benine#	April 2, 2007	EUR	80.80	17.51	(0.02)	110.19	92.70	-	-	(0.12)	-	(0.12)	-	76.92
48	C Walker & Sons Limited	April 2, 2007	GBP	92.27	32.29	117.63	642.65	492.73	21.57	-	-	-	-	-	100.00
49	Catnic GmbH	April 2, 2007	EUR	80.80	0.21	51.93	64.66	12.52	-	131.24	6.53	1.71	4.82	-	100.00
50	Catnic Limited	April 2, 2007	GBP	92.27	2.07	(2.64)	0.18	0.74	0.18	-	-	-	-	-	100.00
51	CBS Investissements SAS	April 2, 2007	EUR	80.80	0.65	1.45	4.84	2.74	-	-	0.31	0.13	0.18	-	100.00
52	Cogent Power Inc.	April 2, 2007	CAD	50.50	1.52	146.77	303.60	155.32	-	795.22	(5.41)	(1.34)	(4.07)	-	100.00
53	Tata Steel Mexico SA DE CV	April 2, 2007	USD	65.17	0.02	0.34	1.37	1.01	-	-	0.83	0.01	0.81	-	100.00
54	Cogent Power Inc.	April 2, 2007	CAD	50.50	1.52	(1.52)	-	-	-	-	(14.77)	0.61	(15.38)	-	100.00
55	Cogent Power Limited	April 2, 2007	GBP	92.27	393.69	(271.59)	436.34	314.23	250.67	-	0.01	-	0.01	-	100.00
56	Color Steels Limited	April 2, 2007	GBP	92.27	0.42	41.41	115.75	73.92	-	-	-	-	-	-	100.00
57	Corbeil Les Rives SCI#	April 2, 2007	EUR	80.80	5.19	4.74	9.96	0.03	-	-	-	-	-	-	67.30
58	Corby (Northants) & District Water Company Limited	April 2, 2007	GBP	92.27	2.40	3.25	7.20	1.55	-	1.20	0.35	(0.00)	0.36	-	100.00
59	Cordor (C& B) Limited	April 2, 2007	GBP	92.27	0.00	3.00	3.00	-	-	-	-	-	-	-	100.00
60	Corus Aluminium Verwaltungsgesellschaft Mbh	April 2, 2007	EUR	80.80	4.20	0.00	12.32	8.12	0.36	-	(0.00)	-	(0.00)	-	100.00
61	Corus Building Systems Bulgaria AD#	June 19, 2008	LEV	41.04	4.80	(34.71)	32.04	61.95	-	0.02	(2.16)	-	(2.16)	-	65.00
62	Corus CNBV Investments	April 2, 2007	GBP	92.27	0.00	-	0.00	-	-	-	-	-	-	-	100.00
63	Corus Cold Drawn Tubes Limited	April 2, 2007	GBP	92.27	46.14	(62.03)	-	15.90	-	-	-	-	-	-	100.00
64	Corus Engineering Steels (UK) Limited	April 2, 2007	GBP	92.27	92.27	330.39	422.67	-	-	-	-	-	-	-	100.00
65	Corus Engineering Steels Holdings Limited	April 2, 2007	GBP	92.27	3,837.40	275.53	5,223.21	1,110.27	5,190.71	-	(22.11)	-	(22.11)	-	100.00
66	Corus Engineering Steels Limited	April 2, 2007	GBP	92.27	4,263.78	124.20	4,387.98	-	-	-	-	-	-	-	100.00
67	Corus Engineering Steels Overseas Holdings Limited	April 2, 2007	GBP	92.27	0.00	9.17	18.05	8.87	-	-	-	-	-	-	100.00
68	Corus Engineering Steels Pension Scheme Trustee Limited		GBP	92.27	0.00	-	0.00	-	-	-	-	-	-	-	100.00
69	Corus Group Limited	April 2, 2007	GBP	92.27	16,144.07	(21,752.58)	8,498.77	14,107.28	8,498.28	-	(2,188.07)	-	(2,188.07)	-	100.00
70	Corus Holdings Limited	April 2, 2007	GBP	92.27	2.31	3.02	5.33	-	-	-	-	-	-	-	100.00
71	Corus International (Overseas Holdings) Limited	April 2, 2007	GBP	92.27	1,302.91	3,100.47	4,413.18	9.80	2,382.76	-	67.88	0.92	66.95	-	100.00
72	Corus International Limited	April 2, 2007	GBP	92.27	4,524.63	(1,736.05)	3,034.66	246.08	2,759.48	-	-	-	-	-	100.00
73	Corus International Romania SRL.#	April 2, 2007	RON	17.23	0.01	0.44	0.62	0.17	-	-	0.01	0.01	0.00	-	100.00
74	Corus Investments Limited	April 2, 2007	GBP	92.27	202.99	6.28	209.27	-	-	-	-	-	-	-	100.00
75	Corus Ireland Limited	April 2, 2007	EUR	80.80	0.00	6.81	7.28	0.47	-	-	0.72	0.13	0.59	-	100.00
76	Corus Large Diameter Pipes Limited	April 2, 2007	GBP	92.27	0.00	671.20	685.31	14.11	-	-	-	-	-	-	100.00
77	Corus Liaison Services (India) Limited	April 2, 2007	GBP	92.27	9.23	(31.29)	1.65	23.71	-	-	-	-	-	-	100.00
78	Corus Management Limited	April 2, 2007	GBP	92.27	0.00	(418.38)	2,268.19	2,686.57	1,863.22	-	-	-	-	-	100.00
79	Corus Primary Aluminium B.V.	April 2, 2007	EUR	80.80	13.54	(137.43)	330.98	454.86	307.91	-	(4.13)	(21.99)	17.86	-	100.00
80	Corus Property	April 2, 2007	GBP	92.27	0.00	-	0.01	0.01	-	-	-	-	-	-	100.00
81	Corus Service Centre Limited	April 2, 2007	GBP	92.27	0.00	147.27	147.27	-	-	-	-	-	-	-	100.00
82	Corus Steel Service STP LLC#	April 6, 2009	RUB	1.13	0.13	(0.32)	0.28	0.47	-	-	1.48	-	1.48	-	100.00
83	Corus Tubes Poland Spolka Z.O.O	October 12, 2006	PLZ	19.02	0.10	(0.53)	0.28	0.71	-	-	-	-	-	-	100.00
84	Corus UK Healthcare Trustee Limited	March 31, 2009	GBP	92.27	0.00	-	0.00	-	-	-	-	-	-	-	100.00
85	Corus Ukraine Limited Liability Company		UAH	2.47	0.01	0.01	0.02	-	-	-	-	-	-	-	100.00
86	CPN (85) Limited	April 2, 2007	GBP	92.27	0.00	-	0.00	-	-	-	0.78	-	0.78	-	100.00
87	Crucible Insurance Company Limited	April 2, 2007	GBP	92.27	4.61	235.93	445.01	204.47	91.30	-	(77.33)	-	(77.33)	-	100.00
88	Degels GmbH	April 2, 2007	EUR	80.80	0.65	(279.36)	237.17	515.88	-	709.12	(259.64)	0.60	(260.23)	-	100.00
89	Demka B.V.	April 2, 2007	EUR	80.80	49.72	21.14	70.86	0.01	-	-	(0.08)	(0.02)	(0.06)	-	100.00
90	DSRM Group Plc.	April 2, 2007	GBP	92.27	46.14	136.96	183.10	-	-	-	-	-	-	-	100.00

Sl. No.	Name of the Company	Date since when subsidiary was acquired	Reporting currency	Exchange rate @	Share capital * (₹ crore)	Reserves & Surplus (₹ crore)	Total Assets (₹ crore)	Total Liabilities (₹ crore)	Total Investments (₹ crore)	Turnover (₹ crore)	Profit before Taxation (₹ crore)	Provision for Taxation (₹ crore)	Profit after Taxation (₹ crore)	Proposed Dividend (₹ crore)	Ownership (%)
91	Esmil B.V.	April 2, 2007	EUR	80.80	117.30	(95.51)	21.84	0.05	-	-	0.13	0.03	0.10	-	100.00
92	Europressings Limited	April 2, 2007	GBP	92.27	0.00	-	0.00	-	-	-	-	-	-	(5.90)	100.00
93	Firsteel Group Limited	April 2, 2007	GBP	92.27	58.13	(139.30)	79.35	160.52	-	-	-	-	-	-	100.00
94	Firsteel Holdings Limited	April 2, 2007	GBP	92.27	0.06	71.35	159.90	88.49	-	-	-	-	-	-	100.00
95	Fischer Profil GmbH	April 2, 2007	EUR	80.80	82.63	(85.46)	247.08	249.92	-	609.87	10.44	2.92	7.52	-	100.00
96	Gamble Simms Metals Limited	April 2, 2007	EUR	80.80	5.13	(7.40)	-	2.27	-	-	-	-	-	-	100.00
97	Grant Lyon Eagre Limited	April 2, 2007	GBP	92.27	3.46	50.89	54.35	-	-	-	-	-	-	-	100.00
98	H E Samson Limited	April 2, 2007	GBP	92.27	0.00	48.19	48.19	-	-	-	-	-	-	-	100.00
99	Hadfields Holdings Limited	April 2, 2007	GBP	92.27	0.92	(75.07)	4.89	79.03	-	-	-	-	-	-	62.50
100	Halmstad Steel Service Centre AB	March 31, 2015	SEK	7.79	0.04	76.65	243.83	167.13	-	391.63	7.01	-	7.01	-	100.00
101	Hammermega Limited	April 2, 2007	GBP	92.27	20.76	-	20.76	-	-	-	-	-	-	-	100.00
102	Harrowmills Properties Limited	April 2, 2007	GBP	92.27	0.01	-	0.01	-	-	-	-	-	-	175.72	100.00
103	Hille & Muller GmbH	April 2, 2007	EUR	80.80	41.36	102.10	455.73	312.27	-	680.89	17.36	(3.99)	21.35	-	100.00
104	Hille & Muller USA Inc.	April 2, 2007	USD	65.17	0.02	85.60	94.40	8.79	76.73	22.33	3.52	0.80	2.72	(32.59)	100.00
105	Hoogovens USA Inc.	April 2, 2007	USD	65.17	396.55	38.93	435.88	0.40	419.36	-	32.66	(0.43)	33.10	(75.60)	100.00
106	Huizenbezit "Breesaap" B.V.	April 2, 2007	EUR	80.80	0.37	(9.01)	0.30	8.95	-	-	0.09	0.02	0.07	-	100.00
107	Inter Metal Distribution SAS	April 2, 2007	EUR	80.80	0.62	46.42	112.74	65.71	-	612.42	23.25	7.86	15.39	(8.08)	100.00
108	Kalzip Asia Pte Limited	April 2, 2007	SGD	49.81	67.25	(199.33)	6.96	139.04	-	0.39	(9.59)	-	(9.59)	-	100.00
109	Kalzip FZE	November 1, 2012	AED	17.73	1.77	3.37	9.45	4.30	-	-	0.43	-	0.43	-	100.00
110	Kalzip GmbH	April 2, 2007	EUR	80.80	0.28	0.75	1.03	0.00	-	-	(0.06)	0.03	(0.10)	-	100.00
111	Kalzip GmbH	April 2, 2007	EUR	80.80	51.66	(67.91)	223.79	240.04	-	460.32	(27.10)	3.96	(31.06)	-	100.00
112	Kalzip India Private Limited		INR	1.00	5.46	2.99	36.37	27.92	-	50.83	(1.51)	0.38	(1.89)	-	100.00
113	Kalzip Italy SRL	June 11, 2010	EUR	80.80	0.08	0.32	1.80	1.40	-	-	0.11	0.05	0.06	-	100.00
114	Kalzip Limited	April 2, 2007	GBP	92.27	34.14	(19.40)	21.21	6.47	-	0.16	(3.22)	-	(3.22)	-	100.00
115	Kalzip Spain S.L.U.	April 2, 2007	EUR	80.80	7.27	4.94	12.35	0.14	-	-	0.11	0.03	0.08	-	100.00
116	Layde Steel S.L.		EUR	80.80	40.40	55.75	455.72	359.57	0.03	1,155.88	13.23	-	13.23	-	100.00
117	Lister Tubes Limited	April 2, 2007	EUR	80.80	0.00	13.07	13.07	-	-	-	-	-	-	-	100.00
118	London Works Steel Company Limited	April 2, 2007	GBP	92.27	0.00	(95.09)	51.67	146.76	-	-	-	-	-	-	100.00
119	Midland Steel Supplies Limited	April 2, 2007	GBP	92.27	0.00	-	0.00	-	-	-	-	-	-	-	100.00
120	Montana Bausysteme AG	April 2, 2007	CHF	68.29	27.32	56.97	180.87	96.58	-	377.19	18.74	5.10	13.64	(11.61)	100.00
121	Naantali Steel Service Centre OY	March 31, 2015	EUR	80.80	0.02	11.62	198.75	187.11	-	367.96	(20.73)	-	(20.73)	-	100.00
122	Nationwide Steelstock Limited	April 2, 2007	GBP	92.27	0.02	(0.02)	-	-	-	-	10.46	-	10.46	-	100.00
123	Norsk Stal Tynnplater AS	March 31, 2015	NOK	8.30	22.01	59.79	229.01	147.21	-	562.32	17.58	4.19	13.39	-	100.00
124	Norsk Stal Tynnplater AB	March 31, 2015	NOK	8.30	0.50	16.71	83.28	66.07	-	336.89	4.13	0.90	3.23	-	100.00
125	Orb Electrical Steels Limited	April 2, 2007	GBP	92.27	0.00	(0.00)	-	-	-	-	-	-	-	-	100.00
126	Ore Carriers Limited	April 2, 2007	GBP	92.27	18.76	7.53	26.35	0.06	-	-	-	-	-	-	100.00
127	Oremco Inc.	April 2, 2007	USD	65.17	0.65	(13.35)	1.95	14.64	-	-	(2.33)	0.00	(2.33)	-	100.00
128	Plated Strip (International) Limited	April 2, 2007	GBP	92.27	20.78	(4.38)	16.51	0.11	-	-	-	-	-	-	100.00
129	Precoat International Limited	April 2, 2007	GBP	92.27	7.60	63.92	91.98	20.45	12.21	-	-	-	-	-	100.00
130	Precoat Limited	April 2, 2007	GBP	92.27	10.15	(29.73)	5.90	25.47	0.00	-	0.00	-	0.00	-	100.00
131	Rafferty-Brown Steel Co Inc Of Conn.	April 2, 2007	USD	65.17	20.64	7.48	28.14	0.02	-	-	(0.37)	0.61	(0.98)	-	100.00
132	Round Oak Steelworks Limited	April 2, 2007	GBP	92.27	27.68	(469.78)	1.10	443.2	-	-	-	-	-	-	100.00
133	Runblast Limited	April 2, 2007	GBP	92.27	79.04	401.11	480.15	-	-	-	-	-	-	-	100.00
134	Runmega Limited	April 2, 2007	GBP	92.27	4.01	-	4.01	-	-	-	-	-	-	-	100.00
135	S A B Profiel B.V.	April 2, 2007	EUR	80.80	1.09	223.31	364.22	139.82	104.75	786.51	24.05	2.11	21.94	(121.20)	100.00
136	S A B Profil GmbH	April 2, 2007	EUR	80.80	0.24	140.29	167.91	27.38	-	261.94	2.77	2.05	0.72	-	100.00
137	Seamless Tubes Limited	April 2, 2007	GBP	92.27	184.54	(13.21)	171.33	-	-	-	-	-	-	-	100.00
138	Service Center Gelsenkirchen GmbH		EUR	80.80	148.75	280.59	766.86	337.52	0.75	1,263.88	169.28	1.16	168.12	(171.48)	100.00
139	Service Centre Maastricht B.V.	April 2, 2007	EUR	80.80	0.44	61.43	769.72	707.86	-	2,285.87	45.50	17.38	28.12	-	100.00
140	Societe Europeenne De Galvanisation (Segal) Sa	April 2, 2007	EUR	80.80	101.00	118.52	336.72	117.21	-	519.49	8.40	8.07	0.33	-	100.00

TATA STEEL

Sl. No.	Name of the Company	Date since when subsidiary was acquired	Reporting currency	Exchange rate @	Share capital * (₹ crore)	Reserves & Surplus (₹ crore)	Total Assets (₹ crore)	Total Liabilities (₹ crore)	Total Investments (₹ crore)	Turnover (₹ crore)	Profit before Taxation (₹ crore)	Provision for Taxation (₹ crore)	Profit after Taxation (₹ crore)	Proposed Dividend (₹ crore)	Ownership (%)
141	Staalverwerking en Handel B.V.	April 2, 2007	EUR	80.80	363.60	355.18	1,380.09	661.30	1,254.77	-	114.99	(1.55)	116.55	-	100.00
142	Steel StockHoldings Limited	April 2, 2007	GBP	92.27	0.00	42.27	42.52	0.25	-	-	-	-	-	-	100.00
143	Steelstock Limited	April 2, 2007	GBP	92.27	0.18	-	70.90	70.72	-	-	-	-	-	-	100.00
144	Stewarts & Lloyds Of Ireland Limited	April 2, 2007	EUR	80.80	0.77	(2.65)	-	1.88	-	-	-	-	-	-	100.00
145	Stewarts And Lloyds (Overseas) Limited	April 2, 2007	GBP	92.27	188.79	0.05	188.84	-	-	-	-	-	-	-	100.00
146	Surahammar Bruks AB	April 2, 2007	SEK	7.79	46.76	65.26	165.04	53.01	-	246.77	(25.88)	(1.03)	(24.85)	-	100.00
147	Swinden Housing Association Limited	April 2, 2007	GBP	92.27	0.00	11.04	11.08	0.04	-	-	-	-	-	-	100.00
148	Tata Steel Belgium Packaging Steels N.V.	April 2, 2007	EUR	80.80	124.71	24.66	196.18	46.81	0.64	91.59	8.14	2.93	5.21	-	100.00
149	Tata Steel Belgium Services N.V.	April 2, 2007	EUR	80.80	136.12	169.62	603.12	297.38	-	-	11.63	4.02	7.62	(81.50)	100.00
150	Tata Steel Denmark Byggsystemer A/S	April 2, 2007	DKK	10.77	0.54	21.24	24.33	2.55	-	-	0.09	-	0.09	-	100.00
151	Tata Steel Europe Distribution BV	April 2, 2007	EUR	80.80	5.91	(34.55)	29.88	58.52	-	-	(5.45)	(1.36)	(4.09)	-	100.00
152	Tata Steel Europe Metals Trading BV		EUR	80.80	0.11	299.30	513.68	214.27	-	-	(0.86)	(0.21)	(0.64)	-	100.00
153	Tata Steel France Batiment et Systemes SAS	April 2, 2007	EUR	80.80	32.32	(50.02)	256.51	274.21	1.01	528.61	(33.60)	-	(33.60)	-	100.00
154	Tata Steel France Holdings SAS	April 2, 2007	EUR	80.80	40.40	896.62	1,229.11	292.09	786.96	-	33.80	8.28	25.52	-	100.00
155	Tata Steel Germany GmbH	April 2, 2007	EUR	80.80	826.28	(617.21)	1,568.48	1,359.42	1,192.67	-	32.64	(10.90)	43.55	-	100.00
156	Tata Steel IJmuiden BV		EUR	80.80	909.01	19,069.90	28,714.04	8,735.13	517.03	34,052.21	1,793.53	512.41	1,281.12	(606.01)	100.00
157	Tata Steel International (Americas) Holdings Inc	April 2, 2007	USD	65.17	4,251.71	(3,686.58)	1,746.96	1,181.83	287.57	-	(25.50)	1.55	(27.05)	-	100.00
158	Tata Steel International (Americas) Inc	April 2, 2007	USD	65.17	58.02	1,065.29	1,274.84	151.53	-	371.31	43.79	(20.25)	64.04	-	100.00
159	Tata Steel International (Canada) Holdings Inc	April 2, 2007	CAD	50.50	0.05	1.75	1.92	0.12	-	-	(0.01)	0.00	(0.01)	-	100.00
160	Tata Steel International (Czech Republic) S.R.O	April 2, 2007	CZK	3.16	0.38	4.64	5.61	0.59	-	-	3.38	0.66	2.72	(8.59)	100.00
161	Tata Steel International (Denmark) A/S	April 2, 2007	DKK	10.77	0.98	0.90	4.51	2.62	-	-	1.89	0.30	1.59	(0.25)	100.00
162	Tata Steel International (Finland) OY	April 2, 2007	EUR	80.80	1.02	0.00	2.20	1.18	-	-	(0.02)	0.00	(0.02)	-	100.00
163	Tata Steel International (France) SAS	April 2, 2007	EUR	80.80	1.62	36.58	45.35	7.16	-	-	2.32	1.14	1.18	-	100.00
164	Tata Steel International (Germany) GmbH	April 2, 2007	EUR	80.80	7.03	(7.15)	50.83	50.95	-	-	(1.59)	0.35	(1.94)	-	100.00
165	Tata Steel International (South America) Representações LTDA		USD	65.17	1.40	(0.60)	0.89	0.10	-	-	0.41	0.11	0.30	-	100.00
166	Tata Steel International Hellas SA		EUR	80.80	0.48	0.70	1.90	0.71	-	-	-	-	-	-	100.00
167	Tata Steel International (Italia) SRL	April 2, 2007	EUR	80.80	0.40	16.14	22.53	5.98	-	-	2.87	0.79	2.08	-	100.00
168	Tata Steel International (Middle East) FZE	April 2, 2007	AED	17.73	79.81	17.29	123.89	26.79	-	76.54	7.42	-	7.42	(121.00)	100.00
169	Tata Steel International (Nigeria) Ltd.	June 10, 2008	NGN	0.18	-	-	-	-	-	-	-	-	-	-	100.00
170	Tata Steel International (Poland) sp Zoo	April 2, 2007	PLZ	19.02	16.75	(12.27)	4.87	0.39	-	-	1.18	0.23	0.95	-	100.00
171	Tata Steel International (Schweiz) AG	April 2, 2007	CHF	68.29	0.68	3.99	4.87	0.19	-	-	(0.03)	0.03	(0.06)	-	100.00
172	Tata Steel International (Sweden) AB	April 2, 2007	SEK	7.79	0.08	7.02	10.77	3.67	-	0.04	0.73	0.21	0.52	-	100.00
173	Tata Steel International (India) Limited	April 2, 2007	INR	1.00	6.39	36.47	44.59	1.73	-	-	(0.33)	-	(0.33)	-	100.00
174	Tata Steel International Iberica SA	April 2, 2007	EUR	80.80	1.21	11.51	17.23	4.51	-	-	10.78	2.51	8.27	-	100.00
175	Tata Steel Istanbul Metal Sanayi ve Ticaret AS	April 2, 2007	USD	65.17	75.13	(51.43)	233.04	209.34	-	356.95	7.04	-	7.04	-	100.00
176	Tata Steel Maubeuge SAS	April 2, 2007	EUR	80.80	60.60	162.67	931.06	707.78	8.96	2,991.60	46.55	(17.69)	64.24	-	100.00
177	Tata Steel Nederland BV	April 2, 2007	EUR	80.80	3,131.90	9,442.88	16,485.93	3,911.16	12,010.33	-	481.79	(34.83)	516.63	(606.01)	100.00
178	Tata Steel Nederland Consulting & Technical Services BV	April 2, 2007	EUR	80.80	72.72	(28.43)	51.16	6.87	-	-	(0.00)	(0.00)	(0.00)	-	100.00
179	Tata Steel Nederland Services BV	April 2, 2007	EUR	80.80	3.44	279.81	520.66	237.41	-	-	(50.80)	(12.70)	(38.10)	-	100.00
180	Tata Steel Nederland Star-Frame BV	April 2, 2007	EUR	80.80	3.64	(3.48)	0.16	0.01	-	-	(0.05)	(0.01)	(0.04)	-	100.00
181	Tata Steel Nederland Technology BV	April 2, 2007	EUR	80.80	0.15	549.05	689.85	140.65	13.47	-	(9.90)	(2.47)	(7.42)	-	100.00
182	Tata Steel Nederland Tubes BV	April 2, 2007	EUR	80.80	387.84	(511.77)	709.14	833.07	-	1,771.16	(72.33)	3.07	(75.40)	-	100.00
183	Tata Steel Netherlands Holdings B.V.		EUR	80.80	41,079.45	(37,662.34)	46,528.52	43,111.41	39,411.18	-	(722.36)	(351.02)	(371.34)	-	100.00
184	Tata Steel Norway Byggsystemer A/S	April 2, 2007	NOK	8.30	1.01	50.53	78.92	27.37	-	188.08	2.55	0.61	1.94	-	100.00
185	Tata Steel Sweden Byggsystem AB	April 2, 2007	SEK	7.79	0.78	29.59	98.34	67.97	17.09	175.97	(26.58)	-	(26.58)	-	100.00
186	Tata Steel UK Consulting Limited		GBP	92.27	16.01	(16.11)	2.68	2.78	-	8.63	(3.68)	-	(3.68)	-	100.00
187	Tata Steel UK Holdings Limited		GBP	92.27	32,271.66	(52,488.03)	20,759.15	40,975.51	-	-	(107.08)	-	(107.08)	-	100.00

Sl. No.	Name of the Company	Date since when subsidiary was acquired	Reporting currency	Exchange rate @	Share capital * (₹ crore)	Reserves & Surplus (₹ crore)	Total Assets (₹ crore)	Total Liabilities (₹ crore)	Total Investments (₹ crore)	Turnover (₹ crore)	Profit before Taxation (₹ crore)	Provision for Taxation (₹ crore)	Profit after Taxation (₹ crore)	Proposed Dividend (₹ crore)	Ownership (%)
188	Tata Steel UK Limited	April 2, 2007	GBP	92.27	20,680.75	(22,551.31)	38,910.23	40,780.79	6,716.78	22,178.73	13,354.75	385.29	12,969.46	-	100.00
189	Tata Steel USA Inc.	April 2, 2007	USD	65.17	0.91	79.12	100.53	20.49	33.12	-	0.65	0.72	(0.07)	-	100.00
190	The Newport And South Wales Tube Company Limited	April 2, 2007	GBP	92.27	0.01	0.31	5.22	4.9	0.00	-	0.18	-	0.18	-	100.00
191	The Stanton Housing Company Limited	April 2, 2007	GBP	92.27	0.55	8.33	8.88	-	-	-	-	-	-	-	100.00
192	The Templeborough Rolling Mills Limited	April 2, 2007	GBP	92.27	27.68	118.78	146.46	-	-	-	-	-	-	-	100.00
193	Thomas Processing Company	April 2, 2007	USD	65.17	-	140.04	143.64	3.61	-	22.74	3.42	-	3.42	-	100.00
194	Thomas Steel Strip Corp.	April 2, 2007	USD	65.17	52.14	(246.08)	338.40	532.35	24.74	555.81	(19.23)	5.81	(25.04)	-	100.00
195	Toronto Industrial Fabrications Limited	April 2, 2007	GBP	92.27	0.15	(0.15)	-	-	-	-	4.58	-	4.58	-	100.00
196	TS South Africa Sales Office Proprietary Limited	August 31, 2015	SAR	17.36	-	4.60	5.41	0.81	-	-	-	0.04	(0.04)	-	100.00
197	Tulip UK Holdings (No.2) Limited	April 2, 2007	GBP	92.27	32,325.70	(32,326.08)	-	0.38	-	-	-	-	-	-	100.00
198	Tulip UK Holdings (No.3) Limited	April 2, 2007	GBP	92.27	32,329.13	(54,901.77)	20,915.05	43,487.69	-	-	(379.10)	-	(379.10)	-	100.00
199	U.E.S. Bright Bar Limited	April 2, 2007	GBP	92.27	13.84	-	13.84	-	-	-	-	-	-	-	100.00
200	UK Steel Enterprise Limited	April 2, 2007	GBP	92.27	92.27	53.83	288.43	142.32	42.62	28.90	3.41	-	3.41	-	100.00
201	UKSE Fund Managers Limited	April 2, 2007	GBP	92.27	0.32	0.10	0.69	0.26	-	-	-	-	-	-	100.00
202	Unitol SAS	April 2, 2007	EUR	80.80	48.48	87.68	520.04	383.87	0.81	1,461.78	44.03	(10.70)	54.73	-	100.00
203	Walker Manufacturing And Investments Limited	April 2, 2007	GBP	92.27	0.00	318.11	318.11	-	9.96	-	175.55	-	175.55	-	100.00
204	Walkersteelstock Ireland Limited	April 2, 2007	EUR	80.80	78.86	(74.92)	17.01	13.07	14.01	-	-	-	-	-	100.00
205	Walkersteelstock Limited	April 2, 2007	GBP	92.27	9.23	-	9.23	-	0.18	-	-	-	-	-	100.00
206	Westwood Steel Services Limited	April 2, 2007	GBP	92.27	216.84	-	216.84	-	-	-	-	-	-	-	100.00
207	Whitehead (Narrow Strip) Limited	April 2, 2007	GBP	92.27	83.04	22.78	105.83	-	-	-	-	-	-	-	100.00
208	T S Global Minerals Holdings Pte Ltd.	August 1, 2008	USD	65.17	8,597.49	(6,315.71)	5,340.43	3,058.64	3,049.41	-	(1,144.71)	13.73	(1,158.44)	-	100.00
209	Al Rimal Mining LLC	February 25, 2008	OMR	169.40	16.94	(10.76)	8.97	2.79	-	-	(0.01)	-	(0.01)	-	70.00
210	Black Ginger 461 (Proprietary) Ltd.	March 6, 2008	ZAR	5.57	32.89	124.38	501.69	344.42	-	839.86	50.30	15.45	34.85	-	100.00
211	Kalimati Coal Company Pty. Ltd.	August 1, 2009	AUD	50.02	66.33	(257.37)	0.20	191.24	-	-	(0.25)	-	(0.25)	-	100.00
212	Sedibeng Iron Ore Pty. Ltd.	February 24, 2011	ZAR	5.57	0.00	128.75	456.71	327.96	-	839.86	55.17	15.45	39.72	-	64.00
213	Tata Steel Cote D' Ivoire S.A	May 15, 2012	FCFA	0.12	181.92	(183.21)	0.53	1.82	-	-	(76.48)	-	(76.48)	-	85.00
214	TSMUK Limited	September 23, 2010	USD	65.17	3,840.68	(367.44)	6,872.50	3,399.25	6,405.17	-	(0.09)	-	(0.09)	-	100.00
215	Tata Steel Minerals Canada Limited	December 31, 2010	USD	65.17	5,722.95	(3,037.90)	6,165.04	3,480.00	-	-	(1,019.14)	-	(1,019.14)	-	77.68
216	T S Canada Capital Ltd.	December 31, 2012	USD	65.17	0.00	32.91	33.18	0.27	-	-	0.15	(0.21)	0.36	-	100.00
217	Tata Steel International (Singapore) Holdings Pte. Ltd.	January 25, 2008	USD	65.17	451.60	82.55	536.67	2.52	378.78	76.53	122.81	0.89	121.92	-	100.00
218	Tata Steel International (Shanghai) Ltd.	January 25, 2008	CNY	10.37	5.07	3.28	8.92	0.57	-	6.48	0.39	0.02	0.37	-	100.00
219	Tata Steel International (Singapore) Pte. Ltd.	January 25, 2008	USD	65.17	8.02	22.56	30.87	0.29	8.49	0.94	(2.26)	-	(2.26)	-	100.00
220	Tata Steel International (Asia) Limited	January 25, 2008	HKD	8.29	0.00	441.14	449.98	8.84	1.99	128.61	22.36	0.16	22.20	-	100.00
221	TSIA Holdings (Thailand) Limited		THB	2.08	0.02	(0.13)	-	0.10	-	-	(0.01)	-	(0.01)	-	100.00
222	Tata Steel International (Thailand) Limited		THB	2.08	0.42	(0.67)	0.14	0.39	-	-	(0.01)	-	(0.01)	-	100.00
223	Tata Steel (Thailand) Public Company Ltd.	April 4, 2006	THB	2.08	1,756.23	1,014.07	3,205.88	435.59	-	100.98	8.84	(0.26)	9.09	-	67.90
224	N.T.S Steel Group Plc.	April 4, 2006	THB	2.08	965.12	(820.31)	1,160.67	1,015.87	-	4,532.99	(17.87)	0.00	(17.87)	-	99.76
225	The Siam Construction Steel Co. Ltd.	April 4, 2006	THB	2.08	364.95	143.50	818.79	310.34	0.00	2,000.15	109.83	22.20	87.63	-	99.99
226	The Siam Iron And Steel (2001) Co. Ltd.	April 4, 2006	THB	2.08	25.02	236.49	407.84	146.32	-	972.06	25.56	5.35	20.21	-	99.99
227	T S Global Procurement Company Pte. Ltd.	April 23, 2010	USD	65.17	649.35	1,324.98	27,662.32	25,687.99	-	25,323.48	3,321.90	72.50	3,249.40	-	100.00
228	ProCo Issuer Pte. Ltd.	September 8, 2010	GBP	92.27	0.00	168.83	8,620.96	8,452.13	-	629.42	147.52	25.84	121.68	-	100.00
229	Tata Steel Odisha Limited	June 22, 2012	INR	1.00	2.57	(2.58)	0.02	0.04	-	-	(0.01)	-	(0.01)	-	100.00
230	Tata Steel Processing and Distribution Limited	July 14, 2009	INR	1.00	68.25	534.80	1,326.97	723.92	2.81	3,196.45	95.64	31.75	63.89	-	100.00
231	Tayo Rolls Limited	December 1, 2008	INR	1.00	10.26	(458.57)	72.75	521.06	0.00	0.35	(25.66)	-	(25.66)	-	54.91
232	The Tata Pigments Limited	May 18, 1985	INR	1.00	0.75	49.41	82.74	32.59	17.59	117.41	6.85	2.57	4.28	-	100.00
233	The Tinplate Company of India Ltd	April 1, 2011	INR	1.00	104.80	571.92	1,106.35	429.64	51.22	1,930.99	115.22	42.05	73.16	-	74.96
234	Tata Steel Foundation	August 16, 2016	INR	1.00	1.00	7.65	12.24	3.58	-	18.00	7.66	-	7.66	-	100.00
235	Jamshedpur Football and Sporting Private Limited	July 7, 2017	INR	1.00	20.00	(8.15)	42.38	30.53	3.04	40.14	(8.14)	0.01	(8.15)	-	100.00
236	Sakchi Steel Limited	January 16, 2018	INR	1.00	0.01	(0.00)	0.01	0.00	-	-	(0.00)	-	(0.00)	-	100.00
237	Jugsalai Steel Limited	January 18, 2018	INR	1.00	0.01	(0.00)	0.01	0.00	-	-	(0.00)	-	(0.00)	-	100.00

TATA STEEL

Sl. No.	Name of the Company	Date since when subsidiary was acquired	Reporting currency	Exchange rate @	Share capital * (₹ crore)	Reserves & Surplus (₹ crore)	Total Assets (₹ crore)	Total Liabilities (₹ crore)	Total Investments (₹ crore)	Turnover (₹ crore)	Profit before Taxation (₹ crore)	Provision for Taxation (₹ crore)	Profit after Taxation (₹ crore)	Proposed Dividend (₹ crore)	Ownership (%)
238	Noamundi Steel Limited	January 18, 2018	INR	1.00	0.01	(0.00)	0.01	0.00	-	-	(0.00)	-	(0.00)	-	100.00
239	Straight Mile Steel Limited	January 15, 2018	INR	1.00	0.01	(0.00)	0.01	0.00	-	-	(0.00)	-	(0.00)	-	100.00
240	Bamnipal Steel Limited	January 19, 2018	INR	1.00	0.01	(0.00)	0.01	0.00	-	-	(0.00)	-	(0.00)	-	100.00
241	Bistupur Steel Limited	January 18, 2018	INR	1.00	0.01	(0.00)	0.01	0.00	-	-	(0.00)	-	(0.00)	-	100.00
242	Jamadoba Steel Limited	January 19, 2018	INR	1.00	0.01	(0.00)	0.01	0.00	-	-	(0.00)	-	(0.00)	-	100.00
243	Dimna Steel Limited	January 24, 2018	INR	1.00	0.01	(0.00)	0.01	0.00	-	-	(0.00)	-	(0.00)	-	100.00
244	Bhubaneshwar Power Private Limited	August 6, 2008	INR	1.00	230.25	(34.36)	1,083.18	887.29	-	74.20	(6.29)	-	(6.29)	-	100.00

Note:

* Includes Share application money.

\# Reporting period for subsidiary companies at Sl. No. 47, 57, 61, 73, 82 is December.

@ Closing exchange rate as on March 31, 2018 has been considered for calculation.

Name of the subsidiaries which have been liquidated or sold during the year:

1 Blume Stahlservice Polska Sp. Z.O.O
2 Speciality Steel UK Limited
3 Tata Steel Speciality Service Centre Suzhou Co. Limited
4 Tata Steel Speciality Service Centre Xian Co. Limited
5 Kalzip Inc
6 Ickles Cottage Trust Limited
7 Stocksbridge Works Cottage Trust Limited
8 BS Pension Fund Trustee Limited
9 Tata Steel Latvia Buildings Systems SIA
10 Tata Steel International (Benelux) BV

Name of the companies which have merged:

1 Erick Olsson & Soner Forvaltnings AB
2 Skruv Erik AB
3 Trierer Walzwerk Verwaltungsgellschaft mbH
4 Corus Beteiligungs GmbH
5 Augusta Grundstücks GmbH

PART 'B'-JOINT VENTURES AND ASSOCIATES

Sl. No.	Name of the Entity	Latest audited balance sheet date	Date on which the Associate or Joint Venture was associated or acquired	Reporting currency*	No. of shares held by the Company in associate/joint venture on the year end	Amount of Investment in associate/ joint venture (₹ Crore)	Extend of holding (%)	Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Net worth attributable to shareholding as per latest balance sheet	Share of profit/loss for the year (₹ Crore) Considered in consolidation	Share of profit/loss for the year (₹ Crore) Not considered in consolidation
A.	**Joint Venture**											
1	Minas De Benga Limited	March 31	November 30, 2007	USD	27,13,43,558	2,298.92	35.00	1	-	(3,328.87)	(37.64)	(69.90)
2	Himalaya Steel Mill Services Private Limited	March 31	September 15, 2010	INR	36,19,945	3.62	26.00	1	-	11.54	0.92	2.62
3	mjunction services limited	March 31	February 1, 2001	INR	40,00,000	4.00	50.00	1	-	253.81	13.13	13.13
4	S & T Mining Company Private Limited	March 31	September 18, 2008	INR	1,29,41,400	12.94	50.00	1	-	(6.52)	-	(5.53)
5	Tata BlueScope Steel Limited	March 31	February 9, 2005	INR	43,30,00,000	433.00	50.00	1	-	319.62	136.17	136.17
6	BlueScope Lysaght Lanka (Pvt) Ltd	March 31	April 1, 2015	LKR	1,06,35,000	4.45	100.00	5	-	18.21	0.12	-
7	Tata NYK Shipping Pte Ltd.	March 31	March 19, 2007	USD	6,51,67,500	350.13	50.00	1	-	144.64	11.30	11.30
8	Tata NYK Shipping (India) Private Limited	March 31	April 1, 2015	INR	2,50,000	0.25	100.00	5	-	3.40	0.72	-
9	Naba Diganta Water Management Limited	March 31	January 9, 2008	INR	1,36,53,000	13.65	74.00	5	-	19.20	2.07	0.73
10	SEZ Adityapur Limited.	March 31	October 30, 2006	INR	25,497	0.03	51.00	5	-	(0.07)	-	-
11	Jamshedpur Continuous Annealing & Processing Company Private Limited	March 31	August 17, 2012	INR	47,53,20,000	475.32	51.00	4	-	383.59	(39.71)	(38.15)
12	T M Mining Company Limited	March 31	December 22, 2010	INR	1,62,800	0.16	74.00	4	-	(0.04)	-	(0.01)
13	TM International Logistics Limited	March 31	January 18, 2002	INR	91,80,000	9.18	51.00	4	-	167.96	6.94	6.67
14	International Shipping and Logistics FZE	March 31	February 1, 2004	USD	1	-	100.00	5	-	222.21	6.25	-
15	TKM Global China Ltd.	March 31	June 25, 2008	CNY	1	-	100.00	5	-	3.58	0.15	-
16	TKM Global GmbH	March 31	March 1, 2005	EUR	100	-	100.00	5	-	191.99	(2.00)	-
17	TKM Global Logistics Limited	March 31	January 18, 2002	INR	36,00,000	5.49	100.00	5	-	24.12	(1.08)	-
18	Industrial Energy Limited	March 31		INR	17,31,60,000	173.16	26.00	1	-	763.04	(14.54)	(41.39)
19	Jamipol Limited	March 31	April 24, 1995	INR	44,75,000	9.18	39.78	1	-	151.49	5.89	8.91
20	Medica TS Hospital Private Limited	March 31	August 5, 2014	INR	2,60,000	0.26	26.00	1	-	(16.60)	-	(11.00)
21	Nicco Jubilee Park Limited		May 2001	INR	3,80,000	-	25.31	1	-	(1.78)	-	(0.18)
22	Afon Tinplate Company Limited	December 31	April 2, 2007	GBP	6,40,000	5.91	64.00	2	-	31.72	(3.62)	(2.04)
23	Laura Metaal Holding B.V.	December 31	April 2, 2007	EUR	2,744	10.06	49.00	2	-	160.49	18.97	19.74
24	Ravenscraig Limited	December 31	April 2, 2007	GBP	100	0.00	33.33	2	-	(46.48)	(3.24)	(6.49)
25	Tata Steel Ticaret AS	December 31	April 2, 2007	TRY	80,000	0.13	50.00	2	-	16.99	9.79	9.79
26	Air Products Llanwern Limited	September 30	April 2, 2007	GBP	50,000	0.46	50.00	2	-	5.67	0.59	0.59
27	Texturing Technology Limited	March 31	April 2, 2007	GBP	10,00,000	9.23	50.00	2	-	7.88	2.53	2.53
28	TVSC Construction Steel Solutions Limited	December 31	May 30, 2014	HKD	3,32,84,000	27.62	50.00	2	-	(20.79)	(22.77)	(22.77)
29	BSR Pipeline Services Limited	December 31	April 2, 2007	GBP	50,000	0.46	50.00	1	-	7.53	(1.29)	(1.29)
30	Hoogovens Court Roll Service Technologies VOF	March 31	April 2, 2007	EUR	-	10.67	50.00	2	-	22.69	1.81	1.81
B.	**Associates**											
1	European Profiles (M) Sdn. Bhd.	December 31	Jan 25, 2008	MYR	7,00,000	1.18	20.00	3	@	-	-	-
2	New Millennium Iron Corp.	March 31		CAD	4,74,02,908	330.78	26.18	1	-	(144)	(52)	(145)
3	Albi Profils SRL	December 31		EUR	1,800	0.74	30.00	2	#	-	-	-
4	Fabsec Limited	December 31	May 18, 2001	GBP	250	0.00	25.00	2	#	-	-	-
5	Gietwalsonderhoudcombinatie B.V.	December 31	April 2, 2007	EUR	50	10.46	50.00	2	-	20.80	1.30	1.30
6	Hoogovens Gan Multimedia S.A. De C.V.		April 2, 2007	MEX PESO	25,000	0.01	50.00	2	#	-	-	-
7	ISSB Limited	June 30	April 2, 2007	GBP	500	0.00	50.00	2	#	-	-	-
8	Wupperman Staal Nederland B.V.	December 31	April 2, 2007	EUR	2,400	67.67	30.00	2	-	153.71	34.38	80.23
9	Kalinga Aquatic Ltd			INR	10,49,920	-	30.00	1	-	(4.52)	-	(0.02)
10	Kumardhubi Fireclay & Silica Works Ltd			INR	1,50,001	-	27.78	1	**	-	-	-
11	Kumardhubi Metal Casting and Engineering Limited			INR	10,70,000	-	49.31	1	**	-	-	-
12	Strategic Energy Technology Systems Private Limited			INR	2,56,14,500	25.61	25.00	1	-	(0.41)	-	(0.06)
13	Tata Construction & Projects Ltd.			INR	11,97,699	-	27.19	1	**	-	-	-

Sl. No.	Name of the Entity	Latest audited balance sheet date	Date on which the Associate or Joint Venture was associated or acquired	Reporting currency*	No. of shares held by the Company in associate/joint venture on the year end	Amount of Investment in associate/ joint venture (₹ Crore)	Extend of holding (%)	Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Net worth attributable to shareholding as per latest balance sheet	Share of profit/loss for the year (₹ Crore) Considered in consolidation	Not considered in consolidation
14	TRL Krosaki Refractories Limited		May 31, 2011	INR	55,63,864	42.38	26.62	1	-	371.70	14.73	40.62
15	TRF Limited	March 31	October 16, 1963	INR	37,53,275	5.79	34.11	1	-	(189.77)	-	(65.30)
16	YORK Transport Equipment (India) Private Limited	March 31	April 1, 2015	USD	5,01,80,267	55.95	100.00	1	-	64.64	-	12.47
17	YORK Transport Equipment (Asia) Pte Ltd	March 31	April 1, 2015	AUD	2,52,37,139	197.40	100.00	1	-	128.23	-	5.19
18	YORK Transport Equipment Pty Limited	March 31	April 1, 2015	BHT	3,31,00,000	-	100.00	1	-	(7.13)	-	0.26
19	YORK Sales (Thailand) Co. Ltd	March 31	April 1, 2015	RAND	19,600	0.84	100.00	1	-	19.53	-	0.59
20	YTE Transport Equipment (SA) Pty Limited	March 31	April 1, 2015	USD	1,00,000	0.15	100.00	1	-	0.66	-	0.41
21	Rednet Pte Ltd	March 31	April 1, 2015	Rupiah	2	-	100.00	1	-	(5.92)	-	(0.03)
22	PT YORK Engineering	March 31	April 1, 2015	USD	990	0.67	100.00	1	-	(1.88)	-	-
23	YTE Special Products Pte Ltd	March 31	April 1, 2015	RMB	2	-	100.00	1	-	5.49	-	(1.39)
24	Qingdao YTE Special Products Ltd	March 31	April 1, 2015	RMB	-	1.37	100.00	1	-	(22.50)	-	(4.09)
25	YORK Transport Equipment (Shanghai) Ltd	March 31	April 1, 2015	USD	-	19.55	100.00	1	-	16.52	-	(0.84)
26	Dutch Lanka Trailer Manufactures Limited	March 31	April 1, 2015	LKR	15,23,06,150	116.17	100.00	1	-	12.03	-	0.18
27	Dutch Lanka Engineering (Private) Limited	March 31	April 1, 2015	OMR	11,50,000	0.56	100.00	1	-	4.73	-	0.53
28	DLT LLC	March 31	April 1, 2015	GBP	1,05,000	1.48	70.00	1	-	1.51	-	-
29	Hewit Robins International Ltd	March 31	April 1, 2015	GBP	2,000	28.37	100.00	1	-	40.85	-	5.57
30	Hewit Robins International Holdings Ltd	March 31	April 1, 2015	SGD	200	58.68	100.00	1	-	0.68	-	-
31	TRF Singapore Pte Limited	March 31	April 1, 2015	USD	5,02,88,324	181.27	100.00	1	-	227.20	-	(2.94)
32	TRF Holdings Pte Limited	March 31	April 1, 2015	INR	1	0.00	100.00	1	-	(41.77)	-	(5.74)
33	Malusha Travels Pvt Ltd		August 5, 2014	INR	3,352	0.00	33.23	1	-	0.03	-	-
34	9336-0634 Quebec Inc		March 30, 2017	CAD	1	0.00	33.33	1	-	-	-	-

Notes:

1 Controls more than 20% of the total share capital.
2 Controls more than 20% of the total share capital and has significant influence over operational and financial decision making.
3 Insignificant influence on the financial and operating policy decisions.
4 More than 50% stake, instead considered as joint venture as there is less significant influence over the control of the entity.
5 Under the Ind AS regime, associate/joint venture of a subsidiary is also an indirect associate/joint venture & subsidiary of an associate/joint venture is also an indirect associate/joint venture.
@ No control over financial and operating policies and hence not considered for consolidation.
# The operations of the companies are not significant and hence are immaterial for consolidation.
* Closing rate as on March 31, 2018 has been considered for calculation.
** Companies are in liquidation

Names of associates or joint ventures which are yet to commence operations - NIL

Names of associates or joint ventures which have been liquidated or sold during the year :

1 Caparo Merchant Bar Plc
2 Tata Elastron Steel Service Centre SA
3 Industrial Rail Services Ijmond BV
4 Metal Corporation of India Limited
5 Aditya Automotive Applications Private Limited

For and on behalf of the Board of Directors

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/-
D. K. Mehrotra
Director
DIN: 00142711

sd/-
Saurabh Agrawal
Director
DIN: 02144558

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

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

sd/-
Parvatheesam K.
Company Secretary
ACS: 15921

Mumbai, May 16, 2018

ANNEXURE 9

Companies that have become/ceased to be Company's Subsidiaries, Joint Ventures or Associate Companies

The names of companies which have become Subsidiaries, Joint Ventures or Associate Companies during the year:

Sl. No	Name of the Company
Subsidiary	
1.	Jamshedpur Football and Sporting Private Limited
2.	Kalimati Global Shared Services Limited
3.	Sakchi Steel Limited
4.	Jugsalai Steel Limited
5.	Noamundi Steel Limited
6.	Straight Mile Steel Limited
7.	Bamnipal Steel Limited
8.	Bistupur Steel Limited
9.	Jamadoba Steel Limited
10.	Dimna Steel Limited
11.	Bhubaneshwar Power Private Limited*

The names of companies which have ceased to be Subsidiaries, Joint Ventures or Associate Companies during the year:

Sl. No	Name of the Company
Subsidiary	
1.	Blume Stahlservice Polska Sp.Z.O.O
2.	Ickles Cottage Trust Limited
3.	Speciality Steels UK Limited
4.	Stocksbridge Works Cottage Trust Limited
5.	Tata Steel Speciality Service Centre Suzhou Co. Limited
6.	Tata Steel Speciality Service Centre Xian Co. Limited
7.	B S Pension Fund Trustee Limited
8.	Eric Olsson & Soner Forvaltnings AB
9.	Skruv Erik AB
10.	Augusta Grundstücks GmbH
11.	Trierer Walzwerk Verwaltungsgesellschaft mbH
12.	Corus Beteiligungs GmbH
13.	Kalzip Inc
14.	Tata Steel Latvia Building Systems SIA
15.	Tata Steel International (Benelux) BV
Joint Venture	
1.	Caparo Merchant Bar Plc
2.	Tata Elastron Steel Service Center SA
3.	Industrial Rail Services IJmond BV
4.	Bhubaneshwar Power Private Limited*
Associate	
1.	Metal Corporation of India Limited
2.	Aditya Automotive Applications Private Limited

* On February 1, 2018, Bhubaneshwar Power Private Limited ceased to be a Joint Venture of the Company, pursuant to the acquisition of additional 74% equity stake and is now a subsidiary company.

On behalf of the Board of Directors

sd/-
N. CHANDRASEKARAN
Chairman
DIN: 00121863

Mumbai
May 16, 2018

ANNEXURE 10

Form No. MR-3

Secretarial Audit Report for the Financial Year Ended March 31, 2018

Pursuant to Section 204 (1) of the Companies Act, 2013

[Read with rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Tata Steel Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

(i) The Companies Act, 2013 ('**the Act**') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('**SCRA**') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('**SEBI Act**')

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

(vi) Other laws applicable specifically to the Company namely:

   1. The Mines Act, 1952 and the rules, regulations made thereunder.

   2. Mines and Minerals (Development & Regulation) Act, 1957 and the rules made thereunder.

   3. Air (Prevention and Control of Pollution) Act, 1981 and the rules and standards made thereunder.

   4. Water (Prevention and Control of Pollution) Act, 1974 and Water (Prevention and Control of Pollution) Rules, 1975

   5. Environment Protection Act, 1986 and the rules, notifications issued thereunder.

   6. Factories Act, 1948 and allied State Laws.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the Minutes of the Meetings.

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

However, during the period under review, SEBI vide Adjudication Order No. EAD-2/DSR/RG/869/2017 dated December 7, 2017, has imposed a monetary penalty of ₹10,00,000/- (Rupees Ten Lakh Only) on the Company for delayed disclosures under Regulation 13(3) read with Regulation 13(5) of the SEBI (Prohibition of Insider Trading) Regulations, 1992 in relation to the increase in the Company's shareholding in The Tinplate Company of India Limited pursuant to a rights issue of shares in 2009 and the automatic conversion of fully convertible debentures in 2011, which penalty has been paid by the Company.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

(1) The Company issued simultaneous but unlinked issue of (1) 15,53,94,550 fully paid shares of face value of ₹10 each on Rights basis to eligible ordinary shareholders of the Company for cash at a price of ₹510 per fully paid shares (including a premium of ₹500 per fully paid share) in the ratio of 4 fully paid share for every 25 ordinary shares held by eligible ordinary shareholders on February 1, 2018 (record date) and (2) 7,76,97,280 partly paid shares of face value ₹10 (paid-up ₹2.504 per share) each on a Rights basis to the eligible ordinary shareholders of the Company for cash at a price of ₹615 per partly paid share (including a premium of ₹605 per partly paid share) in the ratio of 2 partly paid shares for every 25 ordinary shares held by the eligible ordinary shareholders on the record date.

(2) The Company has executed a Memorandum of Understanding with thyssenkrup AG dated September 20, 2017, with the purpose of incorporating a 50:50 JV company in Netherlands, namely, thyssenkrupp Tata Steel AG. The JV would combine flat steel business of the Company and thyssenkrupp AG and the steel mills of thyssenkrupp AG.

(3) The Company has submitted the resolution plan for Bhushan Steel Limited ('**BSL**') under the corporate insolvency resolution process under Insolvency and Bankruptcy Code. The Committee of Creditors of BSL on March 22, 2018, declared Tata Steel to be a successful resolution applicant, subject to obtaining necessary regulatory approvals. Further, the National Company Law Tribunal (Principal Bench, New Delhi) vide its Order dated May 15, 2018, had approved the Resolution Plan submitted by Tata Steel Limited for acquiring the controlling stake of BSL.

For **Parikh & Associates**
Company Secretaries

sd/-
P. N. PARIKH
Partner
FCS No.: 327 CP No.: 1228

Place: Mumbai
Date: May 16, 2018

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

Annexure A

To,
The Members,
Tata Steel Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Whereever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Parikh & Associates**
Company Secretaries

sd/-
P. N. PARIKH
Partner
FCS No.: 327 CP No.: 1228

Place: Mumbai
Date: May 16, 2018

ANNEXURE 11

Form No. MGT 9

Extract of Annual Return as on March 31, 2018
Pursuant to Section 92(3) of the Companies Act, 2013
[Read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. Registration and other details

Company		
CIN	:	L27100MH1907PLC000260
Registration Date	:	August 26, 1907
Name	:	Tata Steel Limited
Category/Sub-category of the Company	:	Public listed company having share capital
Registered office address	:	Bombay House, 24 Homi Mody Street, Fort, Mumbai - 400 001
Contact details	:	Phone No. +91 22 6665 8282, Fax No. +91 22 6665 7724
Whether listed company – Yes/No	:	Yes
Registrar and Transfer Agent		
Name	:	TSR Darashaw Limited
Address	:	6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011
Contact details	:	Phone No. +91 22 6656 8484, Fax No. +91 22 6656 8494

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated.

Sl. No.	Name and Description of main products	NIC Code of the Products	% to total turnover of the Company
1	Manufacturing of steel and steel products	330	89%

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and address of the Company	Holding (%)
Subsidiary Companies (Pursuant to Section 2(87)(ii) of Companies Act, 2013)		
1.	ABJA Investment Co. Pte Ltd. 22 Tanjong Kling Road, Singapore 628048	100.00
2.	Adityapur Toll Bridge Company Limited Aiada Vikash Bhawan, Adityapur, Jamshedpur - 831 013 CIN: U45201JH1996PLC007124	88.50
3.	Tata Steel Special Economic Zone Limited 2-B Fortune Towers, Chandrasekharpur, Bhubaneswar - 751 023 CIN: U45201OR2006PLC008971	100.00
4.	Indian Steel & Wire Products Ltd Flat 7 D & E, 7th Floor, Everest House, 46 C Chowringhee Road, Kolkata - 700 071 CIN: U27106WB1935PLC008447	95.01
5.	Jamshedpur Utilities & Services Company Limited Sakchi Boulevard Road, Northern Town, Bistupur, Jamshedpur - 831 001 CIN: U45200JH2003PLC010315	100.00
6.	Haldia Water Management Limited Shakti Palace, Plot No 492 (Old) & 784 (New), 2nd Floor, Mouza, Khanjanchak Haldia - 721 602, West Bengal CIN: U74140WB2008PLC126534	60.00
7.	Kalimati Global Shared Services Limited 1st Floor, Tata Centre, 43 Jawaharlal Nehru Road, Kolkata – 700 071 CIN: U74999WB2018PLC224208	100.00

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Sl. No.	Name and address of the Company	Holding (%)
Subsidiary Companies (Pursuant to Section 2(87)(ii) of Companies Act, 2013)		
8.	Mohar Export Services Pvt Ltd Bank of Baroda Bldg, Bombay Samachar Marg, Mumbai - 400 001 CIN: U51900MH1988PTC049518	66.46
9.	NatSteel Asia Pte. Ltd. 22 Tanjong Kling Road, Singapore 628048	100.00
10.	TS Asia (Hong Kong) Ltd. Room 807, 8/F, Tower 1, Enterprise Square 1, No. 9 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong	100.00
11.	Rujuvalika Investments Limited Bombay House 3rd Flr, 24 Homi Mody Street, Mumbai - 400 001 CIN: U67120MH1988PLC049872	100.00
12.	T S Alloys Limited N-3/24, IRC Village, Nayapalli, Bhubaneswar - 751 015 (Odisha) CIN: U27109OR2004PLC009683	100.00
13.	Tata Korf Engineering Services Ltd Tandem Apartment, 3rd Floor, Flat No.14, 52E, Ballygunge, Circular Road, Kolkata - 700 019 CIN: U74210WB1985PLC039675	100.00
14.	Tata Metaliks Ltd. Tata Centre, 10th Floor, 43, J L Nehru Road, Kolkata - 700 071 CIN: L27310WB1990PLC050000	50.09
15.	Tata Sponge Iron Limited P.O. Joda, Dist- Keonjhar, Odisha - 758 034 CIN: L27102OR1982PLC001091	54.50
16.	TSIL Energy Limited Tata Sponge Administrative Building, Bileipada, P.O. Baneikala, Odisha - 758 038 CIN: U40109OR2012PLC016232	100.00
17.	Tata Steel (KZN) (Pty) Ltd. 22 Bronze Bar Road, Alton North, Richards Bay - 3900, South Africa	90.00
18.	T Steel Holdings Pte. Ltd. 22 Tanjong Kling Road, Singapore 628048	100.00
19.	T S Global Holdings Pte. Ltd. 22 Tanjong Kling Road, Singapore 628048	100.00
20.	Orchid Netherlands (No.1) B.V. Wenckebachstraat 1, 1951 Jz, Velsen-Noord, Netherlands	100.00
21.	NatSteel Holdings Pte. Ltd. 22 Tanjong Kling Road, Singapore 628048	100.00
22.	Easteel Services (M) Sdn. Bhd. Suite 6.1A, Level 6, Menara Pelangi, Jalan Kuning, Taman Pelangi, 80400 Johor Bahru, Johor, Malaysia	100.00
23.	Eastern Steel Fabricators Philippines, Inc. 212 Barrio Bagbaguin, Meycauayan, Bulacan, Philippines	67.00
24.	NatSteel (Xiamen) Ltd. No. 19, Jiangang Road, Haicang South Industrial District, Xiamen, Fujian Province, People's Republic of China, Postcode 361026	100.00
25.	NatSteel Recycling Pte Ltd. 22 Tanjong Kling Road, Singapore 628048	100.00
26.	NatSteel Trade International (Shanghai) Company Ltd. Room No. 328, No. 500 Bingke Road, Wai Gaoqiao Free Trade Zone, Pudong, Shanghai, People's Republic of China	100.00
27.	NatSteel Trade International Pte. Ltd. 22, Tanjong Kling Road, Singapore 628048	100.00
28.	NatSteel Vina Co. Ltd. Luu Xa, Cam Gia Ward, Thai Nguyen City, Thai Nguyen Province, Vietnam	56.50
29.	The Siam Industrial Wire Company Ltd. 14th Floor, Rasa Tower, 555 Phaholyothin Road, Kwaeng Chatuchak, Khet Chatuchak, Bangkok 10900 Thailand	100.00
30.	TSN Wires Co., Ltd. 14th Floor, Rasa Tower, 555 Phaholyothin Road, Kwaeng Chatuchak, Khet Chatuchak, Bangkok 10900 Thailand	60.00
31.	Tata Steel Europe Limited 30 Millbank, London, SW1P 4WY	100.00

Sl. No.	Name and address of the Company	Holding (%)
Subsidiary Companies (Pursuant to Section 2(87)(ii) of Companies Act, 2013)		
32.	Apollo Metals Limited 14th Avenue, Bethlehem, 18018-0045, USA	100.00
33.	Automotive Laser Technologies Limited 30 Millbank, London, SW1P 4WY	100.00
34.	Beheermaatschappij Industriele Produkten B.V. Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
35.	Bell & Harwood Limited 30 Millbank, London, SW1P 4WY	100.00
36.	Blastmega Limited 30 Millbank, London, SW1P 4WY	100.00
37.	Blume Stahlservice GmbH Umschlag 10, Mulheim 45478, Germany	100.00
38.	Bore Samson Group Limited 30 Millbank, London, SW1P 4WY	100.00
39.	Bore Steel Limited 30 Millbank, London, SW1P 4WY	100.00
40.	British Guide Rails Limited 30 Millbank, London, SW1P 4WY	100.00
41.	British Steel Corporation Limited 30 Millbank, London, SW1P 4WY	100.00
42.	British Steel Directors (Nominees) Limited 30 Millbank, London, SW1P 4WY	100.00
43.	British Steel Engineering Steels (Exports) Limited 30 Millbank, London, SW1P 4WY	100.00
44.	British Steel Nederland International B.V. Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
45.	British Steel Service Centres Limited 30 Millbank, London, SW1P 4WY	100.00
46.	British Tubes Stockholding Limited 30 Millbank, London, SW1P 4WY	100.00
47.	C V Benine Schenkkade 65, 2595 AS Den Haag, Netherlands	76.92
48.	C Walker & Sons Limited 30 Millbank, London, SW1P 4WY	100.00
49.	Catnic GmbH Am Leitzenbach 16, 74889 Sinsheim, Germany	100.00
50.	Catnic Limited 30 Millbank, London, SW1P 4WY	100.00
51.	CBS Investissements SAS Rue Geo Lufbery, Chauny 02300, France	100.00
52.	Cogent Power Inc. 845 Laurentian Drive, Burlington, Ontario, Canada L7N 3W7	100.00
53.	Tata Steel Mexico SA de CV Avenida ING. Armando Birlain Shaffler No 2001 Corporatiave Central Park, Torre 1, 16 PSO C, Col Centro Sur, Querenturo, Cp 76090 Mexico	100.00
54.	Cogent Power Inc. c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, New Castle County, USA	100.00
55.	Cogent Power Limited Orb Works, Stephenson Street, Newport, Gwent, NP19 0RB	100.00
56.	Color Steels Limited 30 Millbank, London, SW1P 4WY	100.00
57.	Corbeil Les Rives SCI Rue Decauville, Corbeil Essonnes 91100, France	67.30
58.	Corby (Northants) & District Water Company Limited C/o TSUK, PO Box 101, Weldon Road, Corby, Northamptonshire, NN17 5UA	100.00

TATA STEEL

Sl. No.	Name and address of the Company	Holding (%)
Subsidiary Companies (Pursuant to Section 2(87)(ii) of Companies Act, 2013)		
59.	Cordor (C& B) Limited 30 Millbank, London, SW1P 4WY	100.00
60.	Corus Aluminium Verwaltungsgesellschaft Mbh Am Trippelsberg 48, Dusseldorf 40589, Germany	100.00
61.	Corus Building Systems Bulgaria AD 1, Grivishkoshose, Pleven 5800, Bulgaria	65.00
62.	Corus CNBV Investments 30 Millbank, London, SW1P 4WY	100.00
63.	Corus Cold drawn Tubes Limited 30 Millbank, London, SW1P 4WY	100.00
64.	Corus Engineering Steels (UK) Limited 30 Millbank, London, SW1P 4WY	100.00
65.	Corus Engineering Steels Holdings Limited 30 Millbank, London, SW1P 4WY	100.00
66.	Corus Engineering Steels Limited 30 Millbank, London, SW1P 4WY	100.00
67.	Corus Engineering Steels Overseas Holdings Limited 30 Millbank, London, SW1P 4WY	100.00
68.	Corus Engineering Steels Pension Scheme Trustee Limited 30 Millbank, London, SW1P 4WY	100.00
69.	Corus Group Limited 30 Millbank, London, SW1P 4WY	100.00
70.	Corus Holdings Limited 15 Atholl Crescent, Edinburgh, EH3 8HA	100.00
71.	Corus International (Overseas Holdings) Limited 30 Millbank, London, SW1P 4WY	100.00
72.	Corus International Limited 30 Millbank, London, SW1P 4WY	100.00
73.	Corus International Romania SRL. Bucaresti, Sector 1, Calea Floreasca, Nr. 169A, Corp A, Etaj 4, Birou 2038, Romania	100.00
74.	Corus Investments Limited 30 Millbank, London, SW1P 4WY	100.00
75.	Corus Ireland Limited KPMG, 1 Stokes Place, St Stephens Green, Dublin 2, Ireland	100.00
76.	Corus Large Diameter Pipes Limited 30 Millbank, London, SW1P 4WY	100.00
77.	Corus Liaison Services (India) Limited 30 Millbank, London, SW1P 4WY	100.00
78.	Corus Management Limited 30 Millbank, London, SW1P 4WY	100.00
79.	Corus Primary Aluminium B.V. Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
80.	Corus Property 30 Millbank, London, SW1P 4WY	100.00
81.	Corus Service Centre Limited 30 Millbank, London, SW1P 4WY	100.00
82.	Corus Steel Service STP LLC 34, Letter A, 9-th line, V.O., Saint Petersburg, 199004, Business centre 'Magnus', Saint Petersburg	100.00
83.	Corus Tubes Poland Spolka Z.O.O Ul. Grabiszynska, Wroclaw 43-234, Poland	100.00
84.	Corus UK Healthcare Trustee Limited 30 Millbank, London, SW1P 4WY	100.00
85.	Corus Ukraine Limited Liability Company Office 16, Building 11/23B, Chekhivskiy Provulok/Vorovskogo Street, 01054 Kiev, Ukraine	100.00
86.	CPN (85) Limited 30 Millbank, London, SW1P 4WY	100.00

Sl. No.	Name and address of the Company	Holding (%)
Subsidiary Companies (Pursuant to Section 2(87)(ii) of Companies Act, 2013)		
87.	Crucible Insurance Company Limited 35/37, Athol Street, Douglas, Isle of Man	100.00
88.	Degels GmbH Am Trippelsberg 48, Dusseldorf 40589, Germany	100.00
89.	Demka B.V. Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
90.	DSRM Group Plc. 30 Millbank, London, SW1P 4WY	100.00
91.	Esmil B.V. Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
92.	Europressings Limited 30 Millbank, London, SW1P 4WY	100.00
93.	Firsteel Group Limited 30 Millbank, London, SW1P 4WY	100.00
94.	Firsteel Holdings Limited 30 Millbank, London, SW1P 4WY	100.00
95.	Fischer Profil GmbH Waldstrasse 67, 57250 Netphen, Germany	100.00
96.	Gamble Simms Metals Limited Tata Steel Service Centre, Steel House, Bluebell Industrial Estate, Bluebell Avenue, Dublin 12	100.00
97.	Grant Lyon Eagre Limited 30 Millbank, London, SW1P 4WY	100.00
98.	H E Samson Limited 30 Millbank, London, SW1P 4WY	100.00
99.	Hadfields Holdings Limited 30 Millbank, London, SW1P 4WY	62.50
100.	Halmstad Steel Service Centre AB C/o Hannes Snellman Advokatbyra AB, Box 7801, 103 96 Stockholm, Sweden	100.00
101.	Hammermega Limited 30 Millbank, London, SW1P 4WY	100.00
102.	Harrowmills Properties Limited 30 Millbank, London, SW1P 4WY	100.00
103.	Hille & Muller GmbH Am Trippelsberg 48, Dusseldorf 40589, Germany	100.00
104.	Hille & Muller USA Inc. Delaware Avenue N.W., Warren, 44485 Ohio, USA	100.00
105.	Hoogovens USA Inc. 475 N. Martingale Road, Suite 400 Schaumburg, IL 60173 USA	100.00
106.	Huizenbezit "Breesaap" B.V. Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
107.	Inter Metal Distribution SAS 3 Allee des Barbanniers, 92632 Gennevilliers Cedex, France	100.00
108.	Kalzip Asia Pte Limited 25 Pioneer Crescent, Singapore 628554	100.00
109.	Kalzip FZE PO Box 18294, Jebel Ali, Dubai, UAE	100.00
110.	Kalzip GmbH August Horchstrasse 20-22, Koblenz 56070, Germany	100.00
111.	Kalzip GmbH Gusshausstrasse 4, Wien 1040, Austria	100.00
112.	Kalzip India Private Limited Unit 310, 3rd Floor, Vipul Agora Building, M.G. Road, Gurgaon, Delhi - 122002 CIN: U28920HR1960PTC043655	100.00
113.	Kalzip Italy SRL Via Santa Radegonda 11, Milan, 20121, Italy	100.00
114.	Kalzip Limited Haydock Lane, Haydock, St. Helens, Merseyside, WA11 9TY	100.00

Sl. No.	Name and address of the Company	Holding (%)
Subsidiary Companies (Pursuant to Section 2(87)(ii) of Companies Act, 2013)		
115.	Kalzip Spain S.L.U. Rosario Pino, 14-16, Torre Rioja, 28020 Madrid, Spain	100.00
116.	Layde Steel S.L. Eguskitza 11, E-48200 Durango, Spain	100.00
117.	Lister Tubes Limited Tata Steel Service Centre, Steel House, Bluebell Industrial Estate, Bluebell Avenue, Dublin 12	100.00
118.	London Works Steel Company Limited 30 Millbank, London, SW1P 4WY	100.00
119.	Midland Steel Supplies Limited 30 Millbank, London, SW1P 4WY	100.00
120.	Montana Bausysteme AG Durisolstrasse 11, Villmergen 5612, Switzerland	100.00
121.	Naantali Steel Service Centre OY Eteläesplanadi 20, 00130 Helsinki, Finland	100.00
122.	Nationwide Steelstock Limited 30 Millbank, London, SW1P 4WY	100.00
123.	Norsk Stal Tynnplater AS Habornveien 60, PO Box 1403, N 1631 Gamle Fredrikstad, Norway	100.00
124.	Norsk Stal Tynnplater AB P.O.B 17544 S-20010 Malmo, Sweden	100.00
125.	Orb Electrical Steels Limited Orb Works, Stephenson Street, Newport, NP19 0RB	100.00
126.	Ore Carriers Limited 30 Millbank, London, SW1P 4WY	100.00
127.	Oremco Inc. 60 E42 Street, New York 10165, USA	100.00
128.	Plated Strip (International) Limited 30 Millbank, London, SW1P 4WY	100.00
129.	Precoat International Limited 30 Millbank, London, SW1P 4WY	100.00
130.	Precoat Limited 30 Millbank, London, SW1P 4WY	100.00
131.	Rafferty-Brown Steel Co Inc Of Conn. 2711 Centerville Road, Ste 400 Wilmington, 19808 USA	100.00
132.	Round Oak Steelworks Limited 30 Millbank, London, SW1P 4WY	100.00
133.	Runblast Limited 30 Millbank, London, SW1P 4WY	100.00
134.	Runmega Limited 30 Millbank, London, SW1P 4WY	100.00
135.	S A B Profiel B.V. Produktieweg 2, 3401 MG IJsselstein, Netherlands	100.00
136.	S A B Profil GmbH Industriestrasse 13, Niederaula, 36272 Germany	100.00
137.	Seamless Tubes Limited 30 Millbank, London, SW1P 4WY	100.00
138.	Service Center Gelsenkirchen GmbH Am Trippelsberg 48, Dusseldorf 40589, Germany	100.00
139.	Service Centre Maastricht B.V. P O BOX 3040, 6202 NA Maastricht, Netherlands	100.00
140.	Societe Europeenne De Galvanisation (Segal) Sa Chassee de Ramioul 50, Flemalle, Ivoz Ramet, 4400 Belgium	100.00
141.	Staalverwerking en Handel B.V. Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
142.	Steel StockHoldings Limited 30 Millbank, London, SW1P 4WY	100.00

Sl. No.	Name and address of the Company	Holding (%)
Subsidiary Companies (Pursuant to Section 2(87)(ii) of Companies Act, 2013)		
143.	Steelstock Limited 30 Millbank, London, SW1P 4WY	100.00
144.	Stewarts & Lloyds Of Ireland Limited 1 Stokes Place, St Stephen's Green, Dublin 2, Ireland	100.00
145.	Stewarts And Lloyds (Overseas) Limited 30 Millbank, London, SW1P 4WY	100.00
146.	Surahammar Bruks AB Box 201, SE-735 23, Surahammar, Sweden	100.00
147.	Swinden Housing Association Limited Swinden House, Moorgate, Rotherham, S60 3AR, UK	100.00
148.	Tata Steel Belgium Packaging Steels N.V. Walemstraat 38, Duffel 2570, Belgium	100.00
149.	Tata Steel Belgium Services N.V. Coremansstraat 34, Berchem 2600, Belgium	100.00
150.	Tata Steel Denmark Byggsystemer A/S Kaarsbergsvej 2, DK-8400 Ebeltoft, Denmark	100.00
151.	Tata Steel Europe Distribution BV Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
152.	Tata Steel Europe Metals Trading BV Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
153.	Tata Steel France Batiment et Systemes SAS Rue Geo Lufbery, BP 103, Chauny 02301, France	100.00
154.	Tata Steel France Holdings SAS 3, Allee des Barbanniers, Gennevilliers 92632, France	100.00
155.	Tata Steel Germany GmbH Am Trippelsberg 48, Dusseldorf 40589, Germany	100.00
156.	Tata Steel IJmuiden BV Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
157.	Tata Steel International (Americas) Holdings Inc Wilmington Trust SP Services Inc. 1105 North Market Place, Wilmington, DE 19899, USA	100.00
158.	Tata Steel International (Americas) Inc 475 N. Martingale Road, Suite 400 Schaumburg, IL 60173 USA	100.00
159.	Tata Steel International (Canada) Holdings Inc Dentons Canada LLP, 1 Place Villa-Marie, Suite 3900, Montreal, Quebec, Canada H3B 4M7	100.00
160.	Tata Steel International (Czech Republic) S.R.O 1st Floor, Mala Stepanska 9, 120 00 Prague 2, Czech Republic	100.00
161.	Tata Steel International (Denmark) A/S Frederiksborgvej 23, 3520 Farum, Denmark	100.00
162.	Tata Steel International (Finland) OY Hitsaajankatu 22, 00810 Helsinki, Finland	100.00
163.	Tata Steel International (France) SAS 3, Allee des Barbanniers, Gennevilliers 92632, France	100.00
164.	Tata Steel International (Germany) GmbH Am Trippelsberg 48, Dusseldorf 40589, Germany	100.00
165.	Tata Steel International (South America) Representações LTDA Santiago & Amboulos Advogados, AV. Rio Branco, 45-10 Andar, Grupo 1013 Centro - Rio De Janiero - RJ CEP 20090-003	100.00
166.	Tata Steel International Hellas SA 5 Pigis Avenue, Melissia, Athens, Greece	100.00
167.	Tata Steel International (Italia) SRL Via G.G. Winckelmann 2, Milano 20146, Italy	100.00
168.	Tata Steel International (Middle East) FZE PO Box 18294, Jebel Ali, Dubai, UAE	100.00
169.	Tata Steel International (Nigeria) Ltd. Block 69 A. Plot 8, Admiralty Way, Lekki, Phase 1, Lagos, Nigeria	100.00
170.	Tata Steel International (Poland) sp Zoo Ul. Piastowska 7, 40-005 Katowice, Poland	100.00

TATA STEEL

Sl. No.	Name and address of the Company	Holding (%)
Subsidiary Companies (Pursuant to Section 2(87)(ii) of Companies Act, 2013)		
171.	Tata Steel International (Schweiz) AG Wartenbergstrasse 40, Basel 4052, Switzerland	100.00
172.	Tata Steel International (Sweden) AB Barlastgatan 2, SE-414 63 Goteborg, Sweden	100.00
173.	Tata Steel International (India) Limited 3rd Floor, One Forbes, Dr. V. B. Gandhi Marg Fort, Mumbai 400001 CIN: U74900MH2005PLC151710	100.00
174.	Tata Steel International Iberica SA Rosario Pino 14-16 Torre Rioja 28020 Madrid, Spain	100.00
175.	Tata Steel Istanbul Metal Sanayi ve Ticaret AS Elmadag Harbiye Mahallesi Cumhuriyet Caddesi, 48 Pegasus Evi Kat:7/5 Sisli, Istanbul, Turkey	100.00
176.	Tata Steel Maubeuge SAS 22, Avenue Abbe Jean de Beco, Louvroil 59720, France	100.00
177.	Tata Steel Nederland BV Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
178.	Tata Steel Nederland Consulting & Technical Services BV Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
179.	Tata Steel Nederland Services BV Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
180.	Tata Steel Nederland Star-Frame BV Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
181.	Tata Steel Nederland Technology BV Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
182.	Tata Steel Nederland Tubes BV Souvereinstraat 33, 4903 RH Oosterhout, Netherlands	100.00
183.	Tata Steel Netherlands Holdings B.V. Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
184.	Tata Steel Norway Byggsystemer A/S Roraskogen 2, N 3739 Skien, Norway	100.00
185.	Tata Steel Sweden Byggsystem AB Haldelsvagen, 4 30230 Halmstad, Sweden	100.00
186.	Tata Steel UK Consulting Limited 30 Millbank, London, SW1P 4WY	100.00
187.	Tata Steel UK Holdings Limited 30 Millbank, London, SW1P 4WY	100.00
188.	Tata Steel UK Limited 30 Millbank, London, SW1P 4WY	100.00
189.	Tata Steel USA Inc. 475 N Martingale Road, Suite 400, Schaumburg 60173, USA	100.00
190.	The Newport And South Wales Tube Company Limited 30 Millbank, London, SW1P 4WY	100.00
191.	The Stanton Housing Company Limited 30 Millbank, London, SW1P 4WY	100.00
192.	The Templeborough Rolling Mills Limited 30 Millbank, London, SW1P 4WY	100.00
193.	Thomas Processing Company Delaware Avenue N.W., Warren, 44485 Ohio, USA	100.00
194.	Thomas Steel Strip Corp. Delaware Avenue N.W., Warren, 44485 Ohio, USA	100.00
195.	Toronto Industrial Fabrications Limited 30 Millbank, London, SW1P 4WY	100.00
196.	TS South Africa Sales Office Proprietary Limited Komogelo Suite A1 & B1 Lakefield Avenue, Lakefield, Benoni South Africa	100.00
197.	Tulip UK Holdings (No. 2) Limited 30 Millbank, London, SW1P 4WY	100.00
198.	Tulip UK Holdings (No. 3) Limited 30 Millbank, London, SW1P 4WY	100.00

Sl. No.	Name and address of the Company	Holding (%)
Subsidiary Companies (Pursuant to Section 2(87)(ii) of Companies Act, 2013)		
199.	U.E.S. Bright Bar Limited 30 Millbank, London, SW1P 4WY	100.00
200.	UK Steel Enterprise Limited The Innovation Centre 217 Portobello, Sheffield S1 4DP	100.00
201.	UKSE Fund Managers Limited The Innovation Centre 217 Portobello, Sheffield S1 4DP	100.00
202.	Unitol SAS 1 Rue Fernand Raynaud, Corbeil Essonnes 91814, France	100.00
203.	Walker Manufacturing And Investments Limited 30 Millbank, London, SW1P 4WY	100.00
204.	Walkersteelstock Ireland Limited Tata Steel Service Centre, Steel House, Bluebell Industrial Estate, Bluebell Avenue, Dublin 12	100.00
205.	Walkersteelstock Limited 30 Millbank, London, SW1P 4WY	100.00
206.	Westwood Steel Services Limited 30 Millbank, London, SW1P 4WY	100.00
207.	Whitehead (Narrow Strip) Limited 30 Millbank, London, SW1P 4WY	100.00
208.	T S Global Minerals Holdings Pte Ltd. 22 Tanjong Kling Road Singapore 628048	100.00
209.	Al Rimal Mining LLC P O Box 54, Muscat, Sultanate of Oman, Postal Code 100	70.00
210.	Black Ginger 461 (Proprietary) Ltd. 39, Ferguson Road, Illovo 2196, Johannesburg, South Africa	100.00
211.	Kalimati Coal Company Pty. Ltd. Level 1, 12 Creek Street, Brisbane Qld 4000	100.00
212.	Sedibeng Iron Ore Pty. Ltd. 39, Ferguson Road, Illovo 2196, Johannesburg, South Africa	64.00
213.	Tata Steel Cote D'ivoire S.A Lot 50, Ilot 4, Cocody Mermoz, 01 Po Box 5871 Abidjan 01	85.00
214.	TSMUK Limited 18 Grosvenor Place, London.SW1X 7HS	100.00
215.	Tata Steel Minerals Canada Limited Park Place, 666 Burrard Street, Suite 1700, Vancouver, BC V6C 2X8	77.68
216.	T S Canada Capital Limited Park Place, 666 Burrard Street, Suite 1700, Vancouver, BC V6C 2X8	100.00
217.	Tata Steel International (Singapore) Holdings Pte. Ltd. 22 Tanjong Kling Road, Singapore 628048	100.00
218.	TSIA Holdings (Thailand) Limited No. 179/60-62, Bangkok City Tower, 13th Floor, South Sathorn Road, Thungmahamek Sub-District, Sathorn District, Bangkok Metropolis 10120	100.00
219.	Tata Steel International (Shanghai) Ltd. Room 2006, No. 568 Hengfeng Road, Zhabei District, 200070, Shanghai, China	100.00
220.	Tata Steel International (Thailand) Limited No. 179/60-62, Bangkok City Tower, 13th Floor, South Sathorn Road, Thungmahamek Sub-District, Sathorn District, Bangkok Metropolis 10120	100.00
221.	Tata Steel International (Singapore) Pte. Ltd. 22 Tanjong Kling Road, Singapore 628048	100.00
222.	Tata Steel International (Asia) Limited Unit 603B, Empire Centre, 68 Mody Road, Tsim Sha Tsui East, Kow Loon, Hong Kong	100.00
223.	Tata Steel (Thailand) Public Company Ltd. 555 Rasa Tower 2, 20th Floor, Phaholyothin Road, Chatuchak, Bangkok 10900, Thailand	67.90
224.	N.T.S Steel Group Plc. No. 351, Moo 6, 331 Highway, Hemaraj Chonburi Industrial Estate, Bowin, Sriracha, Chonburi 20230, Thailand	99.76
225.	The Siam Construction Steel Co. Ltd. Plot 1-23, Map Ta Phut Industrial Estate, Amphur Muang, Rayong 21150, Thailand	99.99

TATA STEEL

Sl. No.	Name and address of the Company	Holding (%)
Subsidiary Companies (Pursuant to Section 2(87)(ii) of Companies Act, 2013)		
226.	The Siam Iron And Steel (2001) Co. Ltd. No. 49 Moo 11, Tambon Bang Khamode, Ampher Ban Mor, Saraburi 18270, Thailand	99.99
227.	T S Global Procurement Company Pte. Ltd. 22 Tanjong Kling Road Singapore 628048	100.00
228.	ProCo Issuer Pte. Ltd. 22 Tanjong Kling Road Singapore 628048	100.00
229.	Tata Steel Odisha Limited Bombay House, 24, Homi Mody Street, Fort, Mumbai - 400 001 CIN: U27310MH2012PLC232512	100.00
230.	Tata Steel Processing and Distribution Limited Tata Centre, 43 Chowringhee Road, Kolkata-700 071 CIN: U27109WB1997PLC084005	100.00
231.	Tayo Rolls Limited 3 Circuit House Area (North-East), Road No 11 PO & PS – Bistupur, Jamshedpur – 831 001 CIN: L27105JH1968PLC000818	54.91
232.	The Tata Pigments Limited Sakchi Boulevard, Jamshedpur - 831 002 CIN: U24100JH1983PLC001836	100.00
233.	The Tinplate Company of India Ltd 4, Bankshall Street, Kolkata-700 001 CIN: L28112WB1920PLC003606	74.96
234.	Tata Steel Foundation 6th Floor, One Forbes, No. 1, Dr. V. B. Gandhi Marg, Fort, Mumbai - 400 001 CIN: U85300MH2016NPL284815	100.00
235.	Jamshedpur Football and Sporting Private Limited 6th Floor, One Forbes, No. 1, Dr. V. B. Gandhi Marg, Fort, Mumbai - 400 001 CIN: U92490MH2017PTC297047	100.00
236.	Sakchi Steel Limited Tarapur Complex, Plot No. F8, MIDC, Tarapur Industrial Area, Palghar, 401 506 CIN: U27310MH2018PLC304205	100.00
237.	Jugsalai Steel Limited Tarapur Complex, Plot No. F8, MIDC, Tarapur Industrial Area, Palghar, 401 506 CIN: U27109MH2018PLC304352	100.00
238.	Noamundi Steel Limited Tarapur Complex, Plot No. F8, MIDC, Tarapur Industrial Area, Palghar, 401506 CIN: U27320MH2018PLC304346	100.00
239.	Straight Mile Steel Limited Tarapur Complex, Plot No. F8, MIDC, Tarapur Industrial Area, Palghar, 401 506 CIN: U27300MH2018PLC304187	100.00
240.	Bamnipal Steel Limited Tarapur Complex, Plot No. F8, MIDC, Tarapur Industrial Area, Palghar, 401 506 CIN: U27310MH2018PLC304494	100.00
241.	Bistupur Steel Limited Tarapur Complex, Plot No. F8, MIDC, Tarapur Industrial Area, Palghar, 401 506 CIN: U27310MH2018PLC304376	100.00
242.	Jamadoba Steel Limited Tarapur Complex, Plot No. F8, MIDC, Tarapur Industrial Area, Palghar, 401 506 CIN: U27109MH2018PLC304486	100.00
243.	Dimna Steel Limited Tarapur Complex, Plot No. F8, MIDC, Tarapur Industrial Area, Palghar, 401 506 CIN: U27209MH2018PLC304623	100.00
244.	Bhubaneshwar Power Private Limited Golden Edifice, 1st Floor, Opp: Visweswaraya Statue, Khairatabad Circle, Hyderabad - 500 004 CIN: U40109TG2006PTC050759	100.00

Sl. No.	Name and address of the Company	Holding (%)
Associate Companies (Pursuant to Section 2(6) of Companies Act, 2013)		
1.	Kalinga Aquatic Ltd 259, Sipasurubali, Puri, Odisha CIN: U05004OR1989PLC002356	30.00
2.	Kumardhubi Fireclay & Silica Works Ltd Chartered Bank Building, 4, Netaji Subhash Road, Kolkata, West Bengal - 700 001 CIN: U45209WB1915PLC002601	27.78
3.	Kumardhubi Metal Casting and Engineering Limited Xlri Campus, Circuit House, Area, Jamshedpur, Jharkhand - 831 001 CIN: U27100JH1983PLC001890	49.31
4.	Strategic Energy Technology Systems Private Limited 24, Bombay House, First Floor, Homi Mody Street, Mumbai - 400 001 CIN: U72900MH2006PTC163193	25.00
5.	Tata Construction & Projects Ltd. 6 A Middleton Street, Kolkata - 700 071	27.19
6.	TRL Krosaki Refractories Limited PO: Belpahar, Dist. - Jharsuguda, Odisha - 768 218, India CIN: U26921OR1958PLC000349	26.62
7.	TRF Limited 11, Station Road, Burmamines, Jamshedpur - 831 007, Jharkhand CIN: L74210JH1962PLC000700	34.11
8.	TRF Singapore Pte Limited 6 Battery Road, #10-01, Singapore - 049906	100.00
9.	TRF Holdings Pte Limited 6 Battery Road, #10-01, Singapore - 049906	100.00
10.	York Transport Equipment (Asia) Pte Ltd No.5, Tuas Avenue 6,Singapore 639295	100.00
11.	York Transport Equipment (India) Private Limited Gat no. 537 & 538, Badhalwadi,Vill. Navlakh Umbre, Near Talegaon MIDC,Tal. Maval, Dist. Pune - 410507 CIN: U60200PN2008FTC146906	100.00
12.	York Transport Equipment Pty Limited 13 Monterey Road, Dandenong, Victoria 3175	100.00
13.	York Sales (Thailand) Co. Ltd 2101 Moo 1, Old Railway Road, Samrong Nua, Muang Samutprakarn 10270	100.00
14.	YTE Transport Equipment (SA) (Pty) Ltd 51 Todd Avenue, Villieria 0186 Pretoria, South Africa	100.00
15.	Rednet Pte Ltd 122 Pioneer Road, Singapore 639583	100.00
16.	PT York Engineering Ruko Bukit Beruntung, Block C-2 Batam, Indonesia	100.00
17.	YTE Special Products Pte. Limited No.5, Tuas Avenue 6,Singapore 639295	100.00
18.	Qingdao YTE Special Products Ltd No.18 Huishi Road Licang District, Qingdao, China 266100	100.00
19.	York Transport Equipment (Shanghai) Ltd Building 2,NO 299 Yuanxi Road,Nanhui Industrial District, Shanghai,China	100.00
20.	Dutch Lanka Trailer Manufactures Limited Nattandiya Road, Dankotuwa, Sri Lanka	100.00
21.	Dutch Lanka Engineering (Private) Limited No. 575, 1st Floor, Orumix Building, Nawala Road, Rajagiriya, Sri Lanka	100.00
22.	DLT LLC PO Box 453, PC 217, Salalah, Al-Awqdain, Sultanate of Oman	70.00
23.	Hewitt Robins International Ltd Huntingdon Court, Huntingdon Way, Measham, Derbyshire, DE127NQ,U.K	100.00
24.	Hewitt Robins International Holdings Ltd Huntingdon Court, Huntingdon Way, Measham, Derbyshire, DE127NQ,U.K	100.00
25.	Malusha Travels Pvt Ltd Bank of Baroda Bldg, Bombay Samachar Marg, Mumbai-400 001, Maharashtra CIN: U63040MH1988PTC049514	33.23

TATA STEEL

Sl. No.	Name and address of the Company	Holding (%)
Associate Companies (Pursuant to Section 2(6) of Companies Act, 2013)		
26.	European Profiles (M) Sdn. Bhd. C-19-3a, Dataran 32, No. 2, Jalan 19/1, 46300 Petaling Jaya, Selangor Darul Ehsan	20.00
27.	Albi Profils SRL Zone Industrielle D'albi-Jarlard, Rue Lebon, 8100 Albi, France	30.00
28.	GietWalsOnderhoudCombinatie B.V. Staalstraat 150, 1951 Jp Velsen-Noord, Netherlands	50.00
29.	Hoogovens Gan Multimedia S.A. De C.V. Zaragoza 1300, Sur 6400, Monterrey, 82235, Mexico	50.00
30.	ISSB Limited Corinthian House, 17 Lansdowne Road, Croydon, Greater London, England, CR0 2BX	50.00
31.	Wupperman Staal Nederland B.V. Vlasweg 19, 4782 PW Moerdijk, Netherlands	30.00
32.	New Millennium Iron Corp. 1000 - 250 2nd Street SW, Calgary AB, Canada	26.18
33.	9336-0634 Québec Inc 720-900 BOUL. René-Lévesque Est, Québec, G1R2B5, Canada	33.33
34.	Fabsec Limited 1st floor, Unit 3 Calder Close, Calder Business Park, Wakefield, West Yorkshire, WF4 3BA	25.00
35.	Himalaya Steel Mill Services Private Limited Ground Floor, Rings & Agrico Building Armoury Road Northern Town, Jamshedpur, Jharkhand, 831001 CIN: U74900JH2009PTC000689	26.00
36.	mjunction services limited Tata Centre, 43 J L Nehru Road, Kolkata - 700 071 CIN: U00000WB2001PLC115841	50.00
37.	S & T Mining Company Private Limited Tata Centre, 1st Floor, 43, J. L. Nehru Road, Kolkata - 700 071 (W.B.) CIN: U13100WB2008PTC129436	50.00
38.	Tata BlueScope Steel Limited Metrolpolitan, Survey No. 21, Final Plot No. 27, Wakdewadi, Shivaji Nagar, Pune 411005 CIN: U45209PN2005PLC020270	50.00
39.	BlueScope Lysaght Lanka (Pvt) Ltd No. 26 & 27, Sapugaskanda Industrial Estate, Pattiwila Road, Sapugaskanda	100.00
40.	Tata NYK Shipping Pte Ltd. 11 Keppel Road, #10-03, Abi Plaza, Singapore - 089057	50.00
41.	Tata NYK Shipping (India) Private Limited 1401, PS Srijan Corporate Park, 14th Floor, Tower-1, Block-GP, Sector-V, Saltlake, Kolkata - 700 091 (India) CIN: U61100WB2007PTC118354	100.00
42.	Jamshedpur Continuous Annealing & Processing Company Private Limited Tata Centre, 43, Jawaharlal Nehru Road, Kolkata-700 071 CIN: U27310WB2011PTC160845	51.00
43.	T M Mining Company Limited Tata Centre, 43 Jawaharlal Nehru Road, Kolkata-700 071 CIN: U13100WB2010PLC156401	74.00
44.	TM International Logistics Limited 43 J L Nehru Road, Tata Centre, Kolkata-700 071 CIN: U63090WB2002PLC094134	51.00
45.	International Shipping and Logistics FZE Office No. TPOFCA0140, P O Box : 18490, Jebel Ali Free Zone, Dubai United Arab Emirates	100.00
46.	TKM Global China Ltd. Unit G, Floor 11, Hengji Mansion, No. 99 Huai Hai East Road, Shanghai - 200021, P.R. China	100.00
47.	TKM Global GmbH Spladingstrasse 210, 20097 Hanburg, Germany	100.00

Sl. No.	Name and address of the Company	Holding (%)
Associate Companies (Pursuant to Section 2(6) of Companies Act, 2013)		
48.	TKM Global Logistics Limited Tata Centre, 43, Jawaharlal Nehru Road, Kolkata-700 071 CIN: U51109WB1991PLC051941	100.00
49.	Industrial Energy Limited C/O - The Tata Power Company Limited, Corporate Center B, 34 Sant Tukaram Road, Carnac Bunder, Mumbai-400 009, Maharashtra, India CIN: U74999MH2007PLC167623	26.00
50.	Jamipol Limited Namdih Road, Burmamines, Jamshedpur-831007 CIN: U24111JH1995PLC009020	39.78
51.	Nicco Jubilee Park Limited Jheel Meel, Sector-IV, Salt Lake City, Kolkata, West Bengal-700 106 CIN: U45201WB2001PLC092842	25.31
52.	Medica TS Hospital Private Limited S-125, Maitri Vihar, P. O. - Rail Vihar, P. S. – Chandrasekharpur, Bhubaneswar-751 023, Odisha CIN: U85110OR2014PTC018162	26.00
53.	SEZ Adityapur Limited. Sakchi Boulevard Road, Northern Town, Jamshedpur-831 005 CIN: U45200JH2006PLC012633	51.00
54.	Naba Diganta Water Management Limited Gn 11-19, Sector-V, Salt Lake, Kolkata-700 091 CIN: U93010WB2008PLC121573	74.00
55.	TVSC Construction Steel Solutions Limited Rooms 4903-7, 49/F, Hopewell Centre, No. 183 Queen's Road East,Wanchai, Hong Kong	50.00
56.	Afon Tinplate Company Limited Afon Works, Bryntywod, Swansea, West Glamorgan, SA5 7LN	64.00
57.	Air Products Llanwern Limited Hersham Place Technology Park, Molesey Road, Walton on Thames Surrey, KT12 4RZ	50.00
58.	BSR Pipeline Services Limited PO Box 101, Weldon Road, Corby, Northamptonshire, NN17 5UA	50.00
59.	Laura Metaal Holding B.V. Rimurgerweg 40, 6471 XX Eygelshoven, Netherlands	49.00
60.	Ravenscraig Limited 15 Atholl Crescent, Edinburgh, EH3 8HA	33.33
61.	Tata Steel Ticaret AS Cumhuriyet Caddesi No:48 Pegasus Evi Kat:7 Harbiye 34367 Istanbul, Turkey	50.00
62.	Texturing Technology Limited PO Box 22, Texturing Technology Ltd Central Road, Tata Steel Site Margam, Port Talbot, West Glamorgan, Wales, SA13 2YJ	50.00
63.	Hoogovens Court Roll Service Technologies VOF Wenckebachstraat 1, 1951 Jz Velsen-Noord, Netherlands	50.00
64.	Minas De Benga (Mauritius) Limited Av. 24 de Julho, Edificio, nº.1123, 4º Floor, Bairro da Polana Cimento B, Maputo, Mozambique	35.00

Note: Companies listed from Sl. No. 35 to 64 are joint venture companies

IV Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

A Fully Paid-Up Equity Shares

i) Category-wise Share Holding

Sl. No.	Category of Shareholders	Number of shares held (April 1, 2017)				Number of shares held (March 31,2018)				% Change
		Electronic	Physical	Total	%	Electronic	Physical	Total	%	
(A)	**Promoters (including Promoter Group)**									
(1)	Indian									
(a)	Individuals/Hindu Undivided Family	-	-	-	-	-	-	-	-	-
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Governments(s)	-	-	-	-	-	-	-	-	-
(d)	Bodies Corporate	30,34,70,316	565	30,34,70,881	31.25	35,98,80,277	-	35,98,80,277	31.95	0.70
(e)	Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
(f)	Any Other (Trust)	10,31,460	-	10,31,460	0.10	10,31,460	-	10,31,460	0.09	(0.01)
Sub-Total (A) (1)		**30,45,01,776**	**565**	**30,45,02,341**	**31.35**	**36,09,11,737**	**-**	**36,09,11,737**	**32.04**	**0.69**
(2)	Foreign									
(a)	Individuals Non-Resident Individuals	-	-	-	-	-	-	-	-	-
(b)	Other Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks/FI	-	-	-	-	-	-	-	-	-
(e)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)		**-**	**-**	**-**	**-**	-	-	-	-	
Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)		**30,45,01,776**	**565**	**30,45,02,341**	**31.35**	**36,09,11,737**	**-**	**36,09,11,737**	**32.04**	**0.69**
(B)	**Public Shareholding**									
(1)	Institutions									
(a)	Mutual Funds	12,12,28,769	38,780	12,12,67,549	12.49	14,75,65,586	26,658	14,75,92,244	13.10	0.61
(b)	Financial Institutions/Banks	59,87,778	2,02,282	61,90,060	0.64	18,95,090	1,60,202	20,55,292	0.18	(0.46)
(c)	Central Government	-	-	-	-	6,83,823	-	6,83,823	0.06	0.06
(d)	State Governments(s)	2,000	1,11,277	1,13,277	0.01	500	1,11,277	1,11,777	0.01	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	16,98,54,554	1,455	16,98,56,009	17.49	15,21,05,744	1,380	15,21,07,124	13.50	(3.99)
(g)	Foreign Institutional Investors	13,58,95,156	27,282	13,59,22,438	14.00	21,61,08,805	16,945	21,61,25,750	19.19	5.19
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)									
(i - 1)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i - 2)	Foreign Institutional Investors - DR	1,03,892	-	1,03,892	0.01	-	-	-	-	(0.01)
(i - 3)	Foreign Bodies - DR	10,11,082	-	10,11,082	0.10	5,66,956	-	5,66,956	0.05	(0.05)
(i - 4)	Foreign Porfolio Investments - Individual	892	-	892	-	892	-	892	-	-
(i - 5)	Foreign National- DR	164	-	164	-	164	-	164	-	-
(i - 6)	Alternate Investment Funds	18,116	-	18,116	-	1,000	-	1,000	-	-
(i - 7)	Foreign National	-	-	-	-	762	-	762	-	-
(i - 8)	UTI	15,191	20,262	35,453	-	15,191	16,387	31,578	-	-
Sub-Total (B) (1)		**43,41,17,594**	**4,01,338**	**43,45,18,932**	**44.74**	**51,89,44,513**	**3,32,849**	**51,92,77,362**	**46.10**	**1.36**
(2)	Non-Institutions									
(a)	Bodies Corporate									
i	Indian	1,00,44,825	2,81,752	1,03,26,577	1.06	1,48,89,046	2,42,642	1,51,31,688	1.34	0.28
ii	Overseas	4,500	1,125	5,625	-	4,500	-	4,500	-	-
(b)	Individuals -									
i	Individual shareholders holding nominal share capital upto ₹1 lakh	13,73,08,996	2,15,95,136	15,89,04,132	16.36	13,41,07,082	1,84,82,698	15,25,89,780	13.55	(2.82)
ii	Individual shareholders holding nominal share capital in excess of ₹1 lakh	2,66,97,892	20,98,512	2,87,96,404	2.96	3,23,54,125	18,43,873	3,41,97,998	3.04	0.07
(c)	Any Other									
i	Trusts	47,86,209	51,28,362	99,14,571	1.02	70,93,589	51,28,424	1,22,22,013	1.08	0.06
ii	IEPF Account	-	-	-	-	28,71,968	-	28,71,968	0.25	0.25
iii	HUF	49,88,677	1,243	49,89,920	0.52	51,47,726	2,740	51,50,466	0.46	(0.06)
iv	Clearing Member	37,46,517	-	37,46,517	0.39	1,12,34,497	-	1,12,34,497	1.00	0.61
v	LLP/LLP-DR	-	-	-	-	1,52,155	-	1,52,155	0.01	0.01
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Sub-total (B) (2)		**18,75,77,616**	**2,91,06,130**	**21,66,83,746**	**22.31**	**20,78,54,688**	**2,57,00,377**	**23,35,55,065**	**20.73**	**(1.58)**
Total Public Shareholding (B) = (B)(1)+(B)(2)		**62,16,95,210**	**2,95,07,468**	**65,12,02,678**	**67.05**	**72,67,99,201**	**2,60,33,226**	**75,28,32,427**	**66.83**	**(0.22)**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued***	1,55,10,420	-	1,55,10,420	1.60	1,27,40,651	-	1,27,40,651	1.13	(0.47)
GRAND TOTAL (A)+(B)+(C)		**94,17,07,406**	**2,95,08,033**	**97,12,15,439**	**100.00**	**110,04,51,589**	**2,60,33,226**	**112,64,84,815**	**100.00**	

Note:

*This represents public non-institutional shareholding.

ii) Shareholding of Promoter (including Promoter Group)

Sl. No.	Shareholder's Name	Shareholding (April 1, 2017) No.of Shares	% of total Shares	% of Shares Pledged/ encumbered	Shareholding (March 31, 2018) No.of Shares	% of total Shares	% of Shares Pledged/ encumbered	% change in shareholding
1	Tata Sons Limited - Promoter	28,88,98,245	29.75	1.79	34,31,42,275	30.46	1.24	0.71
2	Tata Motors Limited	44,32,497	0.46	-	51,41,696	0.46	-	-
3	Tata Chemicals Ltd	24,91,977	0.26	-	28,90,693	0.26	-	-
4	Tata Investment Corporation Limited	33,85,885	0.35	-	39,27,625	0.35	-	-
5	Ewart Investments Limited	17,95,142	0.18	-	20,82,364	0.18	-	-
6	Rujuvalika Investments Limited (2)	11,68,393	0.12	-	11,68,393	0.10	-	(0.02)
7	Sir Dorabji Tata Trust	8,42,460	0.08	-	8,42,460	0.07	-	(0.02)
8	Tata Motors Finance Limited (formerly Sheba Properties Limited)	4,91,542	0.05	-	5,70,188	0.05	-	-
9	Tata Industries Limited	7,91,675	0.08	-	9,39,358	0.08	-	-
10	Sir Ratan Tata Trust	1,89,000	0.02	-	1,89,000	0.02	-	-
11	Titan Company Limited	2,025	-	-	2,025	-	-	-
12	Tata Capital Limited	13,500	-	-	15,660	-	-	-
		30,45,02,341	**31.35**	**1.79**	**36,09,11,737**	**32.04**	**1.24**	**0.69**

Note:

(1) Entities listed from Sl.No. 2 to 12 above form part of the Promoter Group.

(2) 11,68,393 Ordinary Shares held by Rujuvalika Investments Limited (a wholly owned subsidiary of the Company effective May 8, 2015), do not carry any voting rights.

iii) Change in Promoter's (including Promoter Group) Shareholding

Particulars	Date	Shareholding No. of Shares	Shareholding % of total Shares of the Company	Cumulative Shareholding during the year No. of Shares	Cumulative Shareholding during the year % of total Shares of the Company
Tata Sons Limited - Promoter					
At the beginning of the year	April 1, 2017	28,88,98,245	29.75	28,88,98,245	29.75
Decrease during the year (Transferred to IEPF)	December 1, 2017	(565)	-	28,88,97,680	29.75
Increase during the year (Allotment pursuant to Rights Issue)	March 23, 2018	5,42,44,595	4.82	34,31,42,275	30.46
At the end of the year	March 31, 2018	-	-	34,31,42,275	30.46
Tata Motors Limited					
At the beginning of the year	April 1, 2017	44,32,497	0.46	44,32,497	0.46
Increase during the year (Allotment pursuant to Rights Issue)	March 23, 2018	7,09,199	0.06	51,41,696	0.46
At the end of the year	March 31, 2018	-	-	51,41,696	0.46
Tata Chemicals Limited					
At the beginning of the year	April 1, 2017	24,91,977	0.26	24,91,977	0.26
Increase during the year (Allotment pursuant to Rights Issue)	March 23, 2018	3,98,716	0.04	28,90,693	0.26
At the end of the year	March 31, 2018	-	-	28,90,693	0.26
Tata Investment Corporation Limited					
At the beginning of the year	April 1, 2017	33,85,885	0.35	33,85,885	0.35
Increase during the year (Allotment pursuant to Rights Issue)	March 23, 2018	5,41,740	0.06	39,27,625	0.35
At the end of the year	March 31, 2018	-	-	39,27,625	0.35
Ewart Investments Limited					
At the beginning of the year	April 1, 2017	17,95,142	0.18	17,95,142	0.18
Increase during the year (Allotment pursuant to Rights Issue)	March 23, 2018	2,87,222	0.03	20,82,364	0.18
At the end of the year	March 31, 2018	-	-	20,82,364	0.18

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Particulars	Date	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
Tata Motors Finance Limited (formerly Sheba Properties Limited)					
At the beginning of the year	April 1, 2017	4,91,542	0.05	4,91,542	0.05
Increase during the year (Allotment pursuant to Rights Issue)	March 23, 2018	78,646	0.01	5,70,188	0.05
At the end of the year	March 31, 2018	-	-	5,70,188	0.05
Tata Industries Limited					
At the beginning of the year	April 1, 2017	7,91,675	0.08	7,91,675	0.08
Increase during the year (Allotment pursuant to Rights Issue)	March 23, 2018	1,47,683	0.01	9,39,358	0.08
At the end of the year	March 31, 2018	-	-	9,39,358	0.08
Tata Capital Limited					
At the beginning of the year	April 1, 2017	13,500	-	13,500	-
Increase during the year (Allotment pursuant to Rights Issue)	March 23, 2018	2,160	-	15,660	-
At the end of the year	March 31, 2018	-	-	15,660	-

iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**Life Insurance Corporation of India**				
	At the beginning of the year	12,20,49,896	12.57	12,20,49,896	12.57
	Bought during the year	1,45,37,060	1.29	13,65,86,956	12.13
	Sold during the year	(2,81,98,296)	(2.50)	10,83,88,660	9.62
	At the end of the year	10,83,88,660	9.62	10,83,88,660	9.62
2.	**HDFC Trustee Company Limited**				
	At the beginning of the year	4,10,52,250	4.23	4,10,52,250	4.23
	Bought during the year	3,39,30,685	3.01	7,49,82,935	6.66
	Sold during the year	(3,76,53,609)	(3.34)	3,73,29,326	3.31
	At the end of the year	3,73,29,326	3.31	3,73,29,326	3.31
3.	**ICICI Prudential Mutual Funds**				
	At the beginning of the year	2,40,93,845	2.48	2,40,93,845	2.48
	Bought during the year	2,23,01,057	1.98	4,63,94,902	4.12
	Sold during the year	(3,45,52,906)	(3.07)	1,18,41,996	1.05
	At the end of the year	1,18,41,996	1.05	1,18,41,996	1.05
4.	**Reliance Capital Trustee Co. Ltd.**				
	At the beginning of the year	2,35,39,029	2.42	2,35,39,029	2.42
	Bought during the year	3,31,76,361	2.95	5,67,15,390	5.03
	Sold during the year	(2,06,53,162)	(1.83)	3,60,62,228	3.20
	At the end of the year	3,60,62,228	3.20	3,60,62,228	3.20
5.	**Government Pension Fund Global**				
	At the beginning of the year	1,10,21,201	1.13	1,10,21,201	1.13
	Bought during the year	49,90,349	0.44	1,60,11,550	1.42
	Sold during the year	(48,97,587)	(0.43)	1,11,13,963	0.99
	At the end of the year	1,11,13,963	0.99	1,11,13,963	0.99
6.	**The New India Assurance Company Limited**				
	At the beginning of the year	1,08,01,058	1.11	1,08,01,058	1.11
	Bought during the year	16,10,118	0.14	1,24,11,176	1.10
	Sold during the year	(34,28,254)	(0.30)	89,82,922	0.80
	At the end of the year	89,82,922	0.80	89,82,922	0.80

Sl. No.	Name of shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7.	**Abu Dhabi Investment Authority**				
	At the beginning of the year	1,06,72,139	1.10	1,06,72,139	1.10
	Bought during the year	63,68,956	0.57	1,70,41,095	1.51
	Sold during the year	(90,62,762)	(0.80)	79,78,333	0.71
	At the end of the year	79,78,333	0.71	79,78,333	0.71
8.	**Aditya Birla Sun Life Trustee Private Limited**				
	At the beginning of the year	87,14,823	0.90	87,14,823	0.90
	Bought during the year	1,51,06,219	1.34	2,38,21,042	2.11
	Sold during the year	(76,17,985)	(0.68)	1,62,03,057	1.44
	At the end of the year	1,62,03,057	1.44	1,62,03,057	1.44
9.	**HDFC Standard Life Insurance Company Limited**				
	At the beginning of the year	71,27,624	0.73	71,27,624	0.73
	Bought during the year	78,10,695	0.69	1,49,38,319	1.33
	Sold during the year	(91,96,574)	(0.82)	57,41,745	0.51
	At the end of the year	57,41,745	0.57	57,41,745	0.51
10.	**SBI Life Insurance Co. Ltd.**				
	At the beginning of the year	68,27,405	0.70	68,27,405	0.70
	Bought during the year	18,84,418	0.17	87,11,823	0.77
	Sold during the year	(42,05,862)	(0.37)	45,05,961	0.40
	At the end of the year	45,05,961	0.40	45,05,961	0.40
11.	**DSP Blackrock Mutual Funds**				
	At the beginning of the year	54,22,693	0.56	54,22,693	0.56
	Bought during the year	1,14,34,516	1.02	1,68,57,209	1.50
	Sold during the year	(38,27,095)	(0.34)	1,30,30,114	1.16
	At the end of the year	1,30,30,114	1.16	1,30,30,114	1.16
12.	**New Perspective Fund**				
	At the beginning of the year	0	0.00	0	0.00
	Bought during the year	69,78,822	0.62	69,78,822	0.62
	Sold during the year	0	0.00	69,78,822	0.62
	At the end of the year	69,78,822	0.62	69,78,822	0.62

Notes:

(1) The above information is based on weekly beneficiary position received from Depositories.

(2) The date wise increase or decrease in shareholding of top ten shareholders is available on the website of the Company at www.tatasteel.com

(3) The % of total shares of the Company in respect of shares bought and sold during the year is calculated on the total share capital of the Company as on March 31, 2018.

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Shareholder	Shareholding (April 1, 2017)		Shareholding (March 31, 2018)	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
I	**Directors**				
1	Mr. Ishaat Hussain[2]	2,216	-	NA	NA
2	Mr. T. V. Narendran	1,753	-	2,032	-
3	Mr. Koushik Chatterjee	1,320	-	1,531	-
II	**Key Managerial Personnel**				
4	Mr. Parvatheesam K	100	-	100	-

Note:

(1) Mr. N. Chandrasekaran, Ms. Mallika Srinivasan, Mr. O. P. Bhatt, Dr. Peter Blauwhoff, Mr. Aman Mehta, Mr. Deepak Kapoor, Mr. D. K. Mehrotra and Mr. Saurabh Agrawal held no fully paid-up ordinary shares in the Company during the year.

(2) Mr. Ishaat Hussain retired effective September 1, 2017

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B Partly Paid-Up Equity Shares

i) Category-wise Share Holding

Sl. No.	Category of Shareholders	Number of shares held (April 1, 2017)				Number of shares held (March 31, 2018)				% Change
		Electronic	Physical	Total	% of Total Shares	Electronic	Physical	Total	% of Total Shares	
(A)	**Promoters (including Promoter Group)**									
(1)	Indian									
(a)	Individuals/Hindu Undivided Family	-	-	-	-	-	-	-	-	-
(b)	Central Government	-	-	-	-	-	-	-	-	-
(c)	State Governments(s)									
(d)	Bodies Corporate	-	-	-	-	3,89,42,837	-	3,89,42,837	50.16	50.16
(e)	Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
(f)	Any Other (Trust)	-	-	-	-	-	-	-	-	-
Sub-Total (A) (1)		**-**	**-**	**-**	-	**3,89,42,837**	**-**	**3,89,42,837**	**50.16**	**50.16**
(2)	Foreign									
(a)	Individuals Non-Resident Individuals	-	-	-	-	-	-	-	-	-
(b)	Other Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks/FI	-	-	-	-	-	-	-	-	-
(e)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)		**-**	**-**	**-**	-	**-**	**-**	**-**	-	-
Total Shareholding of Promoter and Promoter Group (A) = (A) (1) + (A) (2)		**-**	**-**	**-**	-	**3,89,42,837**	**-**	**3,89,42,837**	**50.16**	**50.16**
(B)	**Public Shareholding**									
(1)	Institutions									
(a)	Mutual Funds	-	-	-	-	1,69,99,158	-	1,69,99,158	21.89	21.89
(b)	Financial Institutions/Banks	-	-	-	-	13,986	-	13,986	0.02	0.02
(c)	Central Government	-	-	-	-	-	-	-	-	-
(d)	State Governments(s)	-	-	-	-	-	-	-	-	-
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	-	-	-	-	21,89,357	-	21,89,357	2.82	2.82
(g)	Foreign Institutional Investors	-	-	-	-	66,81,422	194	66,81,616	8.61	8.61
(h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)									
(i - 1)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i - 2)	Foreign Institutional Investors - DR	-	-	-	-	-	-	-	-	-
(i - 3)	Foreign Bodies - DR	-	-	-	-	53,633	-	53,633	0.07	0.07
(i - 4)	Foreign Porfolio Investments - Individual	-	-	-	-	-	-	-	-	-
(i - 5)	Foreign National- DR	-	-	-	-	-	-	-	-	-
(i - 6)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(i - 7)	Foreign National	-	-	-	-	84	-	84	-	-
(i - 8)	UTI	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)		**-**	**-**	**-**	-	**2,59,37,640**	**194**	**2,59,37,834**	**33.41**	**33.41**
(2)	Non-Institutions									
(a)	Bodies Corporate									-
i	Indian	-	-	-	-	10,75,364	1,800	10,77,164	1.39	1.39
ii	Overseas	-	-	-	-	-	-	-	-	
(b)	Individuals								-	-
i	Individual shareholders holding nominal share capital upto ₹1 lakh	-	-	-	-	76,79,326	2,75,030	79,54,356	10.24	10.24
ii	Individual shareholders holding nominal share capital in excess of ₹1 lakh	-	-	-	-	20,53,660	8	20,53,668	2.64	2.64
(c)	Any Other									
i	Trusts	-	-	-	-	3,92,562	48	3,92,610	0.51	0.51
ii	IEPF Account	-	-	-	-	-	-	-	-	-
iii	HUF	-	-	-	-	5,10,495	488	5,10,983	0.66	0.66
iv	Clearing Member	-	-	-	-	3,46,693	-	3,46,693	0.45	0.45
v	LLP/LLP-DR	-	-	-	-	4,18,480	-	4,18,480	0.54	0.54
Sub-total (B) (2)		-	-	-	-	**1,24,76,580**	**2,77,374**	**1,27,53,954**	**16.43**	**16.43**
Total Public Shareholding (B) = (B)(1)+(B)(2)		-	-	-	-	**3,84,14,220**	**2,77,568**	**3,86,91,788**	**49.84**	**49.84**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)		**-**	**-**	**-**	-	**7,73,57,057**	**2,77,568**	**7,76,34,625**	**100.00**	

ii) Shareholding of Promoter (including Promoter Group)

Sl. No.	Shareholder's Name	Shareholding (April 1, 2017)			Shareholding (March 31, 2018)			
		No.of Shares	% of total Shares	% of Shares Pledged/ encumbered	No.of Shares	% of total Shares	% of Shares Pledged/ encumbered	% change in shareholding
1	Tata Sons Limited – Promoter	-	-	-	37,830,810	48.73	-	48.73
2	Tata Motors Limited	-	-	-	354,599	0.46	-	0.46
3	Tata Investment Corporation Limited	-	-	-	270,869	0.35	-	0.35
4	Tata Chemicals Limited	-	-	-	199,358	0.26	-	0.26
5	Ewart Investments Limited	-	-	-	143,611	0.18	-	0.18
6	Tata Industries Limited	-	-	-	103,187	0.13	-	0.13
7	Tata Motors Finance Limited (formerly Sheba Properties Limited)	-	-	-	39,323	0.05	-	0.05
8	Tata Capital Limited	-	-	-	1,080	-	-	-
		-	**-**	-	**3,89,42,837**	**50.16**	-	**50.16**

Notes:

1) Entities listed from Sr. No. 2 to 8 form part of the Promoter Group

iii) Change in Promoter's (including Promoter Group) Shareholding

Particulars	Date	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
Tata Sons Limited - Promoter					
At the beginning of the year	April 1, 2017	-	-	-	-
Increase during the year (Allotment pursuant to Rights Issue)	March 23, 2018	3,78,30,810	48.73	3,78,30,810	48.73
At the end of the year	March 31, 2018	-	-	3,78,30,810	48.73
Tata Motors Limited					
At the beginning of the year	April 1, 2017	-	-	-	-
Increase during the year (Allotment pursuant to Rights Issue)	March 23, 2018	3,54,599	0.46	3,54,599	0.46
At the end of the year	March 31, 2018	-	-	3,54,599	0.46
Tata Chemicals Limited					
At the beginning of the year	April 1, 2017	-	-	-	-
Increase during the year (Allotment pursuant to Rights Issue)	March 23, 2018	1,99,358	0.26	1,99,358	0.26
At the end of the year	March 31, 2018	-	-	1,99,358	0.26
Tata Investment Corporation Limited					
At the beginning of the year	April 1, 2017	-	-	-	-
Increase during the year (Allotment pursuant to Rights Issue)	March 23, 2018	2,70,869	0.35	2,70,869	0.35
At the end of the year	March 31, 2018	-	-	2,70,869	0.35
Ewart Investments Limited					
At the beginning of the year	April 1, 2017	-	-	-	-
Increase during the year (Allotment pursuant to Rights Issue)	March 23, 2018	1,43,611	0.18	1,43,611	0.18
At the end of the year	March 31, 2018	-	-	1,43,611	0.18
Tata Motors Finance Limited (formerly Sheba Properties Limited)					
At the beginning of the year	April 1, 2017	-	-	-	-
Increase during the year (Allotment pursuant to Rights Issue)	March 23, 2018	39,323	0.05	39,323	0.05
At the end of the year	March 31, 2018	-	-	39,323	0.05
Tata Industries Limited					
At the beginning of the year	April 1, 2017	-	-	-	-
Increase during the year (Allotment pursuant to Rights Issue)	March 23, 2018	1,03,187	0.13	1,03,187	0.13
At the end of the year	March 31, 2018	-	-	1,03,187	0.13
Tata Capital Limited					
At the beginning of the year	April 1, 2017	-	-	-	-
Increase during the year (Allotment pursuant to Rights Issue)	March 23, 2018	1,080	-	1,080	-
At the end of the year	March 31, 2018	-	-	1,080	-

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iv) Shareholding Pattern of Top Ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of shareholders	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	**Reliance Capital Trustee Co. Ltd.**				
	At the beginning of the year	-	-	-	-
	Bought during the year	78,27,234	10.08	78,27,234	10.08
	Sold during the year	-	-	78,27,234	10.08
	At the end of the year	78,27,234	10.08	78,27,234	10.08
2.	**Hdfc Trustee Company Limited**				
	At the beginning of the year	-	-	-	-
	Bought during the year	25,21,807	3.25	25,21,807	3.25
	Sold during the year	-	-	25,21,807	3.25
	At the end of the year	25,21,807	3.25	25,21,807	3.25
3.	**ICICI Prudential Mutual Fund**				
	At the beginning of the year	-	-	-	-
	Bought during the year	19,47,091	2.51	19,47,091	2.51
	Sold during the year	-	-	19,47,091	2.51
	At the end of the year	19,47,091	2.51	19,47,091	2.51
4.	**Kotak Asset Management Limited**				
	At the beginning of the year	-	-	-	-
	Bought during the year	10,01,830	1.29	10,01,830	1.29
	Sold during the year	-	-	10,01,830	1.29
	At the end of the year	10,01,830	1.29	10,01,830	1.29
5.	**DSP Blackrock Mutual Fund**				
	At the beginning of the year	-	-	-	-
	Bought during the year	9,63,002	1.24	9,63,002	1.24
	Sold during the year	-	-	9,63,002	1.24
	At the end of the year	9,63,002	1.24	9,63,002	1.24
6.	**The New India Assurance Company Limited**				
	At the beginning of the year	-	-	-	-
	Bought during the year	7,76,084	1.00	7,76,084	1.00
	Sold during the year	-	-	7,76,084	1.00
	At the end of the year	7,76,084	1.00	7,76,084	1.00
7.	**Government Pension Fund Global**				
	At the beginning of the year	-	-	-	-
	Bought during the year	7,18,974	0.93	7,18,974	0.93
	Sold during the year	-	-	7,18,974	0.93
	At the end of the year	7,18,974	0.93	7,18,974	0.93
8.	**Aditya Birla Sun Life Trustee Private Limited**				
	At the beginning of the year	-	-	-	-
	Bought during the year	7,00,462	0.90	7,00,462	0.90
	Sold during the year	-	-	7,00,462	0.90
	At the end of the year	7,00,462	0.90	7,00,462	0.90
9.	**Government of Singapore**				
	At the beginning of the year	-	-	-	-
	Bought during the year	6,32,026	0.81	6,32,026	0.81
	Sold during the year	-	-	6,32,026	0.81
	At the end of the year	6,32,026	0.81	6,32,026	0.81
10.	**SBI Mutual Fund**				
	At the beginning of the year	-	-	-	-
	Bought during the year	5,63,819	0.73	5,63,819	0.73
	Sold during the year	-	-	5,63,819	0.73
	At the end of the year	5,63,819	0.73	5,63,819	0.73

Notes:

(1) The above information is based on the weekly beneficiary position received from Depositories.

(2) The date wise increase or decrease in shareholding of the top ten shareholders is available on the website of the Company at www.tatasteel.com

v) Shareholding of Directors and Key Managerial Personnel

Sl. No.	Name of the Shareholder	Shareholding (April 1, 2017)		Shareh(olding (March 31, 2018)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
I	**Directors**				
1	Mr. T. V. Narendran	-	-	139	-
2	Mr. Koushik Chatterjee	-	-	105	-

V. Indebtedness

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	*2,435.03	25,849.60	-	28,284.63
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	545.05	-	545.05
Total (i+ii+iii)	**2,435.03**	**26,394.65**	**-**	**28,829.68**
Change in Indebtedness during the financial year				
• Addition	93.83	**2,713.52	-	2,807.35
• Reduction	-	#2,966.18	-	2,966.18
Net Change	**93.83**	**(252.66)**	**-**	**(158.83)**
Indebtedness at the end of the financial year				
(i) Principal Amount	*2,528.86	25,596.94		28,125.80
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	556.01	-	556.01
Total (i+ii+iii)	**2,528.86**	**26,152.95**	**-**	**28,681.81**

*includes funded interest on SDF loan of ₹855.09 crore (31.03.2017: ₹781.32 crore).

**includes revaluation loss (net) of ₹150.13 crore on forex loans and amortisation of loan issue and premium and discount expenses aggregating ₹202.66 crore under effective interest rate method.

#includes realised exchange gain (net) of ₹0.24 crore on repayment of forex loans.

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration of Managing Director, Whole-time Directors and/or Manager

(₹ lakh)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Mr. T. V. Narendran CEO & MD	Mr. Koushik Chatterjee ED & CFO	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax, Act 1961	182.1	166.19	348.29
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	94.94	132.72	227.66
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	650.00	600.00	1,250.00
5	Others (retirement benefits)	15.90	14.89	30.79
	Total	**942.94**	**913.80**	**1,856.74**
	Ceiling as per the Companies Act, 2013			53,202

TATA STEEL

B. Remuneration to other Directors

(₹ lakh)

Sl. No	Name	Commission	Sitting Fees	Total Compensation
I	**Non-Executive Directors**			
1	Mr. Natarajan Chandrasekaran - Chairman	-	4.80	4.80
2	Mr. Ishaat Hussain	80.00	4.80	84.80
3	Mr. D. K. Mehrotra	80.00	5.30	85.30
4	Mr. Saurabh Agrawal		3.70	3.70
	Total (I)	**160.00**	**18.60**	**178.60**
II	**Independent Directors**			
1	Ms. Mallika Srinivasan	115.00	4.40	119.40
2	Mr. O. P. Bhatt	170.00	10.00	180.00
3	Mr. Andrew Robb	50.00	2.40	52.40
4	Dr. Peter Blauwhoff	75.00	4.40	79.40
5	Mr. Aman Mehta	80.00	4.40	84.40
6	Mr. Deepak Kapoor	70.00	5.60	75.60
	Total (II)	**560.00**	**31.20**	**591.20**
	Grand Total (I + II)	**720.00**	**49.80**	**769.80**
	Overall Ceiling as per the Companies Act, 2013			5,320

Note:

(1) As a policy, Mr. N. Chandrasekaran, Chairman has abstained from receiving commission from the Company. Further, in line with the internal guidelines of the Company, no payment is made towards commission to the Non-Executive Directors of the Company, who are in full time employment with any other Tata Company.

(2) Mr. Ishaat Hussain and Mr. Andrew Robb retired as Members of the Board effective September 1, 2017.

(3) Mr. Saurabh Agrawal was appointed as an Additional (Non-Executive) Director effective August 10, 2017.

(4) Commission of Mr. D. K. Mehrotra is paid to Life Insurance Corporation of India.

C. Remuneration to KMP other than MD/Manager/WTD

(₹ lakh)

Sl. No.	Particulars of Remuneration	Mr. Parvatheesam K Company Secretary
1	Gross salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	101.66
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	20.50
	(c) Profit in lieu of salary under Section 17(3) of Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Bonus/Commission	-
5	Others (retirement benefits)	2.75
	Total	**124.91**

Note:

Mr. Parvatheesam K. is on study leave from August 28, 2017 through June 18, 2018. Accordingly, his remuneration includes salary drawn by him as Company Secretary and Compliance Officer for the period April 1, 2017 through August 27, 2017 and salary received by him up to March 31, 2018 towards his earned leave.

VII. Penalties/Punishments/Compounding of Offences

During the year, there were no penalties/punishments/compounding of offences under the Companies Act, 2013.

sd/-
T. V. NARENDRAN
Chief Executive Officer and Managing Director
DIN: 03083605

sd/-
PARVATHEESAM K
Company Secretary
ACS: 15921

Mumbai
May 16, 2018

ANNEXURE 12

Particulars of Loans, Guarantees or Investments

[Pursuant to Section 186 of the Companies Act, 2013]

Amount outstanding as on March 31, 2018

(₹ crore)

Particulars	Amount
Loans given	69.26
Guarantee given	11,478.00
Investments made	9,636.56

Loans, Guarantees given or Investments made during the Financial Year 2017-18

(₹ crore)

<table>
<tr><th>Name of the Entity</th><th>Relation</th><th>Amount</th><th>Particulars of Loan, Guarantees given or Investments made</th><th>Purpose for which the loans, guarantees and investments are proposed to be utilised</th></tr>
<tr><td>Jamshedpur Football and Sporting Private Limited</td><td rowspan="2">Subsidiary</td><td>15.00</td><td rowspan="6">Loan</td><td rowspan="19">Business purpose</td></tr>
<tr><td>Tayo Rolls Limited</td><td>7.00</td></tr>
<tr><td>Industrial Energy Limited</td><td rowspan="2">Joint Venture</td><td>46.22</td></tr>
<tr><td>S&T Mining Company Private Limited</td><td>0.60</td></tr>
<tr><td>Tata Steel Holdings Pte Ltd.</td><td rowspan="15">Subsidiary</td><td>483.86</td></tr>
<tr><td>Tata Steel Special Economic Zone Limited</td><td>70.00</td></tr>
<tr><td>Bamnipal Steel Limited</td><td>0.01</td><td rowspan="11">Investments in Equity Shares</td></tr>
<tr><td>Bhubaneshwar Power Private Limited</td><td>255.00</td></tr>
<tr><td>Bistupur Steel Limited</td><td>0.01</td></tr>
<tr><td>Dimna Steel Limited</td><td>0.01</td></tr>
<tr><td>Jamadoba Steel Limited</td><td>0.01</td></tr>
<tr><td>Jamshedpur Football and Sporting Private Limited</td><td>20.00</td></tr>
<tr><td>Jugsalai Steel Limited</td><td>0.01</td></tr>
<tr><td>Noamundi Steel Limited</td><td>0.01</td></tr>
<tr><td>Sakchi Steel Limited</td><td>0.01</td></tr>
<tr><td>Straight Mile Steel Limited</td><td>0.01</td></tr>
<tr><td>Tata Steel Special Economic Zone Limited</td><td>29.00</td></tr>
<tr><td>Tata Steel Holdings Pte Ltd.</td><td>4,646.55</td><td rowspan="2">Investments in Preference Shares</td></tr>
<tr><td>Tayo Rolls Limited</td><td>78.55</td></tr>
</table>

Advance Against Equity as on Financial Year 2017-18

₹ crore

Name of the Entity	Relation	Amount
Tayo Rolls Limited	Subsidiary	2.00

As on March 31, 2018, Company's loan in Tayo Rolls Limited and S&T Mining Company Private Limited along with investment and advance against equity in Tayo Rolls Limited and Jamshedpur Football and Sporting Private Limited has been fully impaired.

On behalf of the Board of Directors

sd/-
N. CHANDRASEKARAN
Chairman
DIN: 00121863

Mumbai
May 16, 2018

ANNEXURE 13

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo [Pursuant to Companies (Accounts) Rules, 2014]

(A) Conservation of Energy

i) Steps taken or impact on conservation of energy

Jamshedpur

- Best by-product gas utilisation of 97.56%
- Lowest ever fuel rate at Blast Furnaces ('**BF**') - 533.35 kg/thm - Use of Pellets and higher coal injection (189 kg/thm) at BF
- Lowest ever middling consumption in in-house power station of 7.0 Kilo Tonnes
- Lowest ever specific water consumption 3.68 m^3/tcs
- Reduction in Cyanide concentration in Works drains by 26%
- Highest ever LD Gas recovery of 58.795 kNm^3/hr rate achieved
- Optimisation of Coke Oven Booster operation and gas supply strategy by modifying Coke oven gas headers has enabled to eliminate entire Waste Plant Booster House
- Reduction of Cold Blast venting loss by utilising excess wind for Coke drying for 'H' BF
- Optimisation of coal tar consumption at Pellet Plant by effective utilisation of Coke Oven Gas ('**COG**')
- Optimisation of compressor operation through network modification enabled permanent shutdown of Centac Compressor House with lower power consumption
- Experimentation/adaptation of new technologies, energy management using real time data capturing, visualisation and analytics. Pilot completed at Rurhstahl Heraeus ('**RH**') degasser of LD2

Kalinganagar

Blast Furnace

- Reduction in coke rate/fuel rate by charging pellets - Charging trials were taken and stabilised for >10% pellet in burden.
- Commissioning of waste heat recovery unit to reduce gas consumption for stoves heating
- Commissioning and stabilisation of Top Recovery Turbine ('**TRT**') as an integral part of Blast Furnace - Power generation at a rate of 14 MWH stabilised
- Commissioning and ramp-up of PCI system - Pulverised coal injection plant was commissioned and stabilised for injection rate > 130 kg/thm as an alternate fuel (replacing coke)
- Initiatives to reduce specific water consumption (Average consumption for Financial Year 2017-18 - 0.56 m^3/thm) by reusing the waste water generated inside blast furnace in slag granulation system
- Flaring of BF gas minimised by efficient operation of flare control system

Steel Melting Shop

- Total amount of LD gas recovered in Financial Year 2017-18 is 1,57,355 Gcal
- Total specific water consumption in Financial Year 2017-18 is 0.54m^3/tcs

Hot Strip Mill

- Mill Specific Power reduction from 144KWh/T to 127KWh/T, achieved through:
  - Stopping the line in planned way and putting off all auxiliaries power at that time
  - Increasing production rate to reduce variable power
  - Introducing idle running mode in de-scaler for small mill stoppages
- Reducing Specific gas consumption from 0.33 Gcal/tonnes to 0.30 Gcal/tonnes by increasing Hot charging percentage
- Reducing Specific clarified water consumption from 0.52 m^3/tonnes to 0.43 m^3/tonnes by using blow down from Direct Cooling Water in laminar makeup water

Utility

- Electrical power demand met from by-product gases - 46.6%
- By-product gas Utilisation - 93.6%
- Specific Energy Consumption - 6.72 Gcal/tcs
- Specific Water Consumption - 4.75 m^3/tcs
- LD Gas recovery started from June 2017 and 76% heats recovered
- Tri-fuel co-axial burners are being used in Captive Power Plant Boiler for flame stability
- LD gas Holder and BF gas Holder are being used to maintain temperature or to continue production in Hot Strip Mill, Lime Calcination Plant and Sinter Plant during BF planned shutdown

ii. Steps taken by the Company for utilising alternate sources of energy

Jamshedpur

- Projects on low grade heat recovery and Solar Power generations initiated at Jamshedpur

iii. Capital investment on energy conservation equipments

Particulars	₹ Crore
Jamshedpur	
Recovery of sensible heat of Coke by installation of Coke Dry Quenching System in Battery # 10 & 11 at Coke Plant	243.91
Replacement of Boiler # 3 at Power House # 4	14.15
Duel Fuel burner at Pellet Plant	26.67
Installation of Variable Frequency Drive in HT motors with variable load at Blower House and LD3 & Thin Slab Casting & Rolling ('**TSCR**')	3.40
Provision for Light Diesel Oil ('**LDO**') firing facility in boilers of Power House # 4	11.25
New LD Gas Holder	55.76
Kalinganagar	
Commissioning of Top Recovery Turbine ('**TRT**') in Blast Furnace	62.40
PCI system in Blast Furnace	348.12
Coke Dry Quenching ('**CDQ**') in Coke Plant (excluding coke power plant)	367.94

(B) Technology Absorption

1. Efforts made towards technology absorption

(i) Projects under Research and Development

Project Title	Benefits
Jamshedpur	
Prevention of dust formation in Ladle Furnace ('**LF**') slag to improve environmental issues	Addition of different additives in the LF helped in preventing slag dust formation which is a major environment concern. The results were achieved by addition of a naturally occurring compounds in earth crust.
Implementation of cyanide removal by Anion Complex at blast furnace	The results showed that 80% removal of cyanide was achieved as compared to inlet.
Use of 'Super absorbent Polymer based flow aid' in Dry Processing Plant to improve flowability of iron ore	The average increase in plant throughput during the trial period was 5,500 tonnes/day. Subsequently, data collected for the average throughput rate per hour indicated that the plant could achieve a throughput rate of 10,00 tonnes/hour which is about 30% more than that what was achievable during the monsoon period.
Integration of Grinding Model into the Level-2 System of Pellet Plant	The Grinding model is generalised so that it can be used for any input size ranges using Rosin Rammler distribution. Back calculation method which consists of experimentation and simulations is used for calculation of breakage parameters.
Improvement in Sinter Reduction Degradation Index ('**RDI**') by controlling rate of sintering	Improve in sinter strength with reduced cost of fuel. This will also result in increase of utilisation of low grade ores.
Utilisation of LD (Lindz and Donawitz) slag in Cement making	LD slag can be added in the clinker mix to replace the limestone and to lowering the energy and CO_2 emission. Based on the results, plant trial was carried out by adding the LD slag up to 1.5% (clinker burden) at one of the cement plant.
Pigmented Organic Coating on GI (Galvanised Iron) barbed wires	Better look and corrosion resistance. Commercial line has been designed and commissioned and commercial production and supply to the market has started in the 4th quarter of last year.
Use of blow down water with higher chlorine content	Based on evaluation and recommendation of research and development team, the plant is now using blow down water with higher chlorine content in sinter making.
API X-80 for non-sour & API X-65 for sour application	These two products have been developed at pilot scale & plant trials are under plan.
Abrasion resistant steel with 400 Brinell Hardness Number ('**BHN**') for Locomotive & Earthmoving ('**L&E**') application	This product has been developed at pilot scale. The plant trial is under plan using TSK hot strip mill facility. This will replace the conventional quenched & tempered material.

Project Title	Benefits
Development of polymer coated steel (Poly Steel)	This product has been developed for eliminating cumbersome 7-stage pre-treatment process for powder coating.
VAVE and EVI (Early Vendor Involvement) with Major Auto Customers	A total of 5 models from major auto OEMs (Original Equipment Manufacturer) and 1 non-automotive model were covered as part of the Value Analysis Value Engineering ('**VAVE**') workshops for Financial Year 2017-18. The objective of the workshop was to create value through cost and weight reduction ideas on the vehicle by means of use of newer steel grades apart from the blank optimisation and engineering design changes. These activities result in improved CSI (Customer Satisfaction Index) and opportunity to present Tata Steel with supply of new grades material in newer models. This also helps in customer engagement initiatives.
Online copper stave thickness measurement technique for H-BF	Reliable copper stave thickness measurement enables safe operation of blast furnaces.
Development of an Non-desdructive Testing ('**NDT**') technique for thickness measurement of hearth refractories in BFs	Thickness measurement of hearth refractories is needed to obtain effective extended life of BFs. In-house development of this NDT technique eliminates dependency on external agency and cost.
To develop a process to address distortion control	Serving customer by providing welding simulation results performed in a finite element based commercial package - SYSWELD. The result provided welding process parameters and sequence of joining large components without facing the distortion problem. This led to cost saving as well as increased productivity at customer's (Tata Growth Shop) end.
Kalinganagar	
Development of SPFH- 590B steel with high stretch flangeability through TSK	New product for automotive application developed. This is at customer approval stage. This product has superior stretch flangeability as compared to normal grade required for suspension parts.
Development of API X 70 for sweet applications in Oil & Gas segment through TSK	API X-70 steel has been developed using TSK facilities. Results conform to API specification up to 16 mm thickness strip.

(ii) Process Improvement:

Jamshedpur

Ore Beneficiation

- Established 'High Intensity Magnetic Separation' technology on a pilot scale at Noamundi iron ore processing plant to recover iron value from slimes.
- 'Dry Magnetic Separation' technique for beneficiation of low grade manganese ore fines established on a pilot scale which will facilitate using of ore which is currently being dumped.
- Comprehensive/deep beneficiation flow sheet developed for processing low grade iron ore at Noamundi & Khondbond to achieve higher yields at lower alumina.
- Reduction in specific water consumption at Noamundi wash plant by optimising the scrubber performance.

Coal Beneficiation

- Through trials on lab & pilot scale, it was successfully established that an intermediate circuit is essential at West Bokaro Washery#3 for beneficiation of 1.5mm-0.25mm size fraction of coal. This will mitigate the inefficiencies of Dense media cyclones & Flotation cells in processing the said size fraction of coal.
- Impact of increase in ash on the clean coal yield & rheological properties established through lab studies. Based on the same, West Bokaro clean coal ash was increased from 17 to 17.5% which led to ~50 kt additional clean coal despatch from West Bokaro.
- Initiatives taken to enhance process visibility of critical unit operations at West Bokaro Washery#3 like Flotation cells, Reflux Classifier, Vacuum Belt Filter & Thickeners by installation of critical measurement systems to improve process efficiency.
- 0.8% coal yield improvement observed at Jamadoba washery by application of modifier in the flotation cells.

Agglomeration

- Development of carbon composite briquette using plant reverts as third agglomerate in Blast furnace. This will enable reduction in carbon rate of blast furnaces.
- Implementation of lime excess framework for sinter chemistry control to optimise flux consumption in Iron making.

Coal Coke

- Established new coal in the blend which will help to reduce the blend cost without affecting coke quality.
- Development of coke quality prediction model using machine learning techniques to facilitate attainment of consistent coke quality.

Process Energy & Emission

- Improvement in coke ovens Biological oxidation treatment plant performance leading to significant reduction in pollutants (cyanide and ammonia).

Ferro Alloys

- Physio chemical characterisation of Manganese ore done for the first time for better understating of raw material characteristics. This will enable optimisation of furnace feed for Ferro Manganese production.
- Metallurgical know-how for premium grade low Silicon Ferro Chrome production established.

Blast Furnace

- Lowest ever coke rate achieved through process improvement
- Controlling furnace hearth wear by suitable adjustment of casting practice and use of acoustic technology

Kalinganagar

Process Solid Waste Utilisation at Sinter Plant

- Solid wastes from Blast Furnaces, Steel Melt Shop and Hot Strip Mill are mixed and processed in various proportions and are utilised as by-products in Sinter making. This not only reduces the Sinter cost but also helps prevent disposal cost and preserves natural resources thereby supporting sustainability of Steel Plant. Processed Solid Waste utilisation started in Sinter-making from April 2017 and has reached the utilisation level of 80 kg/tonnes of Net Sinter in Financial Year 2017-18 which is equivalent to consumption of all the solid wastes that get generated at Kalinganagar Plant.

Modification of wagon tippler under Raw Material Handling System

- Tata Steel Kalinganagar is equipped with the most advanced Twin Wagon Tippler for handling different raw materials. This was designed for handling different types of wagons such as BOXN, BOXNHL, BOY, BOY-25 etc. This wagon tippler has been modified and made capable of handling BOST, BOBSN & BOBYN rakes as well. This has created flexibility in rake allocation with increased rake availability and faster turnaround time for raw material movement, thereby strengthening the Raw Material supply chain. It has also supplemented the dispatch of finished goods from TSK in wagons such as BOST types.

Coke Plant

- Sulphur Recovery Unit was commissioned in the third quarter of Financial Year 2017-18. This unit helps in reducing the sulphur content of coke oven gas and thereby reduces SOx generation from all the chimneys of the steel plant. In addition, the heat generated during the recovery process is used for steam generation, which helps in reducing the steam consumption from the central steam grid. Operation of sulphur recovery has improved the overall coke oven gas yield. The recovered sulphur is also a valuable by-product.
- Treated water from biochemical oxidation and dephenolisation ('**BOD**') plant is transferred to Central Effluent Treatment Plant ('**CETP**') from Q4FY'18 for re-circulation in the TSK fire hydrant and miscellaneous other industrial water circuits. This has reduced the load on the consumption of fresh clarified water in the system.
- PCI coal is being used in the coal blend from August 2017, thereby reducing the usage of costly imported semi-soft coal. PCI usage has gradually increased from 5% to 10%.
- Coke Dry Quenching has been ramped up to almost 80% of the coke production. This has significantly reduced the coke moisture, and thereby coke rate at Blast Furnace.

(iii) Product Development

Jamshedpur

- High strength structural steels (IS 2062 E350 Grade A) for hot dip galvanising applications.
- High strength enameling grade – Entry into new segment of constructions and projects.
- Higher size, 36mm corrosion resistant 500 CRSD rebars – First in India
- Grade B 500B rebars as per BS4449 for NatSteel Holdings Singapore – First time Export
- Fe 500 S (20 to 32mm) rebars through QST route – First in India
- HC 72A wire rods for direct draw to 1.26mm motor tyre bead wire – Entry into new segment
- HC 48B (low Silicon) wire rods for earth wire – Long pending Customer demand fulfilled
- Grade 4 and Grade 6 wire rods for ribbed welded wire mesh – Entry into new segment

- HC 82B Cr wire rods for high strength Aluminium Cladded Steel Reinforcement ('**ACSR**') – New application
- 8mm SD rebars from Indian Steel & Wire Product ('**ISWP**') – fulfilling the requirement in the eastern region

Kalinganagar

- High strength HS800 grade (Strength >= 800 Mega Pascal) in the thickness range of 4.0 mm - 8.0 mm for long members of heavy commercial vehicles.
- 80 kilo square inch grade [5.0 mm -12.0 mm thickness] for suspension applications of commercial vehicles.
- SPFH 590 high strength grade [2.0 mm – 6.0 mm thickness] for wheel rim and disc applications.
- JSH 590B high strength grade [2.0 mm – 3.2 mm thickness] for automotive structural high HER (Hole Expansion Ratio) application.
- High strength grades (S275 J0 and S355 J2) with better structural integrity for Lifting and excavation applications
- Thicker high strength grade (ASTM A 572 Grade 50, S460) for Pre-engineered building applications.
- Medium & high carbon steels with high internal soundness – new segment of high end tubes & pipes
- API Grades X46, X65 and X70 developed for Sweet Applications in Oil and Gas segment.

2. Benefits derived from key projects:

Project Title	Benefits
Jamshedpur	
Modification of cooling in run out table of hot strip mill.	Lower residual stresses in thick plates used for high end application which demands better shapes (BOW) after blanking & shearing.
Tension levelling in steel processing centres for L&E and Pre-Engineered Building ('**PEB**') grades	Higher plasticity (~75%) while levelling to homogenise the locked in stresses and ensure better flatness after processing.
Optimise coiling temperature and rolling speed in hot strip mill to avoid coil sagging.	Thinner and wider sections with higher level of carbon are prone to sagging after coiling in down coiler. Optimisation of coiling temperature and rolling speed was done to reduce the defect.
Rationalise the sequencing of grade in continuous casting to reduce rejections.	With the objective of compliance to quality control order the mixing logic and conditions were redefined to reduce the scraps and transition slabs in LD#2 & LD#3.
Improve co product management in the supply chain	Unorganised diversions of prime grades were always a concern in supply chain. Hierarchy based cascading with stress on diversion in value added grades helped in improving the availability and reduction in ferro alloy consumption
Optimisation of rolling parameters for 5.5mm, ER70S6	Reduction in adherent scale content and reduction in entanglement during coil pay off
Reduction of start-up breakouts at CC3, LD1	From May 2017 to February 2018, there were just 7 start-up breakouts, down from 46 in the 10 months preceding. The initial casting speed at main heat increased by increasing the nozzle diameter from March 2017 from the existing 16mm nozzle (3.0mtr/min) to 16.5mm nozzle (3.2mtr/min).
Lime reduction in vessel at LD1	Average lime additions at LD1 reduced from 9.88 to 9.05 tonnes/heat without any adverse effect on turndown P. Further scope for reduction identified.
Kalinganagar	
Reduction of breakouts in Steel Melt Shop through logic modification in Breakout Detection System	Number of breakouts reduced to 3 per year. This has also reduced the number of false alarm generation.

3. Information regarding imported technology (last three years)

Sl No.	Technology imported	Year	Status
Jamshedpur			
1.	Pulverised coal injection at existing H Blast Furnace	2016	Commissioned
2.	Coke Oven gas holder		
3.	BF gas holder		
4.	Installation of 3rd blower & interconnecting piping for 'G' & 'H' BF's		
5.	Slab Deburring & Slab Marking Machine in Caster# 1 & 3	2017	
6.	Installation of Torch Cutting Machine in Caster# 1 & 3		
7.	Installation of Tension Leveller at CGL#1		
8.	Coil Box revamp at HSM		
9.	Installation & Commissioning of Twin RH Facility		
10.	Installation of 4th Grinder		
11.	Installation of Surface Inspection System for TSCR		
12.	Installation of new Slab Scarfing machine		
13.	Power augmentation at Bulk Power receiving station ('**BPRS**')		
14.	Fire fighting system at LD gas holder		
15.	Hot Rolled Skin Pass & Oiled ('**HRSPO**') coils at Cold Rolling Mill ('**CRM**') Bara (Ph-II)		
16.	Barrel reclaimer		
17.	Conveyors for pre-screening plant at Noamundi	2018	
18.	E BF Re-lining		
19.	H BF - Augmentation of electrics		
20.	SP#2 Dedusting system		
21.	Coke Oven Flare Stack		
22.	Upgradation of RCL1 at CRM		
23.	Dust extraction system at H BF Stockhouse		
24.	LD Slag processing plant		
Kalinganagar			
25.	Coke Oven Batteries	2016	Commissioned
26.	Sinter Plant – Sinter Cooler, Sinter Machine, Screens, Granulator, Mixer, Noduliser		
27.	Blast Furnace – 4330 CuM capacity – Furnace, Charging System, Pulverised Coal Injection System		
28.	Steel Melt Shop – Converter, Composition Adjustment System with Oxygen Blowing ('**CASOB**'), Twin Strand Caster		
29.	Hot Strip Mill – Roughing Mill, Finishing Mill and Down Coiler		
30.	Dynamic Soft Reduction facility in Slab Caster	2017	
31.	Installation of Slab tilter facility at Steel Melt Shop	2018	
32.	Installation of RH Degasser facility at Steel Melt Shop		

4. Expenditure on Research & Development (R&D)

(₹ crore)

(a)	Capital	22.42
(b)	Recurring	159.22
(c)	**Total**	**181.64**
(d)	Total R&D expenditure as a % of Total Turnover	0.30

(C) Foreign Exchange Earnings and Outgo

(₹ crore)

	FY 2017-18	FY 2016-17
Foreign exchange earnings	5,898.19	3,996.55
Value of direct imports (C.I.F. Value)	13,355.43	10,298.00
Expenditure in foreign currency	334.94	447.38

On behalf of the Board of Directors

sd/-
N. CHANDRASEKARAN
Chairman
DIN: 00121863

Mumbai
May 16, 2018

TATA STEEL

Financial Highlights

(₹ crore)

	Tata Steel Standalone		Tata Steel Group	
	2017-18	2016-17	2017-18	2016-17
Revenue from operations	60,519.37	53,260.96	1,33,016.37	1,17,419.94
Profit/(loss) before tax	6,638.25	5,356.93	21,109.75	2,473.63
Profit/(loss) after tax	4,169.55	3,444.55	17,762.81	(4,168.57)
Dividends	971.22	776.97	970.05	776.97
Retained earnings	18,700.25	12,280.91	7,801.99	(11,447.01)
Capital Employed	98,174.73	86,329.91	1,64,524.06	1,32,465.59
Net worth	63,789.84	51,934.01	61,807.14	39,421.02
Borrowings	28,125.80	28,284.63	92,147.05	83,014.49
	Ratio		Ratio	
Net debt: Equity	0.15	0.44	1.37	1.72
	₹		₹	
Net worth per Share as at year end	556.67	534.73	539.92	406.38
Earnings per Share:				
Basic	38.57	31.74[(i)]	128.12	(42.89)[(i)]
Diluted	38.56	31.74 [(i)]	128.10	(42.89)[(i)]
Dividend declared per Ordinary Share	10.00	10.00	10.00	10.00
Employees (Numbers)	34,072	34,989	65,144	67,902
Shareholders (Numbers)	7,81,392	8,44,429		

(i) Adusted for the bonus element in respect of rights issue during 2017-18.

Financial Ratios

	Tata Steel Standalone		Tata Steel Group	
	2017-18	2016-17	2017-18	2016-17
1. EBITDA/Turnover	26.11%	22.43%	16.57%	14.50%
2. PBET/Turnover	16.53%	11.38%	8.65%	5.79%
3. Return on average capital employed	13.09%	9.79%	10.87%	7.89%
4. Return on average net worth	7.21%	6.83%	35.09%	(9.93%)
5. Asset turnover	60.02%	54.46%	69.33%	73.02%
6. Inventory turnover (in days)	67	62	75	71
7. Debtors turnover (in days)	12	11	33	37
8. Gross block to net block	1.17	1.12	1.47	1.38
9. Net debt to equity	0.15	0.44	1.37	1.72
10. Current ratio	0.91	0.76	1.46	1.44
11. Interest service coverage ratio	7.08	4.21	4.14	2.83
12. Net worth per share (₹)	556.67	534.73	539.92	406.38
13. Basic earnings per share - continuing operations (₹)	38.57	31.74	127.56	(5.35)
Basic earnings per share - continuing and discontinued (₹)	38.57	31.74	128.12	(42.89)
14. Dividend payout	33%	34%	8%	-
15. P/E ratio	14.80	15.21	4.48	-

1. EBITDA/Turnover

   (EBITDA: PBT +/(-) Exceptional Items + Net Finance Charges + Depreciation and amortisation)

   (Net Finance Charges: Finance costs - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments)

   (Turnover: Revenue from Operations)

2. PBET/Turnover

   Profit before exceptional items and tax/Turnover

3. Return on Average Capital Employed: EBIT/Average Capital Employed

   (Capital Employed: Total Equity + Non-current Borrowings + Current maturities of Non-current borrowings and Finance Lease Obligations + Current Borrowings + Deferred tax liabilities)

   (EBIT: PBT +/(-) Exceptional Items + Net Finance Charges)

4. Return on Average Net worth: PAT (including discontinued operations)/Average Net worth

   (Net worth: Total equity + Preference Shares issued by subsidiary companies + Warrants issued by a subsidiary company + Hybrid Perpetual Securities)

5. Asset Turnover: Turnover/(Total Assets - Investments - Advance Against Equity)

6. Inventory Turnover: Average Inventory/Sale of Products in days

7. Debtors Turnover: Average Debtors/Turnover in days

8. Gross Block to Net Block: Gross Block/Net Block

   (Gross Block: Cost of tangible assets + Capital work in progress + Cost of intangible assets + Intangible assets under development)

   (Net Block: Gross Block - Accumulated depreciation and amortisation - Accumulated impairment)

9. Net Debt to Equity: Net Debt/Average Net Worth

   (Net Debt: Non-current borrowings + Current maturities of Non-current borrowings and Finance Lease Obligations + Current borrowings - Current Investments - Non-current balances with banks - Cash and Bank Balances)

10. Current Ratio: Current Assets (excluding current investments)/ Current Liabilities

    (Current liabilities: Trade Payables + Other current liabilities + Short-term provisions - Current maturities of Non-current borrowings and Finance Lease Obligations)

11. Interest Service Coverage Ratio: EBIT/Net Finance Charges (excluding interest on short term debts)

12. Net worth per share: Net Worth/Number of Equity Shares

13. Basic Earnings per share: Profit attributable to Ordinary Shareholders/Weighted average number of Ordinary Shares

14. Dividend Payout: Dividend (includes tax on dividend)/Profit after tax

15. P/E Ratio: Market Price per share/Basic Earnings per share-continuing operations

TATA STEEL

Production Statistics

'000 Tonnes

Year	Iron Ore	Coal	Iron	Crude steel	Rolled/ Forged Bars and Structurals	Plates	Sheets	Hot Rolled Coils/ Strips	Cold Rolled Coils	Railway Materials	Semi-Finished for Sale	Total Saleable Steel
1988-89	3,569	3,793	2,238	2,313	637	93	131	166	-	13	904	1,900
1989-90	3,726	3,754	2,268	2,323	553	91	117	155	-	17	1,033	1,913
1990-91	3,509	3,725	2,320	2,294	558	88	118	153	-	14	1,013	1,901
1991-92	3,996	3,848	2,400	2,415	599	92	123	170	-	9	1,045	1,978
1992-93	4,126	3,739	2,435	2,477	575	78	122	163	-	7	1,179	2,084
1993-94	4,201	3,922	2,598	2,487	561	-	124	281	-	6	1,182	2,117
1994-95	4,796	4,156	2,925	2,788	620	-	137	613	-	2	1,074	2,391
1995-96	5,181	4,897	3,241	3,019	629	-	133	1,070	-	-	869	2,660
1996-97	5,766	5,294	3,440	3,106	666	-	114	1,228	-	-	811	2,783
1997-98	5,984	5,226	3,513	3,226	634	0	60	1,210	0	0	1,105	2,971
1998-99	6,056	5,137	3,626	3,264	622	0	0	1,653	0	0	835	3,051
1999-00	6,456	5,155	3,888	3,434	615	0	0	2,057	0	0	615	3,262
2000-01	6,989	5,282	3,929	3,566	569	0	0	1,858	356	0	647	3,413
2001-02	7,335	5,636	4,041	3,749	680	0	0	1,656	734	0	566	3,596
2002-03	7,985	5,915	4,437	4,098	705	0	0	1,563	1,110	0	563	3,975
2003-04	8,445	5,842	4,466	4,224	694	0	0	1,578	1,262	0	555	4,076
2004-05	9,803	6,375	4,347	4,104	706	0	0	1,354	1,445	0	604	4,074
2005-06	10,834	6,521	5,177	4,731	821	0	0	1,556	1,495	0	679	4,551
2006-07	9,776	7,041	5,552	5,046	1,230	0	0	1,670	1,523	0	506	4,929
2007-08	10,022	7,209	5,507	5,014	1,241	0	0	1,697	1,534	0	386	4,858
2008-09	10,417	7,282	6,254	5,646	1,350	0	0	1,745	1,447	0	833	5,375
2009-10	12,044	7,210	7,231	6,564	1,432	0	0	2,023	1,564	0	1,421	6,439
2010-11	13,087	7,024	7,503	6,855	1,486	0	0	2,127	1,544	0	1,534	6,691
2011-12	13,189	7,460	7,750	7,132	1,577	0	0	2,327	1,550	0	1,514	6,970
2012-13	15,005	7,295	8,858	8,130	1,638	0	0	3,341	1,445	0	1,518	7,941
2013-14	17,364	6,972	9,899	9,155	1,676	0	0	4,271	1,638	0	1,346	8,931
2014-15	13,694	6,044	10,163	9,331	1,778	0	0	4,259	1,836	0	1,200	9,073
2015-16	16,431	6,227	10,655	9,960	1,823	0	0	4,742	1,689	0	1,443	9,698
2016-17	21,284	6,315	13,051	11,683	1,882	0	0	6,295	1,837	0	1,481	11,351
2017-18	23,043	6,224	13,855	12,482	1,882	0	0	7,093	1,853	0	1,481	12,237

Financial Statistics

(₹ crore)

Year	Capital	Reserves and Surplus	Borrow-ings	Gross Block	Net Block	Invest-ments	Total Income	Total Expen-diture *	Depre-ciation	Profit before Tax	Tax	Profit after Tax	Dividend#
2015-16	3,246.41	45,665.97	30,843.51	84,014.31	78,294.27	11,785.42	43,088.60	38,582.98	2,962.28	1,543.34	587.69	955.65	926.28
2016-17	3,246.42	48,687.59	28,284.63	87,987.34	78,731.11	13,665.71	53,675.42	44,776.94	3,541.55	5,356.93	1,912.38	3,444.55	924.71
2017-18	**3,421.14**	**60,368.70**	**28,125.80**	**90,354.85**	**77,402.35**	**24,276.93**	**61,283.03**	**50,917.32**	**3,727.46**	**6,638.25**	**2,468.70**	**4,169.55**	**1,159.63**

* Expenditure includes excise duty recovered on sales.

Includes tax on dividend.

Dividend Statistics

Year	First Preference (₹150)		Second Preference (₹100)			Ordinary (₹100 upto 1988-89 and ₹10 from 1989-90)[d]				Total ₹lakh
	Rate ₹	Dividend ₹ lakh	Rate ₹	Dividend @ ₹ lakh	Tax on dividend ₹ lakh	Rate* ₹		Dividend @ ₹ lakh	Tax on dividend ₹ lakh	
1988-89	–	–	–	–	–	30.00	a	4,616.74	–	4,616.74
1989-90	–	–	–	–	–	3.00	b,c	5,059.30	–	5,059.30
1990-91	–	–	–	–	–	3.10		7,134.23	–	7,134.23
1991-92	–	–	–	–	–	3.50		8,054.78	–	8,054.78
1992-93	–	–	–	–	–	2.50	d	6,482.21	–	6,482.21
1993-94	–	–	–	–	–	3.00	e	9,655.44	–	9,655.44
1994-95	–	–	–	–	–	3.50	f	11,823.94	–	11,823.94
1995-96	–	–	–	–	–	4.50	g	15,697.11	–	15,697.11
1996-97	–	–	–	–	–	4.50		18,222.25	1,656.57	18,222.25
1997-98	–	–	–	–	–	4.00		16,198.05	1,472.55	16,198.05
1998-99	–	–	–	–	–	4.00		16,329.05	1,618.19	16,329.05
1999-00	–	–	9.25	860.80	85.30	4.00		16,329.07	1,618.20	17,189.87
2000-01	–	–	–	1,496.58 [h,i]	275.88	5.00		20,264.09	1,875.50	21,760.67
2001-02	–	–	8.42	228.33	21.13	4.00		14,710.88	–	14,939.21
2002-03	–	–	–	–	–	8.00		33,299.88	3,781.33	33,299.88
2003-04	–	–	–	–	–	10.00		41,625.77	4,727.58	41,625.77
2004-05	–	–	–	–	–	13.00		82,137.22	10,185.74	82,137.22
2005-06	–	–	–	–	–	13.00		82,042.66	10,092.00	82,042.66
2006-07	–	–	–	–		15.50		1,10,432.51	16,041.72	1,10,432.51
2007-08	–	–	0.41[j]	2,596.11	377.12	16.00		1,36,759.54	19,866.05	1,39,355.65
2008-09	–	–	2.00	12,805.48	1,860.16	16.00		1,36,443.72	19,549.31	1,49,249.20
2009-10	–	–	2.00	5,367.78	779.74	8.00		82,477.15	11,500.02	87,844.93
2010-11	–	–	–	–	–	12.00		1,30,777.35	15,671.62	1,30,777.35
2011-12	–	–	–	–	–	12.00		1,34,703.22	18,157.49	1,34,703.22
2012-13	–	–	–	–	–	8.00		90,569.91	12,872.69	90,569.91
2013-14	–	–	–	–	–	10.00		1,03,740.40	6,618.86	1,03,740.40
2014-15	–	–	–	–	–	8.00		92,627.74	14,930.51	92,627.74
2015-16	–	–	–	–	–	8.00		92,47,1.69	14,774.46	92,47,1.69
2016-17	–	–	–	–	–	10.00		1,16,893.21	19,771.66	1,16,893.21
2017-18	–	–	–	–	–	10.00[k]		1,38,147.27	23,554.82	1,38,147.27

a On the Capital as increased by Rights Issue of Ordinary Shares during 1987-88.

b The Ordinary Shares of ₹100 each have been sub-divided into Ordinary Shares of ₹10 each during 1989-90 and the rate of Dividend is per Ordinary Share of ₹10 each.

c On the Capital as increased by shares allotted on Conversion of Convertible Debentures.

d On the Capital as increased by Rights Issue of Ordinary Shares during 1992-93.

e On the Capital as increased by Ordinary Shares issued during 1993-94 against Detachable Warrants.

f On the Capital as increased by Ordinary Shares issued during 1994-95 against Detachable Warrants and Foreign Currency Convertible Bonds.

g On the Capital as increased by Ordinary Shares issued during 1995-96 against Detachable Warrants, Foreign Currency Convertible Bonds and Naked Warrants.

h Includes Dividend of ₹22.30 lakhs on 9.25% Cumulative Redeemable Preference Shares for the period 1st April, 2000 to 27th June, 2000.

i Includes Dividend of ₹1,198.40 lakhs on 8.42% Cumulative Redeemable Preference Shares for the period 1st June, 2000 to 31st March, 2001.

j Dividend paid for 74 days.

k On the Capital as increased by Rights Issue of Ordinary Shares during 2017-18.

* Dividend proposed for the year

@ Includes tax on dividend.

TATA STEEL

Independent Auditor's Report

TO THE MEMBERS OF TATA STEEL LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of **Tata Steel Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by 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, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The standalone Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 16, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

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

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

i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements — Refer Notes 36 and 37 to the standalone Ind AS financial statements;

ii. The Company has long-term contracts including derivative contracts as at March 31, 2018, 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, 2018 except for amounts aggregating to ₹4.62 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, 2018.

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

Russell I Parera
Partner
Membership Number 042190

Mumbai
May 16, 2018

Annexure A to the Independent Auditor's Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Tata Steel Limited on the standalone Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Tata Steel Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS 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 over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 Ind AS 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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 the standalone Ind AS 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 standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Russell I Parera
Partner
Membership Number 042190

Mumbai
May 16, 2018

Annexure B to the Independent Auditor's Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Tata Steel Limited on the standalone Ind AS financial statements as of and for the year ended March 31, 2018

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 are held in the name of the Company, except for the following:

(i) title deeds to freehold land with gross carrying amount and net carrying amount of ₹60.44 crore and ₹60.44 crore respectively, which are held in the name of erstwhile companies which have subsequently been amalgamated with the Company;

(ii) title deeds to buildings with gross carrying amount and net carrying amount of ₹83.48 crores and ₹76.73 crores respectively, which are held in the name of erstwhile companies which have subsequently been amalgamated with the Company.

(iii) title deeds to freehold land with gross carrying amount and net carrying amount of ₹202.67 crores and ₹202.67 crores respectively, which were not readily available.

(iv) title deeds to buildings with gross carrying amount and net carrying amount of ₹95.62 crores and ₹81.59 crores respectively, which were 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 all 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 granted secured/unsecured loans, to companies covered in the register maintained under Section 189 of the Act. The Company has not granted any secured / unsecured loans to any other party, as applicable, covered in the register maintained under Section 189 of the Companies Act, 2013.

(a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest except for two inter corporate deposits made during the year aggregating to ₹7.60 crores, placed with a subsidiary company and a joint venture company. Maximum amount outstanding during the year was ₹67.00 crores and ₹0.60 crores from the aforesaid subsidiary company and joint venture company respectively. As these companies are not going concerns, therefore in our opinion these deposits are prejudicial to the Company's interests.

(b) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Except for amounts aggregating ₹760.12 crores outstanding towards principal and interest from six subsidiary companies and two joint venture companies, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(c) In respect of the aforesaid loans, the total amount overdue towards principal and interest for more than ninety days as at March 31, 2018 is ₹648.28 crores. In such instances, in our opinion, reasonable steps have been taken by the Company for the recovery of the principal amounts and interest thereon.

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, as applicable, provided by it.

v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. 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 unclaimed deposits, as applicable. 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 regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs , duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017and other material statutory dues, as applicable, with the appropriate authorities, other than arrear dues outstanding for more than six months as at March 31, 2018 set out below. We are informed that the Company has applied for exemption from operations of Employees' State Insurance Act at some locations. We are also informed that actions taken by the authorities at some locations to bring the employees of the Company under the Employees' State Insurance Scheme has been contested by the Company and payment has not been made of the contributions demanded.

The extent of the arrears of statutory dues outstanding as at March 31, 2018, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (₹ in crores)
Central Excise Act, 1944	Excise Duty	0.14

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods and service tax as at March 31, 2018 which have not been deposited on account of any dispute and the particulars of dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax and service tax as at March 31,2018 which have not been deposited on account of a dispute, are as follows:

Name of Statute	Nature of dues	Amount (net of payments) (₹crore)	Amounts paid (₹crore)	Period for which dispute relates to	Forum where Dispute is pending
Income-tax Act, 1961	Income-tax	395.31*	580.28*	1998-1999, 2006-2007, 2007-2008, 2009-2010, 2010-2011	Tribunal
		0.67	-	2010-2011	Income-tax Officer
Customs Act, 1962	Customs Duty	79.67	50.00	2005-2008	Commissioner
		3.95	0.07	2002-2003	High Court
Central Excise Act,1944	Excise Duty	0.85	-	1983-1985	Assistant Commissioner
		246.13	111.47	1989-1990, 1994-2002, 2003-04, 2005-2017	Commissioner
		0.18	-	1985-1987, 1998-1999	Deputy Commissioner
		34.66	0.10	1988-1990, 2003-2009	High Court
		0.03	0.01	1998-1999	Joint Commissioner
		691.45	45.76	1990-1991, 1992-1997, 1998-2015, 2016-17	Tribunal
Sales Tax Laws	Sales Tax	26.07	11.30	1973-1974, 1977-1979, 1983-1984, 1991-1997, 2000-2002, 2008-2009	High Court
		57.91	3.97	1977-1978, 1980-1981, 1983-1985, 1987-1988, 1989-1999, 2000-2001, 2003-2005, 2009-2012, 2013-2015, 2016-2017	Tribunal
		325.03	18.12	1988-1990, 1991-1992, 1993-1994, 2001-2005, 2006-2014	Commissioner
		0.03	0.03	2001-2002	Joint Commissioner
		164.03	2.31	1975-1976, 1983-1988, 1994-1995, 1997-2006, 2007-2009, 2013-2015	Deputy Commissioner
		28.15	2.47	2002-2003, 2012-2015	Additional Commissioner
		8.79	2.67	1973-1974, 1980-1993, 1994-1997, 2001-2002, 2003-2005, 2008-2009	Assistant Commissioner
Value Added Tax Laws	Value Added Tax	252.84	1.07	1994-1996, 2007-2008, 2012-2016	High Court
		21.30	3.30	2005-2011, 2012-2015	Tribunal
		103.93	1.21	2005-2015, 2016-2017	Commissioner
		119.56	4.60	2010-2011, 2012-2014	Joint Commissioner
		15.48	1.71	2005-2011, 2014-2015	Deputy Commissioner
		0.89	0.05	2012-2015	Additional Commissioner
		0.12	0.06	2005-2006, 2008-2009, 2013-2014, 2016-2017	Assistant Commissioner
Finance Act, 1994	Service Tax	0.04	0.001	2013-2014, 2015-2016	Assistant Commissioner
		5.56	0.12	2004-2018	Commissioner
		0.97	-	2009-2010	Deputy Commissioner
		1,291.87	10.17	2004-2017	Tribunal

*excluding net excess payments/adjustments for the years 2008-2009, 2011-2012 and 2012-2013 aggregating ₹ 282.86 crores.

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

Name of Statute	Nature of dues	Amount (net of payments) (₹crore)	Period for which dispute relates to	Forum where Dispute is pending
Central Excise Act,1944	Excise Duty	235.48	2004-2005	Supreme Court
		0.64	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 applicable, as at the balance sheet date.

ix. In our opinion and according to the explanations given to us, money raised by way of further public offer (rights issue) during the year and the term loans have been applied for the purposes for which they were obtained. Out of the total money received by way of rights issue during the year, amounts aggregating ₹ 2614.29 crores are lying in cash and cash equivalents as at year end, pending eventual utilisation for specific purposes as per the terms and conditions of the rights issue.

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 Ind AS financial statements as required under Indian Accounting Standard 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
Membership Number 042190

Mumbai
May 16, 2018

TATA STEEL

Balance Sheet

AS AT MARCH 31, 2018

(₹ crore)

				Note	Page	As at March 31, 2018	As at March 31, 2017
Assets							
I	**Non-current assets**						
	(a)	Property, plant and equipment		03	211	70,942.90	71,778.97
	(b)	Capital work-in-progress				5,641.50	6,125.35
	(c)	Intangible assets		05	215	786.18	788.18
	(d)	Intangible assets under development				31.77	38.61
	(e)	Investments in subsidiaries, associates and joint ventures		06	216	3,666.24	3,397.83
	(f)	Financial assets					
		(i)	Investments	07	219	5,970.32	4,958.07
		(ii)	Loans	08	223	213.50	211.97
		(iii)	Derivative assets			12.13	0.12
		(iv)	Other financial assets	09	225	21.21	79.49
	(g)	Income tax assets (net)				1,043.84	867.75
	(h)	Other assets		11	229	2,140.84	3,108.67
	Total non-current assets					**90,470.43**	**91,355.01**
II	**Current assets**						
	(a)	Inventories		12	231	11,023.41	10,236.85
	(b)	Financial assets					
		(i)	Investments	07	219	14,640.37	5,309.81
		(ii)	Trade receivables	13	231	1,875.63	2,006.52
		(iii)	Cash and cash equivalents	14	233	4,588.89	905.21
		(iv)	Other balances with bank	15	233	107.85	65.10
		(v)	Loans	08	223	74.13	27.14
		(vi)	Derivative assets			30.07	6.26
		(vii)	Other financial assets	09	225	480.62	315.06
	(c)	Other assets		11	229	1,822.94	1,238.45
	Total current assets					**34,643.91**	**20,110.40**
Total assets						**1,25,114.34**	**1,11,465.41**
Equity and Liabilities							
III	**Equity**						
	(a)	Equity share capital		16	234	1,146.12	971.41
	(b)	Hybrid perpetual securities		17	237	2,275.00	2,275.00
	(c)	Other equity		18	237	60,368.72	48,687.60
	Total equity					**63,789.84**	**51,934.01**
IV	**Non-current liabilities**						
	(a)	Financial liabilities					
		(i)	Borrowings	19	241	24,568.95	24,694.37
		(ii)	Derivative liabilities			70.08	179.33
		(iii)	Other financial liabilities	20	244	19.78	18.22
	(b)	Provisions		21	244	1,961.21	2,024.74
	(c)	Retirement benefit obligations		22	245	1,247.73	1,484.21
	(d)	Deferred income		23	246	1,365.61	1,885.19
	(e)	Deferred tax liabilities (net)		10	226	6,259.09	6,111.27
	(f)	Other liabilities		24	246	224.71	77.74
	Total non-current liabilities					**35,717.16**	**36,475.07**
V	**Current liabilities**						
	(a)	Financial liabilities					
		(i)	Borrowings	19	241	669.88	3,239.67
		(ii)	Trade payables	25	247	11,242.75	10,717.44
		(iii)	Derivative liabilities			16.41	270.17
		(iv)	Other financial liabilities	20	244	6,541.40	4,062.35
	(b)	Provisions		21	244	735.28	700.60
	(c)	Retirement benefit obligations		22	245	90.50	56.58
	(d)	Income tax liabilities (net)				454.06	465.72
	(e)	Other liabilities		24	246	5,857.06	3,543.80
	Total current liabilities					**25,607.34**	**23,056.33**
Total Equity and Liabilities						**1,25,114.34**	**1,11,465.41**
Notes forming part of the financial statements				1-44			

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/-
Russell I Parera
Partner
Membership Number 042190

sd/-
D. K. Mehrotra
Director
DIN: 00142711

sd/-
Saurabh Agrawal
Director
DIN: 02144558

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

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

sd/-
Parvatheesam K.
Company Secretary
ACS: 15921

Mumbai, May 16, 2018

TATA

Statement of Profit and Loss

FOR THE YEAR ENDED MARCH 31, 2018

(₹ crore)

		Note	Page	Year ended March 31, 2018	Year ended March 31, 2017
I	Revenue from operations	26	247	60,519.37	53,260.96
II	Other income	27	248	763.66	414.46
III	**Total income**			**61,283.03**	**53,675.42**
IV	**Expenses:**				
	(a) Raw materials consumed			16,877.63	12,496.78
	(b) Purchases of finished, semi-finished and other products			647.21	881.18
	(c) Changes in inventories of finished and semi-finished goods,work-in-progress and stock-in-trade	28	248	545.36	(1,329.65)
	(d) Employee benefits expense	29	249	4,828.85	4,605.13
	(e) Finance costs	30	249	2,810.62	2,688.55
	(f) Depreciation and amortisation expense	31	250	3,727.46	3,541.55
	(g) Other expenses	32	250	22,178.02	24,949.09
				51,615.15	**47,832.63**
	Less: Expenditure (other than interest) transferred to capital and other accounts			336.66	217.52
	Total expenses			**51,278.49**	**47,615.11**
V	**Profit before exceptional items and tax (III-IV)**			**10,004.54**	**6,060.31**
VI	**Exceptional items:**	33	251		
	(a) Provision for impairment of investments/doubtful advances			(62.92)	(170.87)
	(b) Provision for demands and claims			(3,213.68)	(218.25)
	(c) Employee separation compensation			(89.69)	(178.68)
	(d) Other provisions			-	(135.58)
	Total exceptional items			**(3,366.29)**	**(703.38)**
VII	**Profit before tax (V+VI)**			**6,638.25**	**5,356.93**
VIII	**Tax expense:**				
	(a) Current Tax			1,586.78	1,400.54
	(b) Deferred Tax			881.92	511.84
	Total tax expense			**2,468.70**	**1,912.38**
IX	**Profit for the year (VII-VIII)**			**4,169.55**	**3,444.55**
X	**Other comprehensive income/(loss)**				
	A (i) Items that will not be reclassified subsequently to the statement of profit and loss				
	(a) Remeasurement gains/(losses) on post employment defined benefit plans			237.63	(217.79)
	(b) Fair value changes of investments in equity shares			(223.00)	819.01
	(ii) Income tax on items that will not be reclassified subsequently to the statement of profit and loss			(82.24)	75.37
	B (i) Items that will be reclassified subsequently to the statement of profit and loss				
	(a) Fair value changes of cash flow hedges			9.96	(1.22)
	(ii) Income tax on items that will be reclassified subsequently to the statement of profit and loss			(3.47)	0.42
	Total other comprehensive income/(loss)			**(61.12)**	**675.79**
XI	**Total comprehensive income/(loss) for the year (IX+X)**			**4,108.43**	**4,120.34**
XII	**Earnings per share**	34	252		
	Basic (₹)			38.57	31.74
	Diluted (₹)			38.56	31.74
XIII	**Notes forming part of the financial statements**	1-44			

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

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Peter Blauwhoff
Director
DIN: 07728872

sd/-
Deepak Kapoor
Director
DIN: 00162957

sd/-
Russell I Parera
Partner
Membership Number 042190

sd/-
D. K. Mehrotra
Director
DIN: 00142711

sd/-
Saurabh Agrawal
Director
DIN: 02144558

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

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

sd/-
Parvatheesam K.
Company Secretary
ACS: 15921

Mumbai, May 16, 2018

TATA STEEL

Statement of Changes in Equity

FOR THE YEAR ENDED MARCH 31, 2018

A. Equity share capital

(₹ crore)

Balance as at April 1, 2017	Changes during the year	Balance as at March 31, 2018
971.41	174.71	1,146.12

(₹ crore)

Balance as at April 1, 2016	Changes during the year	Balance as at March 31, 2017
971.41	-	971.41

B. Hybrid perpetual securities

(₹ crore)

Balance as at April 1, 2017	Changes during the year	Balance as at March 31, 2018
2,275.00	-	2,275.00

(₹ crore)

Balance as at April 1, 2016	Changes during the year	Balance as at March 31, 2017
2,275.00	-	2,275.00

C. Other Equity

(₹ crore)

	Retained earnings (Refer Note 18A, Page 237)	Items of other comprehensive income (Refer Note 18B, Page 237)	Other reserves (Refer Note 18C, Page 239)	Share application money pending allotment (Refer Note 18D, Page 240)	Total Equity
Balance as at April 1, 2017	**12,280.91**	**3,752.83**	**32,653.85**	**0.01**	**48,687.60**
Profit for the year	4,169.55	-	-	-	4,169.55
Other comprehensive income for the year	155.39	(216.51)	-	-	(61.12)
Total comprehensive income	**4,324.94**	**(216.51)**	**-**	**-**	**4,108.43**
Issue of ordinary shares(i)	-	-	8,939.59	-	8,939.59
Dividend	(971.22)	-	-	-	(971.22)
Tax on dividend	(188.41)	-	-	-	(188.41)
Equity issue expenses written off (i)	-	-	(33.85)	-	(33.85)
Distribution on hybrid perpetual securities	(266.13)	-	-	-	(266.13)
Tax on distribution on hybrid perpetual securities	92.70	-	-	-	92.70
Transfers within equity	3,427.46	(3,427.46)	-	(0.01)	(0.01)
Application money received	-	-	-	0.02	0.02
Balance as at March 31, 2018	**18,700.25**	**108.86**	**41,559.59**	**0.02**	**60,368.72**

(i) represents premium received and issue expenses on rights issue of shares during the year.

Statement of Changes in Equity (Contd.)

FOR THE YEAR ENDED MARCH 31, 2018

(₹ crore)

	Retained earnings (Refer Note 18A, Page 237)	Items of other comprehensive income (Refer Note 18B, Page 237)	Other reserves (Refer Note 18C, Page 239)	Share application money pending allotment (Refer Note 18D, Page 240)	Total Equity
Balance as at April 1, 2016	**10,075.75**	**2,936.37**	**32,653.85**	**-**	**45,665.97**
Profit for the year	3,444.55	-	-	-	3,444.55
Other comprehensive income for the year	(142.42)	818.21	-	-	675.79
Total comprehensive income	**3,302.13**	**818.21**	**-**	**-**	**4,120.34**
Dividend	(776.97)	-	-	-	(776.97)
Tax on dividend	(147.74)				(147.74)
Distribution on hybrid perpetual securities	(266.10)	-	-	-	(266.10)
Tax on distribution on hybrid perpetual securities	92.09	-	-	-	92.09
Transfers within equity	1.75	(1.75)	-	-	-
Application money received	-	-	-	0.01	0.01
Balance as at March 31, 2017	**12,280.91**	**3,752.83**	**32,653.85**	**0.01**	**48,687.60**

D. Notes forming part of the financial statements — Note 1-44

In terms of our report attached

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

sd/-
Russell I Parera
Partner
Membership Number 042190

Mumbai, May 16, 2018

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

sd/-
Mallika Srinivasan
Director
DIN: 00037022

sd/-
O. P. Bhatt
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DIN: 03083605

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Koushik Chatterjee
Executive Director and Chief Financial Officer
DIN: 00004989

sd/-
Parvatheesam K.
Company Secretary
ACS: 15921

Statement of Cash Flow

FOR THE YEAR ENDED MARCH 31, 2018

(₹ crore)

	Year ended March 31, 2018		Year ended March 31, 2017	
A. Cash flows from operating activities:				
Profit before taxes		**6,638.25**		**5,356.93**
Adjustments for:				
Depreciation and amortisation expense	3,727.46		3,541.55	
Net (gain)/loss on sale of non-current investments	-		(0.97)	
Income from non-current investments	(88.57)		(87.51)	
(Profit)/loss on sale of property, plant and equipment including intangible assets (net of loss on assets sold/discarded/written off)	40.48		6.91	
Exceptional (income)/expenses	3,366.29		703.38	
(Gain)/loss on cancellation of forwards, swaps and options	79.33		66.95	
Interest income and income from current investments and guarantees	(788.38)		(397.86)	
Finance costs	2,810.62		2,688.55	
Exchange (gain)/loss on revaluation of foreign currency loans and swaps	(88.17)		15.47	
Other non cash items	(588.33)		(332.72)	
		8,470.73		6,203.75
Operating profit before changes in current/non current assets and liabilities		**15,108.98**		**11,560.68**
Adjustments for:				
Non-current/current financial and other assets	456.70		(1,076.39)	
Inventories	(784.63)		(3,093.05)	
Non-current/current financial and other liabilities/provisions	(487.09)		5,316.27	
		(815.02)		1,146.83
Cash generated from operations		**14,293.96**		**12,707.51**
Income taxes paid		(2,502.51)		(1,540.87)
Net cash from/(used in) operating activities		**11,791.45**		**11,166.64**
B. Cash flows from investing activities:				
Purchase of capital assets	(2,527.46)		(3,212.72)	
Sale of capital assets	13.28		6.80	
Purchase of investments in subsidiaries[(i)]	(5,018.88)		(100.12)	
Purchase of other non-current investments	-		(177.73)	
Sale of other non-current investments	3,877.78		3.90	
(Purchase)/sale of current investments (net)	(8,650.92)		(668.19)	
Loans given	(622.68)		(31.37)	
Repayment of loans given	487.61		24.90	
Fixed deposits with banks (placed)/realised	(13.32)		(6.72)	
Interest and guarantee commission received	92.67		117.34	
Dividend received from subsidiaries	30.31		38.14	
Dividend received from associates and joint ventures	41.06		40.89	
Dividend received from others	17.20		8.48	
Net cash from/(used in) investing activities		**(12,273.35)**		**(3,956.40)**

Statement of Cash Flow (Contd.)

FOR THE YEAR ENDED MARCH 31, 2018

(₹ crore)

	Year ended March 31, 2018		Year ended March 31, 2017	
C. Cash Flows from financing activities:				
Proceeds from issue of equity shares (net of issue expenses[ii])	9,087.23		0.01	
Proceeds from borrowings	2,343.84		2,906.18	
Repayment of borrowings	(2,850.24)		(6,162.07)	
Repayment of finance lease obligations	(108.14)		(111.63)	
Amount received/(paid) on utilisation/cancellation of derivatives	(110.72)		(97.22)	
Distribution on hybrid perpetual securities	(267.10)		(265.76)	
Interest paid	(2,769.66)		(2,624.51)	
Dividend paid	(971.22)		(776.97)	
Tax on dividend paid	(188.41)		(147.74)	
Net cash from/(used in) financing activities		**4,165.58**		**(7,279.71)**
Net increase/(decrease) in cash and cash equivalents		**3,683.68**		**(69.47)**
Opening cash and cash equivalents (Refer Note 14, Page 233)		**905.21**		**974.68**
Closing cash and cash equivalents (Refer Note 14, Page 233)		**4,588.89**		**905.21**

(i) Includes investment in preference shares ₹**4,646.55** crore (2016-17: Nil).

(ii) Expenses incurred in connection with Rights Issue, 2018 have been partly paid by the Company and is pending adjustment against actual utilisation from the issue proceeds.

(iii) Significant non cash movements in borrowings during the year include:

(a) addition on account of finance leases ₹**110.37** crore (2016-17: ₹730.00 crore).
(b) exchange loss ₹**149.90** crore (2016-17: gain ₹127.70 crore).

D. Notes forming part of the financial statements — Note 1-44

In terms of our report attached

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

sd/-
Russell I Parera
Partner
Membership Number 042190

Mumbai, May 16, 2018

For and on behalf of the Board of Directors

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/-
D. K. Mehrotra
Director
DIN: 00142711

sd/-
Saurabh Agrawal
Director
DIN: 02144558

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

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

sd/-
Parvatheesam K.
Company Secretary
ACS: 15921

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 Bombay Stock Exchange (BSE) and the National Stock Exchange (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 and 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, 2018, Tata Sons Limited (or Tata Sons) owns 31.64 % 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, 2018 were approved by the Board of Directors and authorised for issue on May 16, 2018.

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.

(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 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 financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Key source of estimation of uncertainty at the date of standalone financial statements, which may cause material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment, useful lives of property, plant and equipment and intangible assets, valuation of deferred tax assets, provisions, contingent liabilities and fair value measurements of financial instruments as discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in the respective policies.

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 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.

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.

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)

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. Contingent assets are neither recognised nor disclosed in the financial statements.

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.

Retirement benefit obligations

The Company's retirement benefit obligation are subject to a number of judgement including discount rates, inflation and salary growth. Significant judgement is 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 judgement based on previous experience and third party actuarial advice.

(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/deemed cost, 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 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

TATA STEEL

Notes
FORMING PART OF THE FINANCIAL STATEMENTS

2. Significant accounting policies (Contd.)

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 mines.

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 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) it is clear that the intangible asset will generate probable future economic benefits.

(iv) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available and;

(v) 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/deemed cost less accumulated amortisation and accumulated impairment losses.

(i) Depreciation and amortisation of property, plant and equipment 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 those held under finance leases 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 leased assets, over the lease period, if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

2. Significant accounting policies (Contd.)

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 values 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 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

The Company determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Company in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as finance or an operating lease.

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company as lessee

(i) **Operating lease** – Rentals payable under operating leases are charged to 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 are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Notes
FORMING PART OF THE FINANCIAL STATEMENTS

2. Significant accounting policies (Contd.)

(ii) Finance lease – Finance leases are capitalised at the commencement of lease, at the lower of fair value of the property or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the statement of profit and loss over the period of the lease.

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.

(l) 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 pits 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 entity 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.

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 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.

(a) Financial assets

Cash and bank balances

Cash and bank balances consist of:

(i) **Cash and cash equivalents** - which includes cash in 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 maturities of less than one year from the reporting date. 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 believe 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 & loss.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statement of profit and loss.

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.

Notes

FORMING PART OF THE FINANCIAL STATEMENTS

2. Significant accounting policies (Contd.)

For financial assets 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.

(b) 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 re-measured 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.

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

Payments to defined contribution plans are charged as an expense as they fall due. 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. Re-measurement 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) is recognised as an expense within employment 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 obligation recognised in the 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.

(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.

Stores and spare parts are carried at lower of cost and net realisable value.

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:

Notes
FORMING PART OF THE FINANCIAL STATEMENTS

2. Significant accounting policies (Contd.)

(a) 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;

(b) 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 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. Total grants received less amounts credited to the statement of profit and loss at the balance sheet 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 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 statement of profit and loss, with all prior periods being presented on this basis.

(u) Income taxes

Tax expense for the period comprises current and deferred tax. The tax currently payable is based on taxable profit for the period. 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 values 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.

2. Significant accounting policies (Contd.)

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

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

Revenue is measured at the fair value of consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes and duties collected on behalf of the government.

Sale of goods

Revenue from sale of goods is recognised when the Company has transferred to the buyer the significant risks and rewards of ownership, no longer retains control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Depending on the contractual terms, risks and rewards of ownership is transferred when the delivery is completed. In case of exports sale delivery is completed on issuance of bill of lading.

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.

Rental income

Rental income is recognised on a straight line basis over the term of the relevant arrangements.

Commission income

Commission income is recognised when the services have been rendered.

(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 Standard" 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.

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

Notes

FORMING PART OF THE FINANCIAL STATEMENTS

2. Significant accounting policies (Contd.)

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 written off as borrowing costs when paid.

(y) Earnings per share

Basic earnings per share has been computed by dividing profit or loss for the year 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 has been computed using the weighted average number of shares and dilutive potential shares except where the result would be anti dilutive.

(z) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing the following new amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018.

- Ind AS 115 – Revenue from contracts with customers.
- Ind AS 21 – The Effect of Changes in Foreign Exchange Rates.

Ind AS 115 – "Revenue from Contracts with Customers"

Ind AS 115 establishes a single model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard, Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts" when it becomes effective.

The core principle of Ind AS 115 is that, an entity should recognize revenue to depict the transfer of promised goods and services to customers in an account that reflects the consideration to which the entity expects to be entitled in exchange for these goods or services. The new standard also requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue.

The Company is in the process of evaluating the impact of adoption of Ind AS 115 on its financial statements.

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

The amendment clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The Company is in the process of evaluating the impact of adoption of amendment to Ind AS 21 on its financial statements.

3. Property, plant and equipment

[Item No. I(a), Page 194]

(₹ crore)

	Land including roads	Buildings	Plant and Machinery	Furniture, fixtures and office equipments	Vehicles	Railway Sidings	Total
Cost/Deemed cost as at April 1, 2017	14,058.74	5,722.77	58,458.26	352.18	324.15	1,024.00	79,940.10
Additions	58.43	179.23	2,414.33	82.96	17.44	32.94	2,785.33
Disposals	-	-	(26.30)	(3.88)	(36.97)	-	(67.15)
Cost /Deemed cost as at March 31, 2018	**14,117.17**	**5,902.00**	**60,846.29**	**431.26**	**304.62**	**1,056.94**	**82,658.28**
Impairment as at April 1, 2017	0.15	1.32	0.09	-	-	-	1.56
Accumulated impairment as at March 31, 2018	**0.15**	**1.32**	**0.09**	**-**	**-**	**-**	**1.56**
Accumulated depreciation as at April 1, 2017	390.40	461.43	6,844.56	246.46	159.14	57.58	8,159.57
Charge for the period	103.15	229.13	3,140.58	48.72	27.64	36.22	3,585.44
Disposals	-	-	(5.02)	(3.81)	(22.36)	-	(31.19)
Accumulated depreciation as at March 31, 2018	**493.55**	**690.56**	**9,980.12**	**291.37**	**164.42**	**93.80**	**11,713.82**
Total accumulated depreciation and impairment as at March 31, 2018	**493.70**	**691.88**	**9,980.21**	**291.37**	**164.42**	**93.80**	**11,715.38**
Net carrying value as at April 1, 2017	13,668.19	5,260.02	51,613.61	105.72	165.01	966.42	71,778.97
Net carrying value as at March 31, 2018	**13,623.47**	**5,210.12**	**50,866.08**	**139.89**	**140.20**	**963.14**	**70,942.90**

(₹ crore)

	Land including roads	Buildings	Plant and Machinery	Furniture, fixtures and office equipments	Vehicles	Railway Sidings	Total
Cost/Deemed cost as at April 1, 2016	13,777.17	4,920.91	34,717.09	238.29	309.00	414.72	54,377.18
Additions	281.57	801.91	23,744.86	114.00	22.12	609.28	25,573.74
Disposals	-	(0.05)	(3.69)	(0.11)	(6.97)	-	(10.82)
Cost /Deemed cost as at March 31, 2017	**14,058.74**	**5,722.77**	**58,458.26**	**352.18**	**324.15**	**1,024.00**	**79,940.10**
Impairment as at April 1, 2016	0.13	1.32	0.09	-	-	-	1.54
Other re-classifications	0.02	-	-	-	-	-	0.02
Accumulated impairment as at March 31, 2017	**0.15**	**1.32**	**0.09**	**-**	**-**	**-**	**1.56**
Accumulated depreciation as at April 1, 2016	285.28	239.75	3,925.67	198.93	136.62	28.34	4,814.59
Charge for the period	105.14	221.68	2,919.71	47.62	28.10	29.24	3,351.49
Disposals	-	-	(0.82)	(0.09)	(5.58)	-	(6.49)
Other re-classifications	(0.02)	-	-	-	-	-	(0.02)
Accumulated depreciation as at March 31, 2017	**390.40**	**461.43**	**6,844.56**	**246.46**	**159.14**	**57.58**	**8,159.57**
Total accumulated depreciation and impairment as at March 31, 2017	**390.55**	**462.75**	**6,844.65**	**246.46**	**159.14**	**57.58**	**8,161.13**
Net carrying value as at April 1, 2016	13,491.76	4,679.84	30,791.33	39.36	172.38	386.38	49,561.05
Net carrying value as at March 31, 2017	**13,668.19**	**5,260.02**	**51,613.61**	**105.72**	**165.01**	**966.42**	**71,778.97**

(i) Buildings include ₹**2.32** crore (March 31, 2017: ₹2.32 crore) being cost of shares in co-operative housing societies and limited companies.

Notes

FORMING PART OF THE FINANCIAL STATEMENTS

3. Property, plant and equipment (Contd.)

[Item No. I(a), Page 194]

(ii) Net carrying value of plant and machinery comprises of:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Assets held under finance leases		
Cost/Deemed cost	3,632.46	3,522.09
Accumulated depreciation and impairment	1,590.98	1,486.69
	2,041.48	**2,035.40**
Owned assets	**48,824.60**	**49,578.21**
	50,866.08	**51,613.61**

(iii) Net carrying value of furniture, fixtures and office equipments comprises of:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Furniture and fixtures:		
Cost/Deemed cost	104.02	84.02
Accumulated depreciation and impairment	80.04	71.47
	23.98	**12.55**
Office equipments:		
Cost/Deemed cost	327.24	268.16
Accumulated depreciation and impairment	211.33	174.99
	115.91	**93.17**
	139.89	**105.72**

(iv) ₹**75.96** crore (March 31, 2017: ₹221.25 crore) of borrowing costs has been capitalised during the year on qualifying assets under construction using a capitalisation rate of **9.00%** (2016-17: 9.50%).

(v) Rupee liability has increased by ₹**44.33** crore (March 31, 2017: ₹137.11 crore) arising out of re-translation of the value of long-term foreign currency loans and liabilities for procurement of property, plant and equipment. This increase has been adjusted against the carrying value of assets and has been depreciated over their remaining useful life. The depreciation for the current year is higher by ₹**1.39** crore (2016-17: ₹3.16 crore) on account of this adjustment.

(vi) 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, 2018, the Company has recognised an impairment charge of ₹**33.99** crore (2016-17: Nil) in respect of expenditure incurred for a project (included in capital work in progress) wherein progress has been slow over the years due to certain hindrances. The impairment recognised is included within other expenses in the statement of profit and loss.

3. Property, plant and equipment (Contd.)

[Item No. I(a), Page 194]

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

(₹ crore)

	Buildings	Plant and Machinery	Furniture, fixtures & office equipments	Vehicles	Total
Cost/Deemed cost as at April 1, 2017	**6.04**	**66.56**	**6.08**	**0.09**	**78.77**
	0.26	*60.00*	*5.01*	*0.09*	*65.36*
Additions	**0.31**	**6.16**	**0.93**	**-**	**7.40**
	5.78	*6.56*	*1.07*	*-*	*13.41*
Cost/Deemed cost as at March 31, 2018	**6.35**	**72.72**	**7.01**	**0.09**	**86.17**
	6.04	*66.56*	*6.08*	*0.09*	*78.77*
Capital work-in-progress					**19.75**
					4.74

Figures in italics represent comparative figures for previous years.

(viii) Details of property, plant and equipment pledged against borrowings is presented in Note 19, Page 241.

4. Leases

The Company has taken certain land, buildings, plant and machinery under operating and/or finance leases. The following is a summary of future minimum lease rental payments under non-cancellable operating leases and finance leases entered into by the Company.

A. Operating leases:

Significant leasing arrangements include lease of land for periods ranging between 12 to 99 years renewable on mutual consent, lease of office space and assets dedicated for use under long term arrangements. Payments under long term arrangements involving use of dedicated assets are allocated between those relating to the right to use of assets, executory services and for output based on the underlying contractual terms and conditions. Any change in the allocation assumptions may have an impact on lease assessment and/or lease classification. Payments linked to changes in inflation index under the lease arrangements have been considered as contingent rent and recognised in the statement of profit and loss as and when incurred.

Future minimum lease payments under non-cancellable operating leases are as below:

(₹ crore)

	Minimum lease payments	
	As at March 31, 2018	As at March 31, 2017
Not later than one year	133.58	151.99
Later than one year but not later than five years	412.62	416.64
Later than five years	1,229.77	1,334.23
	1,775.97	**1,902.86**

During the year ended March 31, 2018, total operating lease rental expense recognised in the statement of profit and loss was ₹**280.80** crore, (2016-17: ₹294.81 crore) including contingent rent of ₹**31.20** crore (2016-17: ₹37.07 crore).

Notes

FORMING PART OF THE FINANCIAL STATEMENTS

4. Leases (Contd.)

B. Finance leases:

Significant leasing arrangements include assets dedicated for use under long term arrangements. The arrangements cover a substantial part of the economic life of the underlying assets and generally contain a renewal option on expiry. Payments under long term arrangements involving use of dedicated assets are allocated between those relating to the right to use of assets, executory services and for output based on underlying contractual terms and conditions. Any change in the allocation assumptions may have an impact on lease assessment and/or lease classification.

The minimum lease payments and minimum lease payments excluding future finance charges in respect of arrangements classified as finance leases is as below:

(₹ crore)

	As at March 31, 2018		As at March 31, 2017	
	Minimum Lease payments	Minimum lease payments less future finance charges	Minimum Lease payments	Minimum lease payments less future finance charges
Not later than one year	463.76	119.81	437.55	112.69
Later than one year but not later than five years	1,523.48	432.02	1,525.25	409.81
Later than five years	4,013.01	1,701.63	4,246.92	1,728.72
Total future minimum lease commitments	**6,000.25**	**2,253.46**	**6,209.72**	**2,251.22**
Less: Future finance charges	3,746.79		3,958.50	
Present value of minimum lease payments	**2,253.46**		**2,251.22**	
Disclosed as:				
Non-current borrowings (Refer Note 19, Page 241)	2,133.65		2,138.53	
Other financial liabilities - Current (Refer Note 20, Page 244)	119.81		112.69	
	2,253.46		**2,251.22**	

5. Intangible assets

[Item No. I(c), Page 194]

(₹ crore)

	Software costs	Mining assets	Total
Cost/Deemed cost as at April 1, 2017	198.72	1,684.56	1,883.28
Additions	42.17	97.85	140.02
Cost/Deemed cost as at March 31, 2018	**240.89**	**1,782.41**	**2,023.30**
Accumulated impairment as at April 1, 2017	-	37.05	37.05
Accumulated impairment as at March 31, 2018	**-**	**37.05**	**37.05**
Accumulated amortisation as at April 1, 2017	146.35	911.70	1,058.05
Charge for the period	21.39	120.63	142.02
Accumulated amortisation as at March 31, 2018	**167.74**	**1,032.33**	**1,200.07**
Total accumulated amortisation and impairment as at March 31, 2018	**167.74**	**1,069.38**	**1,237.12**
Net carrying value as at April 1, 2017	52.37	735.81	788.18
Net carrying value as at March 31, 2018	**73.15**	**713.03**	**786.18**

(₹ crore)

	Software costs	Mining assets	Total
Cost/Deemed cost as at April 1, 2016	147.76	1,283.49	1,431.25
Additions	50.96	401.07	452.03
Cost/Deemed cost as at March 31, 2017	**198.72**	**1,684.56**	**1,883.28**
Accumulated impairment as at April 1, 2016	-	35.92	35.92
Charge for the period	-	1.13	1.13
Accumulated impairment as at March 31, 2017	**-**	**37.05**	**37.05**
Accumulated amortisation as at April 1, 2016	122.72	745.27	867.99
Charge for the period	23.63	166.43	190.06
Accumulated amortisation as at March 31, 2017	**146.35**	**911.70**	**1,058.05**
Total accumulated amortisation and impairment as at March 31, 2017	**146.35**	**948.75**	**1,095.10**
Net carrying value as at April 1, 2016	25.04	502.30	527.34
Net carrying value as at March 31, 2017	**52.37**	**735.81**	**788.18**

(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, 2017, the Company had recognised an impairment charge of ₹1.13 crore 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 ₹**0.27** crore (2016-17: ₹0.27 crore).

TATA STEEL

Notes
FORMING PART OF THE FINANCIAL STATEMENTS

6. Investment in subsidiaries, associates and joint ventures

[Item No. I(e), Page 194]

(₹ crore)

	No. of shares as at March 31, 2018 (face value of ₹10 each fully paid -up unless otherwise specified)	As at March 31, 2018	As at March 31, 2017
A. Investments carried at cost			
(a) Equity Investments in subsidiary companies			
(i) Quoted			
(1) Tata Metaliks Ltd.	1,26,67,590	26.30	26.30
(2) Tayo Rolls Limited	55,87,372	-	-
(3) Tata Sponge Iron Limited	83,93,554	86.54	86.54
(4) The Tinplate Company of India Ltd.	7,84,57,640	395.02	395.02
		507.86	**507.86**
(ii) Unquoted			
(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) Bamnipal Steel Limited	10,000	0.01	-
(wholly owned subsidiary incorporated during the year)			
(4) Bhubaneshwar Power Private Limited	21,39,86,703	298.72	-
(17,03,85,878 shares acquired during the year)			
(5) Bistupur Steel Limited	10,000	0.01	-
(wholly owned subsidiary incorporated during the year)			
(6) Dimna Steel Limited	10,000	0.01	-
(wholly owned subsidiary incorporated during the year)			
(7) Indian Steel & Wire Products Ltd.	56,92,651	3.08	3.08
(8) Jamadoba Steel Limited	10,000	0.01	-
(wholly owned subsidiary incorporated during the year)			
(9) Jamshedpur Football and Sporting Private Limited	2,00,00,000	20.00	-
(wholly owned subsidiary incorporated during the year)			
(10) Jamshedpur Utilities & Services Company Limited	2,03,50,000	20.35	20.35
(11) Jugsalai Steel Limited	10,000	0.01	-
(wholly owned subsidiary incorporated during the year)			
(12) Mohar Exports Services Pvt. Ltd.*	3,352	-	-
(13) NatSteel Asia Pte. Ltd. (Face value of SGD 1 each)	28,14,37,128	773.86	773.86
(14) Noamundi Steel Limited	10,000	0.01	-
(wholly owned subsidiary incorporated during the year)			
(15) Rujuvalika Investments Limited	13,28,800	60.40	60.40
(16) Sakchi Steel Limited	10,000	0.01	-
(wholly owned subsidiary incorporated during the year)			
(17) Straight Mile Steel Limited	10,000	0.01	-
(wholly owned subsidiary incorporated during the year)			

6. Investment in subsidiaries, associates and joint ventures (Contd.)

[Item No. I(e), Page 194]

(₹ crore)

	No. of shares as at March 31, 2018 (face value of ₹10 each fully paid -up unless otherwise specified)	As at March 31, 2018	As at March 31, 2017
(18) Tata Korf Engineering Services Ltd.*	3,99,986	-	-
(19) Tata Pigments Limited (Face value of ₹100 each)	75,000	0.70	0.70
(20) Tata Steel Foundation	10,00,000	1.00	1.00
(21) Tata Steel Holdings Pte Ltd.* (Face value of GBP 1 each)	5,93,17,67,688	-	-
(22) Tata Steel (KZN) (Pty) Ltd.* (Face value of ZAR 1 each)	12,96,00,000	-	-
(23) Tata Steel Odisha Limited	25,67,000	2.57	2.57
(24) Tata Steel Processing and Distribution Limited	6,82,50,000	274.45	274.45
(25) Tata Steel Special Economic Zone Limited	15,47,42,631	129.82	100.82
(2,90,00,000 shares acquired during the year)			
(26) TS Alloys Limited	6,57,07,544	78.64	78.64
		1,691.15	**1,343.35**
Aggregate provision for impairment in value of investments		(38.00)	(15.43)
		1,653.15	**1,327.92**
		2,161.01	**1,835.78**
(b) Investments in associate companies			
(i) Quoted			
(1) TRF Limited	37,53,275	5.79	5.79
		5.79	**5.79**
(ii) Unquoted			
(1) Kalinga Aquatics Limited*	10,49,920	-	-
(2) Malusha Travels Pvt.Ltd. ₹**33,520** (March 31, 2017 : ₹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
(5) TRL Krosaki Refractories Limited	55,63,864	42.38	42.38
		43.29	**43.29**
Aggregate provision for impairment in value of investments		(0.91)	(0.91)
		42.38	**42.38**
		48.17	**48.17**

TATA STEEL

Notes
FORMING PART OF THE FINANCIAL STATEMENTS

6. Investment in subsidiaries, associates and joint ventures (Contd.)

[Item No. I(e), Page 194]

(₹ crore)

	No. of shares as at March 31, 2018 (face value of ₹10 each fully paid -up unless otherwise specified)	As at March 31, 2018	As at March 31, 2017
(c) Investments in Joint Ventures			
(i) Unquoted			
(1) Bhubaneshwar Power Private Limited	4,36,00,825	-	43.72
(2) Himalaya Steel Mills Services Private Limited	36,19,945	3.61	3.61
(3) Industrial Energy Limited	17,31,60,000	173.16	173.16
(4) Jamipol Limited	36,75,000	8.39	8.39
(5) Jamshedpur Continuous Annealing and Processing Company Private Limited	47,53,20,000	475.32	475.32
(6) Medica TS Hospital Pvt Ltd.	2,60,000	0.26	0.26
(7) mjunction services limited	40,00,000	4.00	4.00
(8) S & T Mining Company Private Limited	1,29,41,400	12.94	12.94
(9) Tata BlueScope Steel 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) T M International Logistics Limited	91,80,000	9.18	9.18
(12) T M Mining Company Limited	1,62,800	0.16	0.16
		1,470.16	**1,513.88**
Aggregate provision for impairment in value of investments		(13.10)	-
		1,457.06	**1,513.88**
Total investment in subsidiaries, associates and joint ventures		**3,666.24**	**3,397.83**

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

(i) The Company holds 51% of the equity share capital in T M International Logistics Limited, Jamshedpur Continuous Annealing and 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.

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

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Investment in subsidiary companies:		
Aggregate carrying value of quoted investments	507.86	507.86
Aggregate market value of quoted investments	3,211.31	1,967.70
Aggregate carrying value of unquoted investments	1,653.15	1,327.92
(b) Investment in associates:		
Aggregate carrying value of quoted investments	5.79	5.79
Aggregate market value of quoted investments	83.66	85.35
Aggregate carrying value of unquoted investments	42.38	42.38
(c) Investment in joint ventures:		
Aggregate carrying value of unquoted investments	1,457.06	1,513.88

(iii) Bhubaneshwar Power Private Limited earlier a joint venture of the Company, became a subsidiary during the year ended March 31, 2018 on acquisition of additional 74% stake by the Company.

7. Investments

[Item No. I(f)(i), Page 194]

A. Non-Current

(₹ crore)

	No. of shares as at March 31, 2018 (face value of ₹10 each fully paid -up unless otherwise specified)	As at March 31, 2018	As at March 31, 2017
(I) Investments carried at fair value through other comprehensive income:			
Investment in equity shares			
(i) Quoted			
(1) Credit Analysis & Research Limited	3,54,000	42.79	59.92
(2) Housing Development Finance Corporation Ltd. (Face value of ₹2 each)	7,900	1.44	1.19
(3) Tata Consultancy Services Limited (Face Value of ₹1 each) (596 shares offered for buy-back during the year)	23,804	6.78	5.93
(4) Tata Investment Corporation Limited	2,46,018	18.10	15.64
(5) Tata Motors Ltd. (Face value of ₹2 each) (8,35,37,697 shares sold during the year)	1,00,000	3.27	3,896.26
(6) The Tata Power Company Ltd. (Face value of ₹1 each)	3,91,22,725	309.07	353.48
(7) Timken India Ltd.	1	-	-
(8) Steel Strips Wheels Limited	10,86,972	115.76	89.75
		497.21	**4,422.17**
(ii) Unquoted#			
(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) Subarnarekha Port Private Limited	1,72,517	7.00	7.00
(5) Taj Air Limited	42,00,000	-	-
(6) Tarapur Environment Protection Society	82,776	0.89	0.89
(7) Tata Industries Ltd. (Face value of ₹100 each)	99,80,436	202.19	202.19
(8) Tata International Ltd. (Face value of ₹1,000 each)	28,616	31.19	31.19
(9) Tata Services Ltd. (Face value of ₹1,000 each)	1,621	0.16	0.16
(10) Tata Sons Limited (Face value of ₹1,000 each)	12,375	68.75	68.75
(11) Tata Teleservices Ltd. (2,27,35,223 shares acquired during the year)	8,74,27,533	-	75.82
(12) Others(ii)		0.01	0.01
		310.34	**386.16**
		807.55	**4,808.33**

Notes
FORMING PART OF THE FINANCIAL STATEMENTS

7. Investments (Contd.)

[Item No. I(f)(i), Page 194]

(₹ crore)

	No. of shares as at March 31, 2018 (face value of ₹10 each fully paid -up unless otherwise specified)	As at March 31, 2018	As at March 31, 2017
(II) Investments carried at fair value through profit and loss:			
Investments in preference shares			
(a) Subsidiary companies			
(i) Unquoted			
(1) Tata Metaliks Ltd.	-	-	100.00
8.50% non-cumulative redeemable preference shares (Face value of ₹100 each)			
(1,00,00,000 shares redeemed during the year)			
(2) Tata Steel Holdings Pte Ltd.	55,41,31,297	5,113.03	-
Non-cumulative redeemable preference shares (Face value of 1 GBP each) (55,41,31,297 shares subscribed during the year)			
(3) Tayo Rolls Limited	41,30,000	-	-
7.00% non-cumulative redeemable preference shares (Face value of ₹100 each) (41,30,000 shares subscribed during the year)			
(4) Tayo Rolls Limited	64,00,000	-	-
7.17% non-cumulative redeemable preference shares (Face value of ₹100 each) (37,25,000 shares subscribed during the year)			
(5) Tayo Rolls Limited	2,31,00,000	-	-
8.50% non-cumulative redeemable preference shares (Face value of ₹100 each)			
		5,113.03	**100.00**
Investment in bonds and debentures			
(a) Joint ventures			
(i) Unquoted			
(1) Medica TS Hospital Pvt. Ltd.	4,97,400	49.74	49.74
Secured optionally convertible redeemable debentures (Face value of ₹1,000 each)			
		49.74	**49.74**
		5,970.32	**4,958.07**

7. Investments (Contd.)

[Item No. II(b)(i), Page194]

B. Current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Investments carried at fair value through profit and loss:		
Investments in Mutual funds – Unquoted		
(a) Aditya Bira Sun Life Cash Plus - Growth	1,191.57	-
(b) Axis Liquid Fund - Growth	1,477.02	571.11
(c) Baroda Pioneer Liquid Fund - Growth	882.72	-
(d) DSP BlackRock Liquidity Fund - Growth	1,250.63	125.03
(e) Goldman Sachs Mutual Fund - Liquid Bees	-	0.08
(f) HDFC Cash Management Fund - Saving Plan - Growth	1,044.26	-
(g) HDFC Liquid Fund - Growth	-	500.33
(h) ICICI Prudential Money Market Fund - Growth	1,440.59	604.05
(i) IDFC Cash Fund - Growth	952.69	231.34
(j) IDBI Liquid Fund - Growth	741.08	-
(k) Invesco India Liquid Fund - Growth	1,246.89	353.60
(l) JM High Liquidity - Growth	-	25.08
(m) Kotak Liquid Scheme - Growth	616.07	339.61
(n) LIC MF Liquid Fund - Growth	738.43	-
(o) Reliance Liquidity Fund - Growth	1,329.38	1,006.74
(p) Reliance MF ETF Liquid	0.09	-
(q) SBI Premier Liquid Fund - Growth	878.38	300.25
(r) Tata Money Market Fund - Growth	850.57	659.59
(s) UTI Liquid Fund - Cash Plan - Growth	-	593.00
	14,640.37	**5,309.81**

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

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Investment in quoted instruments:		
Aggregate Carrying value	497.21	4,422.17
Aggregate Market value	497.21	4,422.17
(b) Investment in unquoted instruments:		
Aggregate Carrying value	20,113.48	5,845.71

(ii) Cumulative gain on de-recognition of investments carried at fair value through other comprehensive income during the year amounted to ₹**3,427.46** crore (2016-17: ₹1.75 crore).

Fair value of such investments as on the date of de-recognition was ₹**3,782.76** crore (2016-17: ₹2.93 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.

Notes
FORMING PART OF THE FINANCIAL STATEMENTS

7. Investments (Contd.)

[Item No. I(f)(i), Page 194]

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

		No. of shares as at March 31, 2018 (face value of ₹10 each fully paid -up unless otherwise specified)	As at March 31, 2018 (₹)	As at March 31, 2017 (₹)
(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
			1,20,228.00	**1,20,228.00**

8. Loans

[Item No. I(f)(ii) and II(b)(v), Page 194]

A. Non-current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Security deposits		
Unsecured, considered good	193.84	190.04
Unsecured, considered doubtful	2.12	1.26
Less: Allowance for credit losses	2.12	1.26
	193.84	**190.04**
(b) Loan to related parties		
Unsecured, considered doubtful	558.95	539.73
Less: Allowance for credit losses	558.95	539.73
	-	-
(c) Other loans		
Unsecured, considered good	19.66	21.93
Unsecured, considered doubtful	0.87	0.62
Less: Allowance for credit losses	0.87	0.62
	19.66	**21.93**
	213.50	**211.97**

B. Current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Loan to related parties		
Unsecured, considered good	69.26	21.51
Unsecured, considered doubtful	68.25	60.63
Less: Allowance for credit losses	68.25	60.63
	69.26	**21.51**
(b) Other loans		
Unsecured, considered good	4.87	5.63
Unsecured, considered doubtful	2.00	2.00
Less: Allowance for credit losses	2.00	2.00
	4.87	**5.63**
	74.13	**27.14**

(i) Security deposits are primarily in relation to public utility services and rental agreements.

Security deposits include deposit with a subsidiary ₹**14.00 crore** (March 31, 2017: ₹14.00 crore) and deposits with Tata Sons ₹**1.25** crore (March 31, 2017: ₹1.25 crore).

(ii) Non-current loans to related parties represent loans given to subsidiaries ₹**558.95** crore (March 31, 2017: ₹539.73 crore), which is have fully impaired.

(iii) Current loans to related parties represent inter-corporate deposits given to subsidiaries ₹**90.69** crore (March 31, 2017: ₹82.14 crore) and joint venture ₹**46.82** crore (March 31, 2017: Nil) out of which ₹**67.65** crore (2016-17: ₹60.63 crore) and ₹**0.60** crore (2016-17: Nil) respectively is impaired.

TATA STEEL

Notes
FORMING PART OF THE FINANCIAL STATEMENTS

8. Loans (Contd.)

[Item No. I(f)(ii) and II(b)(v), Page 194]

(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) Amount of loans/advances in the nature of loan outstanding from subsidiaries, associates and joint venture for the year ended March 31, 2018:

Name of the Company	Debts outstanding as at March 31, 2018 ₹ crore	Maximum balance outstanding during the year ₹ crore
Subsidiaries		
(1) Tata Steel Special Economic Zone Limited	**-**	**80.00**
(carries interest at the rate of 10.00 % to 11.00 %)	*10.00*	*10.00*
(2) Tayo Rolls Limited[(i)]	**67.00**	**67.00**
(carries interest at the rate of 7.00 % to 13.07 %)	*60.00*	*65.00*
(3) Tata Steel (KZN) (Pty) Ltd.[(i)]	**558.95**	**558.95**
	539.73	*561.77*
(4) Jamshedpur Utilities & Services Company Limited	**7.50**	**11.50**
(carries interest at the rate of 10.50 % to 12.50%)	*11.50*	*11.50*
(5) Adityapur Toll Bridge Company Limited	**-**	**-**
	-	*15.43*
(6) Jamshedpur Football and Sporting Private Limited	**15.00**	**15.00**
(carries interest at the rate of 12.25%)	*-*	*-*
Joint ventures		
(1) Industrial Energy Limited	**46.22**	**46.22**
(carries interest at the rate of 10.00 %)	*-*	*-*
(2) S&T Mining Company Private Limited[(i)]	**0.60**	**0.60**
(carries interest at the rate of 14.00%)	*-*	*-*

Figures in italics represents comparative figures of previous years.

(i) The above loans have been given for business purpose. As at March 31, 2018, loans given to Tayo Rolls Limited, Tata Steel (KZN) (Pty) Ltd. and S&T Mining Company Private Limited have been fully impaired.

(b) Details of investments made and guarantees provided are given in Note 6, Page 216, Note 7, Page 219 and Note 36, Page 259.

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

9. Other financial assets

[Item No. I(h) and II(c), Page 194]

A. Non-current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Interest accrued on deposits and loans		
Unsecured, considered good	**0.67**	**2.27**
(b) Earmarked bank balances	**19.96**	**37.74**
(c) Other financial assets		
Unsecured, considered good	0.58	39.48
Unsecured, considered doubtful	2.00	119.72
Less: Allowance for credit losses	2.00	119.72
	0.58	**39.48**
	21.21	**79.49**

B. Current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Interest accrued on deposits and loans		
Unsecured, considered good	27.54	9.98
Unsecured, considered doubtful	14.32	7.81
Less: Allowance for credit losses	14.32	7.81
	27.54	**9.98**
(b) Other financial assets	**453.08**	**305.08**
	480.62	**315.06**

(i) Non-current earmarked bank balances 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) Non-current other financial assets include advance against equity for purchase of shares in subsidiaries ₹**2.00** crore (March 31, 2017: ₹12.30 crore) out of which ₹**2.00** crore (March 31, 2017: ₹2.30 crore) is impaired.

Non-current other financial assets as at March 31, 2017, include advance for repurchase of equity shares in Tata Teleservices Limited (TTSL) from NTT Docomo Inc, ₹144.07 crore out of which ₹117.42 crore was impaired.

(iii) Current other financial assets include amount receivable from post-employment benefit fund ₹**296.38** crore (March 31, 2017: ₹247.04 crore) on account of retirement benefit obligations paid by the Company directly.

Notes
FORMING PART OF THE FINANCIAL STATEMENTS

10. Income tax

[Item No. IV(e), Page 194]

A. Income tax expense/(benefit)

The Company is subject to income tax in India on the basis of its standalone financial statements. 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.

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.

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

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

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Profit/(loss) before tax	**6,638.25**	**5,356.93**
Expected income tax expense at statutory income tax rate of 34.608 % (2016-17: 34.608 %)	2,297.36	1,853.93
(a) Income exempt from tax/Items not deductible	116.62	188.06
(b) Additional tax benefit for capital investment including research and development expenditures	(26.79)	(129.61)
(c) Impact of change in tax rate(i)	81.51	-
Tax expense as reported	**2,468.70**	**1,912.38**

(i) Finance Act, 2018, changed the statutory tax rate applicable for Indian companies having turnover of more than ₹250 crore from 34.608 % to 34.944 % (including surcharge and cess) from assessment year 2019-20. The Company has accordingly re-measured deferred tax balances expected to reverse in future periods based on the revised applicable rate.

10. Income tax (Contd.)

[Item No. IV(e), Page 194]

B. Deferred tax assets/(liabilities)

(i) Components of deferred tax assets and liabilities as at March 31, 2018 is as below:

(₹ crore)

	Balance as at April 1, 2017	Recognised/ (reversed) in statement of 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, 2018
Deferred tax assets//(liabilities):					
Tax-loss carry forwards	107.43	(107.43)	-	-	-
Investments	3,011.56	29.24	-	-	3,040.80
Retirement benefit assets	184.21	1.79	-	-	186.00
Expenses allowable for tax purposes when paid/written off	1,821.46	16.59	-	-	1,838.05
MAT credit entitlement	1,513.30	(85.75)	731.37	-	2,158.92
Others	76.52	(123.55)	(3.47)	-	(50.50)
	6,714.48	**(269.11)**	**727.90**	**-**	**7,173.27**
Deferred tax liabilities:					
Property, plant and equipment and intangible assets	12,781.58	616.45	-	(6.20)	13,391.83
Others	44.17	(3.64)	-	-	40.53
	12,825.75	**612.81**	**-**	**(6.20)**	**13,432.36**
Net deferred tax assets/(liabilities)	**(6,111.27)**	**(881.92)**	**727.90**	**6.20**	**(6,259.09)**
Disclosed as:					
Deferred tax assets	-				-
Deferred tax liabilities	**(6,111.27)**				**(6,259.09)**
	(6,111.27)				**(6,259.09)**

Notes
FORMING PART OF THE FINANCIAL STATEMENTS

10. Income tax (Contd.)

[Item No. IV(e), Page 194]

Components of deferred tax assets and liabilities as at March 31, 2017 is as below:

(₹ crore)

	Balance as at April 1, 2016	Recognised/ (reversed) in statement of 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, 2017
Deferred tax assets:					
Tax-loss carry forwards	-	107.43	-	-	107.43
Investments	3,011.56	-	-	-	3,011.56
Retirement benefit assets	184.21	-	-	-	184.21
Expenses allowable for tax purposes when paid/written off	1,500.89	320.57	-	-	1,821.46
MAT credit entitlement	269.38	1,243.92	-	-	1,513.30
Others	192.32	(116.22)	0.42	-	76.52
	5,158.36	**1,555.70**	**0.42**	**-**	**6,714.48**
Deferred tax liabilities:					
Property, plant and equipment and intangible assets	10,695.66	2,096.77	-	(10.85)	12,781.58
Others	73.40	(29.23)	-	-	44.17
	10,769.06	**2,067.54**	**-**	**(10.85)**	**12,825.75**
Net deferred tax assets/(liabilities)	**(5,610.70)**	**(511.84)**	**0.42**	**10.85**	**(6,111.27)**
Disclosed as:					
Deferred tax assets	-				-
Deferred tax liabilities	**(5,610.70)**				**(6,111.27)**
	(5,610.70)				**(6,111.27)**

(ii) Deferred tax assets amounting to ₹**8,112.23** crore as at March 31, 2018 (March 31, 2017: ₹8,034.23 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.

11. Other assets

[Item No. I(h) and II(c), Page 194]

A. Non-current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Capital advances		
Unsecured, considered good	299.65	359.62
Unsecured, considered doubtful	90.76	86.15
Less: Provision for doubtful advances	90.76	86.15
	299.65	**359.62**
(b) Advance with public bodies		
Unsecured, considered good	831.39	1,765.85
Unsecured, considered doubtful	12.68	12.76
Less: Provision for doubtful advances	12.68	12.76
	831.39	**1,765.85**
(c) Prepaid lease payments for operating leases	**917.96**	**877.18**
(d) Capital advance to related parties		
Unsecured, considered doubtful	**91.84**	**95.46**
(e) Others		
Unsecured, considered good	-	10.56
	-	**10.56**
	2,140.84	**3,108.67**

TATA STEEL

Notes
FORMING PART OF THE FINANCIAL STATEMENTS

11. Other assets (Contd.)

[Item No. I(h) and II(c), Page 194]

B. Current

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(a)	**Advance with public bodies**		
	Unsecured, considered good	1,440.57	1,023.97
	Unsecured, considered doubtful	2.35	2.43
	Less: Provision for doubtful advances	2.35	2.43
		1,440.57	**1,023.97**
(b)	**Advance to related parties**		
	Unsecured, considered good	171.29	28.02
		171.29	**28.02**
(c)	**Prepaid lease payments for operating leases**	**12.97**	**12.97**
(d)	**Others**		
	Unsecured, considered good	198.11	173.49
	Unsecured, considered doubtful	60.77	60.46
	Less: Provision for doubtful advances	60.77	60.46
		198.11	**173.49**
		1,822.94	**1,238.45**

(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 for operating leases relate to land leases classified as operating since title is not expected to transfer at the end of the lease term and that land has an indefinite economic life.

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

12. Inventories

[Item No. II(a), Page 194]

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Raw materials	4,953.20	3,898.99
(b) Work-in-progress	6.77	5.88
(c) Finished and semi-finished goods	3,602.13	4,096.56
(d) Stock-in-trade	56.13	107.95
(e) Stores and spares	2,405.18	2,127.47
	11,023.41	**10,236.85**
Included above, goods-in-transit:		
(i) Raw materials	1,152.80	644.38
(ii) Finished and semi-finished goods	-	-
(iii) Stock-in-trade	31.99	97.09
(iv) Stores and spares	132.30	136.30
	1,317.09	**877.77**

Value of inventories above is stated after provisions (net of reversal) ₹**51.51** crore (March 31, 2017: ₹35.03 crore) for write-downs to net realisable value and provision for slow moving and obsolete items.

13. Trade receivables

[Item No. II(b)(ii), Page 194]

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Unsecured, considered good	1,875.63	2,006.52
(b) Unsecured, considered doubtful	30.97	18.10
	1,906.60	**2,024.62**
Less: Allowance for credit losses	30.97	18.10
	1,875.63	**2,006.52**

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 that are due and rates used in the provision matrix.

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FORMING PART OF THE FINANCIAL STATEMENTS

13. Trade receivables (Contd.)

[Item No. II(b)(ii), Page 194]

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

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Balance at the beginning of the year	18.10	13.96
Charge during the year	17.77	7.64
Release during the year	(3.91)	(2.03)
Utilised during the year	(0.99)	(1.47)
Balance at the end of the year	**30.97**	**18.10**

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

(₹ crore)

	As at March 31, 2018		
	Gross credit risk	Allowance for credit losses	Net credit risk
Amounts not yet due	1,785.18	0.65	1,784.53
One month overdue	44.25	0.40	43.85
Two months overdue	12.84	0.39	12.45
Three months overdue	6.60	0.67	5.93
Between three to six months overdue	18.12	1.81	16.31
Greater than six months overdue	39.61	27.05	12.56
	1,906.60	**30.97**	**1,875.63**

(₹ crore)

	As at March 31, 2017		
	Gross credit risk	Allowance for credit losses	Net credit risk
Amounts not yet due	1,868.93	0.50	1,868.43
One month overdue	48.67	0.31	48.36
Two months overdue	12.95	0.33	12.62
Three months overdue	9.25	0.30	8.95
Between three to six months overdue	18.63	1.09	17.54
Greater than six months overdue	66.19	15.57	50.62
	2,024.62	**18.10**	**2,006.52**

iii) The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2018 to be ₹**1,875.63** crore (March 31, 2017: ₹2,006.52 crore), which is the fair value of trade receivables (after allowance for credit losses).

The Company's exposure to customers is diversified and no single customer contributes more than 10% of the outstanding receivables as at March 31, 2018 and March 31, 2017.

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

14. Cash and cash equivalents

[Item No. II(b)(iii), Page 194]

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Cash in hand	0.93	0.44
(b) Cheques, drafts on hand	8.85	19.19
(c) Remittances-in-transit	1.73	52.55
(d) Unrestricted balances with banks	4,577.38	833.03
	4,588.89	**905.21**

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

15. Other balances with bank

[Item No. II(b)(iv), Page 194]

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Earmarked balances with banks	**107.85**	**65.10**

(i) Earmarked balances with bank represent balances held for unpaid dividends and margin money/fixed deposits against issue of bank guarantees.

(ii) Earmarked bank balances are denominated and held in Indian rupees.

(iii) In accordance with the MCA notification G.S.R. 308(E) dated March 30, 2017, details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016, is as below:

(₹)

	SBNs	ODNs	Total
Closing cash in hand as on November 8, 2016	35,40,500	6,72,235	42,12,735
Add: Unpermitted receipts	1,15,20,000	-	1,15,20,000
Add: Permitted receipts	-	6,16,97,156	6,16,97,156
Less: Unpermitted payments	70,000	-	70,000
Less: Permitted payments	-	67,28,665	67,28,665
Less: Amounts deposited in Banks	1,49,90,500	5,26,06,715	6,75,97,215
Closing cash in hand as on December 30, 2016	-	30,34,011	30,34,011

(a) Unpermitted receipts include:

1. Company hospital receipts ₹1,06,21,500 which includes receipts at Tata Main Hospital, Jamshedpur of ₹1,04,34,000. Since Tata Main Hospital is the only hospital equipped with modern facilities and super-speciality services in the region, on advice from the district administration, specified notes were accepted.
2. Refund of advances by employees & internal departments ₹74,500.
3. Canteen receipts of ₹5,90,500 are primarily received from Contractor's employees.
4. Refund of advance by Steel Welfare Workers Society ₹2,33,500.

(b) Unpermitted payments represents amount collected by Company's employees and exchanged for new notes against their individual Permanent Account Number.

Notes

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16. Equity share capital

[Item No. III(a), Page 194]

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
Authorised:			
1,75,00,00,000	Ordinary Shares of ₹10 each	1,750.00	1,750.00
	(March 31, 2017: 1,75,00,00,000 Ordinary Shares of ₹10 each)		
35,00,00,000	"A" Ordinary Shares of ₹10 each	350.00	350.00
	(March 31, 2017: 35,00,00,000 "A" Ordinary Shares of ₹10 each)		
2,50,00,000	Cumulative Redeemable Preference Shares of ₹100 each	250.00	250.00
	(March 31, 2017: 2,50,00,000 Shares of ₹100 each)		
60,00,00,000	Cumulative Convertible Preference Shares of ₹100 each	6,000.00	6,000.00
	(March 31, 2017: 60,00,00,000 Shares of ₹100 each)		
		8,350.00	**8,350.00**
Issued:			
1,12,75,20,570	Ordinary Shares of ₹10 each	1,127.52	972.13
	(March 31, 2017: 97,21,26,020 Ordinary Shares of ₹10 each)		
7,76,97,280	Ordinary Shares of ₹10 each (Partly paid up)	77.70	-
	(March 31, 2017: Nil)		
		1,205.22	**972.13**
Subscribed and Paid up:			
1,12,64,84,815	Ordinary Shares of ₹10 each fully paid up	1,126.48	971.21
	(March 31, 2017: 97,12,15,439 Ordinary Shares of ₹10 each)		
7,76,34,625	Ordinary Shares of ₹10 each (₹ 2.504 each paid up)	19.44	-
	(March 31, 2017: Nil)		
	Amount paid up on 3,89,516 Ordinary Shares forfeited	0.20	0.20
	(March 31, 2017: 3,89,516 Shares of ₹10 each)		
		1,146.12	**971.41**

(i) Subscribed and paid up capital includes **11,68,393** (March 31, 2017: 11,68,393) Ordinary shares of face value ₹10 each fully paid up held by a wholly owned subsidiary of the Company.

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

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹ crore	No. of shares	₹ crore
Ordinary shares of ₹10 each				
Balance at the beginning of the year	97,12,15,439	971.21	97,12,15,439	971.21
Fully paid shares allotted during the year[(a),(b)]	15,52,69,376	155.27	-	-
Partly paid shares allotted during the year[(b)]	7,76,34,625	19.44	-	-
Balance at the end of the year	**1,20,41,19,440**	**1,145.92**	**97,12,15,439**	**971.21**

16. Equity share capital (Contd.)

[Item No. III(a), Page 194]

(a) **450** Ordinary Shares of face value of ₹10 per share were allotted on May 15, 2017 at a premium of ₹290 per share to shareholders whose shares were kept in abeyance in the Rights Issue made in 2007.

(b) During the year ended March 31, 2018, the Company allotted **15,52,68,926** fully paid Ordinary Shares of face value of ₹10 each for cash at a price of ₹510 per fully paid share (including a premium of ₹500 per fully paid share) aggregating to ₹7,918.72 crore and **7,76,34,625** partly paid Ordinary Shares of face value of ₹10 each (paid up value ₹2.504 per share) for cash at a price of ₹615 per partly paid share (including a premium of ₹605 per partly paid share) aggregating to ₹1,195.57 crore pursuant to the Rights Issue of 2018.

Tata Sons Limited had undertaken to subscribe, on its own account and through any nominated entity or person belonging to the promoter Group, to the full extent of their Rights Entitlement in the Issue in accordance with Regulation 10(4)(a) of the Takeover Regulations.

(iii) Proceeds from the Rights Issue, 2018 have been utilised in the following manner:

(₹ crore)

Particulars	Proposed to be utilised during 2017-18	Utilised till March 31, 2018	To be utilised during 2018-19
Repayments of loan	5,000.00	5,000.00	1,950.00
Expenses towards general corporate purpose	1,500.00	1,500.00	630.44
Issue expense	-	-	33.85
Total	**6,500.00**	**6,500.00**	**2,614.29**

(iv) As at March 31, 2018, **3,00,395** Ordinary Shares (March 31, 2017: 3,01,183 Ordinary Shares) are kept in abeyance in respect of Rights Issue of 2007.

As at March 31, 2018, **1,25,624** Ordinary Shares and **62,655** partly paid Ordinary Shares are kept in abeyance in respect of Rights Issue of 2018.

(v) Details of shareholders holding more than 5 percent shares in the Company is as below:

	As at March 31, 2018		As at March 31, 2017	
	No. of ordinary shares	% held	No. of ordinary shares	% held
Name of shareholders				
(a) Tata Sons Limited	38,09,73,085	31.64	28,88,98,245	29.75
(b) Life Insurance Corporation of India	10,83,88,660	9.00	12,20,50,996	12.57

TATA STEEL

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16. Equity share capital (Contd.)

[Item No. III(a), Page 194]

(vi) **1,27,40,651** shares (March 31, 2017: 1,55,10,420 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.

(vii) 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 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

(a)(i) 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.

(ii) 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.

(b) 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.

17. Hybrid perpetual securities

[Item No. III(b), Page 194]

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

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
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**

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.

18. Other equity

[Item No. III(c), Page 194]

A. Retained earnings

The details of movement in retained earnings is as below:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	12,280.91	10,075.75
Profit for the year	4,169.55	3,444.55
Remeasurement of defined employee benefit plans	155.39	(142.42)
Dividend	(971.22)	(776.97)
Tax on dividend	(188.41)	(147.74)
Distribution on hybrid perpetual securities	(266.13)	(266.10)
Tax on distribution on hybrid perpetual securities	92.70	92.09
Transfers within equity(i)	3,427.46	1.75
Balance at the end of the year	**18,700.25**	**12,280.91**

(i) Represents profit on sale of investments carried at fair value through other comprehensive income.

B. Items of other comprehensive income

(a) Cash flow hedge reserve

The cumulative effective portion of gain or losses arising on changes in the 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 and interest rate collars as cash flow hedges in respect of foreign exchange and interest rate risks.

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FORMING PART OF THE FINANCIAL STATEMENTS

18. Other equity (Contd.)

[Item No. III(c), Page 194]

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

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	(1.35)	(0.55)
Other comprehensive income recognised during the year	6.49	(0.80)
Balance at the end of the year	**5.14**	**(1.35)**

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

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Fair value changes recognised during the year	8.02	(7.63)
Fair value changes reclassified to the statement of profit and loss/cost of hedged items	1.94	6.41
Tax impact on above	(3.47)	0.42
	6.49	**(0.80)**

During the year, ineffective portion of cash flow hedges recognised in the statement of profit and loss amounted to **Nil** (2016-17: 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: gain ₹**1.39** crore (2016-17: loss ₹1.35 crore)
- later than one year: gain ₹**3.75**crore (2016-17: Nil)

(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)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	3,754.18	2,936.92
Other comprehensive income recognised during the year	(223.00)	819.01
Transfers within equity	(3,427.46)	(1.75)
Balance at the end of the year	**103.72**	**3,754.18**

18. Other equity (Contd.)

[Item No. III(c), Page 194]

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 "Companies Act").

The details of movement in securities premium is as below:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	18,873.68	18,873.68
Received on issue of shares during the year	8,939.59	-
Share issue expenses written off during the year	(33.85)	-
Balance at the end of the year	**27,779.42**	**18,873.68**

(b) Debenture redemption reserve

The Companies Act, 2013 requires that where a Company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The Company is required to maintain a Debenture Redemption Reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures.

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

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	2,046.00	2,046.00
Balance at the end of the year	**2,046.00**	**2,046.00**

(c) General reserve

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

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

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	11,596.35	11,596.35
Balance at the end of the year	**11,596.35**	**11,596.35**

Notes
FORMING PART OF THE FINANCIAL STATEMENTS

18. Other equity (Contd.)

[Item No. III(c), Page 194]

(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:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	20.78	20.78
Balance at the end of the year	**20.78**	**20.78**

(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:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	117.04	117.04
Balance at the end of the year	**117.04**	**117.04**

D. Share application money pending allotment

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

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	0.01	-
Application money received during the year	0.02	0.01
Allotment of equity shares during the year	(0.01)	-
Balance at the end of the year	**0.02**	**0.01**

19. Borrowings

[Item No. IV(a)(i) and V(a)(i), Page 194]

A. Non-current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Secured		
(i) Loans from Joint Plant Committee - Steel Development Fund	2,494.42	2,420.65
(b) Unsecured		
(i) Non-convertible debentures	9,846.00	10,175.70
(ii) Term loans from banks	10,094.88	9,959.49
(iii) Finance lease obligations	2,133.65	2,138.53
	24,568.95	**24,694.37**

B. Current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Secured		
(i) Repayable on demand from banks and financial institutions	34.44	14.38
(b) Unsecured		
(i) Loans from banks	635.44	950.93
(ii) Commercial papers	-	2,274.36
	669.88	**3,239.67**

(i) As at March 31, 2018, ₹**2,528.86** crore (March 31, 2017: ₹2,435.03 crore) of the total outstanding borrowings were secured by a charge on property, plant and equipment, inventories and receivables.

The security details of major borrowings as at March 31, 2018 are as below:

(a) Loan from Joint Plant Committee-Steel Development Fund

It is secured by mortgages on, all present and future immovable properties wherever situated and hypothecation of movable assets, excluding land and building mortgaged in favour of Government of India under the deed of mortgage dated April 13, 1967 and in favour of Government of Bihar under two deeds of mortgage dated May 11, 1963, immovable properties and movable assets of the Tube Division, Bearing 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 is 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 ₹**855.09** crore (March 31, 2017: ₹781.32 crore).

It includes ₹**1,639.33** crore (March 31, 2017: ₹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.

Notes

FORMING PART OF THE FINANCIAL STATEMENTS

19. Borrowings (Contd.)

[Item No. IV(a)(i) and V(a)(i), Page 194]

(ii) The details of major unsecured borrowings as at March 31, 2018 are as below:

(a) Non-Convertible Debentures

(i) 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.

(ii) 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.

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

(iv) 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.

(v) 9.15% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par on January 24, 2021.

(vi) 11.00% p.a. interest bearing 15,000 debentures of face value ₹10,00,000 each are redeemable at par on May 19, 2019.

(vii) 10.40% p.a. interest bearing 6,509 debentures of face value ₹10,00,000 each are redeemable at par on May 15, 2019.

(viii) 9.15% p.a. interest bearing 5,000 debentures of face value ₹10,00,000 each are redeemable at par on January 24, 2019.

(b) Term loans from banks and financial institutions

(i) Rupee loan amounting ₹**4,450** crore (March 31, 2017: ₹4,450.00 crore) is repayable in 17 quarterly instalments. The Company on March 15, 2018 gave prepayment notice to the lenders for an amount of ₹1,950.00 crore. The remaining amount is repayable in 9 quarterly instalments commencing from March 31, 2023.

(ii) Rupee loan amounting ₹**750.00** crore (March 31, 2017: Nil) is repayable in 3 equal annual instalments commencing from May 21, 2021.

(iii) USD **7.86** million equivalent to ₹**51.24** crore (March 31, 2017: 7.86 million equivalent to ₹50.98 crore) is repayable on March 1, 2021.

(iv) USD **200** million equivalent to ₹**1,303.65** crore (March 31, 2017: USD 200.00 million equivalent to ₹1,297.10 crore) loan is repayable in 3 equal annual instalments commencing from February 18, 2020.

(v) Rupee loan amounting ₹**2,000.00** crore (March 31, 2017: ₹2,000.00 crore) is repayable in 10 semi-annual instalments commencing from April 30, 2019.

(vi) Rupee loan amounting ₹**646.16** crore (March 31, 2017: ₹650.00 crore) is repayable in 18 semi-annual instalments, the next instalment is due on August 14, 2018.

(vii) Euro **21.62** million equivalent to ₹**174.68** crore (March 31, 2017: Euro 27.02 million equivalent to ₹187.18 crore) loan is repayable in 8 equal semi-annual instalments; the next instalment is due on July 6, 2018.

(viii) Euro **4.69** million equivalent to ₹**37.92** crore (March 31, 2017: Euro 9.39 million equivalent to ₹65.02 crore) loan is repayable in 2 equal semi-annual instalments, the next instalment is due on July 2, 2018.

(ix) Rupee loan amounting ₹**823.84** crore (March 31, 2017: ₹850.00 crore) is repayable in 14 semi-annual instalments, the next instalment is due on June 15, 2018.

(x) Rupee loan amounting ₹**1,485** crore (March 31, 2017: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on May 28, 2018.

(xi) Euro **85.98** million equivalent to ₹**694.80** crore (March 31, 2017: Euro 105.08 million equivalent to ₹727.98 crore) loan is repayable in 9 equal semi-annual instalments, the next instalment is due on April 27, 2018.

Interest rates on the above term loans from banks and financial institutions range between 8.20 % to 8.75 % for rupee term loans and between 0.12 % to 4.80 % for foreign loans.

19. Borrowings (Contd.)

[Item No. IV(a)(i) and V(a)(i), Page 194]

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

(₹ crore)

	As at March 31, 2018			As at March 31, 2017		
	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
INR	13,234.70	12,663.12	25,897.82	15,535.48	10,344.92	25,880.40
EURO	565.37	326.13	891.50	588.99	375.40	964.39
USD	-	1,336.48	1,336.48	-	1,439.84	1,439.84
Total	**13,800.07**	**14,325.73**	**28,125.80**	**16,124.47**	**12,160.16**	**28,284.63**

INR-Indian rupees, USD-United States dollars.

(iv) Majority of floating rate borrowings are bank borrowings bearing interest rates based on LIBOR and EURIBOR. Of the total floating rate borrowings as at March 31, 2018, ₹**977.74** crore (March 31, 2017: ₹972.83 crore) has been hedged using interest rate swaps and collars, with contracts covering period of more than one year.

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

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Not later than one year or on demand	3,902.13	3,916.24
Later than one year but not two years	3,693.68	1,142.12
Later than two years but not three years	2,228.26	3,596.29
Later than three years but not four years	1,966.48	2,119.20
Later than four years but not five years	4,227.71	2,433.35
More than five years	1,6510.22	19,894.48
	32,528.48	**33,101.68**
Less: Future finance charges on finance leases	3,746.79	3,958.50
Less: Capitalisation of transaction costs	655.89	858.55
	28,125.80	**28,284.63**

(vi) 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.

Notes

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20. Other financial liabilities

[Item No. IV(a)(iii) and V(a)(iv), Page 194]

A. Non-current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Creditors for other liabilities	**19.78**	**18.22**

B. Current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Current maturities of long-term borrowings	2,767.16	237.90
(b) Current maturities of finance lease obligations	119.81	112.69
(c) Interest accrued but not due	556.01	545.05
(d) Unclaimed dividends	55.00	51.76
(e) Creditors for other liabilities	3,043.42	3,114.95
	6,541.40	**4,062.35**

(i) Current maturities of long-term borrowings include ₹**1,950.00** crore (March 31, 2017: Nil) in respect of a Rupee loan for which the Company has given prepayment notice to the lenders on March 15, 2018 and hence these have been classified as current.

(ii) Non-current and current creditors for other liabilities include:
  (a) creditors for capital supplies and services ₹**1,725.31** crore (March 31, 2017: ₹2,056.80 crore).
  (b) liability for employee family benefit scheme ₹**184.39** crore (March 31, 2017: ₹173.35 crore).

21. Provisions

[Item No. IV(b) and V(b), Page 194]

A. Non-current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Employee benefits	1,663.88	1,749.44
(b) Others	297.33	275.30
	1,961.21	**2,024.74**

B. Current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Employee benefits	356.27	311.19
(b) Others	379.01	389.41
	735.28	**700.60**

21. Provisions (Contd.)

[Item No. IV(b) and V(b), Page 194]

(i) Non-current and current provision for employee benefits include leave salaries ₹**984.33** crore (March 31, 2017: ₹1,016.95 crore) and provision for early separation scheme ₹**1,019.98** crore (March 31, 2017 ₹1,036.89 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 ₹**626.01** crore (March 31, 2017: ₹529.13 crore). These amounts become payable upon closure of the mines and are expected to be incurred over a period of 1 to 34 years.

(b) provision for legal and constructive commitments provided by the Company in respect of a loss making subsidiary ₹**50.33** crore (March 31, 2017: ₹135.58 crore). The same is expected to be settled within one year from the reporting date.

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

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	664.71	226.31
Charged during the year	11.60	135.58
Additions during the year	85.28	302.82
Utilised during the year	(85.25)	-
Balance at the end of the year	**676.34**	**664.71**

22. Retirement benefit obligations

[Item No. IV(c) and V(c), Page 194]

A. Non-current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Retiring gratuities	60.97	217.03
(b) Post retirement medical benefits	1,119.32	1,170.51
(c) Other defined benefits	67.44	96.67
	1,247.73	**1,484.21**

B. Current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Post retirement medical benefits	85.38	50.67
(b) Other defined benefits	5.12	5.91
	90.50	**56.58**

(i) Detailed disclosure in respect post retirement defined benefit schemes is provided in Note 35, Page 252.

(ii) Other defined benefits include long service awards, packing and transportation, farewell gifts, etc.

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23. Deferred income

[Item No. IV(d), Page 194]

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(a)	Grants relating to property, plant and equipment	**1,365.61**	**1,885.19**

(i) Grants relating to property, plant and equipment 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 ₹**519.31** crore (2016-17: ₹342.90 crore) was released from deferred income to the statement of profit and loss on fulfillment of export obligations.

24. Other liabilities

[Item No. IV(f) and V(e), Page 194]

A. Non-current

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(a)	Statutory dues	35.47	55.31
(b)	Other credit balances	189.24	22.43
		224.71	**77.74**

B. Current

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(a)	Advances received from customers	363.82	380.01
(b)	Employee recoveries and employer contributions	59.54	39.39
(c)	Statutory dues	5,433.70	3,124.40
		5,857.06	**3,543.80**

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

25. Trade payables

[Item No. V(a)(ii), Page 194]

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(a)	Creditors for supplies and services	9,749.53	9,342.83
(b)	Creditors for accrued wages and salaries	1,493.22	1,374.61
		11,242.75	**10,717.44**

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

(₹ crore)

		Year ended March 31, 2018	Year ended March 31, 2017
(i)	Principal amount remaining unpaid to supplier as at the end of the year	19.45	14.28
(ii)	Interest due thereon remaining unpaid to supplier as at the end of the year	1.24	0.96
(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	5.58	4.88
(iv)	Amount of interest accrued during the year and remaining unpaid at the end of the year	6.82	5.84

26. Revenue from operations

[Item No. I, Page 195]

(₹ crore)

		Year ended March 31, 2018	Year ended March 31, 2017
(a)	Sale of products	57,614.48	51,010.53
(b)	Sale of power and water	1,690.60	1,418.43
(c)	Income from town, medical and other services	148.15	135.97
(d)	Other operating revenue	1,066.14	696.03
		60,519.37	**53,260.96**

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27. Other income

[Item No. II, Page 195]

(₹ crore)

		Year ended March 31, 2018	Year ended March 31, 2017
(a)	Dividend income	88.57	87.51
(b)	Finance income	69.56	35.89
(c)	Net gain/(loss) on sale of non-current investments	-	0.97
(d)	Net gain/(loss) on investments carried at fair value through profit and loss	679.64	316.63
(e)	Gain/(loss) on sale of property, plant and equipment including intangibles assets (net of loss on assets sold/scrapped/written off)	(40.48)	(6.91)
(f)	Gain/(loss) on cancellation of forwards, swaps and options	(79.33)	(66.95)
(g)	Other miscellaneous income	45.70	47.32
		763.66	**414.46**

(i) Dividend income includes income from investments carried at fair value through other comprehensive income ₹**17.20** crore (2016-17: ₹**8.48** crore).

(ii) Finance income includes:

(a) income on financial assets carried at amortised cost ₹**61.06** crore (2016-17: ₹27.39 crore).

(b) income on financial assets carried at fair value through profit and loss ₹**8.50** crore (2016-17: ₹8.50 crore).

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

[Item No. IV(c), Page 195]

(₹ crore)

		Year ended March 31, 2018	Year ended March 31, 2017
Inventories at the end of the year			
(a)	Work-in-progress	6.77	5.88
(b)	Finished and semi-finished goods	3,602.13	4,096.56
(c)	Stock-in-trade	56.13	107.95
		3,665.03	**4,210.39**
Inventories at the beginning of the year			
(a)	Work-in-progress	5.88	18.30
(b)	Finished and semi-finished goods	4,096.56	2,792.69
(c)	Stock-in-trade	107.95	69.75
		4,210.39	**2,880.74**
		(545.36)	**1,329.65**

29. Employee benefits expense

[Item No. IV(d), Page 195]

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
(a) Salaries and wages	4,130.68	3,934.58
(b) Contribution to provident and other funds	446.75	434.30
(c) Staff welfare expenses	251.42	236.25
	4,828.85	**4,605.13**

(i) During the year, the Company has recognised an amount of ₹**19.04** crore (2016-17: ₹18.13 crore) as remuneration to key managerial personnel. The details of such remuneration is as below:

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
(a) Short term employee benefits	19.03	17.13
(b) Post employment benefits	(0.02)	0.71
(c) Other long term employee benefits	0.03	0.29
	19.04	**18.13**

30. Finance costs

[Item No. IV(e), Page 195]

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense on:		
(a) Bonds, debentures, bank borrowings and others	2,547.68	2,597.04
(b) Finance leases	338.90	312.76
	2,886.58	**2,909.80**
Less: Interest capitalised	75.96	221.25
	2,810.62	**2,688.55**

(i) Other interest expense include interest on income tax ₹**5.85** crore (2016-17: ₹16.22 crore).

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31. Depreciation and amortisation expense

[Item No. IV(f), Page 195]

(₹ crore)

		Year ended March 31, 2018	Year ended March 31, 2017
(a)	Depreciation on tangible assets	3,585.44	3,351.49
(b)	Amortisation of intangible assets	142.02	190.06
		3,727.46	**3,541.55**

32. Other expenses

[Item No. IV(g), Page 195]

(₹ crore)

		Year ended March 31, 2018	Year ended March 31, 2017
(a)	Consumption of stores and spares	3,306.45	2,751.81
(b)	Repairs to buildings	71.79	70.80
(c)	Repairs to machinery	2,602.61	2,281.82
(d)	Relining expenses	51.79	55.44
(e)	Fuel oil consumed	154.21	111.17
(f)	Purchase of power	2,770.99	2,769.75
(g)	Conversion charges	2,838.13	2,701.03
(h)	Freight and handling charges	4,102.23	3,783.56
(i)	Rent	75.43	75.60
(j)	Royalty	1,572.69	1,145.51
(k)	Rates and taxes	966.02	1,298.41
(l)	Insurance charges	111.22	79.61
(m)	Commission, discounts and rebates	193.87	207.14
(n)	Allowance for credit losses/provision for advances	54.48	16.09
(o)	Excise duty (including recovered on sales)	902.55	5,267.94
(p)	Others	2,403.56	2,333.41
		22,178.02	**24,949.09**

(i) Others include foreign exchange gain (net) ₹**21.12** crore (2016-17: foreign exchange loss (net) ₹2.16 crore)

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

(₹ crore)

		Year ended March 31, 2018	Year ended March 31, 2017
(a)	Auditors remuneration and out-of-pocket expenses		
	(i) As auditors	4.75	6.30
	(ii) For taxation matters	0.40	0.46
	(iii) For other services#	0.60	0.33
	(iv) Out-of-pocket expenses	0.25	0.18
(b)	Cost audit fees [Including out of pocket expenses ₹**32,206** (2016-17: ₹25,084)]	0.18	0.12

Other services includes ₹0.45 crore (2016-17: Nil) on account of rights issue expenses which has been charged to securities premium.

32. Other expenses (Contd.)

[Item No. IV(g), Page 195]

(iii) As per the Companies Act, 2013, amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹**85.62** crore (2016-17 : ₹115.80 crore).

During the year ended March 31, 2018, in respect of CSR activities the Company incurred revenue expenditure which was recognised in the statement of profit and loss amounting to ₹**189.96** crore [₹188.96 crore has been paid in cash and ₹1.00 crore is yet to be paid]. During the year ended March 31, 2017, similar expense incurred was ₹191.21 crore [₹190.29 crore was paid in cash and ₹0.93 crore was unpaid].

During the year ended March 31, 2018, Capital expenditure incurred on construction of capital assets under CSR projects is ₹**41.66** crore [₹24.25 crore paid in cash and ₹17.42 crore is yet to be paid]. During the year ended March 31, 2017, similar expense incurred was ₹2.40 crore [₹1.66 crore was paid in cash and ₹0.74 crore was unpaid].

(iv) During the year ended March 31, 2018, revenue expenditure charged to the statement of profit and loss in respect of research and development activities undertaken was ₹**159.22** crore (2016-17: ₹132.26 crore) including depreciation of ₹**7.67** crore (2016-17: ₹7.87 crore). Capital expenditure incurred in respect of research and development activities during the year was ₹**22.42** crore (2016-17: ₹12.32 crore).

33. Exceptional items

[Item No. VI, Page 195]

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) Provision for diminution in value of investments held in subsidiaries and joint ventures ₹**36.27** crore (2016-17: ₹45.42 crore) and provision in respect of advances paid for repurchase of equity shares in Tata Teleservices Limited from NTT Docomo Inc ₹**26.65** crore (2016-17: ₹125.45 crore).

(b) Provision of ₹**3,213.68** crore (2016-17: ₹218.25 crore) in respect of certain statutory demands and claims relating to environment and mining matters, net of liability towards district mining fund no longer required written back.

(c) Provision of ₹**89.69** crore (2016-17: ₹178.68 crore) on account of employee separation scheme.

(d) During the year ended March 31, 2017, provision of ₹135.58 crore was recognised on account of legal and constructive commitments provided by the Company in respect of a loss making subsidiary.

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34. Earnings per share

[Item No. XII, Page 195]

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

(₹ crore)

		Year ended March 31, 2018	Year ended March 31, 2017
(a)	Profit after tax	4,169.55	3,444.55
	Less: Distribution on hybrid perpetual securities (net of tax)	173.43	174.01
	Profit attributable to ordinary shareholders - for Basic and Diluted EPS	**3,996.12**	**3,270.54**
		Nos.	Nos.
(b)	Weighted average number of Ordinary Shares for Basic EPS	1,03,61,99,628	1,03,05,07,429
	Add: Adjustment for shares held in abeyance	1,55,646	71,573
	Weighted average number of Ordinary Shares and potential Ordinary Shares for Diluted EPS	1,03,63,55,274	1,03,05,79,002
(c)	Nominal value of Ordinary Shares (₹)	10.00	10.00
(d)	Basic Earnings per Ordinary Share (₹)	38.57	31.74
(e)	Diluted Earnings per Ordinary Share (₹)	38.56	31.74

(i) Basic and diluted earnings per share for the year ended March 31, 2017, have been adjusted retrospectively for the bonus element in respect of rights issue made during the year ended March 31, 2018.

(i) As at March 31, 2018, **28,69,886** options (2016-17: Nil) were excluded from weighted average number of Ordinary Shares for the computation of diluted earning per share as these were anti-dilutive.

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

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

(b) Superannuation fund

The Company has a superannuation plan for the benefit of its employees. Employees who are members of the defined benefit 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 ₹1,00,000, 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.

35. Employee benefits (Contd.)

The contributions recognised as an expense in the statement of profit and loss during the year on account of defined contribution plans amounted to ₹**145.40** crore (2016-17: ₹151.34 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 or 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:

	Year ended March 31, 2018	Year ended March 31, 2017
Discount rate	7.50%	7.00%
Guaranteed rate of return	8.55%	8.65%
Expected rate of return on investment	8.75%	8.76%

(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 an 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 an year end actuarial valuation.

(d) Other defined benefits

Other benefits provided under unfunded schemes include 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:

(a) 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.

(b) 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 return on the plan's debt investments.

(c) 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.

(d) 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. An increase in the life expectancy of the plan participants will increase the plan's liability.

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35. 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 financial statements in respect of retiring gratuity plan:

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Change in defined benefit obligations:		
Obligation at the beginning of the year	2,779.95	2,640.22
Current service cost	129.90	118.00
Interest costs	185.47	192.44
Remeasurement (gain)/loss	(154.45)	143.44
Adjustment for arrear wage settlement	87.55	-
Benefits paid	(260.73)	(314.15)
Obligation at the end of the year	**2,767.69**	**2,779.95**

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Change in plan assets:		
Fair value of plan assets at the beginning of the year	2,562.92	2,479.53
Interest income	177.82	186.23
Remeasurement gain/(loss) excluding amount included within employee benefit expense	11.33	50.31
Employers' contribution	215.38	161.00
Benefits paid	(260.73)	(314.15)
Fair value of plan assets at the end of the year	**2,706.72**	**2,562.92**

Amounts recognised in the balance sheet consist of:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Fair value of plan assets	2,706.72	2,562.92
Present value of obligation	(2,767.69)	(2,779.95)
	(60.97)	**(217.03)**
Recognised as:		
Retirement benefit obligations - Non-current	(60.97)	(217.03)

35. Employee benefits (Contd.)

Expense recognised in the statement of profit and loss consists of:

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Employee benefits expense:		
Current service cost	129.90	118.00
Net interest expense	7.65	6.21
	137.55	**124.21**
Other comprehensive income:		
Return on plan assets excluding amount included in employee benefits expense	(11.33)	(50.31)
Actuarial (gain)/loss arising from changes in demographic assumption	(35.02)	-
Actuarial (gain)/loss arising from changes in financial assumption	(97.18)	149.26
Actuarial (gain)/loss arising from changes in experience adjustments	(22.25)	(5.82)
	(165.78)	**93.13**
Expense/(gain) recognised in the statement of profit and loss	**(28.23)**	**217.34**

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

(%)

	As at March 31, 2018	As at March 31, 2017
Assets category (%)		
Equity instruments (quoted)	-	0.21
Debt instruments (quoted)	21.26	28.91
Insurance products (unquoted)	78.74	70.88
	100.00	**100.00**

The Company's investment policy is driven by considerations of maximising returns while ensuring credit quality of debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, 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, 2018	As at March 31, 2017
Discount rate (per annum)	7.50	7.00
Rate of escalation in salary (per annum)	7.50 to 10.00	7.50 to 10.00

(iv) Weighted average duration of the retiring gratuity obligation is **9** years (March 31, 2017: 9 Years).

(v) The Company expects to contribute ₹**60.97** crore to the plan during the financial year 2018-19.

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

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35. Employee benefits (Contd.)

As at March 31, 2018

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹177.13 crore, increase by ₹202.04 crore
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹199.27 crore, decrease by ₹177.13 crore

As at March 31, 2017

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹195.55 crore, increase by ₹226.58 crore
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹221.51 crore, decrease by ₹195.14 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.

(₹ crore)

	Year ended March 31, 2018		Year ended March 31, 2017	
	Medical	Others	Medical	Others
Change in defined benefit obligation:				
Obligation at the beginning of the year	1,221.18	1,02.58	1,063.93	84.38
Current service cost	21.41	7.06	19.04	5.77
Interest cost	83.36	6.94	80.34	6.30
Remeasurement (gain)/loss				
(i) Actuarial (gains)/losses arising from changes in demographic assumptions	(18.29)	(2.09)	-	-
(ii) Actuarial (gains)/losses arising from changes in financial assumptions	(53.19)	(3.79)	126.17	7.84
(iii) Actuarial (gains)/losses arising from changes in experience adjustments	10.62	(5.11)	(13.69)	4.34
Benefits paid	(60.39)	(6.95)	(54.61)	(6.05)
Past service cost	-	(26.08)	-	-
Obligation at the end of the year	**1,204.70**	**72.56**	**1,221.18**	**102.58**

35. Employee benefits (Contd.)

Amounts recognised in balance sheet consist of:

(₹ crore)

	As at March 31, 2018		As at March 31, 2017	
	Medical	Others	Medical	Others
Present value of obligation	(1,204.70)	(72.56)	(1,221.18)	(102.58)
Recognised as:				
Retirement benefit obligation - Current	(85.38)	(5.12)	(50.67)	(5.91)
Retirement benefit obligation - Non-current	(1,119.32)	(67.44)	(1,170.51)	(96.67)

Expense recognised in the statement of profit and loss consists of:

(₹ crore)

	April- March 2018		April- March 2017	
	Medical	Others	Medical	Others
Employee benefits expense:				
Current service cost	21.41	7.06	19.04	5.77
Past service cost	-	(26.08)	-	-
Net interest expense	83.36	6.94	80.34	6.30
	104.77	**(12.08)**	**99.38**	**12.07**
Other comprehensive income:				
Actuarial (gains)/losses arising from changes in demographic assumptions	(18.29)	(2.09)	-	-
Actuarial (gains)/losses arising from changes in financial assumption	(53.19)	(3.79)	126.17	7.84
Actuarial (gains)/losses arising from changes in experience adjustments	10.62	(5.11)	(13.69)	4.34
	(60.86)	**(10.99)**	**112.48**	**12.18**
Expense recognised in the statement of profit and loss	**43.91**	**(23.07)**	**211.86**	**24.25**

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

	As at March 31, 2018		As at March 31, 2017	
	Medical	Others	Medical	Others
Discount rate (per annum)	7.50%	7.50%	7.00%	7.00%
Rate of escalation in salary (per annum)	N.A	10.00% - 15.00%	N.A.	10.00% - 15.00%
Inflation rate (per annum)	8.00%	4.00%	8.00%	4.00%

(iii) Weighted average duration of post-retirement medical benefit obligation is 8 years (March 31, 2017: 9 Years) Weighted average duration of other defined benefit obligation ranges from 8 to 10 years (March 31, 2017: 9 to 12 years)

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35. Employee benefits (Contd.)

(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, 2018

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹151.79 crore, increase by ₹191.55 crore
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹179.50 crore, decrease by ₹144.56 crore

As at March 31, 2017

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹163.42 crore, increase by ₹209.94 crore
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹200.37 crore, decrease by ₹159.56 crore

The table below outlines the effect on other defined benefit obligation in the event of a decrease/increase of 1 % in the assumptions used.

As at March 31, 2018

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹6.75 crore, increase by ₹8.15 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹2.05 crore, decrease by ₹1.82 crore
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹4.66 crore, decrease by ₹4.15 crore

As at March 31, 2017

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹10.23 crore, increase by ₹12.32 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹6.50 crore, decrease by ₹5.66 crore
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹5.00 crore, decrease by ₹4.42 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.

36. 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.

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 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 dis-allowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years.

As at March 31, 2018, there are matters and/or disputes pending in appeal amounting to ₹**1,443.29** crore (March 31, 2017: ₹1,417.54 crore).

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

Interest expenditure on loans taken by the Company for acquisition of a subsidiary has been disallowed in assessments with tax demand raised for ₹**1,250.16** crore (inclusive of interest) (March 31, 2017: ₹1,217.79 crore). The Company has deposited ₹**665.00** crore (March 31, 2017: ₹515.00 crore) as part payment as a precondition to obtain stay of demand. The Company expects to sustain its position on ultimate resolution of the appeals.

Customs, excise duty and service tax

As at March 31, 2018, there were pending litigations for various matters relating to customs, excise duty and service taxes involving demands of ₹**669.48** crore (March 31, 2017: ₹482.72 crore).

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

The Company has a Chrome ore beneficiation plant at Sukinda which was 100% EOU engaged in the manufacture and export of Chrome concentrates. During the period from Aug 2011 to Jun 2016, chrome concentrates were cleared to some customers in Domestic tariff area on payment of appropriate Excise duty leviable on such goods after availing the benefit of exemption under notification No.23/2003-CE dated 31.03.2003. However, the Excise department has raised the demand for alleged short payment of duty on the ground that exemption notification mentioned above is not applicable to the company and hence custom duty is payable instead of Excise duty. The amount involved comprising of demand and penalty is ₹121 crore (March 31, 2017: Nil). An appeal is being filed against the order before CESTAT, Kolkata.

Sales tax /VAT

The total sales tax demands that are being contested by the Company amounted to ₹**567.85** crore (March 31, 2017: ₹349.58 crore).

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

The Company transfers its goods manufactured at Jamshedpur works plant to various depots/branches located across the country without payment of Central Sales tax as per the provisions of the Act and submits F-Form in lieu of the stock-transfers made during a particular period. These goods are then sold to various customers outside the states from these depots/branches and the value of these sales are disclosed in the periodical returns filed as per the Jharkhand Vat Act 2005. The Commercial Tax Department has raised the 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 during sales tax assessments. The amount involved under various assessment years from 2011-12 to 2014-15 is ₹ 312 crore out of which ₹ 125 crore (March 31, 2017: Nil) has been considered as contingent liability.

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36. Contingencies and commitments (Contd.)

Other taxes, dues and claims

Other amounts for which the Company may contingently be liable aggregate to ₹**9,925.20** crore (March 31, 2017: ₹8,571.00 crore).

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

(a) Claim by a party arising out of conversion arrangement- ₹**195.79** crore (March 31, 2017: ₹195.82 crore). The Company has not acknowledged this claim and has instead filed a claim of ₹**141.23** crore (March 31, 2017: ₹139.65 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 High Court of Orissa challenging the validity of the Act. Orissa High Court held in December 2005 that 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 Orissa High Court and the case is pending in Supreme Court. The potential liability, as at March 31, 2018 would be approximately ₹**6,521.05** crore (March 31, 2017: ₹5,880.83 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 by the Ministry of Mines, Government of India and the price published by Indian Bureau of Mines (IBM) on a monthly basis.

A demand of ₹411.08 crore has been raised by Deputy Director of Mines, Joda, claiming royalty at sized ore rates on despatches of ore fines. The Company has filed a revision petition on November 14, 2013 before the Mines Tribunal, Government of India, Ministry of Mines, New Delhi, challenging the legality and validity of the demand raised and also to grant refund of royalty paid in excess by the Company. Mines tribunal vide its order dated November 13, 2014 has stayed the demand of royalty on iron ore for Joda east of ₹314.28 crore upto the period ending March 31, 2014. For the demand of ₹96.80 crore for April, 2014 to September, 2014, a separate revision application was filed before Mines Tribunal. The matter was heard by Mines Tribunal on July 14, 2015 and stay was granted on the total demand with directive to Government of Odisha not to take any coercive action for realisation of this demanded amount. Likely demand of royalty on fines at sized ore rates as on March 31, 2018: ₹**1,036.53** crore (March 31, 2017: ₹847.96 crore).

(d) Demand notices were originally issued by the Deputy Director of Mines, Odisha amounting to ₹3,828 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 (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 subsequently pronounced its judgment 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 Judgment of Hon'ble Supreme Court, demand/show cause notices amounting to ₹3,873.35 crore have been issued 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 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 for production in excess of environment clearance to the District Mining Office, Jharkhand.
- the Company has challenged the demands amounting to ₹132.91 crore 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. Demand amount of ₹132.91 crores has been considered as contingent liability.

36. Contingencies and commitments (Contd.)

- the Company has made a comprehensive submission before the Deputy Director of Mines, Odisha against show cause notices amounting to ₹694.02 crore for production in violation of mining plan, Environment Protection Act, 1986 and Water (Prevention & Control of Pollution) Act, 1981. There has been a demand amounting to ₹234.74 crore from the Deputy Director of Mines, Odisha for production in excess of the Environmental Clearance in April 2018 against which suitable legal remedy is being explored. Demand of ₹234.74 crore has been provided and ₹694.02 crore has been disclosed as contingent liability.
- the Company based on its internal assessment has provided an amount of ₹1,412.89 crore against demand notices amounting to ₹2,140.30 crore received from the District Mining Office, Jharkhand for production in excess of environment clearance and the balance amount of ₹727.41 crore has been considered as contingent liability. The Company has however been granted a stay by the Revisional Authority, Ministry of Coal, Government of India against such demand notices.

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 ₹**4,275.79** crore, (2016-17: ₹3,825.85 crore).

Other commitments as at March 31, 2018 amount to ₹**0.01** crore (March 31, 2017: ₹0.01 crore).

(b) The Company has given undertakings to: (a) IDBI not to dispose of its investment in Wellman Incandescent India Ltd. (b) IDBI and ICICI Bank Ltd. (formerly ICICI) not to dispose of its investment in Standard Chrome Ltd. (c) Mizuho Corporate Bank Limited and Japan Bank for International Co-operation, not to dispose of its investments in Tata NYK Shipping Pte Limited (to retain minimal stake required to be able to provide a corporate guarantee towards long-term debt) (d) ICICI Bank Limited to directly or indirectly continue to hold atleast 51 % shareholding in Jamshedpur Continuous Annealing & Processing Company Private Limited.

(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 Limited (TBSL), 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 TBSL below 50%.

(d) The Company, as a promoter, has pledged 4,41,55,800 equity shares of Industrial Energy Limited with Infrastructure Development Finance Corporation Limited.

(e) The Company along with TS Alloys Limited (Promoters) has given an undertaking to Power Finance Corporation Limited (PFC) and Rural Electrification Corporation Limited (REC) (Lenders) not to dispose off/transfer their equity holding below 51% of total equity in Bhubaneswar Power Private Limited (BPPL) till the repayment of entire loan by BPPL to the lenders without prior written approval of the lenders. The Company along with TS Alloys Limited has pledged 60% of their equity contribution in BPPL to PFC, PFC being the security agent.

(f) The Company has agreed, if requested by Tata Steel UK Holdings Limited (TSUKH) (an indirect wholly owned subsidiary), to procure an injection of funds to reduce the outstanding net debt in TSUKH and its subsidiaries, to a mutually accepted level.

(g) The Company has given guarantees aggregating ₹**11,478.00** crore (2017: ₹11,344.47 crore) details of which are as below:

(i) in favour of Timken India Limited for ₹**1.07** crore (March 31, 2017: ₹1.07 crore) on behalf of Timken India Limited to Commissioner of Customs in respect of goods imported.

(ii) in favour of Mizuho Corporate Bank Ltd., Japan for ₹**27.33** crore (March 31, 2017: ₹45.38 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, 2017: ₹177.18 crore) against performance of export obligation under the various bonds executed by a joint venture Jamshedpur Continuous Annealing & Processing Company Private Limited.

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36. Contingencies and commitments (Contd.)

(iv) in favour of the note holders against due and punctual repayment of the 100% amounts outstanding as on March 31, 2018 towards issued Guaranteed Notes by a subsidiary, ABJA Investment Co. Pte. Limited for ₹**9,777.37** crore (March 31, 2017: ₹9,728.25 crore) and ₹**1,494.90** crore (March 31, 2017: ₹1,392.44 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, 2017: ₹0.15 crore) against advance license.

37. Other significant litigations

(a) Odisha legislative assembly issued an amendment to Indian Stamp Act 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. As a result 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 crore (March 31, 2017: ₹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 courts.

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, 2018 as per the existing provisions of the Stamp Act 1899 and the Company has since paid the stamp duty and registration charges totalling ₹413.72 crore (March 31, 2017: ₹413.72 crore) for supplementary deed execution in respect of eight mines out of the above mines.

(b) Noamundi Iron Ore Mine of TSL 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 judgment 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 ₹3568.00 crore being the price of iron ore extracted. The said demand has been challenged by the Company before the Jharkhand Hight Court.

The mining operations were suspended from August 01, 2014. Therefore, upon issuance of express order, Company paid ₹152.00 crore under protest, so that mining can be resumed.

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

37. 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 installments.
- 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 has issued demand notice for payment of ₹421.83 crore, payable in three monthly installments. The Company replied on March 20, 2015, 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.

Another writ petition has been filed before Hon'ble High Court of Jharkhand and heard on September 9, 2015. An interim order has been given by Hon'ble High Court of Jharkhand on September 18, 2015 wherein court has directed the Company to discharge the liability of one of the demands raised by the State and pay the amount of ₹371.83 crore in 3 equal installments, first installment by October 15, 2015, second installment by November 15, 2015 and third installment by December 15, 2015.

In view of the interim order of Hon'ble High Court of Jharkhand ₹124 crore was paid on September 28, 2015, ₹124.00 crore was paid on November 12, 2015 and ₹123.83 crore on December 14, 2015 under protest.

The case is pending at 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. On a correct application of Goa judgment read with the amendment in the year 2015, the Company expects that it is remote that the claim of the State will sustain and consequently, the demands raised by the State would be quashed by the courts .

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38. 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 and 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, 2018	As at March 31, 2017
Equity share capital	1,146.12	971.41
Hybrid perpetual securities	2,275.00	2,275.00
Other equity	60,368.72	48,687.60
Total Equity (A)	**63,789.84**	**51,934.01**
Non-current borrowings	24,568.95	24,694.37
Short term borrowings	669.88	3,239.67
Current maturities of long term borrowings and finance lease obligations	2,886.97	350.59
Gross Debt (B)	**28,125.80**	**28,284.63**
Total Capital (A+B)	**91,915.64**	**80,218.64**
Gross Debt as above	2,8125.80	28,284.63
Less: Current investments	(14,640.37)	(5,309.81)
Less: Cash and cash equivalents	(4,588.89)	(905.21)
Less: Other balances with bank (including non-current earmarked balances)	(127.81)	(102.84)
Net Debt (C)	**8,768.73**	**21,966.77**
Net debt to equity[(i)]	**0.15**	**0.44**

(i) Net debt to equity ratio as at March 31, 2018 and March 31, 2017 has been computed based on average equity.

39. 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 205 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, 2018 and March 31, 2017.

As at March 31, 2018

(₹ crore)

	Amortised cost	Fair Value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair Value through statement of profit and loss	Total carrying value	Total fair value
Financial assets:							
Cash and bank balances	4,716.70	-	-	-	-	4,716.70	4,716.70
Trade receivables	1,875.63	-	-	-	-	1,875.63	1,875.63
Investments	-	807.55	-	-	19,803.14	20,610.69	20,610.69
Derivatives	-	-	7.90	34.30	-	42.20	42.20
Loans	287.63	-	-	-	-	287.63	287.63
Other financial assets	481.87	-	-	-	-	481.87	481.87
	7,361.83	**807.55**	**7.90**	**34.30**	**19,803.14**	**28,014.72**	**28,014.72**
Financial liabilities:							
Trade and other payables	11,242.75	-	-	-	-	11,242.75	11,242.75
Borrowings	28,125.80	-	-	-	-	28,125.80	28,719.48
Derivatives	-	-	-	86.49	-	86.49	86.49
Other financial liabilities	3,674.21	-	-	-	-	3,674.21	3,674.21
	43,042.76	**-**	**-**	**86.49**	**-**	**43,129.25**	**43,722.93**

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39. Disclosures on financial instruments (Contd.)

As at March 31, 2017

(₹ crore)

	Amortised cost	Fair Value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair Value through statement of profit and loss	Total carrying value	Total fair value
Financial assets:							
Cash and bank balances	1,008.05	-	-	-	-	1,008.05	1,008.05
Trade receivables	2,006.52	-	-	-	-	2,006.52	2,006.52
Investments	-	4,808.33	-	-	5,459.55	10,267.88	10,267.88
Derivatives	-	-	0.16	6.22	-	6.38	6.38
Loans	239.11	-	-	-	-	239.11	239.11
Other financial assets	356.81	-	-	-	-	356.81	356.81
	3,610.49	**4,808.33**	**0.16**	**6.22**	**5,459.55**	**13,884.75**	**13,884.75**
Financial liabilities:							
Trade and other payables	10,717.44	-	-	-	-	10,717.44	10,717.44
Borrowings	28,284.63	-	-	-	-	28,284.63	29,538.89
Derivatives	-	-	2.57	446.93	-	449.50	449.50
Other financial liabilities	3,729.98	-	-	-	-	3,729.98	3,729.98
	42,732.05	**-**	**2.57**	**446.93**	**-**	**43,181.55**	**44,435.81**

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

(b) Fair value hierarchy

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

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

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

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair 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.

39. Disclosures on financial instruments (Contd.)

(₹ crore)

	As at March 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investment in mutual funds	14,640.37	-	-	14,640.37
Investment in equity shares	497.21	-	310.34	807.55
Investment in debentures	-	49.74	-	49.74
Investment in preference shares	-	-	5,113.03	5,113.03
Derivative financial assets	-	42.20	-	42.20
	15,137.58	**91.94**	**5,423.37**	**20,652.89**
Financial liabilities:				
Derivative financial liabilities	-	86.49	-	86.49
	-	**86.49**	**-**	**86.49**

(₹ crore)

	As at March 31, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investment in mutual funds	5,309.81	-	-	5,309.81
Investment in equity shares	4,422.17	-	386.16	4,808.33
Investment in debentures	-	49.74	-	49.74
Investment in preference shares	-	-	100.00	100.00
Derivative financial assets	-	6.38	-	6.38
	9,731.98	**56.12**	**486.16**	**10,274.26**
Financial liabilities:				
Derivative financial liabilities	-	449.50	-	449.50
	-	**449.50**	**-**	**449.50**

(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. The investments included in the level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value. Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

(iv) Fair value of borrowings which have a quoted market price in an active market is based on its market price which is categorised as 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.

(v) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(vi) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2018 and March 31, 2017.

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Notes
FORMING PART OF THE FINANCIAL STATEMENTS

39. Disclosures on financial instruments (Contd.)

(vii) Reconciliation of level 3 fair value measurement is as below:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	486.16	507.81
Additions during the year	4,646.55	7.00
Sale/Redemption during the year	(100.00)	-
Fair value changes during the year	390.66	(28.65)
Balance at the end of the year	**5,423.37**	**486.16**

(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" to the extent possible. The Company does not hold or issue derivative financial instruments for trading purpose. 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, 2018		As at March 31, 2017	
	Assets	Liabilities	Assets	Liabilities
(i) Foreign currency forwards, swaps and options	34.44	86.49	6.23	446.93
(ii) Interest rate swaps and collars	7.76	-	0.15	2.57
	42.20	**86.49**	**6.38**	**449.50**
Classified as:				
Non-current	12.13	70.08	0.12	179.33
Current	30.07	16.41	6.26	270.17

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, 2018	As at March 31, 2017
(i) Foreign currency forwards, swaps and options	1,322.86	1,337.69
(ii) Interest rate swaps and collars	150.00	150.00
	1,472.86	**1,487.69**

39. Disclosures on financial instruments (Contd.)

(d) Transfer of financial assets

The Company 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 arrangement 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:

(₹ crore)

	As at March 31, 2018		As at March 31, 2017	
	Carrying value of asset transferred	Carrying value of associated liabilities	Carrying value of asset transferred	Carrying value of associated liabilities
Trade receivables	**547.56**	**547.56**	651.36	651.36

(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.

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 ₹**514.89** crore for the year ended March 31, 2018 (March 31, 2017: ₹9.46 crore) and an increase/decrease in carrying value of property, plant and equipment (before considering depreciation) by approximately ₹**148.81** crore as at March 31, 2018 (March 31, 2017: ₹185.49 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, 2018 and March 31, 2017 excluding trade payables, trade receivables, other derivative and non-derivative financial instruments (except investment in preference shares) 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.

Notes

FORMING PART OF THE FINANCIAL STATEMENTS

39. Disclosures on financial instruments (Contd.)

(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, 2018 and March 31, 2017 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 ₹**143.71** crore for the year ended March 31, 2018 (2016-17: ₹122.34 crore).

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

(c) Market risk - Equity price risk:

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

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

The fair value of quoted investments in equity, classified as fair value through other comprehensive income as at March 31, 2018 and March 31, 2017 was ₹**497.21** crore and ₹4,422.17 crore, respectively.

A 10% change in equity prices of such securities held as at March 31, 2018 and March 31, 2017, would result in an impact of ₹**49.72** crore and ₹442.22 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 creditworthiness 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, cash and cash equivalents, derivatives and financial guarantees provided by the Company. None of the financial instruments of the Company 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 ₹**27,206.24** crore and ₹9,063.68 crore, as at March 31, 2018 and March 31, 2017 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 13, Page 231.

The Company's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivables as at March 31, 2018 and March 31, 2017.

In respect of financial guarantees provided by the Company to banks and 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 has access to funds from debt markets through commercial paper programs, non-convertible debentures and other debt instruments. The Company invests its surplus funds in bank fixed deposits and in mutual funds, which carry no or low market risk.

39. 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, 2018				
	Carrying value	Contractual cash flows	less than one year	between one to five years	More than five years
Non-derivative financial liabilities:					
Borrowings including interest obligations	28,125.80	42,841.11	5,528.51	17,766.50	19,546.10
Trade payables	11,242.75	11,242.75	11,242.75	-	-
Other financial liabilities	3,674.21	3,674.21	3,654.43	5.00	14.78
	43,042.76	**57,758.07**	**20,425.69**	**17,771.50**	**19,560.88**
Derivative financial liabilities	**86.49**	**86.49**	**16.41**	**70.88**	**-**

(₹ crore)

	As at March 31, 2017				
	Carrying value	Contractual cash flows	less than one year	between one to five years	More than five years
Non-derivative financial liabilities:					
Borrowings including interest obligations	28,284.63	44,658.00	5,141.84	15,921.64	23,594.52
Trade payables	10,717.44	10,717.44	10,717.44	-	-
Other financial liabilities	3,729.98	3,729.98	3,711.76	5.26	12.96
	42,732.05	**59,105.42**	**19,571.04**	**15,926.90**	**23,607.48**
Derivative financial liabilities	**449.50**	**449.50**	**270.17**	**96.11**	**83.22**

40. Segment reporting

The Company is engaged in the business of manufacturing and distribution of steel products and is primarily 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

FORMING PART OF THE FINANCIAL STATEMENTS

41. Related party transactions

The Company's related parties principally consist of its subsidiaries, associates and joint ventures, Tata Sons 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, 2018 and March 31, 2017:

(₹ crore)

	Subsidiaries	Associates	Joint Ventures	Tata Sons, its subsidiaries and joint ventures	Total
Purchase of goods	**10,961.18**	**291.74**	**109.55**	**187.08**	**11,549.55**
	8,382.81	*254.56*	*141.22*	*170.91*	*8,949.50*
Sale of goods	**6,793.81**	**22.32**	**1,978.07**	**175.33**	**8,969.53**
	4,233.84	*27.23*	*1,522.49*	*114.89*	*5,898.45*
Services received	**1,531.07**	**9.80**	**1,251.58**	**55.61**	**2,848.06**
	1,601.30	*7.73*	*1,305.59*	*88.88*	*3,003.50*
Services rendered	**372.60**	**5.87**	**95.85**	**1.31**	**475.63**
	335.53	*4.94*	*96.39*	*0.85*	*437.71*
Interest income recognised	**23.63**	**-**	**4.62**	**-**	**28.25**
	9.70	*-*	*-*	*-*	*9.70*
Interest expenses recognised	**-**	**-**	**-**	**19.23**	**19.23**
	-	*-*	*-*	*16.16*	*16.16*
Dividend paid	**1.17**	**-**	**-**	**295.61**	**296.78**
	0.93	*-*	*-*	*236.48*	*237.41*
Dividend received	**30.31**	**3.51**	**37.55**	**10.46**	**81.83**
	46.64	*1.11*	*39.78*	*0.54*	*88.07*
Provision for receivables recognised during the year	**31.36**	**-**	**5.35**	**-**	**36.71**
	4.98	*-*	*-*	*-*	*4.98*
Management contracts	**-**	**-**	**-**	**100.00**	**100.00**
	-	*-*	*-*	*100.00*	*100.00*
Purchase of investments	**-**	**-**	**-**	**-**	**-**
	10.96	*-*	*-*	*-*	*10.96*
Sale of investments	**-**	**-**	**-**	**3,782.76**	**3,782.76**
	-	*-*	*-*	*-*	*-*

TATA

41. Related party transactions (Contd.)

(₹ crore)

	Subsidiaries	Associates	Joint Ventures	Tata Sons, its subsidiaries and joint ventures	Total
Finance provided during the year	**5,340.28**	**-**	**46.82**	**-**	**5,387.10**
	470.78	-	-	-	*470.78*
Outstanding loans and receivables	**1,210.66**	**32.36**	**202.61**	**13.60**	**1,459.23**
	1,138.30	*26.68*	*46.38*	*80.38*	*1,291.74*
Provision for outstanding loans and receivables	**668.78**	**0.03**	**5.49**	**-**	**674.30**
	636.98	*0.03*	-	-	*637.01*
Outstanding payables	**5,787.08**	**27.74**	**233.95**	**119.22**	**6,167.99**
	5,520.66	*28.44*	*388.39*	*162.88*	*6,100.37*
Guarantees provided outstanding	**11,272.27**	**-**	**204.51**	**-**	**11,476.78**
	11,120.69	-	*222.56*	-	*11,343.25*
Subscription to rights issue	**-**	**-**	**-**	**3,420.56**	**3,420.56**
	-	-	-	-	-

Figures in italics represents comparative figures of previous year.

(i) The details of remuneration paid to key managerial personnel is provided in Note 29, Page 249.

During the year ended March 31, 2018, value of shares subscribed by key managerial personnel and their relatives under rights issue is ₹**2,87,476.00** (2016-17: Nil)

The Company has paid dividend of ₹**27,420.00** (2016-17: ₹21,936.00) to key managerial personnel and ₹**3,310.00** (2016-17: ₹2,648.00) to relatives of key managerial personnel during the year ended March 31, 2018.

(ii) During the year ended March 31, 2018, the Company has contributed ₹**431.35** crore (2016-17: ₹375.29 crore) to post employment benefit plans.

As at March 31, 2018, amount receivable from post-employment benefit fund is ₹**296.38** crore (March 31, 2017: ₹256.17 crore) on account of retirement benefit obligations paid by the Company directly.

(iii) Transactions with joint ventures have been disclosed at full value and not at their proportionate share.

TATA STEEL

Notes
FORMING PART OF THE FINANCIAL STATEMENTS

42. The National Company Law Tribunal, New Delhi Bench, has approved the terms of the Resolution Plan submitted by the Company, to acquire Bhushan Steel Limited ("BSL") pursuant to a Corporate Insolvency Resolution process implemented under the Insolvency and Bankruptcy Code 2016 (the "Resolution Plan"), and the terms of the Resolution Plan are now binding.

Pursuant to the Resolution Plan, Bamnipal Steel Limited ("BNPL") a wholly-owned subsidiary of the Company, will subscribe to 72.65% of the equity share capital of BSL for an aggregate amount of ₹158.89 crore and provide additional funds aggregating of ₹ 35,041.11 crore by way of debt/convertible debt.

Upon implementation of the Resolution Plan, the Company will hold 72.65% of the paid up share capital of BSL. The remaining 27.35% of BSL's share capital will be held by BSL's existing shareholders and the financial creditors who receive shares in exchange for the debt owed to them. The funds received by BSL as debt and equity will be used to settle the debts owed to the existing financial creditors of BSL, by payment of ₹35,200 crores.

The Competition Commission of India had earlier approved the Resolution Plan.

43. Dividend

The dividend declared by the Company is based on profits available for distribution as reported in the standalone financial statements of the Company. On May 16, 2018, 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, 2018 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹1,381.47crore inclusive of dividend distribution tax of ₹235.55 crore.

44. Previous year figures have been recasted/restated wherever necessary.

In terms of our report attached

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

sd/-
Russell I Parera
Partner
Membership Number 042190

Mumbai, May 16, 2018

For and on behalf of the Board of Directors

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/-
D. K. Mehrotra
Director
DIN: 00142711

sd/-
Saurabh Agrawal
Director
DIN: 02144558

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

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

sd/-
Parvatheesam K.
Company Secretary
ACS: 15921

Independent Auditor's Report on Consolidated Financial Statements

Report on consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Tata Steel Limited ("hereinafter referred to as the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its jointly controlled companies and associate companies; (refer Note 1 to the attached consolidated Ind AS financial statements), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group including its associates and jointly controlled companies in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the Companies included in the Group and of its associates and jointly controlled companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and jointly controlled companies respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, other than the unaudited financial statements/financial information as certified by the management and referred to in sub-paragraph 9 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by 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 companies as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter

8. We did not audit the financial statements/information of nine subsidiaries, whose financial statements/information reflect total assets of ₹83,196.23 crores and net assets of ₹(15,990.96) crores as at March 31, 2018, total revenue of ₹72,668.19 crores, total comprehensive income (comprising of profit/(loss) and other comprehensive income) of ₹6,018.00 crores and net cash flows amounting to ₹(1,046.45) crores for the year ended on that date, as considered in the consolidated Ind AS financial statements, which also include their step down jointly controlled companies and associates representing ₹56.63 crores of the Group's share of total comprehensive income for the year ended on that date. These financial statements/information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and their step down jointly controlled companies and associates, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and their step down jointly controlled companies and associates, is based solely on the reports of the other auditors.

9. We did not audit the financial statements/information of twenty subsidiaries whose financial statements/information reflect total assets of ₹7339.37 crores and net assets of ₹(1,572.03) crores as at March 31, 2018, total revenue of ₹45.93 crores, total comprehensive income (comprising of profit/ (loss) and other comprehensive income) of ₹(207.71) crores and net cash flows amounting to ₹2.79 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of total comprehensive income (comprising of profit/ (loss) and other comprehensive income) of ₹10.20 crores and ₹11.60 crores for the year ended March 31, 2018 as considered in the consolidated Ind AS financial statements, in respect of four associate companies and seven jointly controlled companies respectively, whose financial statements/ information have not been audited by us. These financial statements/information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associate companies and jointly controlled companies and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, jointly controlled companies and associates, is based solely on such unaudited financial statements/information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/information are not material to the Group.

   Our opinion on the consolidated Ind AS 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 and the financial statements/ information certified by the Management.

10. The consolidated Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 16, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by Section143(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 Ind AS financial statements.

    (b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiaries included in the Group, associate companies and jointly controlled companies incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group, associate companies and jointly controlled companies incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian 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, 2018 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 companies incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, associate companies and jointly controlled companies incorporated in India 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 Auditors' 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 consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group, its associates and jointly controlled companies — Refer Notes 39 and 40 to the consolidated Ind AS financial statements.

ii. The Group, its associates and jointly controlled companies did not have any material foreseeable losses on long-term contracts including derivative contracts as at March 31, 2018.

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 companies incorporated in India during the year ended March 31, 2018 except for amounts aggregating to ₹4.67 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 Group for the year ended March 31, 2018.

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

Russell I Parera
Partner
Membership Number 042190

Mumbai
May 16, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Tata Steel Limited on the consolidated Ind AS financial statements for the year ended March 31, 2018

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting 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 (1) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls over financial reporting is not applicable to two jointly controlled companies incorporated in India namely S & T Mining Company Private Limited and Tata NYK Shipping (India) Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 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 over financial reporting is applicable, which are companies incorporated in India, are 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 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 over financial reporting 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting 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 over financial reporting 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 consolidated Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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.

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 over financial reporting in so far as it relates to a subsidiary company, which are companies incorporated in India, is based on the corresponding report of the auditor of such company 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
Membership Number 042190

Mumbai
May 16, 2018

TATA STEEL

Consolidated Balance Sheet

AS AT MARCH 31, 2018

(₹ crore)

			Note	Page	As at March 31, 2018	As at March 31, 2017
Assets						
I	**Non-current assets**					
	(a)	Property, plant and equipment	3	301	90,322.78	86,880.59
	(b)	Capital work-in-progress			16,159.80	15,514.37
	(c)	Goodwill on consolidation	5	306	4,099.45	3,494.73
	(d)	Other Intangible assets	6	307	1,682.66	1,631.23
	(e)	Intangible assets under development			454.61	269.76
	(f)	Equity accounted investments	7	309	1,781.22	1,593.94
	(g)	Financial assets				
		(i) Investments	8	311	1,209.28	5,190.05
		(ii) Loans	9	312	717.34	373.06
		(iii) Derivative assets			29.16	83.17
		(iv) Other financial assets	10	314	87.91	85.58
	(h)	Retirement benefit assets	11	315	20,570.87	1,752.64
	(i)	Income tax assets			1,152.76	981.23
	(j)	Deferred tax assets	12	316	1,035.80	885.87
	(k)	Other assets	13	319	2,577.14	3,661.99
	Total non-current assets				**1,41,880.78**	**1,22,398.21**
II	**Current assets**					
	(a)	Inventories	14	321	28,331.04	24,803.82
	(b)	Financial assets				
		(i) Investments	8	311	14,908.97	5,673.13
		(ii) Trade receivables	15	321	12,415.52	11,586.82
		(iii) Cash and cash equivalents	16	323	7,783.50	4,832.29
		(iv) Other balances with bank	17	323	154.35	88.76
		(v) Loans	9	312	256.48	224.50
		(vi) Derivative assets			150.95	104.04
		(vii) Other financial assets	10	314	599.71	387.82
	(c)	Retirement benefit assets	11	315	2.91	-
	(d)	Income tax assets			62.28	35.08
	(e)	Other assets	13	319	3,108.98	2,207.35
	Total current assets				**67,774.69**	**49,943.61**
III	**Assets held for sale**		18	325	**102.47**	**991.42**
Total Assets					**2,09,757.94**	**1,73,333.24**

TATA

Consolidated Balance Sheet (Contd.)

AS AT MARCH 31, 2018

(₹ crore)

	Note	Page	As at March 31, 2018	As at March 31, 2017
Equity and Liabilities				
IV Equity				
(a) Equity share capital	19	326	1,144.95	970.24
(b) Hybrid perpetual securities	20	329	2,275.00	2,275.00
(c) Other equity	21	329	57,450.67	34,574.08
Equity attributable to shareholders of the Company			**60,870.62**	**37,819.32**
Non controlling interests			936.52	1,601.70
Total equity			**61,807.14**	**39,421.02**
V Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	23	335	72,789.10	64,022.27
(ii) Derivative liabilities			85.04	179.98
(iii) Other financial liabilities	24	339	105.83	108.78
(b) Provisions	25	339	4,338.24	4,279.69
(c) Retirement benefit obligations	11	315	2,516.56	2,666.27
(d) Deferred income	26	341	1,526.58	2,057.59
(e) Deferred tax liabilities	12	316	10,569.88	10,030.08
(f) Other liabilities	27	342	358.16	226.51
Total non-current liabilities			**92,289.39**	**83,571.17**
VI Current liabilities				
(a) Financial liabilities				
(i) Borrowings	23	335	15,884.98	18,328.10
(ii) Trade payables	28	342	20,413.81	18,574.46
(iii) Derivative liabilities			468.79	673.67
(iv) Other financial liabilities	24	339	9,791.78	6,315.51
(b) Provisions	25	339	1,269.64	987.38
(c) Retirement benefit obligations	11	315	110.36	95.20
(d) Deferred income	26	341	6.21	22.52
(e) Income tax liabilities			783.47	739.18
(f) Other liabilities	27	342	6,932.26	4,315.27
Total current liabilities			**55,661.30**	**50,051.29**
VII Liabilities held for sale	18	325	**0.11**	**289.76**
Total Equity and Liabilities			**2,09,757.94**	**1,73,333.24**
Notes forming part of the consolidated financial statements	1-50			

In terms of our report attached

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

sd/-
Russell I Parera
Partner
Membership Number 042190

Mumbai, May 16, 2018

For and on behalf of the Board of Directors

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/-
D. K. Mehrotra
Director
DIN: 00142711

sd/-
Saurabh Agrawal
Director
DIN: 02144558

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

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

sd/-
Parvatheesam K.
Company Secretary
ACS: 15921

TATA STEEL

Consolidated Statement of Profit and Loss

FOR THE YEAR ENDED MARCH 31, 2018

(₹ crore)

		Note	Page	Year ended March 31, 2018	Year ended March 31, 2017
I	Revenue from operations	29	342	1,33,016.37	1,17,419.94
II	Other income	30	343	909.45	527.47
III	**Total Income**			**1,33,925.82**	**1,17,947.41**
IV	**Expenses:**				
	(a) Raw materials consumed			41,205.43	32,418.09
	(b) Purchases of finished, semi-finished and other products			11,002.82	11,424.94
	(c) Changes in inventories of finished and semi-finished goods, work-in-progress and stock-in-trade			(43.68)	(4,538.13)
	(d) Employee benefits expense	31	343	17,606.19	17,252.22
	(e) Finance costs	32	344	5,501.79	5,072.20
	(f) Depreciation and amortisation expense	33	344	5,961.66	5,672.88
	(g) Other expenses	34	344	42,355.94	44,619.71
				1,23,590.15	1,11,921.91
	(h) Less: Expenditure (other than interest) transferred to capital and other accounts			1,000.86	764.71
	Total Expenses			**1,22,589.29**	**1,11,157.20**
V	**Share of profit/(loss) of joint ventures and associates**			174.10	7.65
VI	**Profit before exceptional items and tax (III-IV+V)**			**11,510.63**	**6,797.86**
VII	**Exceptional Items:**	35	345		
	(a) Profit on sale of non-current investments			-	22.70
	(b) Profit on sale of non-current assets			-	85.87
	(c) Provision for impairment of investments/doubtful advances			(27.25)	(125.45)
	(d) Provision for impairment of non-current assets			(903.01)	(267.93)
	(e) Provision for demands and claims			(3,213.68)	(218.25)
	(f) Employee separation compensation			(107.60)	(207.37)
	(g) Restructuring and other provisions			13,850.66	(3,613.80)
	Total exceptional items			9,599.12	(4,324.23)
VIII	**Profit/(loss) before tax (VI+VII)**			**21,109.75**	**2,473.63**
IX	**Tax expense:**				
	(a) Current tax			2,002.77	1,741.70
	(b) Deferred tax			1,402.62	1,036.31
	Total tax expense			**3,405.39**	**2,778.01**
X	**Profit/(loss) after tax from continuing operations**			**17,704.36**	**(304.38)**
XI	**Profit/(loss) after tax from discontinued operations**	36	346		
	(a) Profit/(loss) after tax from discontinued operations			53.30	(778.87)
	(b) Profit/(loss) on disposal of discontinued operations			5.15	(3,085.32)
	Profit/(loss) after tax from discontinued operations			**58.45**	**(3,864.19)**
XII	**Profit/(loss) for the year (A)**			**17,762.81**	**(4,168.57)**

TATA

Consolidated Statement of Profit and Loss (Contd.)

FOR THE YEAR ENDED MARCH 31, 2018

(₹ crore)

		Note	Page	Year ended March 31, 2018	Year ended March 31, 2017
XIII	**Other Comprehensive Income/(loss)**				
	A) **(i) Items that will not be reclassified subsequently to the consolidated statement of profit and loss**				
	a) Remeasurement gains/(losses) on post employment defined benefit plans			(1,489.18)	(4,334.54)
	b) Fair value changes of investments in equity shares			(204.55)	836.92
	c) Share of equity accounted investees			(0.24)	3.37
	(ii) Income tax on items that will not be reclassified subsequently to the consolidated statement of profit and loss			212.98	782.34
	B) **(i) Items that will be reclassified subsequently to the consolidated statement of profit and loss**				
	a) Foreign currency translation differences			(1,544.04)	2,045.14
	b) Fair value changes of cash flow hedges			(97.76)	145.33
	c) Share of equity accounted investees			16.20	(2.17)
	(ii) Income tax on items that will be reclassified subsequently to the consolidated statement of profit and loss			28.58	(39.45)
	Total Other Comprehensive Income/(loss) (B)			**(3,078.01)**	(563.06)
XIV	**Profit/(loss) from continuing operations for the year attributable to:**				
	Shareholders of the Company			13,375.88	(376.61)
	Non controlling interests			4,328.48	72.23
				17,704.36	**(304.38)**
XV	**Profit/(loss) from discontinued operations for the year attributable to:**				
	Shareholders of the Company			58.45	(3,864.19)
	Non controlling interests			-	-
				58.45	**(3,864.19)**
XVI	**Total Comprehensive Income for the year attributable to: (A+B)**				
	(i) Shareholders of the Company			8,802.54	(4,800.32)
	(ii) Non controlling interests			5,882.26	68.69
				14,684.80	**(4,731.63)**
XVII	**Earnings per equity share (from continuing operations)**	37	347		
	Basic (₹)			127.56	(5.35)
	Diluted (₹)			127.54	(5.35)
XVIII	**Earnings per equity share (from discontinued operations)**	37	347		
	Basic (₹)			0.56	(37.54)
	Diluted (₹)			0.56	(37.54)
XIX	**Earnings per equity share (from continuing and discontinued operations)**	37	347		
	Basic (₹)			128.12	(42.89)
	Diluted (₹)			128.10	(42.89)
XX	**Notes forming part of the consolidated financial statements**	1-50			

In terms of our report attached

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

sd/-
Russell I Parera
Partner
Membership Number 042190

Mumbai, May 16, 2018

For and on behalf of the Board of Directors

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/-
D. K. Mehrotra
Director
DIN: 00142711

sd/-
Saurabh Agrawal
Director
DIN: 02144558

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

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

sd/-
Parvatheesam K.
Company Secretary
ACS: 15921

TATA STEEL

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED MARCH 31, 2018

A. Equity share capital

(₹ crore)

Balance as at April 1, 2017	Changes during the year	Balance as at March 31, 2018
970.24	174.71	**1,144.95**

(₹ crore)

Balance as at April 1, 2016	Changes during the year	Balance as at March 31, 2017
970.24	-	**970.24**

B. Hybrid perpetual securities

(₹ crore)

Balance as at April 1, 2017	Changes during the year	Balance as at March 31, 2018
2,275.00	-	**2,275.00**

(₹ crore)

Balance as at April 1, 2016	Changes during the year	Balance as at March 31, 2017
2,275.00	-	**2,275.00**

C. Other equity

(₹ crore)

	Retained earnings (Refer Note 21A, Page 329)	Items of other comprehensive income (Refer Note 21B, Page 329)	Other consolidated reserves (Refer Note 21C, Page 331)	Share application money pending allotment (Refer Note 21D, Page 333)	Equity attributable to share holders of the Group	Non-controlling interests	Total equity
Balance as at April 1, 2017	**(11,447.01)**	**12,428.86**	**33,592.22**	**0.01**	**34,574.08**	**1,601.70**	**36,175.78**
Profit /(loss) for the year	13,434.33	-	-	-	13,434.33	4,328.48	17,762.81
Other comprehensive income for the year	(2,780.05)	(1,851.74)	-	-	(4,631.79)	1,553.78	(3,078.01)
Total comprehensive income	**10,654.28**	**(1,851.74)**	**-**	**-**	**8,802.54**	**5,882.26**	**14,684.80**
Issue of ordinary shares(i)	-	-	8,939.59	-	8,939.59	-	8,939.59
Dividend	(970.05)	-	-	-	(970.05)	(15.07)	(985.12)
Tax on dividend	(188.17)	-	-	-	(188.17)	-	(188.17)
Equity issue expenses written off (i)	-	-	(33.85)	-	(33.85)	-	(33.85)
Distribution on hybrid perpetual securities	(266.13)	-	-	-	(266.13)	-	(266.13)
Tax on distribution on hybrid perpetual securities	92.70	-	-	-	92.70	-	92.70
Transfers within equity	3,426.26	(3,427.62)	1.20	(0.01)	(0.17)	0.16	(0.01)
Adjustment for change in ownership interests/ capital contributions received	6,500.11	-	-	-	6,500.11	(6,500.11)	-
Application money received	-	-	-	0.02	0.02	-	0.02
Other movements	-	-	-	-	-	(32.42)	(32.42)
Balance as at March 31, 2018	**7,801.99**	**7,149.50**	**42,499.16**	**0.02**	**57,450.67**	**936.52**	**58,387.19**

(i) represents premium received and issue expenses on rights issue of shares during the year.

Consolidated Statement of Changes in Equity (Contd.)

FOR THE YEAR ENDED MARCH 31, 2018

C. Other equity (Contd.)

(₹ crore)

	Retained earnings (Refer Note 21A, Page 329)	Items of other comprehensive income (Refer Note 21B, Page 329)	Other consolidated reserves (Refer Note 21C, Page 331)	Share application money pending allotment (Refer Note 21D, Page 333)	Equity attributable to share holders of the Group	Non-controlling interests	Total Equity
Balance as at April 1, 2016	**(2,415.49)**	**9,440.70**	**33,462.10**	**-**	**40,487.31**	**780.94**	**41,268.25**
Profit /(loss) for the year	(4,240.80)	-	-	-	**(4,240.80)**	72.23	**(4,168.57)**
Other comprehensive income for the year	(3,549.43)	2,989.91	-	-	**(559.52)**	(3.54)	**(563.06)**
Total comprehensive income	**(7,790.23)**	**2,989.91**	**-**	**-**	**(4,800.32)**	**68.69**	**(4,731.63)**
Dividend	(776.97)	-	-	-	**(776.97)**	(14.77)	**(791.74)**
Tax on dividend	(147.74)	-	-	-	**(147.74)**	-	**(147.74)**
Additions during the year	-	-	191.39	-	**191.39**	-	**191.39**
Transfer to consolidated statement of profit and loss	-	-	(40.22)	-	**(40.22)**	-	**(40.22)**
Distribution on hybrid perpetual securities	(266.10)	-	-	-	**(266.10)**	-	**(266.10)**
Tax on distribution on hybrid perpetual securities	92.09	-	-	-	**92.09**	-	**92.09**
Transfers within equity	(3.76)	(1.75)	(7.52)	-	**(13.03)**	13.03	**-**
Adjustment for change in ownership interests/ capital contributions received	(133.01)	-	1.75	-	**(131.26)**	783.15	**651.89**
Application money received	-	-	-	0.01	**0.01**	-	**0.01**
Other movements	(5.80)	-	(15.28)	-	**(21.08)**	(29.34)	**(50.42)**
Balance as at March 31, 2017	**(11,447.01)**	**12,428.86**	**33,592.22**	**0.01**	**34,574.08**	**1,601.70**	**36,175.78**

D. Notes forming part of the consolidated financial statements — Note1-50

In terms of our report attached

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

sd/-
Russell I Parera
Partner
Membership Number 042190

Mumbai, May 16, 2018

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

sd/-
Mallika Srinivasan
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O. P. Bhatt
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sd/-
T. V. Narendran
Chief Executive Officer and Managing Director
DIN: 03083605

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

sd/-
Parvatheesam K.
Company Secretary
ACS: 15921

TATA STEEL

Consolidated Statement of Cash Flow

FOR THE YEAR ENDED MARCH 31, 2018

(₹ crore)

		Year ended March 31, 2018		Year ended March 31, 2017	
A.	**Cash flows from operating activities:**				
	Profit before taxes		**21,168.20**		(1,382.55)
	Adjustments for:				
	Depreciation and amortisation expense	5,961.66		5,689.77	
	Net (gain)/loss on sale of non-current investments	-		(0.97)	
	Income from non-current investments	(68.25)		(57.17)	
	(Profit)/loss on sale of property, plant and equipment including intangible assets (net of loss on assets sold/discarded/written off)	49.29		(0.15)	
	Exceptional (Income)/Expenses	(9,599.12)		4,324.23	
	(Gain)/loss on cancellation of forwards, swaps and options	79.33		67.95	
	Interest income and income from current investments	(929.15)		(517.62)	
	Finance costs	5,501.79		5,072.20	
	Exchange (gain)/loss on revaluation of foreign currency loans and swaps	(1,376.77)		1,422.50	
	Share of profit or loss of joint ventures and associates	(174.10)		(7.65)	
	(Profit)/loss on disposal of discontinued operation	(5.15)		3,085.32	
	Other non cash items	(420.59)		(114.42)	
			(981.06)		**18,963.99**
	Operating profit before changes in current/non current assets and liabilities		**20,187.14**		**17,581.44**
	Adjustments for:				
	Non-current/current financial and other assets	(208.94)		(548.00)	
	Inventories	(1,595.43)		(8,243.17)	
	Non-current/current financial and other liabilities/provisions	(7,471.16)		3,876.75	
			(9,275.53)		**(4,914.42)**
	Cash generated from operations		**10,911.61**		**12,667.02**
	Income taxes paid		**(2,888.22)**		**(1,842.66)**
	Net cash from/(used in) operating activities		**8,023.39**		**10,824.36**
B.	**Cash flows from investing activities:**				
	Purchase of capital assets	(7,478.50)		(7,715.64)	
	Sale of capital assets	179.05		288.72	
	Purchase of non-current investments	(85.67)		(168.73)	
	Sale of non-current investments	3,898.74		91.24	
	(Purchase)/sale of current investments (net)	(8,555.08)		(692.63)	
	Loans given	(46.22)		-	
	Repayments of loans given	2.56		4.48	
	Fixed/Restricted deposits with banks (placed)/realised	(85.33)		(27.22)	
	Interest received	254.50		140.12	
	Dividend received from associates and joint ventures	69.17		53.29	
	Dividend received from others	41.93		32.14	
	Acquisition of subsidiaries/undertakings	(255.00)		-	
	Sale of subsidiaries/undertakings	34.22		(1,081.36)	
	Net cash from/(used in) investing activities		**(12,025.63)**		**(9,075.59)**

Consolidated Statement of Cash Flow (Contd.)

FOR THE YEAR ENDED MARCH 31, 2018

(₹ crore)

		Year ended March 31, 2018		Year ended March 31, 2017	
C.	**Cash flows from financing activities:**				
	Proceeds from issue of equity shares (net of issue expenses[(ii)])	9,087.23		0.01	
	Capital contributions received	-		651.89	
	Proceeds from borrowings	24,161.36		19,484.55	
	Repayment of borrowings	(19,724.98)		(16,394.07)	
	Repayment of finance lease obligations	(211.15)		(208.23)	
	Amount received/(paid) on utilisation/cancellation of derivatives	(79.86)		(165.11)	
	Distribution on hybrid perpetual securities	(267.10)		(265.76)	
	Interest paid	(5,145.57)		(4,732.80)	
	Dividend paid	(982.35)		(791.32)	
	Tax on dividend paid	(197.64)		(158.52)	
	Net cash from/(used in) financing activities		**6,639.94**		**(2,579.36)**
	Net increase /(decrease) in cash or cash equivalents		**2,637.70**		**(830.59)**
	Opening cash and cash Equivalents [(i)]		**4,850.48**		**6,076.94**
	Effect of exchange rate on translation of foreign currency cash and cash equivalents		**295.32**		**(414.06)**
	Closing cash and cash Equivalents (Refer Note 16, Page 323)		**7,783.50**		**4,832.29**

(i) Includes ₹**18.19** crore in respect of a subsidiary acquired during the year (2016-17: excludes ₹32.11 crore in respect of subsidiaries disposed off/classified as held for sale).

(ii) Expenses incurred in connection with Rights Issue, 2018 have been partly paid by the Company and is pending adjustment against actual utilisation from the issue proceeds.

(iii) Significant non cash movements in borrowing during the year include:

(a) addition on account of finance leases ₹**167.65** crore (2016-17: ₹790.21 crore).

(b) addition on account of subsidiaries acquired during the ₹**719.37** crore (2016-17: reduction on account of subsidiaries disposed off ₹211.14 crore).

(c) exchange loss (including translation) ₹**3,571.86** crore (2016-17: gain ₹2,890.51 crore).

D. Notes forming part of the consolidated financial statements — Note 1-50

In terms of our report attached

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

sd/-
Russell I Parera
Partner
Membership Number 042190

Mumbai, May 16, 2018

For and on behalf of the Board of Directors

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/-
D. K. Mehrotra
Director
DIN: 00142711

sd/-
Saurabh Agrawal
Director
DIN: 02144558

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

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

sd/-
Parvatheesam K.
Company Secretary
ACS: 15921

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 Bombay Stock Exchange (BSE) and the National Stock Exchange (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 and coated steel, rebars, wire rods, tubes and wires.

The consolidated financial statements as at March 31, 2018 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 51.

The functional and presentation currency of the Company and the presentation currency of the Group is Indian Rupee ("₹").

As on March 31, 2018, Tata Sons Limited (or Tata Sons) owns 31.64% 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, 2018 were approved by the Board of Directors and authorised for issue on May 16, 2018.

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 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.

(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 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 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 and fair value measurements of financial instruments as discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in the respective policies.

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.

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.

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)

2. Significant accounting policies (Contd.)

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. Contingent assets are neither recognised nor disclosed in the financial statements.

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.

Retirement benefit obligations

The Group's retirement benefit obligation are subject to a number of judgement including discount rates, inflation and salary growth. Significant judgement is 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 judgement based on previous experience and third party actuarial advice.

(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 affect those returns through its power over 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 purchase 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.

Notes

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2. Significant accounting policies (Contd.)

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 proportion 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 shareholder's equity.

(f) Goodwill

Goodwill arising on acquisition of a subsidiary represents the excess of 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 at the date of acquisition. 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.

Investments in associates are accounted for using the equity method and are initially recognised at cost from the date significant influence commences until the date that significant influence ceases. Subsequent changes in the carrying value reflect the post-acquisition changes in the Group's share of net assets of the associate and impairment charges, if any.

When the Group's share of losses exceeds the carrying value of the associate, the carrying value is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred obligations in respect of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of associates are modified to confirm to the Group's accounting policies.

(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.

2. Significant accounting policies (Contd.)

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint venture, unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred and where material, the results of joint ventures are modified to confirm to the Group's accounting policies.

(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/deemed cost, 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
- 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.

Notes

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2. Significant accounting policies (Contd.)

(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:

(i) completion of the development is technically feasible

(ii) it is the intention to complete the intangible asset and use or sell it

(iii) it is clear that the intangible asset will generate probable future economic benefits

(iv) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available and

(v) 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/deemed cost less accumulated amortisation and accumulated impairment losses.

(n) Depreciation and amortisation of property, plant and equipment 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 those held under finance leases 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 leased assets, over the lease period, if shorter. The estimated useful lives of assets and residual values are reviewed regularly and, when necessary, revised. No further charge is provided in respect of assets that are fully written down but are still in use.

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
Railway sidings	upto 35 years*
Plant and machinery	3 to 40 years*
Furniture, fixture and office equipment	3 to 25 years
Vehicles and aircraft	4 to 20 years
Assets covered under the Electricity Act (life as prescribed under the Electricity Act)	3 to 34 years

2. Significant accounting policies (Contd.)

	Estimated useful life (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 values 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 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

The Group determines whether an arrangement contains a lease by assessing whether the fulfilment of a transaction is dependent on the use of a specific asset and whether the transaction conveys the right to use that asset to the Group in return for payment. Where this occurs, the arrangement is deemed to include a lease and is accounted for either as a finance or an operating lease.

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

(i) **Operating lease** – Rentals payable under operating leases are charged to 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 are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(ii) **Finance lease** – Finance leases are capitalised at the commencement of lease, at the lower of the fair value of the assets or the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the consolidated statement of profit and loss over the period of the lease.

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

Notes
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2. Significant accounting policies (Contd.)

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 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, on balance, 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
- 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 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 or 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

2. Significant accounting policies (Contd.)

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.

(a) Financial assets

Cash and bank balances

Cash and bank balances consists of:

(i) **Cash and cash equivalents** - which include cash in 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 maturities of less than one year from the reporting date. 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 these 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 believe 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 asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the consolidated statement of profit and loss.

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

For financial assets 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 on 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 expires, 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.

(b) 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.

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2. Significant accounting policies (Contd.)

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 re-measured to their fair value at the end of each reporting period.

The Group adopts hedge accounting for forward, 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 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 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

Payments to defined contribution plans are charged as an expense as they fall due. 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 balance sheet

2. Significant accounting policies (Contd.)

date. Re-measurement 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) is recognised as an expense within employment 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 obligation 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 generally 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.

Stores and spare parts are carried at lower of cost and net realisable value.

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 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:

(a) 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

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

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2. Significant accounting policies (Contd.)

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 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 re-cover 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

Revenue is measured at the fair value of consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes and duties collected on behalf of the government.

Sale of goods

Revenue from sale of goods is recognized when the company has transferred to the buyer the significant risks and rewards of ownership, no longer retains control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Depending on the contractual terms, risks and rewards of ownership is transferred when delivery is completed. In case of exports sale delivery is completed on issuance of bill of lading.

Interest income

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

2. Significant accounting policies (Contd.)

Dividend income

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

Rental income

Rental income is recognised on a straight line basis over the term of the relevant arrangements.

Commission income

Commission income is recognised when the services have been rendered.

(aa) Foreign currency transactions and translation

The consolidated financial statements of the Group are presented in (₹), 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 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 Standard" 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 or 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 written off as borrowing costs when paid.

(ac) Earnings per share

Basic earnings per share has been 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 has been computed using the weighted average number of shares and dilutive potential shares except where the result would be anti dilutive.

(ad) Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing the following new amendments to Ind AS which the company has not applied as they

Notes
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

2. Significant accounting policies (Contd.)

are effective for annual periods beginning on or after April 1, 2018.

- Ind AS 115 – Revenue from contracts with customers.
- Ind AS 21 – The Effect of Changes in Foreign Exchange Rates.

Ind AS 115 – "Revenue from Contracts with Customers"

Ind AS 115 establishes a single model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standards, Ind AS 18 "Revenue" and Ind AS 11 "Construction Contracts" when it becomes effective.

The core principle of Ind AS 115 is that, an entity should recognize revenue to depict the transfer of promised goods and services to customers in an account that reflects the consideration to which the entity expects to be entitled in exchange for these goods or services. The new standard also requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue.

The Group is in the process of evaluating the impact of adoption of Ind AS 115 on its consolidated financial statements.

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

The amendment clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The Group is in the process of evaluating the impact of adoption of amendment to Ind AS 21 on its consolidated financial statements.

3. Property, plant and equipment

[Item No. I(a), Page 280]

(₹ 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, 2017	16,545.43	11,141.07	93,461.77	543.43	351.68	0.69	1,349.53	1,23,393.60
Additions relating to acquisitions	7.90	15.53	882.70	0.91	0.41	-	-	907.45
Additions	65.67	334.24	5,917.97	110.46	28.07	-	32.94	6,489.35
Disposals	(33.48)	(60.58)	(555.88)	(10.52)	(39.35)	-	-	(699.81)
Re-classified as held for sale	-	-	(0.67)	-	-	-	-	(0.67)
Other re-classifications	-	-	44.16	-	-	-	-	44.16
Exchange differences on consolidation	369.71	717.56	5,139.38	23.67	1.89	0.09	14.76	6,267.06
Cost /Deemed cost as at March 31, 2018	**16,955.23**	**12,147.82**	**1,04,889.43**	**667.95**	**342.70**	**0.78**	**1,397.23**	**1,36,401.14**
Accumulated Impairment as at April 1, 2017	273.45	249.73	1,980.46	3.67	0.26	-	15.43	2,523.00
Charge for the year	7.06	23.99	91.36	0.57	0.12	-	-	123.10
Disposals	-	(30.10)	(66.53)	(0.03)	-	-	-	(96.66)
Other re-classifications	-	-	27.34	-	-	-	-	27.34
Exchange differences on consolidation	41.78	39.49	270.22	0.60	0.10	-	2.15	354.34
Accumulated impairment as at March 31, 2018	**322.29**	**283.11**	**2,302.85**	**4.81**	**0.48**	**-**	**17.58**	**2,931.12**
Accumulated Depreciation as at April 1, 2017	397.54	3,698.14	29,245.93	332.58	170.85	0.29	144.68	33,990.01
Charge for the year	106.13	444.28	4,983.82	88.70	32.35	0.02	57.60	5,712.90
Disposals	(0.02)	(12.84)	(392.05)	(10.30)	(23.38)	-	-	(438.59)
Re-classified as held for sale	-	-	(0.10)	-	-	-	-	(0.10)
Other re-classifications	-	2.86	(2.95)	0.09	0.82			0.82
Exchange differences on consolidation	1.44	474.91	3,387.66	8.20	0.78	0.05	9.16	3,882.20
Accumulated depreciation as at March 31, 2018	**505.09**	**4,607.35**	**37,222.31**	**419.27**	**181.42**	**0.36**	**211.44**	**43,147.24**
Net carrying value as at April 1, 2017	15,874.44	7,193.20	62,235.38	207.18	180.57	0.40	1,189.42	86,880.59
Net carrying value as at March 31, 2018	**16,127.85**	**7,257.36**	**65,364.27**	**243.87**	**160.80**	**0.42**	**1,168.21**	**90,322.78**

Notes

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3. Property, plant and equipment (Contd.)

[Item No. I(a), Page 280]

(₹ 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, 2016	16,499.12	11,057.73	73,865.03	414.35	335.35	0.33	756.84	1,02,928.75
Additions	299.98	977.74	25,780.03	157.13	26.80	0.38	609.28	27,851.34
Disposals	(20.26)	(130.22)	(1,013.11)	(4.43)	(8.91)	-	-	(1,176.93)
Disposal of group undertakings	(15.77)	(290.07)	(1,576.92)	(3.14)	(1.22)	-	-	(1,887.12)
Re-classified as held for sale	-	-	(457.29)	-	-	-	-	(457.29)
Other re-classifications	8.02	0.14	44.83	3.00	-	-	-	55.99
Exchange differences on consolidation	(225.66)	(474.25)	(3,180.80)	(23.48)	(0.34)	(0.02)	(16.59)	(3,921.14)
Cost /Deemed cost as at March 31, 2017	**16,545.43**	**11,141.07**	**93,461.77**	**543.43**	**351.68**	**0.69**	**1,349.53**	**1,23,393.60**
Accumulated Impairment as at April 1, 2016	302.36	250.67	2,323.42	3.91	0.40	-	18.13	2,898.89
Charge for the year	10.16	22.21	245.82	(0.10)	(0.09)	-	-	278.00
Disposals	-	(0.01)	(47.51)	-	-	-	-	(47.52)
Re-classified as held for sale	-	-	(255.12)	-	-	-	-	(255.12)
Other re-classifications	(0.78)	(0.02)	(55.97)	-	-	-	-	(56.77)
Exchange differences on consolidation	(38.29)	(23.12)	(230.18)	(0.14)	(0.05)	-	(2.70)	(294.48)
Accumulated impairment as at March 31, 2017	**273.45**	**249.73**	**1,980.46**	**3.67**	**0.26**	**-**	**15.43**	**2,523.00**
Accumulated Depreciation as at April 1, 2016	289.34	3,828.48	28,831.82	266.29	143.25	0.05	101.39	33,460.62
Charge for the year	108.39	432.02	4,698.62	91.55	34.07	0.26	51.24	5,416.15
Disposals	-	(83.59)	(849.83)	(4.03)	(6.50)	-	-	(943.95)
Disposal of group undertakings	-	(158.18)	(1,122.48)	(0.04)	-	-	-	(1,280.70)
Re-classified as held for sale	-	-	(102.72)	-	-	-	-	(102.72)
Other re-classifications	(0.02)	(2.17)	29.97	(3.07)	(0.02)	-	-	24.69
Exchange differences on consolidation	(0.17)	(318.42)	(2,239.45)	(18.12)	0.05	(0.02)	(7.95)	(2,584.08)
Accumulated depreciation as at March 31, 2017	**397.54**	**3,698.14**	**29,245.93**	**332.58**	**170.85**	**0.29**	**144.68**	**33,990.01**
Net carrying value as at April 1, 2016	15,907.42	6,978.58	42,709.79	144.15	191.70	0.28	637.32	66,569.24
Net carrying value as at March 31, 2017	**15,874.44**	**7,193.20**	**62,235.38**	**207.18**	**180.57**	**0.40**	**1,189.42**	**86,880.59**

(i) Net carrying value of land including roads comprises of:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Leasehold land		
Cost/Deemed cost	30.78	26.84
Accumulated depreciation and impairment	1.39	1.22
	29.39	**25.62**
Freehold land including roads	16,098.46	15,848.82
	16,127.85	**15,874.44**

3. Property, plant and equipment (Contd.)

[Item No. I(a), Page 280]

(ii) Net carrying value of building comprises of:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Leasehold building		
Cost/Deemed cost	457.70	359.11
Accumulated depreciation and impairment	223.65	175.92
	234.05	**183.19**
Freehold building	7,023.31	7,010.01
	7,257.36	**7,193.20**

(iii) Net carrying value of plant and machinery comprises of:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Assets held under finance leases		
Cost/Deemed cost	4,565.81	4,286.06
Accumulated depreciation and impairment	2,300.73	2,066.55
	2,265.08	**2,219.51**
Owned assets	**63,099.19**	**60,015.87**
	65,364.27	**62,235.38**

(iv) Net carrying value of furniture, fixtures and office equipments comprises of:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Furniture and fixtures		
Cost/Deemed cost	173.14	142.38
Accumulated depreciation and impairment	118.17	101.88
	54.97	**40.50**
Office equipments		
Cost/Deemed cost	494.81	401.05
Accumulated depreciation and impairment	305.91	234.37
	188.90	**166.68**
	243.87	**207.18**

(v) ₹**115.35** crore (2016-17: ₹284.22 crore) of borrowing costs has been capitalised during the year on qualifying assets under construction using capitalisation rate ranges between **0.20% to 9.00%** (2016-17: 0.34% to 9.50%).

Notes

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3. Property, plant and equipment (Contd.)

[Item No. I(a), Page 280]

(vi) Rupee liability has increased by ₹**44.16** crore (2016-17: ₹136.22 crore) arising out of retranslation of long-term foreign currency loans and liabilities for procurement of property, plant and equipment. 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 ₹**1.40** crore (2016-17: ₹3.60 crore) on account of this adjustment.

(vii) During the year, the Group recognised an impairment charge of ₹**1,161.93** crore (2016-17: ₹503.46 crore) for property, plant and equipment including capital work in progress. The impairment charge was primarily contained in the Indian, European and overseas mining businesses.

Within the Indian operations, the Group has recognised an impairment charge of ₹**33.99** crore (2016-17: Nil) in respect of expenditure incurred on a project where in progress has been slow over the years due to certain hindrances. The impairment recognised is included within other expenses in the consolidated statement of profit and loss.

Within the European business, consistent with annual test for impairment of goodwill as at March 31, 2018, property, plant and equipment (including capital work in progress) were also tested for impairment as at that date where indicators of impairment existed. The outcome of the test indicated that the value in use of certain downstream and distribution businesses against which the property, plant and equipment (including capital work in progress) is included, using a discount rate of **8.2**% p.a. (2016-17: 7.8% p.a.) was lower than its carrying value due to losses generated during the year in those CGU's and/or forecasting losses in the annual plan. Accordingly an impairment charge of ₹**223.25** crore was recognised. The impairment recognised is included within other expenses in the consolidated statement of profit and loss.

During the year ended March 31, 2017, the Group recognised an impairment charge of ₹410.87 crore against property, plant and equipment including capital work in progress of the European business. The impairment was contained in Strip Products MLE ₹79.04 crore, Longs UK ₹35.13 crore, Speciality and bar business ₹122.95 crore, Packaging ₹79.04 crore, Tubes ₹17.56 crore and other smaller UK downstream business ₹77.15 crore.

Within the overseas mining businesses, volatility in commodity prices triggered an impairment assessment for mining operations carried out by the Group in Canada. This resulted in an impairment charge of ₹**903.01** crore (2016-17: Nil) being recognised during the year ended March 31, 2018. The recoverable value was based on value in use using cash flow projections for 16 years and a discount rate of **8%** p.a. The impairment recognised is included within exceptional items in the consolidated statement of profit and loss.

During the year ended March 31, 2017 an impairment charge of ₹90.52 crore was recognised within the South East Asian business which primarily relates to the Thailand operations. The impairment recognised was included within exceptional items in the consolidated statement of profit and loss.

The balance impairment charge recognised during the year ended March 31, 2018 amounting to ₹**1.68** crore (2016-17: ₹2.07 crore) relates to other smaller businesses within the Group.

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, 2018 of ₹**2,555.91** crore (2016-17: ₹1,392.94 crore) and at the overseas Canadian mining business which had a carrying value as at March 31, 2018 of ₹**4,712.76** crore (2016-17: ₹4,969.78 crore). At the Strips product UK business site, the value in use is dependant on sustaining the improvement to UK Steel market margins and the implementation of a business transformation plan. For the Canadian mining operations, the value in use is dependant on improvement in commodity prices and realisation of cost savings in operation. A reasonably possible change in any of these key assumptions would increase the likelyhood of impairment losses in the future.

(viii) The details of property, plant and equipment pledged against borrowings is presented in Note 23, Page 335.

4. Leases

The Group has taken certain land, buildings, plant and machinery under operating and/or finance leases. The following is a summary of the future minimum lease rental payments under non-cancellable operating leases and finance leases entered into by the Group.

A. Operating leases:

Significant leasing arrangements include lease of land for periods ranging between 12 to 99 years renewable on mutual consent, lease of office spaces, assets dedicated for use under long term arrangements and time charter hire vessels with lease period varying from 2 to 7 years. Payments under long term arrangements involving use of dedicated assets are allocated between those relating to the right to use of assets, executory services and for output based on the underlying contractual terms and conditions. Any change in the allocation assumptions may have an impact on lease assessment and/or lease classification. Payments linked to changes in inflation index under lease arrangements have been considered as contingent rent and recognised in the consolidated statement of profit and loss as and when incurred.

Future minimum lease payments under non-cancellable operating leases are as below:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Not later than one year	759.27	678.10
Later than one year but not later than five years	1,565.42	1,483.23
Later than five years	1,745.51	2,576.31
	4,070.20	**4,737.64**

During the year ended March 31, 2018, total operating lease rental expense recognised in the consolidated statement of profit and loss was ₹**850.74** crore (2016-17: ₹958.18 crore) including contingent rent of ₹**31.20** crore (2016-17: ₹37.07 crore).

B. Finance leases:

Significant leasing arrangements include assets dedicated for use under long term arrangements. The arrangements cover a substantial part of the economic life of the underlying asset and generally contain a renewal option on expiry. Payments under long term arrangements involving use of dedicated assets are allocated between those relating to the right to use of assets, executory services and for output based on the underlying contractual terms and conditions. Any change in the allocation assumptions may have an impact on lease assessment and/or lease classification.

The minimum lease payments and minimum lease payments excluding future finance charges in respect of arrangements classified as finance leases is as below:

(₹ crore)

	As at March 31, 2018		As at March 31, 2017	
	Minimum Lease payments	Minimum lease payments less future finance charges	Minimum Lease payments	Minimum lease payments less future finance charges
Not later than one year	652.42	252.31	592.56	218.63
Later than one year but not later than five years	2,076.10	832.86	2,019.93	758.00
Later than five years	4,481.29	2,035.94	4,739.86	2,068.83
Total future minimum lease commitments	**7,209.81**	**3,121.11**	**7,352.35**	**3,045.46**
Less: future finance charges	4,088.70		4,306.89	
Present value of minimum lease payments	**3,121.11**		**3,045.46**	
Disclosed as:				
Non-current borrowings (Refer Note 23, Page 335)	2,868.80		2,826.83	
Other financial liabilities - Current (Refer Note 24, Page 339)	252.31		218.63	
	3,121.11		**3,045.46**	

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

5. Goodwill on consolidation

[Item No. I(c) Page 280]

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Cost as at beginning of the year	4,740.30	5,529.07
Addition relating to acquisitions	142.43	-
Exchange differences on consolidation	634.82	(788.77)
Cost as at end of the year	**5,517.55**	**4,740.30**
Impairment as at beginning of year	1,245.57	1,461.51
Exchange differences on consolidation	172.53	(215.94)
Impairment as at end of the year	**1,418.10**	**1,245.57**
Net carrying value as at beginning of the year	**3,494.73**	**4,067.56**
Net carrying value as at end of the year	**4,099.45**	**3,494.73**

(a) Addition to goodwill during the year ended March 31, 2018 relates to the acquisition of the remaining 74% equity stake by the Company in one of its joint venture " Bhubaneshwar Power Private Limited ". The goodwill relates to synergies from combining the acquiree activities with those of the Group to meet the growing demand for power. Detailed disclosure in respect of the acquisition is provided in Note 41 Page 362.

(b) The carrying value predominantly relates to the goodwill that arose on the acquisition of erstwhile Corus Group Plc. and has been tested against the recoverable amount of Strip Products Mainland Europe cash generating unit (CGU) by the Tata Steel Europe, a wholly owned subsidiary of 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 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. Key assumptions for the value in use calculation are those regarding expected changes to selling prices and raw material costs, EU steel demand, exchange rates and a discount rate of **8.2%** p.a. (March 31, 2017: 7.8% p.a.). Changes in selling prices, raw material costs, exchange rates and EU steel demand are based on expectations of future changes in the steel market based on external market sources. A **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 (TSE) 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, 2018 for the Strip Products Mainland Europe CGU resulted in no impairment of goodwill (March 31, 2017: 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.

6. Other intangible assets

[Item No. I(d), Page 280]

(₹ crore)

	Patents and Trademarks	Development costs	Software costs	Mining assets	Other intangible assets	Total
Cost/Deemed cost as at April 1, 2017	10.16	239.22	425.29	2,399.45	93.94	3,168.06
Additions relating to acquisitions	-	-	0.02	-	90.20	90.22
Additions	2.31	-	83.99	82.61	0.03	168.94
Disposals	-	-	(5.61)	-	-	(5.61)
Exchange differences on consolidation	1.52	39.59	26.99	35.46	-	103.56
Cost/Deemed cost as at March 31, 2018	**13.99**	**278.81**	**530.68**	**2,517.52**	**184.17**	**3,525.17**
Accumulated impairment as at April 1, 2017	-	-	0.42	122.57	30.65	153.64
Exchange differences on consolidation	-	-	0.05	3.04	-	3.09
Accumulated impairment as at March 31, 2018	**-**	**-**	**0.47**	**125.61**	**30.65**	**156.73**
Accumulated amortisation as at April 1, 2017	7.71	159.29	241.36	948.12	26.71	1,383.19
Charge for the year	0.64	36.14	66.39	147.80	10.69	261.66
Disposals	-	-	(5.54)	-	-	(5.54)
Exchange differences on consolidation	0.99	28.91	8.58	7.99	-	46.47
Accumulated amortisation as at March 31, 2018	**9.34**	**224.34**	**310.79**	**1,103.91**	**37.40**	**1,685.78**
Net carrying value as at April 1, 2017	2.45	79.93	183.51	1,328.76	36.58	1,631.23
Net carrying value as at March 31, 2018	**4.65**	**54.47**	**219.42**	**1,288.00**	**116.12**	**1,682.66**

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6. Other intangible assets (Contd.)

[Item No. I(d), Page 280]

(₹ crore)

	Patents and Trademarks	Development costs	Software costs	Mining assets	Other intangible assets	Total
Cost/Deemed cost as at April 1, 2016	9.27	488.08	314.85	2,204.28	2,634.23	5,650.71
Additions	0.08	35.23	141.81	800.46	1.22	978.80
Disposals	-	(257.13)	(14.56)	-	(2,346.10)	(2,617.79)
Disposal of group undertakings	(0.40)	(0.68)	(5.12)	-	-	(6.20)
Other re-classifications	-	-	(1.78)	(609.35)	-	(611.13)
Exchange differences on consolidation	1.21	(26.28)	(9.91)	4.06	(195.41)	(226.33)
Cost/Deemed cost as at March 31, 2017	**10.16**	**239.22**	**425.29**	**2,399.45**	**93.94**	**3,168.06**
Accumulated impairment as at April 1, 2016	-	-	0.50	124.45	1,401.79	1,526.74
Charge for the year	-	-	0.20	1.13	-	1.33
Disposals	-	-	-	-	(1,265.72)	(1,265.72)
Other re-classifications	-	-	(0.21)	-	-	(0.21)
Exchange differences on consolidation	-	-	(0.07)	(3.01)	(105.42)	(108.50)
Accumulated impairment as at March 31, 2017	**-**	**-**	**0.42**	**122.57**	**30.65**	**153.64**
Accumulated amortisation as at April 1, 2016	5.97	390.73	213.24	758.55	1,192.52	2,561.01
Charge for the year	0.71	45.43	47.40	188.31	4.56	286.41
Disposals	-	(257.13)	(14.52)	-	(1,080.39)	(1,352.04)
Disposal of group undertakings	(0.40)	(0.68)	(1.66)	-	-	(2.74)
Other re-classifications	-	-	(1.47)	-	-	(1.47)
Exchange differences on consolidation	1.43	(19.06)	(1.63)	1.26	(89.98)	(107.98)
Accumulated amortisation as at March 31, 2017	**7.71**	**159.29**	**241.36**	**948.12**	**26.71**	**1,383.19**
Net carrying value as at April 1, 2016	3.30	97.35	101.11	1,321.28	39.92	1,562.96
Net carrying value as at March 31, 2017	**2.45**	**79.93**	**183.51**	**1,328.76**	**36.58**	**1,631.23**

(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, 2017, the Group recognised an impairment charge of ₹1.13 crore which was contained within Indian operations and related to expenditure incurred in respect of certain mines which are not in operation.

7. Equity accounted investments

[Item No. I(f), Page 280]

(a) Investment in associates:

(i) The Group has no material associates as at March 31, 2018. 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, 2018	As at March 31, 2017
Carrying value of the Group's interest in associates*	**301.23**	**231.62**

	Year ended March 31, 2018	Year ended March 31, 2017
Group's share in profit/(loss) for the year of associates*	58.93	44.00
Group's share in other comprehensive income for the year of associates	(0.31)	(5.02)
Group's share in total comprehensive income for the year of associates	**58.62**	**38.98**

(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, 2018 is ₹**102.76** crore (March 31, 2017: ₹130.35 crore). The carrying value of such investments is **Nil** (March 31, 2017: 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 ₹**93.59** crore for the year ended March 31, 2018 (March 31, 2017: ₹105.17 crore). Cumulative share of unrecognised losses in respect of equity accounted associates as at March 31, 2018 amounted to ₹**304.13** crore. (March 31, 2017: ₹209.08 crore)

(iv) The Group did not recognise any impairment in respect of its equity accounted associates during the current year as well as in the previous year.

(b) Investment in joint ventures:

(i) The Company holds 51% of the equity share capital in T M International Logistics Limited, Jamshedpur Continuous Annealing and 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 an unanimous consent of all the shareholders. These entities have therefore been considered as joint ventures.

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

7. Equity accounted investments (Contd.)

[Item No. I(f), Page 280]

(ii) The Group has no material joint ventures as at March 31, 2018. The aggregate summarised financial information in respect of the Group's immaterial joint ventures that are accounted for using the equity method is as below:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Carrying value of the Group's interest in joint ventures*	**1,479.99**	**1,362.32**

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Group's share in profit/(loss) for the year of joint ventures*	115.17	(36.35)
Group's share in other comprehensive income for the year of joint ventures	16.27	6.22
Group's share in total comprehensive income for the year of joint ventures	**131.44**	**(30.13)**

(iii) Share of unrecognised losses in respect of equity accounted joint ventures amounted to ₹**49.15** crore for the year ended March 31, 2018 (March 31, 2017: ₹26.12 crore). Cumulative share of unrecognised losses in respect of equity accounted joint ventures as at March 31, 2018 amounted to ₹**1,033.76** crore. (March 31, 2017: ₹966.87 crore).

(iv) The Group did not recognise any impairment in respect of its equity accounted joint ventures during the current year as well as in the previous year.

(c) Summary of carrying value of Group's interest in equity accounted investees:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Carrying value of immaterial associates	301.23	231.62
Carrying value of immaterial joint ventures	1,479.99	1,362.32
	1,781.22	**1,593.94**

(d) Summary of Group's share in profit/(loss) for the year of equity accounted investees:

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Share of profit/(loss) in immaterial associates	58.93	44.00
Share of profit/(loss) in immaterial joint ventures	115.17	(36.35)
	174.10	**7.65**

7. Equity accounted investments (Contd.)

[Item No. I(f), Page 280]

(e) Summary of Group's share in other comprehensive income for the year of equity accounted investees:

	Year ended March 31, 2018	Year ended March 31, 2017
Share of other comprehensive income in immaterial associates	(0.31)	(5.02)
Share of other comprehensive income of immaterial joint venture	16.27	6.22
	15.96	**1.20**

* 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.

8. Investments

[Item No. I(g)(i) and II(b)(i), Page 280]

(A) Non-current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Investments carried at amortised cost:		
Investments in government or trust securities	0.02	0.02
Investments in bonds and debentures	0.20	0.17
	0.22	**0.19**
(b) Investments carried at fair value through other comprehensive income:		
Investments in equity shares#	876.65	4,858.56
	876.65	**4,858.56**
(c) Investments carried at fair value through profit and loss:		
Investments in bonds and debentures	141.04	294.46
Investments in equity shares	120.45	36.84
Investments in mutual funds	70.92	-
	332.41	**331.30**
	1,209.28	**5,190.05**

(B) Current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Investments carried at fair value through profit and loss:		
Investments in mutual funds	14,908.97	5,673.13
	14,908.97	**5,673.13**

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

8. Investments (Contd.)

[Item No. I(g)(i) and II(b)(i), Page 280]

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

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Investment in quoted instruments:		
Aggregate carrying value	753.87	4,735.27
Aggregate market value	753.87	4,735.27
(b) Investment in unquoted instruments:		
Aggregate carrying value	15,364.38	6,127.91

(ii) Cumulative gain on de-recognition of investments carried at fair value through other comprehensive income during the year amounted to ₹**3,427.46** crore (2016-17: ₹1.75 crore).

Fair value of such investments as on the date of de-recognition was ₹**3,782.76** crore (2016-17: ₹2.93 crore).

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.

9. Loans

[Item No. I(g)(ii) and II(b)(v), Page 280]

A. Non-current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Security deposits		
Unsecured, considered good	197.71	197.25
Unsecured, considered doubtful	2.18	1.31
Less: Allowance for credit losses	2.18	1.31
	197.71	**197.25**
(b) Loans to related parties		
Unsecured, considered good	7.52	13.53
Unsecured, considered doubtful	192.31	168.78
Less: Allowance for credit losses	192.31	168.78
	7.52	**13.53**
(c) Other loans		
Unsecured, considered good	512.11	162.28
Unsecured, considered doubtful	1,313.60	1,201.47
Less: Allowance for credit losses	1,313.60	1,201.47
	512.11	**162.28**
	717.34	**373.06**

9. Loans (Contd.)

[Item No. I(g)(ii) and II(b)(v), Page 280]

B. Current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Security deposits		
Unsecured, considered good	43.69	34.77
Unsecured, considered doubtful	0.23	0.23
Less: Allowance for credit losses	0.23	0.23
	43.69	**34.77**
(b) Loans to related parties		
Unsecured, considered good	46.22	-
Unsecured, considered doubtful	783.36	778.83
Less: Allowance for credit losses	783.36	778.83
	46.22	**-**
(c) Other loans		
Unsecured, considered good	166.57	189.73
Unsecured, considered doubtful	2.08	2.07
Less: Allowance for credit losses	2.08	2.07
	166.57	**189.73**
	256.48	**224.50**

(i) Security deposits are primarily in relation to public utility services and rental agreements. Security deposits include deposit with Tata Sons ₹**1.25** crore (March 31, 2017: ₹1.25 crore).

(ii) Non-current loans to related parties represent loans given to joint ventures ₹**188.95** crore (March 31, 2017: ₹172.76 crore) and associates ₹**10.88** crore (March 31, 2017: ₹9.55 crore) out of which ₹**188.95** crore (March 31, 2017: ₹165.83 crore) and ₹**3.36** crore (March 31, 2017: ₹2.95 crore) respectively is impaired.

(iii) Current loans to related parties represent loans given to joint ventures ₹**829.58** crore (March 31, 2017: ₹778.83 crore) out of which ₹**783.36** crore (March 31, 2017: ₹778.83 crore) is impaired.

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

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10. Other financial assets

[Item No. I(g)(iv) and II(b)(vii), Page 280]

A. Non-current

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(a)	**Interest accrued on deposits, loans and advances**		
	Unsecured, considered good	2.25	2.43
	Unsecured, considered doubtful	0.27	0.27
	Less: Allowance for credit losses	0.27	0.27
		2.25	**2.43**
(b)	**Earmarked balances with bank**	**21.25**	**40.87**
(c)	**Other balances with banks**	**63.77**	**12.67**
(d)	**Other financial assets**		
	Unsecured, considered good	0.64	29.61
	Unsecured, considered doubtful	-	117.42
	Less: Allowance for credit losses	-	117.42
		0.64	**29.61**
		87.91	**85.58**

B. Current

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(a)	**Interest accrued on deposits and loans**		
	Unsecured, considered good	43.28	60.57
	Unsecured, considered doubtful	149.54	107.70
	Less: Allowance for credit losses	149.54	107.70
		43.28	**60.57**
(b)	**Other financial assets**		
	Unsecured, considered good	556.43	327.25
		556.43	**327.25**
		599.71	**387.82**

(i) Non-current earmarked bank balances 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) Non-current other financial assets as at March 31, 2017, include advance for repurchase of equity shares in Tata Teleservices Limited (TTSL) from NTT Docomo Inc, ₹144.07 crore out of which ₹117.42 crore was impaired.

(iv) Current other financial assets include amount receivable from post-employment benefit fund ₹**302.14** crore (March 31, 2017: ₹259.16 crore) on account of retirement benefit obligations paid by the Group directly.

11. Retirement benefit assets and obligations

[Item No. I(h), II(c), V(c) and VI(c) Pages 280 and 281]

(I) Retirement benefit assets

A. Non-current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Pension	20,570.52	1,752.14
(b) Retiring gratuities	0.35	0.50
	20,570.87	**1,752.64**

B. Current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Retiring gratuities	2.91	-
	2.91	**-**

(II) Retirement benefit obligations

A. Non-current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Pension	1,096.53	1,005.03
(b) Retiring gratuities	67.70	233.05
(c) Post-retirement medical benefits	1,150.39	1,201.83
(d) Other defined benefits	201.94	226.36
	2,516.56	**2,666.27**

B. Current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Pension	9.23	26.43
(b) Retiring gratuities	3.69	3.29
(c) Post-retirement medical benefits	89.53	54.80
(d) Other defined benefits	7.91	10.68
	110.36	**95.20**

(i) Detailed disclosure in respect of post retirement defined benefit schemes is provided in Note 38, Page 348.

(ii) Other defined benefits include long service awards, packing and transportation, farewell gifts etc.

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12. Income taxes

[Item No. I(j) and V(e), Pages 280 and 281]

A. Income tax expenses/(benefit)

Indian Companies are subject to income tax in India on the basis of their standalone financial statements. 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.

Indian Companies can carry forward business loss 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.

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.

Apart from India, major tax jurisdictions for the Group include Singapore, Thailand, 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, 2018	Year ended March 31, 2017
Profit/(loss) before tax	**21,109.75**	**2,473.63**
Income tax expense at applicable tax rates applicable to individual entities	**4,995.26**	**1,307.06**
(a) Tax on income at different rates	(0.04)	(32.16)
(b) Additional tax benefit for capital investment including research & development expenditures	(26.78)	(131.77)
(c) Items not deductible/income exempt from tax	244.32	338.64
(d) Undistributed earning of subsidiaries, joint ventures and equity accounted investees	4.09	7.76
(e) Deferred tax assets not recognised because realisation is not probable	791.54	1,871.81
(f) Adjustments to taxes in respect of prior periods	(7.29)	8.96
(g) Utilisation/credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits	(2,723.14)	(592.29)
(h) Impact of changes in tax rates(i)	127.43	-
Tax expense as reported	**3,405.39**	**2,778.01**

(i) Indian Finance Act, 2018, changed the statutory tax rate applicable for Indian companies having turnover of more than ₹250 crore (including surcharge and cess) from assessment year 2019-20. The Company and its Indian subsidiaries have accordingly re-measured deferred tax balances expected to reverse in future periods based on the revised applicable rate.

12. Income taxes (Contd.)

[Item No. I(j) and V(e), Pages 280 and 281]

B. Deferred tax assets/(liabilities)

(i) Components of deferred tax assets and liabilities as at March 31, 2018 is as below:

(₹ crore)

	Balance as at April 1, 2017	Recognised/ (reversed) in consolidated statement of profit or 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	Other reclassifications during the year	Exchange differences on consolidation during the year	Balance as at March 31, 2018
Deferred tax assets/(liabilities):								
Tax-loss carry forwards	1,009.20	1,716.86	-	-		(21.76)	287.25	2,991.55
Expenses allowable for tax purposes when paid/ written off	2,151.80	(177.93)	-	-		(22.00)	32.35	1,984.22
MAT credit entitlement	1,513.30	(84.02)	731.38	-		-	-	2,160.66
Others	104.10	164.79	33.58	-		0.15	19.02	321.64
	4,778.40	**1,619.70**	**764.96**			**(43.61)**	**338.62**	**7,458.07**
Deferred tax (assets)/liabilities:								
Property plant and equipment	13,182.77	134.54	-	(6.21)	36.09	0.23	(9.59)	13,337.83
Intangible assets	65.74	37.58	-	-		-	13.77	117.09
Retirement benefit assets/ liabilities	90.40	2,655.29	(296.47)	-		-	218.96	2,668.18
Trade and other receivables	583.70	194.91	-	-		-	90.45	869.06
	13,922.61	**3,022.32**	**(296.47)**	**(6.21)**	**36.09**	**0.23**	**313.59**	**16,992.16**
Net Deferred tax assets/ (liabilities):	**(9,144.21)**	**(1,402.62)**	**1,061.43**	**6.21**	**(36.09)**	**(43.84)**	**25.03**	**(9,534.08)**
Disclosed as :								
Deferred tax assets	**885.87**							**1,035.80**
Deferred tax liabilities	**10,030.08**							**10,569.88**
	(9,144.21)							**(9,534.08)**

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12. Income taxes (Contd.)

[Item No. I(j) and V(e), Pages 280 and 281]

Components of deferred tax assets and liabilities as at March 31, 2017 is as below:

(₹ crore)

	Balance as at April 1, 2016	Recognised/ (reversed) in consolidated statement of profit or 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	Other reclassifications during the year	Exchange differences on consolidation during the year	Balance as at March 31, 2017
Deferred tax assets/ (liabilities):								
Tax-loss carry forwards	2,477.63	(1,290.76)	-	-	-	0.24	(177.91)	1,009.20
Expenses allowable for tax purposes when paid/ written off	1,670.47	513.19	-	-	-	(3.39)	(28.47)	2,151.80
MAT credit entitlement	275.81	1,243.92	-	-	-	(6.43)	-	1,513.30
Others	22.37	52.15	(0.25)	-	-	-	(0.90)	73.37
	4,446.28	**518.50**	**(0.25)**	**-**	**-**	**(9.58)**	**(207.28)**	**4,747.67**
Deferred tax (assets)/ liabilities:								
Property plant and equipment	10,771.67	2,386.98	-	(10.84)	-	-	34.96	13,182.77
Intangible assets	28.12	29.01	-	-	-	-	8.61	65.74
Retirement benefit assets/ liabilities	1,808.61	(848.36)	(703.84)	-	15.51	-	(181.52)	90.40
Trade and other receivables	501.29	165.06	0.46	-	-	-	(83.11)	583.70
Others	130.03	(177.88)	13.82	-	5.31	7.77	(9.78)	(30.73)
	13,239.72	**1,554.81**	**(689.56)**	**(10.84)**	**20.82**	**7.77**	**(230.84)**	**13,891.88**
Net Deferred tax assets/(liabilities):	**(8,793.44)**	**(1,036.31)**	**689.31**	**10.84**	**(20.82)**	**(17.35)**	**23.56**	**(9,144.21)**
Disclosed as :								
Deferred tax assets	**627.45**							**885.87**
Deferred tax liabilities	**9,420.89**							**10,030.08**
	(8,793.44)							**(9,144.21)**

(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 ₹**39,386.36** crore (March 31, 2017: ₹48,456.27 crore) as its recovery is not considered probable in the foreseeable future. Such losses primarily relate to the Group's European operations.

12. Income taxes (Contd.)

[Item No. I(j) and V(e), Pages 280 and 281]

(iv) Unrecognised 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, 2018
Within five years	6,822.88
Later than five years but less than ten years	2,139.61
Later than ten years but less than twenty years	10.28
No expiry	30,413.59
	39,386.36

(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, 2018
Within five years	836.67
No expiry	742.77
	1,579.44

(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 ₹**10,815.63** crore (March 31, 2017: ₹10,228.02 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.

13. Other assets

[Item No. I(k) and II(e), Page 280]

A. Non-current

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
(a) Capital advances		
Unsecured, considered good	502.36	618.16
Unsecured, considered doubtful	93.22	88.61
Less: Provision for doubtful advances	93.22	88.61
	502.36	**618.16**
(b) Advance with public bodies		
Unsecured, considered good	880.48	1,804.44
Unsecured, considered doubtful	24.01	12.76
Less: Provision for doubtful advances	24.01	12.76
	880.48	**1,804.44**

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13. Other assets (Contd.)

[Item No. I(k) and II(e), Page 280]

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(c)	**Prepaid lease payments for operating leases**	**947.54**	**912.70**
(d)	**Capital advances to related parties**		
	Unsecured, considered good	**32.02**	**32.54**
(e)	**Others**		
	Unsecured, considered good	214.74	294.15
	Unsecured, considered doubtful	10.09	19.34
	Less: Provision for doubtful advances	10.09	19.34
		214.74	**294.15**
		2,577.14	**3,661.99**

B. Current

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(a)	**Advance with public bodies**		
	Unsecured, considered good	2,120.06	1,394.09
	Unsecured, considered doubtful	2.83	2.85
	Less: Provision for doubtful advances	2.83	2.85
		2,120.06	**1,394.09**
(b)	**Prepaid lease payments for operating leases**	**13.66**	**13.56**
(c)	**Advance to related parties**		
	Unsecured, considered good	**82.55**	**5.14**
(d)	**Others**		
	Unsecured, considered good	892.71	794.56
	Unsecured, considered doubtful	102.87	139.13
	Less: Provision for doubtful advances	102.87	139.13
		892.71	**794.56**
		3,108.98	**2,207.35**

(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 for operating leases relate to land leases classified as operating since title is not expected to transfer at the end of the lease term and that land has an indefinite economic life.

(iii) Other assets include advances against supply of goods/services and advances paid to employees.

14. Inventories

[Item No. II(a), Page 280]

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(a)	Raw materials	9,551.29	8,020.23
(b)	Work-in-progress	5,145.30	4,378.75
(c)	Finished and semi-finished goods	9,787.47	9,045.31
(d)	Stock-in-trade	66.94	139.91
(e)	Stores and spares	3,780.04	3,219.62
		28,331.04	**24,803.82**
Included above, goods-in-transit:			
(i)	Raw materials	1,939.01	650.30
(ii)	Finished and semi-finished goods	123.02	138.55
(iii)	Stock-in-trade	31.99	97.09
(iv)	Stores and spares	155.60	142.85
		2,249.62	**1,028.79**

Value of inventories above is stated after provisions (net of reversal) of ₹**526.77** crore (March 31, 2017: ₹539.33 crore) for write-down to net realisable value and provision for slow moving and obsolete items.

15. Trade receivables

[Item No. II(b)(ii), Page 280]

	As at March 31, 2018	As at March 31, 2017
(a) Unsecured considered good	12,415.52	11,586.82
(b) Unsecured considered doubtful	250.26	226.86
	12,665.78	**11,813.68**
Less: Allowance for credit losses	250.26	226.86
	12,415.52	**11,586.82**

In determining allowance for credit losses of trade receivables, the Group has used a 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.

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15. Trade receivables (Contd.)

[Item No. II(b)(ii), Page 280]

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

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Balance at the beginning of the year	226.86	319.95
Charge during the year	55.67	26.60
Utilised during the year	(24.36)	(42.44)
Disposal of group undertakings	(28.18)	(38.58)
Reclassified as held for sale	-	(1.09)
Exchange differences on consolidation	20.27	(37.58)
Balance at the end of the year	**250.26**	**226.86**

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

(₹ crore)

	As at March 31, 2018			
	Gross credit risk	Subject to credit insurance cover	Allowance for credit losses	Net credit risk
Amounts not yet due	11,124.82	7,102.01	8.12	4,014.69
One month overdue	621.91	298.09	0.78	323.04
Two months overdue	161.60	115.51	3.27	42.82
Three months overdue	219.77	142.03	0.98	76.76
Between three to six months overdue	146.18	72.38	16.05	57.75
Greater than six months overdue	391.50	70.44	221.06	100.00
	12,665.78	**7,800.46**	**250.26**	**4,615.06**

(₹ crore)

	As at March 31, 2017			
	Gross credit risk	Subject to credit insurance cover	Allowance for credit losses	Net credit risk
Amounts not yet due	10,643.96	6,737.16	1.11	3,905.69
One month overdue	471.47	211.79	0.37	259.31
Two months overdue	113.74	73.66	0.02	40.06
Three months overdue	77.79	22.14	2.81	52.84
Between three to six months overdue	126.21	53.20	13.85	59.16
Greater than six months overdue	380.51	72.18	208.70	99.63
	11,813.68	**7,170.13**	**226.86**	**4,416.69**

(iii) The Group considers its maximum exposure to credit risk with respect to customers as at March 31, 2018 to be ₹**4,615.06** crore (March 31, 2017: ₹4,416.69 crore), which is the fair 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.

(iv) There are no outstanding receivable due from directors or officers of the respective entities.

16. Cash and cash equivalents

[Item No. II(b)(iii), Page 280]

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(a)	Cash in hand	1.50	0.80
(b)	Cheques, drafts on hand	30.46	29.44
(c)	Remittances in-transit	53.20	59.27
(d)	Unrestricted balances with banks	7,698.34	4,742.78
		7,783.50	**4,832.29**

(i) Currency profile of cash and cash equivalents is as below:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
INR	5,132.75	1,444.16
GBP	1,449.48	614.63
EURO	528.09	(70.44)
USD	190.76	2,037.50
Others	482.42	806.44
Total	**7,783.50**	**4,832.29**

INR-Indian rupees, GBP- Great Britain Pound, USD-United States Dollars.

Others primarily include SGD-Singapore Dollars, CAD- Canadian Dollars and THB-Thai Baht.

17. Other balances with bank

[Item No. II(b)(iv), Page 280]

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Earmarked balances with bank	154.35	88.76
	154.35	**88.76**

(i) Currency profile of earmarked balances with bank is as below:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
INR	139.65	74.16
USD	14.70	14.60
Total	**154.35**	**88.76**

INR-Indian rupees, USD-United States dollars.

(ii) Earmarked balances with bank represent balances held for unpaid dividends, margin money/fixed deposits against issue of bank guarantees and deposits made against contract performance.

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17. Other balances with bank (Contd.)

[Item No. II(b)(iv), Page 280]

(iii) In accordance with the MCA notification G.S.R. 308(E) dated March 30, 2017, details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016, is as below:

(₹)

	SBNs	ODNs	Total
Closing cash in hand as on November 8, 2016	54,93,500	15,07,262	70,00,762
Add: Unpermitted receipts	1,15,20,000	-	1,15,20,000
Add: Permitted receipts	23,36,000	7,81,04,948	8,04,40,948
Less: Unpermitted payments	70,000	-	70,000
Less: Permitted payments	-	1,23,92,544	1,23,92,544
Less: Amounts deposited in Banks	1,89,80,000	6,21,24,540	8,11,04,540
Closing cash in hand as on December 30, 2016	**2,99,500**	**50,95,126**	**53,94,626**

(a) Unpermitted receipts include:

1. Company hospital receipts ₹1,06,21,500 which includes receipts at Tata Main Hospital, Jamshedpur of ₹1,04,34,000. Since Tata Main Hospital is the only hospital equipped with modern facilities and super-speciality services in the region, on advice from the district administration, specified notes were accepted.
2. Refund of advances by employees & internal departments ₹74,500.
3. Canteen receipts of ₹5,90,500 are primarily received from Contractor's employees.
4. Refund of advance by Steel Welfare Workers Society ₹2,33,500.

(b) Unpermitted payments represents amount collected by Company's employees and exchanged for new notes against their individual Permanent Account Number.

18. Assets and liabilities held for sale

[Item No. III and VII, Pages 280 and 281]

(i) On May 1, 2017, Tata Steel UK Limited, a wholly owned indirect subsidiary of the Company completed the sale of its Speciality Steels business which was classified as held for sale as at March 31, 2017. Following such classification, a write down of ₹196.63 crore was recognised to reduce the carrying value of assets in the disposal group to their fair value less costs to sell during the year ended March 31, 2017. The impairment charge was included within profit/loss of discontinued operations in the consolidated statement of profit and loss.

The major classes of assets and liabilities classified as held for sale as on the reporting date for the above is set out below:

	As at March 31, 2018	As at March 31, 2017
Assets classified as held for sale:		
Inventories	-	778.12
Trade receivables	-	292.50
Cash and bank balances	-	1.03
Other financial assets	-	2.78
	-	1,074.43
Less: Write down to fair value less costs to sell (including exchange on translation)	-	(181.32)
	-	**893.11**
Liabilities classified as held for sale:		
Non-current financial liabilities	-	8.89
Provisions	-	10.03
Other Non-current liabilities	-	0.01
Trade payables	-	228.51
Other financial liabilities	-	2.49
Short term provisions	-	27.16
Current tax liabilities	-	0.46
Other Current liabilities	-	12.21
	-	**289.76**

(ii) As at March 31, 2017, the Group had classified assets with carrying value of ₹98.31 crore pertaining to the South East Asian operations as held for sale. Such assets with carrying value of ₹**95.93** crore as at March 31, 2018, continue to be classified as held for sale since the Group expects to recover the carrying value principally through sale. On November 15, 2017, the Group has entered into an asset sale agreement with a buyer and remains committed to the plan of disposal.

(iii) As at March 31, 2018, the Group has classified certain assets and liabilities held within a disposal group with net carrying value of ₹**6.43** crore (2016-17: Nil) in respect of one of its Indian subsidiary since the Group expects to recover the carrying value principally through sale due to changes in technology and adverse market condition affecting the business.

The major classes of assets and liabilities classified as held for sale for the above is set out below:

	As at March 31, 2018	As at March 31, 2017
Assets classified as held for sale:		
Property, plant and equipment	0.06	-
Inventories	5.08	-
Trade receivables	1.25	-
Other non financial assets	0.15	-
	6.54	-
Liabilities classified as held for sale:		
Trade payables	0.11	-
	0.11	-

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19. Equity share capital

[Item No. IV(a), Page 281]

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
Authorised:			
1,75,00,00,000	Ordinary Shares of ₹10 each	1,750.00	1,750.00
	(March 31, 2017: 1,75,00,00,000 Ordinary Shares of ₹10 each)		
35,00,00,000	"A" Ordinary Shares of ₹10 each	350.00	350.00
	(March 31, 2017: 35,00,00,000 "A" Ordinary Shares of ₹10 each)		
2,50,00,000	Cumulative Redeemable Preference Shares of ₹100 each	250.00	250.00
	(March 31, 2017: 2,50,00,000 Shares of ₹100 each)		
60,00,00,000	Cumulative Convertible Preference Shares of ₹100 each	6,000.00	6,000.00
	(March 31, 2017: 60,00,00,000 Shares of ₹100 each)		
		8,350.00	**8,350.00**
Issued:			
1,12,75,20,570	Ordinary Shares of ₹10 each	1,127.52	972.13
	(March 31, 2017: 97,21,26,020 Ordinary Shares of ₹10 each)		
7,76,97,280	Ordinary Shares of ₹10 each (Partly Paid up)	77.70	-
	(March 31, 2017: Nil)		
		1,205.22	**972.13**
Subscribed and Paid up:			
1,12,53,16,422	Ordinary Shares of ₹10 each fully paid up	1,125.31	970.04
	(March 31, 2017: 97,00,47,046 Ordinary Shares of ₹10 each)		
7,76,34,625	Ordinary Shares of ₹10 each (₹ 2.50 each paid up)	19.44	-
	(March 31, 2017: Nil)		
	Amount paid up on 3,89,516 Ordinary Shares forfeited	0.20	0.20
	(March 31, 2017: 3,89,516 Shares of ₹10 each)		
		1,144.95	**970.24**

(i) Subscribed and paid up capital excludes **11,68,393** (March 31, 2017: 11,68,393) Ordinary Shares of face value ₹10 each fully paid up held by a wholly owned subsidiary of the Company.

19. Equity share capital (Contd.)

[Item No. IV(a), Page 281]

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

	As at March 31, 2018		As at March 31, 2017	
	No. of shares	₹ crore	No. of shares	₹ crore
Ordinary shares of ₹10 each				
Balance at the beginning of the year	97,00,47,046	970.04	97,00,47,046	970.04
Fully paid shares allotted during the year[(a),(b)]	15,52,69,376	155.27	-	-
Partly paid shares allotted during the year[(b)]	7,76,34,625	19.44	-	-
Balance at the end of the year	**1,20,29,51,047**	**1,144.75**	**97,00,47,046**	**970.04**

(a) **450** Ordinary Shares of face value of ₹10 per share were allotted on May 15, 2017 at a premium of ₹290 per share to shareholders whose shares were kept in abeyance in the Rights Issue made in 2007.

(b) During the year ended March 31, 2018, the Company allotted **15,52,68,926** fully paid Ordinary Shares of face value of ₹10 each for cash at a price of ₹510 per fully paid share (including a premium of ₹500 per fully paid share) aggregating to ₹7,918.72 crore and **7,76,34,625** partly paid Ordinary Shares of face value of ₹10 each (paid up value ₹2.504 per share) for cash at a price of ₹615 per partly paid share (including a premium of ₹605 per partly paid share) aggregating to ₹1,195.57 crore pursuant to the Rights Issue of 2018.

Tata Sons Limited had undertaken to subscribe, on its own account and through any nominated entity or person belonging to the promoter Group, to the full extent of their Rights Entitlement in the Issue in accordance with Regulation 10(4)(a) of the Takeover Regulations.

(iii) Proceeds from the Rights Issue, 2018 have been utilised in the following manner:

(₹ crore)

Particulars	Proposed to be utilised in FY'18	Utilised till March 31, 2018	To be utilised in FY'19
Repayments of loan	5,000.00	5,000.00	1,950.00
Expenses towards general corporate purpose	1,500.00	1,500.00	630.44
Issue expense	-	-	33.85
Total	**6,500.00**	**6,500.00**	**2,614.29**

(iv) As at March 31, 2018, **3,00,395** Ordinary Shares (March 31, 2017: 3,01,183 Ordinary Shares) are kept in abeyance in respect of Rights Issue of 2007.

As at March 31, 2018, **1,25,624** Ordinary Shares and **62,655** partly paid Ordinary Shares are kept in abeyance in respect of Rights Issue of 2018.

(v) Details of shareholders holding more than 5 percent shares in the Company is as below:

	As at March 31, 2018		As at March 31, 2017	
	No. of ordinary shares	%	No. of ordinary shares	%
Name of shareholders				
(a) Tata Sons Limited	38,09,73,085	31.64	28,88,98,245	29.75
(b) Life Insurance Corporation of India	10,83,88,660	9.00	12,20,50,996	12.57

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19. Equity share capital (Contd.)

[Item No. IV(a), Page 281]

(vii) **1,27,40,651** shares (March 31, 2017: 1,55,10,420 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.

(vii) 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 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

(a)(i) 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.

(ii) 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.

(b) 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.

20. Hybrid perpetual securities

[Item No. IV(b), Page 281]

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

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
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**

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.

21. Other equity

[Item No. IV(c), Page 281]

A. Retained earnings

The details of movement in retained earnings is as below:

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	**(11,447.01)**	**(2,415.49)**
Profit /(loss) for the year	13,434.33	(4,240.80)
Remeasurement of defined employee benefit plans	(2,780.05)	(3,549.43)
Dividend	(970.05)	(776.97)
Tax on dividend	(188.17)	(147.74)
Distribution on hybrid perpetual securities	(266.13)	(266.10)
Tax on distribution on hybrid perpetual securities	92.70	92.09
Transfers within equity(i)	3,426.26	(3.76)
Adjustment for change in ownership interests	6,500.11	(133.01)
Other movements	-	(5.80)
Balance at the end of the year	**7,801.99**	**(11,447.01)**

(i) primarily relates to cumulative gain on sale of investments carried at fair value through other comprehensive income transferred from investment revaluation reserve.

B. Items of other comprehensive income

(a) Cash flow hedge reserve

The cumulative effective portion of gain or losses arising on changes in the 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.

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21. Other equity (Contd.)

[Item No. IV(c), Page 281]

The Group has designated certain foreign currency forward contracts, commodity contracts, interest rate swaps and collar as cash flow hedges in respect of foreign exchange, commodity price and interest rate risks.

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

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	105.99	(10.34)
Other comprehensive income recognised during the year	(96.00)	116.33
Balance at the end of the year	**9.99**	**105.99**

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

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Fair value changes recognised during the year	(579.05)	344.74
Fair value changes reclassified to the consolidated statement of profit and loss/cost of hedged items	454.47	(188.96)
Tax impact on above (net)	28.58	(39.45)
	(96.00)	**116.33**

During the year, ineffective portion of cash flow hedges recognised in the consolidated statement of profit and loss amounted to **Nil** (2016-17: 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: gain of ₹**6.24** crore (2016-17: gain of ₹105.99 crore)
- later than one year: gain of ₹**3.75** crore (2016-17: Nil)

(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)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	3,788.40	2,955.52
Other comprehensive income recognised during the year	(205.55)	834.63
Transfers within equity	(3,427.62)	(1.75)
Balance at the end of the year	**155.23**	**3,788.40**

21. Other equity (Contd.)

[Item No. IV(c), Page 281]

(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:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	8,534.47	6,495.52
Other comprehensive income recognised during the year	(1,550.19)	2,038.95
Balance at the end of the year	**6,984.28**	**8,534.47**

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 Indian Companies Act, 2013 (the "Companies Act").

The details of movement in securities premium is as below:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	18,871.66	18,871.66
Received on issue of shares during the year	8,939.59	-
Share issue expenses written off during the year	(33.85)	-
Balance at the end of the year	**27,777.40**	**18,871.66**

(b) Debenture redemption reserve

The Companies Act, 2013 requires that a Company which issues debentures, shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The Company is required to maintain a debenture redemption reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve cannot be utilised by the Company except to redeem debentures.

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

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	2,046.00	2,046.00
Balance at the end of the year	**2,046.00**	**2,046.00**

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

21. Other equity (Contd.)

[Item No. IV(c), Page 281]

(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)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	12,181.97	12,181.97
Balance at the end of the year	**12,181.97**	**12,181.97**

(d) Capital redemption reserve

The Companies Act, 2013 requires that where 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)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	133.11	133.11
Balance at the end of the year	**133.11**	**133.11**

(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.

The details of movement in special reserve is as below:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	6.66	6.19
Transfers within equity	0.92	0.47
Balance at the end of the year	**7.58**	**6.66**

21. Other equity (Contd.)

[Item No. IV(c), Page 281]

(f) Others

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

The details of movement in others is as below:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	352.82	223.17
Additions during the year	-	191.39
Transfer to consolidated statement of profit and loss	-	(40.22)
Transfers within equity	0.28	(7.99)
Changes in ownership interests	-	1.75
Other movements	-	(15.28)
Balance at the end of the year	**353.10**	**352.82**

D. Share application money pending allotment

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

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	0.01	-
Application money received during the year	0.02	0.01
Allotment of equity shares during the year	(0.01)	-
Balance at the end of the year	**0.02**	**0.01**

22. 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:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Non-controlling interests	936.52	1,601.70

In September 2017, the UK Pensions Regulator (tPR) had approved a Regulated Apportionment Arrangement (RAA) in respect of the British Steel Pension Scheme (BSPS) which separated the scheme from Tata Steel UK (TSUK), a wholly owned indirect subsidiary of the Company. This was accompanied by a one-time settlement payment and a transfer of a 33% minority stake in TSUK to the BSPS trustees.

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22. Non- controlling interests (Contd.)

The table below provides information in respect of subsidiaries which include material non-controlling interests as at March 31, 2018:

(₹ crore)

Name of subsidiary	Country of incorporation and operation	% of non-controlling interests as at March 31, 2018	% of non-controlling interests as at March 31, 2017	Profit/(loss) attributable to non-controlling interests for the year ended March 31, 2018	Non-controlling interests as at March 31, 2018
Tata Steel UK Limited	United Kingdom	33.33%	-	4,389.78	(623.46)

The tables below provide summarised information in respect of consolidated balance sheet as at March 31, 2018, consolidated statement of profit and loss and consolidated cash flows for the year ended March 31, 2018, in respect of the Tata Steel UK Limited:

Summarised balance sheet information

(₹ crore)

Particulars	As at March 31, 2018
Non-current assets	31,672.43
Current assets	7,208.45
Total assets	**38,880.88**
Non-current liabilities	18,458.11
Current liabilities	22,293.33
Net assets	**(1,870.57)**

Summarised profit & loss information

(₹ crore)

Particulars	As at March 31, 2018
Revenue	20,632.85
Profit/(loss) for the year	12,064.97
Total comprehensive income for the year	10,607.87

Summarised cash flow information

(₹ crore)

Particulars	As at March 31, 2018
Net cash from/(used in) operating activities	(3,304.20)
Net cash from/(used in) investing activities	(957.39)
Net cash from/(used in) financing activities	3,991.68
Effect of exchange rate on cash and cash equivalents	46.92
Cash and cash equivalents at the beginning of the year	481.75
Cash and cash equivalents at the end of the year	258.76

23. Borrowings

[Item No. V(a)(i) and VI(a)(i), Page 281]

A. Non-current

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(a)	**Secured**		
	(i) Loans from Joint Plant Committee - Steel Development Fund	2,494.42	2,420.65
	(ii) Term loans from banks and financial institutions	17,825.17	14,864.85
	(iii) Finance lease obligations	471.29	440.08
		20,790.88	**17,725.58**
(b)	**Unsecured**		
	(i) Bonds and debentures	29,456.43	21,219.30
	(ii) Non-convertible preference shares	19.97	19.97
	(iii) Term loans from banks and financial institutions	19,942.61	22,613.77
	(iv) Finance lease obligations	2,397.51	2,386.75
	(v) Deferred payment liabilities	6.11	9.61
	(vi) Other loans	175.59	47.29
		51,998.22	**46,296.69**
		72,789.10	**64,022.27**

B. Current

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(a)	**Secured**		
	(i) Loans from banks and financial institutions	5,541.48	4,848.96
	(ii) Repayable on demand from banks and financial institutions	139.62	127.92
	(iii) Other Loans	37.69	19.41
		5,718.79	**4,996.29**
(b)	**Unsecured**		
	(i) Loans from banks and financial institutions	9,257.82	9,918.07
	(ii) Commercial papers	73.65	2,323.54
	(iii) Other loans	834.72	1,090.20
		10,166.19	**13,331.81**
		15,884.98	**18,328.10**

(i) As at March 31, 2018, ₹**26,819.90** crore (March 31, 2017: ₹22,911.97 crore) of the total outstanding borrowings (including current maturities) were secured by a charge on property, plant and equipment, inventories and receivables.

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

23. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page 281]

(ii) The security details of major borrowings as at March 31, 2018 is as below:

(a) Loan from Joint Plant Committee-Steel Development Fund

It is secured by mortgages on, all present and future immovable properties wherever situated and hypothecation of movable assets, excluding land and building mortgaged in favour of Government of India under the deed of mortgage dated April 13, 1967 and in favour of Government of Bihar under two deeds of mortgage dated May 11, 1963, immovable properties and movable assets of the Tube Division, Bearing 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 is 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 ₹**855.09** crore (March 31, 2017: ₹781.32 crore).

It includes ₹**1,639.33** crore (March 31, 2017: ₹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 institution

Majority of secured borrowings from banks and financial institutions relates to the senior facility arrangement of Tata Steel Europe, a wholly owned indirect subsidiary of the Company. These facilities are secured by guarantees and debentures granted by material subsidiaries of Tata Steel Europe (other than Tata Steel Nederland B.V. and its subsidiaries) and by a pledge over the shares in Tata Steel Nederland B.V.

(iii) The details of major unsecured borrowings as at March 31, 2018 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

Debentures issued by the Company and its Indian subsidiaries are non convertible in nature with interest rates ranging from 2% to 11%.

ABJA Investment Company Pte Ltd. a wholly owned subsidiary of the Company has issued 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:

Issued on	Currency	Initial principal due (in millions)	Outstanding principal (in millions)		Interest rate	Redeemable on
			As at March 31, 2018	As at March 31, 2017		
January 2018	USD	1,000	1,000	-	5.45%	January 2028
January 2018	USD	300	300	-	4.45%	July 2023
July 2014	USD	1,000	1,000	1,000	5.95%	July 2024
July 2014	USD	500	500	500	4.85%	January 2020
May 2013	SGD	300	300	300	4.95%	May 2023

23. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page 281]

(c) Loans from banks and financial institutions

Details of loans from banks and financial institutions availed by the Company is as below:

(i) Rupee loan amounting ₹**4,450** crore (March 31, 2017: ₹4,450.00 crore) is repayable in 17 quarterly instalments. The Company on March 15, 2018 gave prepayment notice to the lenders for an amount of ₹1,950.00 crore. The remaining amount is repayable in 9 quarterly instalments commencing from March 31, 2023.

(ii) Rupee loan amounting ₹**750.00** crore (March 31, 2017: Nil) is repayable in 3 equal annual instalments commencing from May 21, 2021.

(iii) USD **7.86** million equivalent to ₹**51.24** crore (March 31, 2017: 7.86 million equivalent to ₹50.98 crore) is repayable on March 1, 2021.

(iv) USD **200** million equivalent to ₹**1,303.65** crore (March 31, 2017: USD 200.00 million equivalent to ₹1,297.10 crore) loan is repayable in 3 equal annual instalments commencing from February 18, 2020.

(v) Rupee loan amounting ₹**2,000.00** crore (March 31, 2017: ₹2,000.00 crore) is repayable in 10 semi-annual instalments commencing from April 30, 2019.

(vi) Rupee loan amounting ₹**646.16** crore (March 31, 2017: ₹650.00 crore) is repayable in 18 semi-annual instalments, the next instalment is due on August 14, 2018.

(vii) Euro **21.62** million equivalent to ₹**174.68** crore (March 31, 2017: Euro 27.02 million equivalent to ₹187.18 crore) loan is repayable in 8 equal semi-annual instalments; the next instalment is due on July 6, 2018.

(viii) Euro **4.69** million equivalent to ₹**37.92** crore (March 31, 2017: Euro 9.39 million equivalent to ₹65.02 crore) loan is repayable in 2 equal semi-annual instalments, the next instalment is due on July 2, 2018.

(ix) Rupee loan amounting ₹**823.84** crore (March 31, 2017: ₹850.00 crore) is repayable in 14 semi-annual instalments, the next instalment is due on June 15, 2018.

(x) Rupee loan amounting ₹**1,485** crore (March 31, 2017: Nil) is repayable in 19 semi-annual instalments, the next instalment is due on May 28, 2018.

(xi) Euro **85.98** million equivalent to ₹**694.80** crore (March 31, 2017: Euro 105.08 million equivalent to ₹727.98 crore) loan is repayable in 9 equal semi-annual instalments, the next instalment is due on April 27, 2018.

Interest rates on the above term loans from banks and financial institutions range between 8.20 % to 8.75 % for rupee term loans and between 0.12 % to 4.80 % for foreign loans.

(d) Finance lease obligations

The Group has taken certain items of plant and machinery on lease for business purpose. In addition, the Group has entered into long term arrangements whose fulfillment is dependent on the use of dedicated assets. Some of these arrangements have been assessed as being in the nature of lease and have been classified as a finance lease.

Finance lease obligations represent the present value of minimum lease payments payable over the lease term. The arrangements have been classified as secured or unsecured based on the legal form.

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23. Borrowings (Contd.)

[Item No. V(a)(i) and VI(a)(i), Page 281]

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

(₹ crore)

	As at March 31, 2018			As at March 31, 2017		
	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
INR	13,635.17	13,925.16	27,560.33	15,862.80	10,819.76	26,682.56
GBP	196.48	3,756.56	3,953.04	172.69	4,643.07	4,815.76
EURO	1,136.68	16,761.01	17,897.69	957.11	14,270.14	15,227.25
USD	22,184.41	17,783.20	39,967.61	14,348.92	19,089.66	33,438.58
Others	1,823.48	944.90	2,768.38	1,722.96	1,127.38	2,850.34
Total	**38,976.22**	**53,170.83**	**92,147.05**	**33,064.48**	**49,950.01**	**83,014.49**

INR-Indian rupees, GBP- Great Britain Pound, USD-United States Dollars.

(a) Others primarily include SGD-Singapore Dollars, CAD- Canadian Dollars and THB-Thai Baht.

(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, 2018, ₹**9,105.81**crore (March 31, 2017, ₹10,881.83 crore) has been hedged using interest rate swaps and collars, with contracts covering a period of more than one year.

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

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Not later than one year or on demand	19,681.09	19,392.30
Later than one year but not two years	8,853.85	2,415.91
Later than two years but not three years	17,995.05	13,407.73
Later than three years but not four years	12,589.58	12,316.42
Later than four years but not five years	4,412.46	12,126.29
More than five years	34,260.93	29,031.25
	97,792.96	**88,689.90**
Less: Future finance charges	4,088.70	4,306.89
Less: Capitalisation of transaction costs	1,557.21	1,368.52
	92,147.05	**83,014.49**

(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 Group's ability to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach.

24. Other financial liabilities

[Item No. V(a)(iii) and VI(a)(iv), Page 281]

A. Non-current

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(a)	Interest accrued but not due	18.17	12.37
(b)	Creditors for other liabilities	87.66	96.41
		105.83	**108.78**

B. Current

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(a)	Current maturities of long-term borrowings	3,220.66	445.49
(b)	Current maturities of finance lease obligations	252.31	218.63
(c)	Interest accrued but not due	817.35	752.02
(d)	Unclaimed dividends	68.81	62.81
(e)	Creditors for other liabilities	5,432.65	4,836.56
		9,791.78	**6,315.51**

(i) Current maturities of long-term borrowings include ₹**1,950.00** crore (March 31, 2017: Nil) in respect of a Rupee loan for which the Company has given prepayment notice to the lenders on March 15, 2018 and hence these have been classified as current.

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

(a) creditors for capital supplies and services of ₹**3,219.87** crore (March 31, 2017: ₹3,076.96 crore).

(b) liability for employee family benefit scheme ₹**184.39** crore (March 31, 2017: ₹173.35 crore).

25. Provisions

[Item No. V(b) and VI(b), Page 281]

A. Non-current

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(a)	Employee benefits	2,479.01	2,583.23
(b)	Insurance provisions	858.44	882.46
(c)	Others	1,000.79	814.00
		4,338.24	**4,279.69**

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25. Provisions (Contd.)

[Item No. V(b) and VI(b), Page 281]

B. Current

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(a)	Employee benefits	442.33	398.94
(b)	Others	827.31	588.44
		1,269.64	**987.38**

(i) Non current and current provision for employee benefits include provision for leave salaries ₹**1,082.50** crore (March 31, 2017: ₹1,132.17 crore) and provision for early separation and disability ₹**1,763.11** crore (March 31, 2017 : ₹1,789.59 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 availment of leave, separation of employee, etc.

(iii) Insurance provisions relate to Crucible Insurance Company which underwrites marine cargo, public liability and retrospective hearing impairment policies of Tata Steel Europe, a wholly owned indirect subsidiary of the Company. These provisions represent losses incurred but not yet reported in respect of risks retained by the Group rather then passed to third party insurers and include amounts in relation to certain disease insurance claims. Such provisions are subject to regular review and are adjusted as appropriate. The value of final insurance settlements is uncertain and so is the timing of the expenditure.

(iv) Others primarily include:

(a) provision for compensatory afforestation, mine closure and rehabilitation obligations and other environmental remediation obligation ₹**906.92** crore (March 31, 2017: ₹730.87 crore). These amounts become payable upon closure of the mines/sites and are expected to be incurred over a period of 1 to 34 years.

(b) Provision in respect of onerous leases. The outstanding term of these leases ranges between 1 to 16 years.

(v) The details of movement in provision balances is as below:

As at March 31, 2018

(₹ crore)

	Insurance Provisions	Others	Total
Balance at the beginning of the year	882.46	1,402.44	2,284.90
Charged during the year	-	310.98	310.98
Released during the year	(81.41)	-	(81.41)
Addition relating to acquisitions	-	85.37	85.37
Disposal of group undertakings	-	(2.79)	(2.79)
Utilised during the year	(54.95)	(87.89)	(142.84)
Exchange differences on consolidation	112.34	119.99	232.33
Balance at the end of the year	**858.44**	**1,828.10**	**2,686.54**

25. Provisions (Contd.)

[Item No. V(b) and VI(b), Page 281]

As at March 31, 2017

(₹ crore)

	Insurance Provisions	Others	Total
Balance at the beginning of the year	960.51	1,438.47	2,398.98
Charged during the year	126.23	537.03	663.26
Disposal of group undertakings	-	(351.73)	(351.73)
Utilised during the year	(49.87)	(113.51)	(163.38)
Classified as held for sale	-	(9.57)	(9.57)
Exchange differences on consolidation	(154.41)	(98.25)	(252.66)
Balance at the end of the year	**882.46**	**1,402.44**	**2,284.90**

26. Deferred income

[Item No. V(d) and VI(d), Page 281]

A. Non-current

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(a)	Grants relating to property, plant and equipment	1,452.30	1,979.05
(b)	Revenue grants	10.61	19.84
(c)	Others	63.67	58.70
		1,526.58	**2,057.59**

B. Current

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(a)	Grants relating to property, plant and equipment	0.83	0.22
(b)	Others	5.38	22.30
		6.21	**22.52**

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 fulfillment of related export obligations.

During the year, an amount of ₹**528.20** crore (2016-17: ₹351.73 crore) was released from deferred income to the consolidated statement of profit and loss on fulfillment of export obligations.

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27. Other liabilities

[Item No. V(f) and VI(f), Page 281]

A. Non-current

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(a)	Statutory dues	35.47	55.31
(b)	Other credit balances	322.69	171.20
		358.16	**226.51**

B. Current

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(a)	Advances received from customers	583.70	548.42
(b)	Employee recoveries and employer contributions	100.35	65.89
(c)	Statutory dues	6,215.59	3,683.41
(d)	Other credit balances	32.62	17.55
		6,932.26	**4,315.27**

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

28. Trade payables

[Item No. VI(a)(ii), Page 281]

(₹ crore)

		As at March 31, 2018	As at March 31, 2017
(a)	Creditors for supplies and services	16,000.61	14,543.26
(b)	Creditors for accrued wages and salaries	4,413.20	4,031.20
		20,413.81	**18,574.46**

29. Revenue from Operations

[Item No. I, Page 282]

(₹ crore)

		Year ended March 31, 2018	Year ended March 31, 2017
(a)	Sale of products	1,29,924.37	1,15,055.90
(b)	Sale of power and water	1,698.35	1,418.87
(c)	Income from town, medical and other services	118.77	207.80
(d)	Other operating revenue	1,274.88	737.37
		1,33,016.37	**1,17,419.94**

30. Other income

[Item No. II, Page 282]

(₹ crore)

		Year ended March 31, 2018	Year ended March 31, 2017
(a)	Dividend income	82.99	73.03
(b)	Finance income	233.65	184.76
(c)	Net gain/(loss) on sale of non-current investments	-	0.97
(d)	Net gain/(loss) on investments carried at fair value through profit and loss	680.76	316.95
(e)	Gain/(loss) on sale of property plant and equipment including intangible assets (net of loss on assets sold/scrapped/written off)	(49.29)	0.15
(f)	Gain/(loss) on cancellation of forwards, swaps and options	(79.33)	(67.95)
(g)	Other miscellaneous income	40.67	19.56
		909.45	**527.47**

(i) Dividend income includes income from investments carried at fair value through other comprehensive income of ₹**23.39** crore (2016-17: ₹**11.41**crore)

(ii) Finance income includes:

(a) income from financial assets carried at amortised cost of ₹**223.30** crore (2016-17: ₹172.25 crore).

(b) income from financial assets carried at fair value through profit and loss ₹**10.35** crore (2016-17: ₹12.51 crore).

31. Employee benefits expense

[Item No. IV(d), Page 282]

(₹ crore)

		Year ended March 31, 2018	Year ended March 31, 2017
(a)	Salaries and wages	14,310.95	14,011.31
(b)	Contribution to provident and other funds	2,783.51	2,735.44
(c)	Staff welfare expenses	511.73	505.47
		17,606.19	**17,252.22**

(i) During the year, the Company has recognised an amount of ₹**19.04** crore (2016-17: ₹18.13 crore) as remuneration to key managerial personnel. The details of such remuneration is as below:

(₹ crore)

		Year ended March 31, 2018	Year ended March 31, 2017
(a)	Short term employee benefits	19.03	17.13
(b)	Post employment benefits	(0.02)	0.71
(c)	Other long term employee benefits	0.03	0.29
		19.04	**18.13**

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

32. Finance costs

[Item No. IV(e), Page 282]

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense on:		
(a) Bonds, debentures, bank borrowings and others	5,213.56	4,978.26
(b) Finance leases	403.58	378.16
	5,617.14	**5,356.42**
Less: Interest capitalised	115.35	284.22
	5,501.79	**5,072.20**

33. Depreciation and amortisation expense

[Item No. IV(f), Page 282]

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of tangible and amortisation of intangible assets	5,974.56	5,702.56
Less : Reclassified to discontinued operations	-	16.89
Less : Amount released from grants received	12.90	12.79
	5,961.66	**5,672.88**

34. Other expenses

[Item No. IV(g), Page 282]

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
(a) Consumption of stores and spares	8,658.01	7,881.07
(b) Repairs to buildings	101.75	100.95
(c) Repairs to machinery	5,922.87	5,332.98
(d) Relining expenses	151.62	141.00
(e) Fuel oil consumed	544.28	467.12
(f) Purchase of power	4,840.03	4,753.71
(g) Conversion charges	2,692.82	2,343.14
(h) Freight and handling charges	8,101.02	7,268.08
(i) Rent	2,439.43	2,364.10
(j) Royalty	1,657.68	1,188.46
(k) Rates and taxes	1,245.40	1,644.30
(l) Insurance charges	292.59	426.13
(m) Commission, discounts and rebates	258.31	235.01
(n) Allowance for credit loss/provision for advances	101.85	45.95
(o) Excise duty (including recovered on sales)	860.62	5,120.52
(p) Others	4,487.66	5,307.19
	42,355.94	**44,619.71**

(i) Others include foreign exchange loss ₹**1,356.71** crore (2016-17: gain ₹576.57 crore)

(ii) Revenue expenditure charged to the consolidated statement of profit and loss in respect of research and development activities undertaken during the year is ₹**672.28** crore (2016-17: ₹646.24 crore)

35. Exceptional items

[Item No. VII, Page 282]

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 investments in subsidiaries, associates and joint ventures amounting to **Nil** (2016-17: ₹22.70 crore).

(b) Profit on sale of assets **Nil** (2016-17: profit of ₹85.87 crore).

(c) Provision for advances paid for repurchase of equity shares in Tata Teleservices Limited from NTT Docomo Inc. of ₹**26.65** crore (2016-17: ₹125.45 crore) and other provisions of ₹**0.60** crore (2016-17: Nil).

(d) Impairment loss recognised in respect of property, plant and equipment (including capital work-in-progress) and intangible assets ₹**903.01** crore (2016-17: ₹267.93 crore).

Impairment loss recognised relates to the reportable segments as below. The same has however been shown as an exceptional item in the segment report and does not form part of segment result.

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Tata Steel India	-	-
Other Indian Operations	-	1.44
Tata Steel Europe	-	148.37
South East Asian Operations	-	118.12
Rest of the World	903.01	-
	903.01	**267.93**

(e) Provision of ₹**3,213.68** crore (2016-17: ₹218.25 crore) is in respect of certain statutory demands and claims relating to environment and mining matters, net of liability towards district mining fund no longer required written back.

(f) Provision of ₹**107.60** crore (2016-17: ₹207.37 crore) on account of employee separation in relation to the Indian operations

(g) Restructuring and other provisions of ₹**13,850.66** crore represents gain arising on modification of benefit structure for members of the new pension scheme (NBSPS) versus their benefits under Tata Steel Europe's British Steel Pension Scheme (BSPS) offset by settlement charges for those members who did not join the NBSPS and one-off costs (2016-17: loss of ₹3,613.80 crore primarily on account of curtailment charge relating to closure of BSPS to future accrual).

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

36. Discontinued operations

[Item No. XI, Page 282]

On February 9, 2017, Tata Steel UK Limited, a wholly owned indirect subsidiary of the Company announced a definitive sales agreement to dispose off the trade and other assets of its Speciality Steels business. The disposal was completed on May 1, 2017.

On May 31, 2016 the Group had disposed off the trade and other assets of its Long Products business in the UK to Greybull Capital LLP.

The above businesses were classified as discontinued operations till the date of sale during the year ended March 31, 2018 and 2017.

The results of discontinued operations in each of the reporting periods is summarised below:

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	159.15	3,123.77
Other income	-	0.05
	159.15	**3,123.82**
Expenses		
Raw materials consumed	86.03	943.45
Purchases of finished, semi-finished and other products	-	53.33
Changes in inventories of finished and semi-finished goods, work-in-progress and stock-in-trade	(21.66)	-
Employee benefit expense	51.22	981.05
Finance costs	0.09	39.34
Depreciation and amortisation expense	-	16.89
Other expenses	(9.83)	1,860.62
	105.85	**3,894.68**
Profit/(loss) before tax from discontinued operations	**53.30**	**(770.86)**
Tax expenses:	**-**	**8.01**
(a) Current tax	-	10.31
(b) Deferred tax	-	(2.30)
Profit/(loss) after tax from discontinued operations	**53.30**	**(778.87)**
Profit/(loss) on disposal of discontinued operations	5.15	(3,085.32)
Total Profit/(loss) from discontinued operations	**58.45**	**(3,864.19)**

Profit/(loss) from discontinued operations for the year ended March 31, 2018, includes reversal of provision amounting to ₹49.28 crore held in respect of Long Products business in the UK classified as held for sale during the previous years.

During the year ended March 31, 2017, an impairment charge of ₹196.63 crore was recognised being write down to fair value less cost to sale for assets in relation to the Speciality Steels business classified as held for sale.

During the year ended March 31, 2018, discontinued operations resulted in an outflow of **Nil** (March 31, 2017: ₹500.59 crore) to the Group's net operating cash flows, an outflow of **Nil** (March 31, 2017: ₹105.39 crore) in respect of investing activities and an outflow of **Nil** (March 31, 2017: Nil) in respect of financing activities.

37. Earnings per share

[Item No. XVII, XVIII and XIX, Page 283]

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

(₹ crore)

		Year ended March 31, 2018	Year ended March 31, 2017
(a)	Profit/(loss) after tax from continuing operations	13,375.88	(376.61)
	Less: Distribution on hybrid perpetual securities (net of tax)	173.43	174.01
	Profit/(loss) after tax from continuing operations attributable to Ordinary Shareholders - for Basic and Diluted EPS (A)	**13,202.45**	**(550.62)**
	Profit/(loss) after tax from discontinued operations attributable to Ordinary Shareholders - for Basic and Diluted EPS (B)	**58.45**	**(3,864.19)**
	Profit/(loss) after tax from continuing and discontinued operations attributable to Ordinary Shareholders - for Basic and Diluted EPS (A+B)	**13,260.90**	**(4,414.81)**
		Nos.	Nos.
(b)	Weighted average number of Ordinary Shares for Basic EPS	1,03,50,31,235	1,02,93,39,036
	Add: Adjustment for shares held in abeyance	1,55,646	71,573
	Weighted average number of Ordinary Shares and potential ordinary shares for Diluted EPS	1,03,51,86,881	1,02,94,10,609
(c)	Nominal value of Ordinary Shares (₹)	10.00	10.00
(d)	Basic Earnings per Ordinary Share (₹) - continuing operations	127.56	(5.35)
	Diluted Earnings per Ordinary Share (₹) - continuing operations	127.54	(5.35)
	Basic Earnings per Ordinary Share (₹) - discontinued operations	0.56	(37.54)
	Diluted Earnings per Ordinary Share (₹) - discontinued operations	0.56	(37.54)
	Basic Earnings per Ordinary Share (₹) - continuing and discontinued operations	128.12	(42.89)
	Diluted Earnings per Ordinary Share (₹) - continuing and discontinued operations	128.10	(42.89)

(i) Basic and diluted earnings per share for the year ended March 31, 2017, has been adjusted retrospectively for the bonus element in respect of rights issue made during the year ended March 31, 2018.

(ii) As at March 31, 2018, **28,69,886** options (2016-17: Nil) were excluded from the computation of weighted average number of ordinary shares for diluted earnings per share as these were anti-dilutive.

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

38. 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 employee's and the Company/Indian Subsidiaries 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/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 defined benefit 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 ₹1,00,000, 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 defined contribution plans amounted to ₹**1,185.05** crore (2016-17: ₹803.22 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 profit or 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:

	Year ended March 31, 2018	Year ended March 31, 2017
Discount rate	7.50%	7.00%
Guaranteed rate of return	8.55%	8.65%
Expected rate of return on investment	8.55% - 8.75%	8.75% - 8.76%

(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.

38. 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 an 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 covering the majority of its employees. 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 principal defined benefit pension scheme of Tata Steel Europe as at March 31, 2017 was the BSPS, which is the main scheme for historic and present employees based in the UK. The main scheme for historic and present employees in the Netherlands is the SPH which, from July 7, 2015, switched from being classified as a defined benefit scheme to a defined contribution scheme.

In September 2017, the UK Pensions Regular (tPR) had approved a Regulated Apportionment Arrangement(RAA) in respect of the British Steel Pension Scheme (BSPS) which separated the scheme from Tata Steel UK (TSUK), a wholly owned indirect subsidiary of Tata Steel Europe, and a number of affiliated companies. This was accompanied by a one-time settlement payment as well as transfer of a 33% minority stake in TSUK to the BSPS trustees. All BSPS members were subsequently given the choice to switch to a new pension scheme ('NBSPS') with modified benefits, or remain in the BSPS. 69% of the BSPS membership opted to transfer to the NBSPS and based on the consequent allocation of liabilities, in accordance with the agreements reached with the Pension Protection Fund (PPF) and the trustees of pension schemes, assets of the legacy scheme were split, with the NBSPS being created on March 28, 2018.

(e) Other defined benefits

Other benefits provided under unfunded schemes include pension payable to directors 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 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 return on 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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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

38. 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, 2018	Year ended March 31, 2017
Change in defined benefit obligations:		
Obligation at the beginning of the year	2,981.18	2,824.78
Addition relating to acquisitions	0.31	-
Current service cost	144.26	131.24
Interest cost	198.80	205.11
Benefits paid	(282.60)	(336.57)
Remeasurement (gain)/loss	(163.03)	156.62
Adjustment for arrear wage settlement	87.55	-
Obligation at the end of the year	**2,966.47**	**2,981.18**

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Change in plan assets:		
Fair value of plan assets at the beginning of the year	2,745.34	2,646.07
Addition related to acquisitions	0.27	-
Interest income	190.40	198.90
Remeasurement gain/(loss) excluding amount included in employee benefits expense	8.21	56.93
Employers' contribution	236.72	179.87
Benefits paid	(282.60)	(336.43)
Fair value of plan assets at the end of the year	**2,898.34**	**2,745.34**

Amounts recognised in the consolidated balance sheet consist of:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Fair value of plan assets	2,898.34	2,745.34
Present value of obligations	2,966.47	2,981.18
	(68.13)	**(235.84)**
Recognised as:		
Retirement benefit assets - Non-current	0.35	0.50
Retirement benefit assets - Current	2.91	-
Retirement benefit obligation - Non-current	(67.70)	(233.05)
Retirement benefit obligation - Current	(3.69)	(3.29)
	(68.13)	**(235.84)**

38. Employee benefits (Contd.)

Expense recognised in the consolidated statement of profit and loss consist of:

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Employee benefits expense:		
Current service costs	144.26	131.24
Net interest expense	8.40	6.21
	152.66	**137.45**
Other comprehensive income:		
Return on plan assets excluding amount included in employee benefits expense	(8.21)	(56.93)
Actuarial (gain)/loss arising from changes in demographic assumption	(37.89)	-
Actuarial (gain)/loss arising from changes in financial assumption	(100.93)	160.54
Actuarial (gain)/loss arising from changes in experience adjustments	(24.21)	(3.92)
	(171.24)	**99.69**
Expense/(gain) recognised in the consolidated statement of profit and loss	**(18.58)**	**237.14**

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

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Asset category (%)		
Quoted		
Equity instruments	0.01	0.21
Debt instruments	20.89	29.53
	20.90	**29.74**
Unquoted		
Debt instruments	1.02	0.42
Insurance products	68.69	69.32
Others	9.39	0.52
	79.10	**70.26**
	100.00	**100.00**

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 criterias 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.

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

(%)

	As at March 31, 2018	As at March 31, 2017
(a) Discount rate (per annum)	7.50 - 8.00%	7.00 - 7.50%
(b) Rate of escalation in salary (per annum)	4.00 - 10.00%	5.00 - 10.00%

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

38. Employee benefits (Contd.)

(iv) Weighted average duration of the retiring gratuity obligation ranges between **6 to 23** years (March 31, 2017: 6 to 22 years).

(v) The Group expects to contribute ₹**69.09** crore to the plan during the financial year 2018-19.

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

As at March 31, 2018

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹191.44 crore, increase by ₹216.40 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹ 214.20 crore, decrease by ₹190.33 crore

As at March 31, 2017

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹210.17 crore, increase by ₹245.32 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹ 239.40 crore, decrease by ₹210.16 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.

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Change in defined benefit obligations:		
Obligation at the beginning of the year	1,21,946.21	1,21,336.52
Current service cost	128.76	834.31
Costs relating to scheme change	180.26	-
Interest cost	3,021.56	3,583.16
Past service cost	(15,708.68)	3,627.07
Remeasurement (gain)/loss	1.76	18,662.81
Employees contribution	-	105.39
Employers contribution	(8.58)	-
Curtailments	-	895.79
Settlements	(14,240.82)	-
Benefits paid	(23,588.78)	(6,832.59)
Obligations of companies disposed off	-	(878.23)
Exchange differences on consolidation	13,102.79	(19,388.02)
Obligation at the end of the year	**84,834.48**	**1,21,946.21**

38. Employee benefits (Contd.)

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Change in plan assets:		
Fair value of plan assets at beginning of the year	1,22,611.14	1,31,204.14
Interest income	3,098.82	3,890.54
Remeasurement gain/(loss)	(1,733.96)	14,560.97
Employers contribution	4,910.04	526.94
Employees contribution	-	105.39
Settlements	(15,597.09)	-
Benefits paid	(23,563.03)	(6,797.46)
Assets of companies disposed off	-	(562.06)
Exchange differences on consolidation	14,522.09	(20,317.32)
Fair value of plan assets at end of the year	**1,04,248.01**	**1,22,611.14**

Amounts recognised in the consolidated balance sheet consist of:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Fair value of plan assets	1,04,248.01	1,22,611.14
Present value of obligations	84,834.48	1,21,946.21
	19,413.53	**664.93**
Recognised as:		
Retirement benefit assets - Non-current	20,570.52	1,752.14
Retirement benefit obligation - Current	(9.41)	(27.07)
Retirement benefit obligation - Non-current	(1,147.58)	(1,060.14)
	19,413.53	**664.93**

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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

38. Employee benefits (Contd.)

Expense recognised in the consolidated statement of profit and loss consist of:

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Employee benefits expense:		
Current service costs	128.76	834.31
Past service costs	(17.17)	3,627.07
Net interest expense/(income)	(77.26)	(307.38)
Curtailments	-	895.79
Exceptional item:		
Past service costs	(15,691.51)	-
Settlements	1,356.27	-
Costs relating to scheme changes	180.26	-
	(14,120.65)	**5,049.79**
Other comprehensive income:		
Return on plan assets excluding amount included in employee benefits expense	1,733.96	(14,560.97)
Actuarial (gain)/loss arising from changes in demographic assumptions	-	(702.58)
Actuarial (gain)/loss arising from changes in financial assumption	(4,068.81)	20,199.17
Actuarial (gain)/loss arising from changes in experience adjustments	4,070.57	(833.78)
	1,735.72	**4,101.84**
Expense/(gain) recognised in the consolidated statement of profit and loss	**(12,384.93)**	**9,151.63**

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

(%)

	As at March 31, 2018	As at March 31, 2017
Assets category (%)		
Quoted		
(a) Equity - UK Entities	0.69	0. 79
(b) Equity - Non-UK Entities	7.64	8.79
(c) Bonds - Fixed rate	45.55	39.71
(d) Bonds - Indexed linked	31.74	42.20
(e) Others	0.21	0.23
	85.83	**91.72**
Unquoted		
(a) Property	11.46	8.49
(b) Others	2.71	(0.21)
	14.17	**8.28**
	100.00	**100.00**

38. Employee benefits (Contd.)

(iii) Key assumptions used in the measurement of pension benefits is as below:

		As at March 31, 2018	As at March 31, 2017
(a)	Discount rate	1.37-4.10%	0.5-4.1%
(b)	Rate of escalation in salary	0.0-2.0%	1.0-3.0%
(c)	Inflation rate	1.0-3.1%	1.0-2.0%

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 NBSPS the liability calculations as at 31 March 2018 use the Self-Administered Pension Schemes 2 (SAPS 2) base tables, S2NMA/S2DFA with the 2015 CMI projections with a 1.50% (2016-17: 1.50%) pa long term trend applied from 2007 to 2016 (adjusted by a multiplier of 1.15 (2016-17: 1.15) for males and 1.21 (2016-17: 1.21) for females). In addition, future mortality improvements are allowed for in line with the 2016 CMI Projections with a long term improvement trend of 1% per annum. This indicates that today's 65 year old male member is expected to live on average to approximately 86.2 years (2016-17: 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 (2016-17: 87 years) of age.

(iv) Weighted average duration of the pension obligations is **14.5** years (March 31, 2017: 16 years).

(v) The Group expects to contribute **Nil** to the plan during the financial year 2018-19.

(vi) The table below outlines the effect on pension obligations in the event of a decrease/ increase of 10 bps in the assumptions used.

As at March 31, 2018

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 expentancy	Increase by 5.1%, decrease by 5.1%

As at March 31, 2017

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 10 bps, decrease by 10 bps	Decrease by 1.5%, increase by 1.5%
Rate of escalation in salary	Increase by 10 bps, decrease by 10 bps	Increase by 0.3%, decrease by 0.3%
Inflation rate	Increase by 10 bps, decrease by 10 bps	Increase by 1.2%, decrease by 1.2%
Mortality rate	One year increase/decrease in life expentancy	Increase by 5.1%, decrease by 5.1%

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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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

38. Employee benefits (Contd.)

(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.

(₹ crore)

	As at March 31, 2018		As at March 31, 2017	
	Medical	Others	Medical	Others
Change in defined benefit obligations:				
Obligations at the beginning of the year	1,256.63	181.29	1,097.49	154.42
Current service costs	22.01	13.04	19.89	11.83
Interest costs	85.62	10.40	82.41	9.04
Remeasurement (gain)/loss:				
(i) Actuarial (gain)/loss arising from changes in demographic assumptions	(20.53)	(1.46)	(0.02)	-
(ii) Actuarial (gain)/loss arising from changes in financial assumptions	(55.95)	(6.77)	128.33	8.98
(iii) Actuarial (gain)/loss arising from changes in experience adjustments	15.59	(6.18)	(10.23)	5.95
Exchange differences on consolidation	-	5.26	-	(0.20)
Benefits paid	(63.45)	(12.35)	(61.50)	(14.49)
Past service costs	-	(24.61)	0.26	5.76
Obligations at the end of the year	**1,239.92**	**158.62**	**1,256.63**	**181.29**

Amounts recognised in the consolidated balance sheet consist of:

(₹ crore)

	As at March 31, 2018		As at March 31, 2017	
	Medical	Others	Medical	Others
Present value of obligations	1,239.92	158.62	1,256.63	181.29
Recognised as:				
(a) Retirement benefit obligation - Current	89.53	7.73	54.80	10.04
(b) Retirement benefit obligation - Non-current	1,150.39	150.89	1,201.83	171.25

Expense recognised in the consolidated statement of profit and loss consist of:

(₹ crore)

	As at March 31, 2018		As at March 31, 2017	
	Medical	Others	Medical	Others
Employee benefits expense:				
Current service costs	22.01	13.04	19.89	11.83
Past service costs	-	(24.61)	0.26	5.76
Interest costs	85.62	10.40	82.41	9.04
	107.63	**(1.17)**	**102.56**	**26.63**
Other comprehensive income:				
Actuarial (gain)/loss arising from changes in demographic assumption	(20.53)	(1.46)	(0.02)	-
Actuarial (gain)/loss arising from changes in financial assumption	(55.95)	(6.77)	128.33	8.98
Actuarial (gain)/loss arising from changes in experience adjustments	15.59	(6.18)	(10.23)	5.95
	(60.89)	**(14.41)**	**118.08**	**14.93**
Expense/(gain) recognised in the consolidated statement of profit and loss	**46.74**	**(15.58)**	**220.64**	**41.56**

38. Employee benefits (Contd.)

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

		As at March 31, 2018		As at March 2017	
		Medical	Others	Medical	Others
(a)	Discount rate	7.50%	0.51-7.50%	7.00-7.50%	0.51-7.75%
(b)	Rate of escalation in salary	N.A.	4.00-15.00%	N.A.	4.95-15.00%
(c)	Inflation rate	5.00-8.00%	4.00-7.00%	6.00-8.00%	4.00-8.00%

(iii) Weighted average duration of post-retirement medical benefit obligations ranges between **7-10** years (March 31, 2017: 4-10 years).

Weighted average duration of other defined benefit obligations ranges between **6-33** years (March 31, 2017: 6-32 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, 2018

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹155.67 crore, increase by ₹195.50 crore
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹183.59 crore, decrease by ₹147.90 crore

As at March 31, 2017

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹166.77 crore, increase by ₹213.97 crore
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹203.91 crore, decrease by ₹162.92 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, 2018

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹15.15 crore, increase by ₹18.02 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹10.31 crore, decrease by ₹8.95 crore
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹5.80 crore, decrease by ₹5.15 crore

As at March 31, 2017

Assumption	Change in assumption	Impact on obligation
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹13.27 crore, increase by ₹14.18 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹14.29 crore, decrease by ₹12.42 crore
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹11.62 crore, decrease by ₹9.96 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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FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

39. 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.

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 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 expense, 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, 2018, there are matters and/or disputes pending in appeal amounting to ₹**1,504.72** crore (March 31, 2017: ₹1,442.26 crore) which includes ₹**9.96** crore (March 31, 2017: ₹7.02 crore) in respect of equity accounted investees.

The details of significant demands is as below:

Interest expenditure on loans taken by the Company for acquisition of a subsidiary has been disallowed in assessments with tax demand raised for ₹**1,250.16** crore (inclusive of interest) (March 31, 2017: ₹1,217.79 crore). The Company has deposited ₹**665.00** crore (March 31, 2017: ₹515.00 crore) as part payment as a precondition to obtain stay of demand. The Company expects to sustain its position on ultimate resolution of the appeals.

Customs, Excise Duty and Service Tax

As at March 31, 2018, there were pending litigation for various matters relating to customs, excise duty and service taxes involving demands of ₹**1,021.16** crore (March 31, 2017: ₹804.84 crore), which includes ₹**44.96** crore (March 31, 2017: ₹43.35 crore) in respect of equity accounted investees.

The details of significant demands is as below:

The Company has a Chrome ore beneficiation plant at Sukinda which was 100% EOU engaged in the manufacture and export of Chrome concentrates. During the period from Aug 2011 to Jun 2016, chrome concentrates were cleared to some customers in Domestic tariff area on payment of appropriate Excise duty leviable on such goods after availing the benefit of exemption under notification No.23/2003-CE dated 31.03.2003. However, the Excise department has raised the demand for alleged short payment of duty on the ground that exemption notification mentioned above is not applicable to the company and hence custom duty is payable instead of Excise duty. The amount involved comprising of demand and penalty is ₹121 crore (March 31, 2017: Nil). An appeal is being filed against the order before CESTAT, Kolkata.

Sales Tax /VAT

The total sales tax demands that are being contested by the Group amounted to ₹**667.40** crore (March 31, 2017: ₹438.06 crore), which includes ₹**27.74** crore (March 31, 2017: ₹28.10 crore) in respect of equity accounted investees.

The details of significant demands is as below:

The Company transfers its goods manufactured at Jamshedpur works plant to various depots/branches located across the country without payment of Central Sales tax as per the provisions of the Act and submits F-Form in lieu of the stock-transfers made during a particular period. These goods are then sold to various customers outside the states from these depots/branches and the value of these sales are disclosed in the periodical returns filed as per the Jharkhand Vat Act 2005. The Commercial Tax Department has raised the 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 during sales tax assessments. The amount involved under various assessment years from 2011-12 to 2014-15 is ₹ 312 crore out of which ₹ 125 crore (March 31, 2017: Nil) has been considered as contingent liability.

Other taxes, dues and claims

Other amounts for which the Group may contingently be liable aggregate to ₹**10,782.16** crore (March 31, 2017: ₹9,424.36 crore), which includes ₹**77.10** crore (March 31, 2017: ₹71.77 crore) in respect of equity accounted investees.

39. Contingencies and commitments (Contd.)

The details of significant demands is as below:

(a) Claim by a party arising out of conversion arrangement- ₹**195.79** crore (March 31, 2017: ₹195.82 crore). The Company has not acknowledged this claim and has instead filed a claim of ₹**141.23** crore (March 31, 2017: ₹139.65 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 High Court of Orissa challenging the validity of the Act. Orissa High Court held in December 2005 that 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 Orissa High Court and the case is pending in Supreme Court. The potential liability, as at March 31, 2018 would be approximately ₹**6,521.05** crore (March 31, 2017: ₹5,880.83 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 by the Ministry of Mines, Government of India and the price published by India Bureau of Mines (IBM) on a monthly basis.

A demand of ₹411.08 crore has been raised by Deputy Director of Mines, Joda, claiming royalty at sized ore rates on despatches of ore fines. The Company has filed a revision petition on November 14, 2013 before the Mines Tribunal, Government of India, Ministry of Mines, New Delhi, challenging the legality and validity of the demand raised and also to grant refund of royalty paid in excess by the Company. Mines tribunal vide its order dated November 13, 2014 has stayed the demand of royalty on iron ore for Joda east of ₹314.28 crore upto the period ending March 31, 2014. For the demand of ₹96.80 crore for April, 2014 to September, 2014, a separate revision application was filed before Mines Tribunal. The matter was heard by Mines Tribunal on July 14, 2015 and stay was granted on the total demand with directive to Government of Odisha not to take any coercive action for realisation of this demanded amount. Likely demand of royalty on fines at sized ore rates as on March 31, 2018: ₹**1,036.53** crore (March 31, 2017: ₹847.96 crore).

(d) Demand notices were originally issued by the Deputy Director of Mines, Odisha amounting to ₹3,828 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 (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 subsequently pronounced its judgment 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 Judgment of Hon'ble Supreme Court, demand/show cause notices amounting to ₹3,873.35 crore have been issued 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 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 for production in excess of environment clearance to the District Mining Office, Jharkhand.
- the Company has challenged the demands amounting to ₹132.91 crore 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. Demand amount of ₹132.91 crore has been considered as 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 for production in violation of mining plan, Environment Protection Act, 1986 and Water (Prevention & Control of Pollution) Act, 1981. There has been a demand amounting to ₹234.74 crore from the Deputy Director of Mines, Odisha for production in excess of the Environmental Clearance in April 2018 against which suitable legal remedy is being explored. Demand of ₹234.74 crore has been provided and ₹694.02 crore has been disclosed as contingent liability.
- the Company based on its internal assessment has provided an amount of ₹1,412.89 crore against demand notices amounting to ₹2,140.30 crore received from the

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39. Contingencies and commitments (Contd.)

District Mining Office, Jharkhand for production in excess of environment clearance and the balance amount of ₹727.41 crore has been considered as contingent liability. The Company has however been granted a stay by the Revisional Authority, Ministry of Coal, Government of India against such demand notices.

B. Commitments

(a) The Group 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 ₹**8,001.50** crore, which includes ₹**4.83** crore in respect of equity accounted investees as at March, 2017 (₹6,748.77 crore, which includes ₹35.90 crore in respect of equity accounted investees as at March 31, 2017).

Other commitments amounts to ₹**0.01** crore which includes **Nil** in respect of equity accounted investees as at March 31, 2018 (₹0.01 crore which includes Nil in respect of equity accounted investees as at March 31, 2017).

(b) The Company has given undertakings to: (a) IDBI not to dispose of its investment in Wellman Incandescent India Ltd., (b) IDBI and ICICI Bank Ltd. (formerly ICICI) not to dispose of its investment in Standard Chrome Ltd., (c) Mizuho Corporate Bank Limited and Japan Bank for International Co-operation, not to dispose of its investments in Tata NYK Shipping Pte Limited, (to retain minimal stake required to be able to provide a corporate guarantee towards long-term debt), (d) ICICI Bank Limited to directly or indirectly continue to hold atleast 51% shareholding in Jamshedpur Continuous Annealing and Processing Company Private Limited.

(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 Limited (TBSL), 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 TBSL below 50%.

(d) The Company, as a promoter, has pledged 4,41,55,800 equity shares of Industrial Energy Limited with Infrastructure Development Finance Corporation Limited.

(e) The Company along with TS Alloys Limited (Promoters) has given an undertaking to Power Finance Corporation Limited (PFC) and Rural Electrification Corporation Limited (REC) (Lenders) not to dispose off/transfer their equity holding 51% of total equity in Bhubaneswar Power Private Limited (BPPL) till the repayment of entire loan by BPPL to the lenders without prior written approval of the lenders. The Company along with TS Alloys Limited has pledged 60% of their equity contribution in BPPL to PFC, PFC being the security agent.

(f) T S Global Minerals Holdings Pte Ltd. (formerly known as Tata Steel Global Minerals Holdings Pte Ltd.), an indirect subsidiary and Riversdale Mining Pty Limited (formerly Riversdale Mining Limited) have executed a deed of cross charge in favour of each other to secure the performance of obligation under Joint Venture agreement and funding requirements of the Joint Venture Minas De Benga (Mauritius) Limited (formerly Rio Tinto Benga (Mauritius) Limited) upto a maximum amount of US$ 100 million on the shares of Minas De Benga (Mauritius) Limited and all of its present and future benefits and rights under the joint venture agreement.

(g) The Group has given guarantees aggregating ₹**205.73** crore (March 31, 2017: ₹223.78 crore) details of which are as below:

(i) in favour of Timken India Limited for ₹**1.07** crore (March 31, 2017: ₹1.07 crore) on behalf of Timken India Limited to Commissioner of Customs in respect of goods imported.

(ii) in favour of Mizuho Corporate Bank Ltd., Japan for ₹**27.33** crore (March 31, 2017: ₹45.38 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, 2017: ₹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 President of India for ₹**0.15** crore (March 31, 2017: ₹0.15 crore) against advance license.

40. Other significant litigations

(a) Odisha legislative assembly issued an amendment to Indian Stamp Act 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. As a result 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

40. Other significant litigations (Contd.)

the various mines at Odisha totalling to ₹5,579 crore (March 31, 2017: ₹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 courts.

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, 2018 as per the existing provisions of the Stamp Act 1899 and the Company has since paid the stamp duty and registration charges totalling ₹413.72 crore (March 31, 2017: ₹413.72 crore) for supplementary deed execution in respect of eight mines out of the above mines.

(b) Noamundi Iron Mine of TSL 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 judgment 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 ₹3568.00 crore being the price of iron ore extracted. The said demand has been challenged by the Company before the Jharkhand Hight Court.

The mining operations were suspended from August 01, 2014. Therefore, upon issuance of express order, Company paid ₹152.00 crore under protest, so that mining can be resumed.

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

- value of Iron ore produced by alleged unlawful mining during the period January 1, 2012 to April 20, 2014 for ₹2,994.49 crore to be decided on the basis of disposal of our writ petition before Hon'ble High Court of Jharkhand.
- value of iron ore produced from April 21, 2014 to July 17, 2014 amounting to ₹421.83 crore to be paid in maximum 3 installments.
- 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 has issued demand notice for payment of ₹421.83 crore, payable in three monthly installments. The Company replied on March 20, 2015, 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.

Another writ petition has been filed before Hon'ble High Court of Jharkhand and heard on September 9, 2015. An interim order has been given by Hon'ble High Court of Jharkhand on September 18, 2015 wherein court has directed the company to discharge the liability of one of the demands raised by the State and pay the amount of ₹371.83 crore in 3 equal installments, first installment by October 15, 2015, second installment by November 15, 2015 and third installment by December 15, 2015.

In view of the interim order of Hon'ble High Court of Jharkhand ₹124 crore was paid on September 28, 2015, ₹124.00 crore was paid on November 12, 2015 and ₹123.83 crore on December 14, 2015 under protest.

The case is pending at 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. On a correct application of Goa judgment read with the amendment in the year 2015, the company expects that it is remote that the claim of the State will sustain and consequently, the demands raised by the State would be quashed by the courts.

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41. Acquisition of subsidiaries

On February 1, 2018, the Company acquired the remaining 74% stake in its joint venture Bhubaneshwar Power Private Limited from JL Power ventures.

Fair value of identifiable assets acquired and liabilities assumed as on the date of acquisition on a provisional basis is as below:

(₹ crore)

	Fair value as at February 1, 2018
Non-current assets	
Property,plant and equipment	907.45
Capital work-in-progress	0.89
Other Intangible assets	90.22
Income tax assets	1.47
Other assets	21.01
	1,021.04
Current assets	
Inventories	15.37
Trade receivables	19.86
Cash and bank balances	18.19
Financial assets	0.36
Other assets	10.48
	64.26
Total assets	**1,085.30**
Non-current liabilities	
Long term borrowings	618.24
Long term provisions	0.31
Deferred tax liabilities	36.09
	654.64
Current liabilities	
Short term borrowings	43.58
Trade payables	25.74
Financial liabilities	84.73
Short term provisions	0.04
Retirement benefit obligations	0.04
Other liabilities	74.37
	228.50
Total liabilities	**883.14**
Net assets (A)	**202.16**

(₹ crore)

Consideration paid	255.00
Fair value of previously held equity interest	89.59
Consideration paid including fair value of previously held equity interest (B)	**344.59**
Goodwill (B-A)	**142.43**

41. Acquisition of subsidiaries (Contd.)

The Group recognised a fair value gain of ₹**46.30** crore during the year ended March 31, 2018 on remeasurement of its previously held equity interest in Bhubaneshwar Power Private Limited as on the date of acquisition.

From the date of acquisition, Bhubaneshwar Power Private Limited contributed ₹**74.20** crore to revenue from operations and a loss of ₹**6.29** crore to profit before taxation (Pre-consolidation adjustments).

42. Disposal of subsidiaries

Tata Steel UK Limited a wholly owned indirect subsidiary of the Company disposed off the trade and other assets of Speciality Steels Limited to Liberty Steels Limited on May 1, 2017. A profit of ₹**5.15** crore was recognised on disposal being the difference between the fair value of consideration received and the carrying values of the net assets disposed off.

The Group also completed the sale of Saw Pipe Mills in Hartepool to Liberty House Group at a loss of ₹**27.05** crore during the year ended March 31, 2018.

During the year ended March 31, 2017 the Group completed the sale of its Long products business in the UK to Greybull Capital LLP and of its subsidiary Kalzip (Guangzhou) Limited to Shangai Qinheng International Trade Co. Ltd.

(i) Details of net assets disposed off and profit/(loss) on disposal is as below:

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Non-current assets		
Property,plant and equipment	13.72	608.17
Other Intangible assets	-	3.56
Deferred tax Assets	-	20.82
	13.72	**632.55**
Current assets		
Inventories	849.62	1,421.22
Trade receivables	218.77	1,887.12
Cash and bank balances	3.73	30.99
	1,072.12	**3,339.33**
Non-current liabilities		
Long term borrowings	9.43	193.07
Long term provisions	10.64	49.43
Financial liabilities	0.02	-
Retirement benefit obligations	-	318.38
	20.09	**560.88**
Current liabilities		
Short term borrowings	2.40	18.07
Trade payables	382.12	1,973.29
Short term provisions	9.42	314.52
Current tax liabilities	-	7.81
	393.94	**2,313.69**
Carrying value of net assets disposed off	**671.81**	**1,097.31**

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42. Disposal of subsidiaries (Contd.)

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Sale consideration	475.99	(1,169.18)
Carrying value of net assets disposed off	(671.81)	(1,097.31)
	(195.82)	(2,266.49)
Adjustments in respect of:		
Exchange differences recycled to consolidated statement of profit and loss	-	42.01
Transaction costs	(18.27)	48.87
Pension curtailments	-	(887.01)
Impairment adjustments in relation to assets disposed	192.19	-
Profit/(Loss) on disposal	**(21.90)**	**(3,062.62)**

(ii) Details of net cash flow arising on disposal is as below:

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Consideration received/(paid) in cash and cash equivalents	475.99	(1,169.18)
Consideration received in the form of preference shares	(55.02)	-
Deferred consideration	(386.75)	87.82
Less: Cash and cash equivalents disposed off	-	30.99
Net cash flow arising on disposal	**34.22**	**(1,112.35)**

43. 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.

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Equity share capital	1,144.95	970.24
Hybrid perpetual securities	2,275.00	2,275.00
Other equity	57,450.67	34,574.08
Equity attributable to shareholders of the Company	**60,870.62**	**37,819.32**
Non controlling interests	936.52	1,601.70
Total Equity (A)	**61,807.14**	**39,421.02**
Non-current borrowings	72,789.10	64,022.27
Current borrowings	15,884.98	18,328.10
Current maturities of non-current borrowings and finance lease obligations	3,472.97	664.12
Gross Debt (B)	**92,147.05**	**83,014.49**
Total Capital (A+B)	**1,53,954.19**	**1,22,435.51**
Gross Debt as above	92,147.05	83,014.49
Less: Current investments	14,908.97	5,673.13
Less: Cash and cash equivalents	7,783.50	4,832.29
Less: Other balances with bank (including non-current and earmarked balances)	239.37	142.30
Net Debt (C)	**69,215.21**	**72,366.77**
Net debt to equity[(i)]	**1.37**	**1.72**

(i) Net debt to equity ratio as at March 31, 2018 and March 31, 2017 has been computed based on average equity.

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44. 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 294 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, 2018 and March 31, 2017.

As at March 31, 2018 (₹ crore)

	Amortised cost	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through statement of profit and loss	Total carrying value	Total fair value
Financial assets:							
Cash and bank balances	8,022.87	-	-	-	-	8,022.87	8,022.87
Trade receivables	12,415.52	-	-	-	-	12,415.52	12,415.52
Investments	0.22	876.65	-	-	15,241.38	16,118.25	16,118.25
Derivatives	-	-	87.89	92.22	-	180.11	180.11
Loans	973.82	-	-	-	-	973.82	973.82
Other financial assets	602.60	-	-	-	-	602.60	602.60
	22,015.03	**876.65**	**87.89**	**92.22**	**15,241.38**	**38,313.17**	**38,313.17**
Financial liabilities:							
Trade and other payables	20,413.81	-	-	-	-	20,413.81	20,413.81
Borrowings	92,147.05	-	-	-	-	92,147.05	92,019.74
Derivatives	-	-	350.37	203.46	-	553.83	553.83
Other financial liabilities	6,424.64	-	-	-	-	6,424.64	6,424.64
	1,18,985.50	**-**	**350.37**	**203.46**	**-**	**1,19,539.33**	**1,19,412.02**

44. Disclosures on financial instruments (Contd.)

As at March 31, 2017 (₹ crore)

	Amortised cost	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through statement of profit and loss	Total carrying value	Total fair value
Financial assets:							
Cash and bank balances	4,974.59	-	-	-	-	4,974.59	4,974.59
Trade receivables	11,586.82	-	-	-	-	11,586.82	11,586.82
Investments	0.19	4,858.56	-	-	6,004.43	10,863.18	10,863.18
Derivatives	-	-	90.42	96.79	-	187.21	187.21
Loans	597.56					597.56	597.56
Other financial assets	419.86	-	-	-	-	419.86	419.86
	17,579.02	**4,858.56**	**90.42**	**96.79**	**6,004.43**	**28,629.22**	**28,629.22**
Financial liabilities:							
Trade and other payables	18,574.46	-	-	-	-	18,574.46	18,574.46
Borrowings	83,014.49	-	-	-	-	83,014.49	84,870.68
Derivatives	-	-	221.47	632.18	-	853.65	853.65
Other financial liabilities	5,760.17	-	-	-	-	5,760.17	5,760.17
	1,07,349.12	**-**	**221.47**	**632.18**	**-**	**1,08,202.77**	**1,10,058.96**

(i) Investment in mutual funds and derivative instruments (other than those designated in a hedging relationship) are mandatorily classified as fair value through the statement of 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 category 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 category includes investment in unquoted equity shares.

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44. Disclosures on financial instruments (Contd.)

(₹ crore)

	As at March 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in mutual funds	14,979.89	-	-	14,979.89
Investments in equity shares	662.37	-	334.73	997.10
Investments in bonds and debentures	91.30	49.74	-	141.04
Derivative financial assets	-	180.11	-	180.11
	15,733.56	**229.85**	**334.73**	**16,298.14**
Financial liabilities:				
Derivative financial liabilities	-	553.83	-	553.83
	-	**553.83**	**-**	**553.83**

(₹ crore)

	As at March 31, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in mutual funds	5,673.13	-	-	5,673.13
Investments in equity shares	4,490.38	-	405.02	4,895.40
Investments in bonds and debentures	244.72	49.74	-	294.46
Derivative financial assets	-	187.21	-	187.21
	10,408.23	**236.95**	**405.02**	**11,050.20**
Financial liabilities:				
Derivative financial liabilities	-	853.65	-	853.65
	-	**853.65**	**-**	**853.65**

Notes:

(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. The investments included in the level 3 of the fair value hierarchy have been valued using the cost approach to arrive at their fair value. Cost of unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

(iv) Fair value of borrowings which have a quoted market price in an active market is based on its market price which is categorised as 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.

(v) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the 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.

(vi) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2018 and March 31, 2017.

44. Disclosures on financial instruments (Contd.)

(vii) Reconciliation of level 3 fair value measurement is as below:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
Balance at the beginning of the year	405.02	406.02
Addition during the year	-	27.89
Fair value changes during the year	(72.68)	(28.65)
Exchange differences on consolidation	2.39	(0.24)
Balance at the end of the year	**334.73**	**405.02**

(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 used to hedge future transactions and cash flows and are subject to hedge accounting under Ind AS 109 "Financial Instruments" to the extent 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, 2018		As at March 31, 2017	
	Assets	Liabilities	Assets	Liabilities
(i) Foreign currency forwards, futures and options	133.23	532.38	165.07	823.57
(ii) Commodity futures and options	32.42	18.92	0.66	11.46
(iii) Interest rate swaps and collars	14.46	2.53	21.48	18.62
	180.11	**553.83**	**187.21**	**853.65**
Classified as :				
Non-current	29.16	85.04	83.17	179.98
Current	150.95	468.79	104.04	673.67

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, 2018	As at March 31, 2017
(i) Foreign currency forwards, futures and options	7,072.23	7,282.80
(ii) Commodity futures and options	150.07	122.39
(iii) Interest rate swaps and collars	1,764.39	1,872.57
	8,986.69	**9,277.76**

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44. 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 arrangement 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:

(₹ crore)

	As at March 31, 2018		As at March 31, 2017	
	Carrying value of assets transferred	Carrying value of associated liabilities	Carrying value of assets transferred	Carrying value of associated liabilities
Trade receivables	**583.18**	**583.18**	**691.42**	**691.42**

(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. 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, commodity prices and interest rate fluctuations on the entity'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, 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 and other derivative instruments primarily to hedge foreign exchange rate exposure. Any weakening of the functional currency may impact the Group's 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 an decrease/increase in the Group's net profit and equity before considering tax impacts by approximately ₹**680.05** crore for the year ended March 31, 2018, (₹885.74 crore for the year ended March 31, 2017) and increase/decrease in carrying value of property, plant and equipment (before considering depreciation impact) by approximately ₹**148.81** crore as at March 31, 2018 (March 31, 2017: ₹185.49 crore).

44. Disclosures on financial instruments (Contd.)

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 .

The sensitivity analysis has been based on the composition of the Group's financial assets and liabilities as at March 31, 2018 and March 31, 2017 excluding trade payables, trade receivables, other derivative and non-derivative financial instruments not forming a 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, 2018 and March 31, 2017 a 100 basis points increase in interest rates would increase the Group's finance costs and thereby consequently reduce net profit and equity before considering tax impacts by approximately ₹**425.06** crore for the year ended March 31, 2018 (2016-17: ₹421.73 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, 2018 and March 31, 2017 was ₹**662.37** crore and ₹4,490.38 crore respectively.

A 10% change in equity prices of such securities held as at March 31, 2018 and March 31, 2017 would result in an impact of ₹**66.24** crore and ₹449.03 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 creditworthiness 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, cash and cash equivalents, 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 ₹**29,301.93** crore and ₹16,268.24 crore as at March 31, 2018 and March 31, 2017 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments in mutual funds, loans, derivative assets and other financial assets.

The risk relating to trade receivables is presented in Note 15, Page 321.

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44. 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, 2018 and March 31, 2017.

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 Group has access to 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 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, 2018
	Carrying value	Contractual cash flows	less than one year	between one to five years	More than five years
Non-derivative financial liabilities:					
Borrowings including interest obligations	92,147.05	1,15,955.68	20,549.46	54,309.71	41,096.51
Trade payables	20,413.81	20,413.81	20,413.81	-	-
Other financial liabilities	6,424.64	6,424.64	6,318.81	27.60	78.23
	1,18,985.50	**1,42,794.13**	**47,282.08**	**54,337.31**	**41,174.74**
Derivative financial liabilities	**553.83**	**553.83**	**468.79**	**85.04**	**-**

(₹ crore)

					As at March 31, 2017
	Carrying value	Contractual cash flows	less than one year	between one to five years	More than five years
Non-derivative financial liabilities:					
Borrowings including interest obligations	83,014.49	1,05,464.32	21,183.49	50,574.60	33,706.23
Trade payables	18,574.46	18,574.46	18,574.46	-	-
Other financial liabilities	5,760.17	5,760.17	5,651.39	36.29	72.49
	1,07,349.12	**1,29,798.95**	**45,409.34**	**50,610.89**	**33,778.72**
Derivative financial liabilities	**853.65**	**853.65**	**673.67**	**96.76**	**83.22**

45. Segment reporting

The Group is engaged in the business of manufacturing 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.

(i) The Group's reportable segments and segment information is presented below:

(₹ crore)

	Tata Steel India	Other Indian operations	Tata Steel Europe	Other trade related operations	South-East Asian operations	Rest of the world	Inter-segment eliminations	Total
Segment revenue								
External revenue	**53,398.85**	**7,915.39**	**59,755.60**	**2,059.04**	**9,135.50**	**751.99**	**-**	**1,33,016.37**
	48,741.51	*5,142.09*	*52,017.48*	*3,258.07*	*7,653.25*	*607.54*	*-*	*1,17,419.94*
Intersegment revenue	**7,120.52**	**1,507.06**	**229.85**	**25,772.72**	**306.50**	**-**	**(34,936.65)**	**-**
	4,519.45	*1,557.75*	*67.48*	*20,493.30*	*482.65*	*22.41*	*(27,143.04)*	*-*
Total Revenue	**60,519.37**	**9,422.45**	**59,985.45**	**27,831.76**	**9,442.00**	**751.99**	**(34,936.65)**	**1,33,016.37**
	53,260.96	*6,699.84*	*52,084.96*	*23,751.37*	*8,135.90*	*629.95*	*(27,143.04)*	*1,17,419.94*
Segment results before exceptional items, interest, tax and depreciation :	**15,799.94**	**955.97**	**3,792.04**	**2,050.20**	**454.32**	**(3.69)**	**(1,003.85)**	**22,044.93**
	11,952.75	*580.08*	*4,704.91*	*261.62*	*531.27*	*(19.56)*	*(985.70)*	*17,025.37*
Segment results include:								
Share of profit/(loss) of joint ventures and associates	**115.87**	**2.07**	**79.20**	**-**	**(23.04)**	**-**	**-**	**174.10**
	(30.01)	*2.53*	*48.29*	*-*	*(13.16)*	*-*	*-*	*7.65*
Reconciliation to profit/ (loss) for the year:								
Finance income								**929.15**
								517.57
Finance cost								**5,501.79**
								5,072.20
Depreciation and amortisation expenses								**5,961.66**
								5,672.88
Profit before exceptional items and tax								**11,510.63**
								6,797.86
Exceptional items (refer Note 35, Page 345)								**9,599.12**
								(4,324.23)
Profit before tax								**21,109.75**
								2,473.63
Tax								**3,405.39**
								2,778.01
Profit after tax from continuing operations								**17,704.36**
								(304.38)
Profit after tax from discontinued operations								**58.45**
								(3,864.19)
Net profit/(loss) for the year								**17,762.81**
								(4,168.57)
Segment assets	**1,17,765.08**	**7,258.99**	**69,078.02**	**58,307.52**	**5,429.16**	**7,479.19**	**(55,560.02)**	**2,09,757.94**
	1,09,180.60	*5,532.26*	*43,687.31*	*43,413.50*	*5,091.43*	*7,904.66*	*(41,476.52)*	*1,73,333.24*
Segment assets include:								
Equity accounted investments	**1,385.66**	**11.43**	**373.53**	**-**	**10.60**	**-**	**-**	**1,781.22**
	1,281.31	*25.62*	*275.26*	*-*	*11.75*	*-*	*-*	*1,593.94*
Segment liabilities	**64,365.30**	**4,463.50**	**91,793.30**	**39,365.64**	**2,675.68**	**2,866.28**	**(57,578.90)**	**1,47,950.80**
	62,542.95	*3,274.90*	*73,061.71*	*33,208.34*	*2,724.50*	*2,205.11*	*(43,105.29)*	*1,33,912.22*
Additions to non-current assets	**2,424.34**	**321.06**	**4,405.39**	**0.20**	**48.56**	**672.84**	**-**	**7,872.39**
	3,846.73	*419.81*	*3,665.80*	*3.17*	*5.38*	*216.67*	*-*	*8,157.56*

Figures in italics represents comparative figures of previous year.

Notes

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

45. Segment reporting (Contd.)

(ii) Details of revenue by nature of business is as below:

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
Steel	1,19,823.05	1,05,611.52
Others	13,193.32	11,808.42
	1,33,016.37	**1,17,419.94**

Revenue from other businesses primarily relate to ferro alloys, power, and water, town and medical services.

(iii) Details of revenue based on geographical location of customers is as below:

(₹ crore)

	Year ended March 31, 2018	Year ended March 31, 2017
India	56,912.64	50,982.81
Outside India	76,103.73	66,437.13
	1,33,016.37	**1,17,419.94**

Revenues outside India include: Asia excluding India ₹**14,509.78** crore (2016-17: ₹12,573.84 crore), UK ₹**13,789.57** crore (2016-17: ₹14,138.80 crore) and other European countries ₹**39,020.03** crore (2016-17: ₹31,850.38 crore).

(iv) Details of non-current assets (property, plant and equipment, capital work-in-progress, intangibles and goodwill on consolidation) based on geographical area is as below:

(₹ crore)

	As at March 31, 2018	As at March 31, 2017
India	80,930.93	81,097.26
Outside India	31,788.37	26,693.42
	1,12,719.30	**1,07,790.68**

Non-current assets outside India include: Asia excluding India ₹**1,477.15** crore (March 31, 2017: ₹1,546.00 crore), UK ₹**6,662.42** crore (March 31, 2017: ₹4,623.19 crore) and other European countries ₹**17,292.55** crore (March 31, 2017: ₹13,918.25 crore).

Notes:

(i) Segment performance is reviewed by the CODM on the basis of profit or loss from continuing operations before finance income/cost, depreciation and amortisation and tax expenses. Segment results reviewed by the CODM also exclude income or expenses which are non-recurring in nature and are classified as 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.

(ii) No single customer represents 10% or more of the Group's total revenue during the year ended March 31, 2018 and March 31, 2017

(iii) The accounting policies of the reportable segments are the same as of the Group's accounting policies.

46. Related party transactions

The Group's related parties primarily consists of its associates and joint ventures, Tata Sons Limited including its subsidiaries and joint ventures. The Group's 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, 2018 and March 31, 2017.

(₹ crore)

	Associates	Joint ventures	Tata Sons, its subsidiaries and joint ventures	Total
Purchase of goods	**692.98**	**171.98**	**840.61**	**1,705.57**
	591.96	*261.68*	*1,055.02*	*1,908.66*
Sale of goods	**1,124.54**	**2,551.86**	**482.94**	**4,159.34**
	814.09	*1,942.58*	*190.15*	*2,946.82*
Services received	**9.87**	**1,758.87**	**66.79**	**1,835.53**
	13.88	*1,894.82*	*111.40*	*2,020.10*
Services rendered	**11.21**	**104.01**	**1.31**	**116.53**
	14.57	*102.17*	*0.85*	*117.59*
Interest income recognised	**-**	**4.62**	**-**	**4.62**
	-	*0.39*	*-*	*0.39*
Interest expenses recognised	**-**	**-**	**19.23**	**19.23**
	-	*-*	*16.16*	*16.16*
Dividend paid	**-**	**-**	**295.61**	**295.61**
	-	*-*	*236.48*	*236.48*
Dividend received	**18.48**	**50.69**	**10.46**	**79.63**
	23.83	*48.36*	*0.54*	*72.73*
Provision for receivables recognised during the year	**-**	**5.35**	**-**	**5.35**
	-	*-*	*-*	*-*
Management contracts	**3.08**	**3.57**	**186.54**	**193.19**
	0.86	*1.89*	*131.22*	*133.97*
Sale of investments	**-**	**-**	**3,782.76**	**3,782.76**
	-	*-*	*-*	*-*
Finance provided during the year	**-**	**46.82**	**-**	**46.82**

Notes

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

46. Related party transactions (Contd.)

(₹ crore)

	Associates	Joint ventures	Tata Sons, its subsidiaries and joint ventures	Total
	-	*7.00*	*-*	*7.00*
Outstanding loans and receivables	**124.62**	**1,267.11**	**20.54**	**1,412.27**
	95.19	*1,056.44*	*82.03*	*1,233.66*
Provision for outstanding loans and receivables	**3.39**	**977.80**	**-**	**981.19**
	2.98	*944.66*	*-*	*947.64*
Outstanding payables	**51.16**	**263.32**	**289.25**	**603.73**
	56.52	*435.89*	*288.21*	*780.62*
Guarantees provided outstanding	**-**	**204.51**	**-**	**204.51**
	-	*222.56*	*-*	*222.56*
Subscription to rights issue	**-**	**-**	**3,420.56**	**3,420.56**
	-	*-*	*-*	*-*

Figures in italics represents comparative figures of previous years.

(i) The details of remuneration paid to the managerial personnel is provided in Note 31, Page 343.

During the year ended March 31, 2018, value of shares subscribed by key managerial personnel and their relatives under rights issue is ₹**2,87,476.00** (2016-17: Nil)

The Group paid dividend of ₹**27,420.00** (2016-17: ₹21,936.00) to key managerial personnel and ₹**3,310.00** (2016-17: ₹2,648.00) to relatives of key managerial personnel during the year ended March 31, 2018.

(ii) During the year, the Group has contributed ₹**493.14** crore (2016-17: ₹401.92 crore) to post employment benefit plans.

As at March 31, 2018, amount receivable from post-employment benefit funds is ₹**302.14** crore (March 31, 2017: ₹259.16 crore) on account of retirement benefit obligations paid by the Group directly.

(iii) Transactions with joint ventures have been disclosed at full value and not at their proportionate share.

47. On September 19 2017, the Company and Thysenkrupp AG signed a Memorandum of Understanding to create a new 50:50 joint venture. The proposed combination of business would be formed through a non cash transaction framework, based on fair valuation where both shareholders would contribute assets, debt and liabilities of businesses to achieve an equal shareholding in the venture. Currently due diligence is in process and the transaction is subject to execution of final agreements and obtaining corporate authorisation including the Company's Board and Shareholder's approval. Completion is also conditional on certain closing conditions including obtaining the requisite competition and antitrust approvals.

48. The National Company Law Tribunal, New Delhi Bench, has approved the terms of the Resolution Plan submitted by the Company, to acquire Bhushan Steel Limited ("BSL") pursuant to a Corporate Insolvency Resolution process implemented under the Insolvency and Bankruptcy Code 2016 (the "Resolution Plan"), and the terms of the Resolution Plan are now binding.

Pursuant to the Resolution Plan, Bamnipal Steel Limited ("BNPL") a wholly-owned subsidiary of the Company, will subscribe to 72.65% of the equity share capital of BSL for an aggregate amount of ₹158.89 crore and provide additional funds aggregating of ₹ 35,041.11 crores by way of debt/convertible debt.

Upon implementation of the Resolution Plan, the Company will hold 72.65% of the paid up share capital of BSL. The remaining 27.35% of BSL's share capital will be held by BSL's existing shareholders and the financial creditors who receive shares in exchange for the debt owed to them. The funds received by BSL as debt and equity will be used to settle the debts owed to the existing financial creditors of BSL, by payment of ₹35,200 crores.

The Competition Commission of India had earlier approved the Resolution Plan.

49. Dividend

The dividend declared by the Company is based on the profits available for distribution as reported in the Standalone financial statements of the Company. On May 16, 2018, 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, 2018 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹1,380.30 crore inclusive of dividend distribution tax of ₹235.55 crore.

50. Previous year figures have been recasted/restated wherever necessary.

Notes
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

51. Statement of net assets and profit or loss attributable to owners and minority interest

	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)
A.	**Parent**									
	Tata Steel Limited	INR	104.80%	63,789.84	31.04%	4,169.55	4.01%	(61.12)	34.50%	4,108.43
B.	**Subsidiaries**									
a)	**Indian**									
1	Adityapur Toll Bridge Company Limited	INR	0.07%	39.73	(0.00%)	(0.05)	-	-	(0.00%)	(0.05)
2	Tata Steel Special Economic Zone Limited	INR	0.24%	148.19	(0.03%)	(3.43)	0.00%	(0.00)	(0.03%)	(3.43)
3	Indian Steel & Wire Products Ltd.	INR	0.12%	73.52	0.07%	9.78	(0.02%)	0.36	0.09%	10.14
4	Jamshedpur Utilities & Services Company Limited	INR	0.15%	88.95	0.19%	25.95	0.06%	(0.89)	0.21%	25.06
5	Haldia Water Management Limited	INR	(0.29%)	(173.89)	(0.10%)	(13.05)	-	-	(0.11%)	(13.05)
6	Kalimati Global Shared Services Limited	INR	0.00%	(0.10)	(0.00%)	(0.25)	-	-	(0.00%)	(0.25)
7	Mohar Export Services Pvt. Ltd	INR	0.00%	(0.03)	(0.00%)	(0.00)	-	-	(0.00%)	(0.00)
8	Rujuvalika Investments Limited	INR	0.17%	104.23	0.03%	4.59	(1.07%)	16.30	0.18%	20.89
9	T S Alloys Limited	INR	0.20%	120.22	0.09%	12.22	0.00%	(0.04)	0.10%	12.18
10	Tata Korf Engineering Services Ltd.	INR	(0.02%)	(9.84)	(0.00%)	(0.04)	-	-	(0.00%)	(0.04)
11	Tata Metaliks Ltd.	INR	0.59%	358.68	1.18%	159.18	0.00%	(0.07)	1.34%	159.11
12	Tata Sponge Iron Limited	INR	1.62%	986.43	1.05%	140.86	(0.07%)	1.11	1.19%	141.97
13	TSIL Energy Limited	INR	0.00%	1.16	0.00%	0.02	-	-	0.00%	0.02
14	Tata Steel International (India) Limited	INR	0.07%	42.86	(0.00%)	(0.33)	-	-	(0.00%)	(0.33)
15	Tata Steel Odisha Limited	INR	(0.00%)	(0.02)	(0.00%)	(0.01)	-	-	(0.00%)	(0.01)
16	Tata Steel Processing and Distribution Limited	INR	0.99%	603.05	0.48%	63.89	(0.16%)	2.39	0.56%	66.28
17	Tayo Rolls Limited	INR	(0.74%)	(448.31)	(0.19%)	(25.66)	-	-	(0.22%)	(25.66)
18	Tata Pigments Limited	INR	0.08%	50.16	0.03%	4.28	(0.02%)	0.33	0.04%	4.61
19	The Tinplate Company of India Ltd	INR	1.11%	676.72	0.54%	73.16	(0.09%)	1.42	0.63%	74.58
20	Tata Steel Foundation	INR	0.01%	8.65	0.06%	7.66	-	-	0.06%	7.66
21	Jamshedpur Football and Sporting Private Limited	INR	0.02%	11.85	(0.06%)	(8.15)	-	-	(0.07%)	(8.15)
22	Sakchi Steel Limited	INR	0.00%	0.01	0.00%	(0.00)	-	-	(0.00%)	(0.00)
23	Jugsalai Steel Limited	INR	0.00%	0.01	0.00%	(0.00)	-	-	(0.00%)	(0.00)
24	Noamundi Steel Limited	INR	0.00%	0.01	0.00%	(0.00)	-	-	(0.00%)	(0.00)
25	Straight Mile Steel Limited	INR	0.00%	0.01	0.00%	(0.00)	-	-	(0.00%)	(0.00)
26	Bamnipal Steel Limited	INR	0.00%	0.01	0.00%	(0.00)	-	-	(0.00%)	(0.00)
27	Bistupur Steel Limited	INR	0.00%	0.01	0.00%	(0.00)	-	-	(0.00%)	(0.00)
28	Jamadoba Steel Limited	INR	0.00%	0.01	0.00%	(0.00)	-	-	(0.00%)	(0.00)
29	Dimna Steel Limited	INR	0.00%	0.01	0.00%	(0.00)	-	-	(0.00%)	(0.00)
30	Bhubaneshwar Power Private Limited	INR	0.32%	195.89	(0.05%)	(6.29)	(0.00%)	0.02	(0.05%)	(6.28)
b)	**Foreign**									
1	ABJA Investment Co. Pte. Ltd.	USD	(0.41%)	(246.67)	0.15%	19.87	0.07%	(1.13)	0.16%	18.73
2	NatSteel Asia Pte. Ltd.	USD	2.32%	1,412.69	(0.37%)	(49.45)	2.50%	(38.15)	(0.74%)	(87.60)
3	TS Asia (Hong Kong) Ltd.	USD	0.23%	141.39	0.19%	25.52	-	-	0.21%	25.52
4	Tata Steel (KZN) (Pty) Ltd.	ZAR	(1.91%)	(1,160.47)	-	-	9.75%	(148.56)	(1.25%)	(148.56)
5	T Steel Holdings Pte. Ltd.	GBP	88.96%	54,150.40	(0.00%)	(0.12)	(434.55%)	6,623.50	55.61%	6,623.38
6	T S Global Holdings Pte Ltd.	GBP	20.12%	12,244.29	(246.27%)	(33,084.39)	(212.46%)	3,238.43	(250.59%)	(29,845.96)

51. Statement of net assets and profit or loss attributable to owners and minority interest (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)
7	Orchid Netherlands (No.1) B.V.	GBP	0.00%	1.84	(0.00%)	(0.01)	(0.02%)	0.26	0.00%	0.25
8	NatSteel Holdings Pte. Ltd.	SGD	0.14%	84.99	0.56%	75.50	(0.81%)	12.41	0.74%	87.91
9	Easteel Services (M) Sdn. Bhd.	MYR	0.06%	36.50	0.03%	3.36	-	-	0.03%	3.36
10	Eastern Steel Fabricators Philippines, Inc.	SGD	(0.07%)	(42.85)	-	-	-	-	-	-
11	NatSteel (Xiamen) Ltd.	CNY	(0.11%)	(69.50)	0.31%	41.95	-	-	0.35%	41.95
12	NatSteel Recycling Pte Ltd.	SGD	0.36%	218.29	0.04%	5.80	-	-	0.05%	5.80
13	NatSteel Trade International (Shanghai) Company Ltd.	CNY	(0.00%)	(0.37)	(0.00%)	(0.07)	-	-	(0.00%)	(0.07)
14	NatSteel Trade International Pte. Ltd.	USD	0.03%	15.32	0.00%	0.46	-	-	0.00%	0.46
15	NatSteel Vina Co. Ltd.	VND	0.12%	70.69	(0.06%)	(7.61)	-	-	(0.06%)	(7.61)
16	The Siam Industrial Wire Company Ltd.	THB	1.81%	1,101.39	0.44%	58.91	-	-	0.49%	58.91
17	TSN Wires Co., Ltd.	THB	0.08%	49.14	(0.10%)	(13.70)	-	-	(0.11%)	(13.70)
18	Tata Steel Europe Limited	GBP	(29.14%)	(17,738.48)	3.47%	466.61	-	-	3.92%	466.61
19	Apollo Metals Limited	USD	0.21%	125.52	0.39%	52.46	(0.14%)	2.09	0.46%	54.55
20	Automotive Laser Technologies Limited	GBP	0.00%	0.00	-	-	-	-	-	-
21	Beheermaatschappij Industriele Produkten B.V.	EUR	(0.09%)	(56.36)	(0.00%)	(0.60)	-	-	(0.01%)	(0.60)
22	Bell & Harwood Limited	GBP	-	-	0.09%	11.65	-	-	0.10%	11.65
23	Blastmega Limited	GBP	1.41%	858.21	-	-	-	-	-	-
24	Blume Stahlservice GmbH*	EUR	-	-	0.06%	7.64	(2.71%)	41.37	0.41%	49.01
25	Bore Samson Group Limited	GBP	0.23%	138.48	-	-	(12.71%)	193.77	1.63%	193.77
26	Bore Steel Limited	GBP	0.26%	157.31	-	-	(9.69%)	147.63	1.24%	147.63
27	British Guide Rails Limited	GBP	0.07%	44.83	-	-	(0.18%)	2.77	0.02%	2.77
28	British Steel Corporation Limited	GBP	0.46%	281.46	-	-	-	-	-	-
29	British Steel Directors (Nominees) Limited	GBP	0.00%	0.00	-	-	-	-	-	-
30	British Steel Engineering Steels (Exports) Limited	GBP	0.00%	0.00	-	-	-	-	-	-
31	British Steel Nederland International B.V.	EUR	0.61%	370.94	0.24%	31.63	-	-	0.27%	31.63
32	British Steel Service Centres Limited	GBP	0.80%	488.83	(0.03%)	(4.58)	-	-	(0.04%)	(4.58)
33	British Tubes Stockholding Limited	GBP	0.00%	0.00	-	-	0.32%	(4.90)	(0.04%)	(4.90)
34	C V Benine	EUR	0.03%	17.49	(0.00%)	(0.12)	-	-	(0.00%)	(0.12)
35	C Walker & Sons Limited	GBP	0.25%	149.92	-	-	-	-	-	-
36	Catnic GmbH	EUR	0.09%	52.14	0.04%	4.82	-	-	0.04%	4.82
37	Catnic Limited	GBP	(0.00%)	(0.56)	-	-	-	-	-	-
38	CBS Investissements SAS	EUR	0.00%	2.09	0.00%	0.18	-	-	0.00%	0.18
39	Cogent Power Inc.	CAD	0.24%	148.28	(0.03%)	(4.07)	-	-	(0.03%)	(4.07)
40	Tata Steel International Mexico SA DE CV	USD	0.00%	0.36	0.01%	0.81	-	-	0.01%	0.81
41	Cogent Power Inc.	CAD	0.24%	148.28	(0.03%)	(4.07)	-	-	(0.03%)	(4.07)
42	Cogent Power Limited	GBP	0.20%	122.10	0.00%	0.01	-	-	0.00%	0.01
43	Color Steels Limited	GBP	0.07%	41.83	-	-	-	-	-	-
44	Corbeil Les Rives SCI	EUR	0.02%	9.93	-	-	-	-	-	-
45	Corby (Northants) & District Water Company Limited	GBP	0.01%	5.65	0.00%	0.36	-	-	0.00%	0.36
46	Cordor (C& B) Limited	GBP	0.00%	3.00	-	-	(0.20%)	3.00	0.03%	3.00
47	Corus Aluminium Verwaltungsgesellschaft Mbh	EUR	0.01%	4.20	(0.00%)	(0.00)	-	-	(0.00%)	(0.00)
48	Corus Building Systems Bulgaria AD	LEV	(0.05%)	(29.91)	(0.02%)	(2.16)	-	-	(0.02%)	(2.16)

Notes
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51. Statement of net assets and profit or loss attributable to owners and minority interest (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)
49	Corus CNBV Investments	GBP	0.00%	0.00	-	-	-	-	-	-
50	Corus Cold Drawn Tubes Limited	GBP	(0.03%)	(15.90)	-	-	-	-	-	-
51	Corus Engineering Steels (UK) Limited	GBP	0.69%	422.67	-	-	-	-	-	-
52	Corus Engineering Steels Holdings Limited	GBP	6.76%	4,112.93	(0.16%)	(22.11)	-	-	(0.19%)	(22.11)
53	Corus Engineering Steels Limited	GBP	7.21%	4,387.98	-	-	-	-	-	-
54	Corus Engineering Steels Overseas Holdings Limited	GBP	0.02%	9.17	-	-	(0.30%)	4.61	0.04%	4.61
55	Corus Engineering Steels Pension Scheme Trustee Limited	GBP	0.00%	0.00	-	-	-	-	-	-
56	Corus Group Limited	GBP	(9.21%)	(5,608.50)	(16.29%)	(2,188.07)	-	-	(18.37%)	(2,188.07)
57	Corus Holdings Limited	GBP	0.01%	5.33	-	-	-	-	-	-
58	Corus International (Overseas Holdings) Limited	GBP	7.23%	4,403.38	0.50%	66.95	-	-	0.56%	66.95
59	Corus International Limited	GBP	4.58%	2,788.58	-	-	-	-	-	-
60	Corus International Romania SRL.	RON	0.00%	0.45	0.00%	0.00	-	-	0.00%	0.00
61	Corus Investments Limited	GBP	0.34%	209.27	-	-	-	-	-	-
62	Corus Ireland Limited	EUR	0.01%	6.81	0.00%	0.59	-	-	0.00%	0.59
63	Corus Large Diameter Pipes Limited	GBP	1.10%	671.20	-	-	-	-	-	-
64	Corus Liaison Services (India) Limited	GBP	(0.04%)	(22.06)	-	-	-	-	-	-
65	Corus Management Limited	GBP	(0.69%)	(418.38)	-	-	-	-	-	-
66	Corus Primary Aluminium B.V.	EUR	(0.20%)	(123.89)	0.13%	17.86	-	-	0.15%	17.86
67	Corus Property	GBP	0.00%	0.00	-	-	-	-	-	-
68	Corus Service Centre Limited	GBP	0.24%	147.27	-	-	(2.11%)	32.11	0.27%	32.11
69	Corus Steel Service STP LLC	RUB	(0.00%)	(0.19)	0.01%	1.48	-	-	0.01%	1.48
70	Corus Tubes Poland Spolka Z.O.O	PLZ	(0.00%)	(0.44)	-	-	-	-	-	-
71	Corus UK Healthcare Trustee Limited	GBP	0.00%	0.00	-	-	-	-	-	-
72	Corus Ukraine Limited Liability Company	UAH	0.00%	0.02	-	-	-	-	-	-
73	CPN (85) Limited	GBP	0.00%	0.00	0.01%	0.78	-	-	0.01%	0.78
74	Crucible Insurance Company Limited	GBP	0.40%	240.54	(0.58%)	(77.33)	-	-	(0.65%)	(77.33)
75	Degels GmbH	EUR	(0.46%)	(278.71)	(1.94%)	(260.23)	-	-	(2.18%)	(260.23)
76	Demka B.V.	EUR	0.12%	70.85	(0.00%)	(0.06)	-	-	(0.00%)	(0.06)
77	DSRM Group Plc.	GBP	0.30%	183.10	-	-	-	-	-	-
78	Esmil B.V.	EUR	0.04%	21.79	0.00%	0.10	-	-	0.00%	0.10
79	Europressings Limited	GBP	0.00%	0.00	-	-	(0.36%)	5.54	0.05%	5.54
80	Firsteel Group Limited	GBP	(0.13%)	(81.17)	-	-	-	-	-	-
81	Firsteel Holdings Limited	GBP	0.12%	71.41	-	-	-	-	-	-
82	Fischer Profil GmbH	EUR	(0.00%)	(2.83)	0.06%	7.52	0.12%	(1.85)	0.05%	5.67
83	Gamble Simms Metals Limited	EUR	(0.00%)	(2.27)	-	-	-	-	-	-
84	Grant Lyon Eagre Limited	GBP	0.09%	54.35	-	-	-	-	-	-
85	H E Samson Limited	GBP	0.08%	48.19	-	-	(2.28%)	34.69	0.29%	34.69
86	Hadfields Holdings Limited	GBP	(0.12%)	(74.14)	-	-	-	-	-	-
87	Halmstad Steel Service Centre AB	SEK	0.13%	76.69	0.05%	7.01	-	-	0.06%	7.01
88	Hammermega Limited	GBP	0.03%	20.76	-	-	-	-	-	-
89	Harrowmills Properties Limited	GBP	0.00%	0.01	-	-	(11.53%)	175.72	1.48%	175.72

51. Statement of net assets and profit or loss attributable to owners and minority interest (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)
90	Hille & Muller GmbH	EUR	0.24%	143.46	0.16%	21.35	5.72%	(87.12)	(0.55%)	(65.78)
91	Hille & Muller USA Inc.	USD	0.14%	85.62	0.02%	2.72	-	-	0.02%	2.72
92	Hoogovens USA Inc.	USD	0.72%	435.48	0.25%	33.10	-	-	0.28%	33.10
93	Huizenbezit "Breesaap" B.V.	EUR	(0.01%)	(8.65)	0.00%	0.07	-	-	0.00%	0.07
94	Inter Metal Distribution SAS	EUR	0.08%	47.04	0.11%	15.39	0.03%	(0.38)	0.13%	15.01
95	Kalzip Asia Pte Limited	SGD	(0.22%)	(132.08)	(0.07%)	(9.59)	-	-	(0.08%)	(9.59)
96	Kalzip FZE	AED	0.01%	5.14	0.00%	0.43	-	-	0.00%	0.43
97	Kalzip GmbH	EUR	0.00%	1.03	(0.00%)	(0.10)	-	-	(0.00%)	(0.10)
98	Kalzip GmbH	EUR	0.00%	1.03	(0.00%)	(0.10)	-	-	(0.00%)	(0.10)
99	Kalzip India Private Limited	INR	0.01%	8.45	(0.01%)	(1.89)	-	-	(0.02%)	(1.89)
100	Kalzip Italy SRL	EUR	0.00%	0.40	0.00%	0.06	-	-	0.00%	0.06
101	Kalzip Limited	GBP	0.02%	14.74	(0.02%)	(3.22)	-	-	(0.03%)	(3.22)
102	Kalzip Spain S.L.U.	EUR	0.02%	12.22	0.00%	0.08	-	-	0.00%	0.08
103	Layde Steel S.L.	EUR	0.16%	96.15	0.10%	13.23	-	-	0.11%	13.23
104	Lister Tubes Limited	EUR	0.02%	13.07	-	-	-	-	-	-
105	London Works Steel Company Limited	GBP	(0.16%)	(95.09)	-	-	-	-	-	-
106	Midland Steel Supplies Limited	GBP	0.00%	0.00	-	-	-	-	-	-
107	Montana Bausysteme AG	CHF	0.14%	84.29	0.10%	13.64	(0.73%)	11.18	0.21%	24.81
108	Naantali Steel Service Centre OY	EUR	0.02%	11.64	(0.15%)	(20.73)	-	-	(0.17%)	(20.73)
109	Nationwide Steelstock Limited	GBP	0.00%	0.00	0.08%	10.46	-	-	0.09%	10.46
110	Norsk Stal Tynnplater AS	NOK	0.13%	81.80	0.10%	13.39	-	-	0.11%	13.39
111	Norsk Stal Tynnplater AB	NOK	0.03%	17.21	0.02%	3.23	-	-	0.03%	3.23
112	Orb Electrical Steels Limited	GBP	0.00%	0.00	-	-	-	-	-	-
113	Ore Carriers Limited	GBP	0.04%	26.29	-	-	-	-	-	-
114	Oremco Inc.	USD	(0.02%)	(12.70)	(0.02%)	(2.33)	-	-	(0.02%)	(2.33)
115	Plated Strip (International) Limited	GBP	0.03%	16.40	-	-	-	-	-	-
116	Precoat International Limited	GBP	0.12%	71.53	-	-	-	-	-	-
117	Precoat Limited	GBP	(0.03%)	(19.58)	0.00%	0.00	-	-	0.00%	0.00
118	Rafferty-Brown Steel Co Inc Of Conn.	USD	0.05%	28.12	(0.01%)	(0.98)	-	-	(0.01%)	(0.98)
119	Round Oak Steelworks Limited	GBP	(0.73%)	(442.10)	-	-	-	-	-	-
120	Runblast Limited	GBP	0.79%	480.15	-	-	-	-	-	-
121	Runmega Limited	GBP	0.01%	4.01	-	-	-	-	-	-
122	S A B Profiel B.V.	EUR	0.37%	224.40	0.16%	21.94	-	-	0.18%	21.94
123	S A B Profil GmbH	EUR	0.23%	140.53	0.01%	0.72	(8.08%)	123.11	1.04%	123.84
124	Seamless Tubes Limited	GBP	0.28%	171.33	-	-	-	-	-	-
125	Service Center Gelsenkirchen GmbH	EUR	0.71%	429.34	1.25%	168.12	(2.30%)	35.02	1.71%	203.14
126	Service Centre Maastricht B.V.	EUR	0.10%	61.86	0.21%	28.12	-	-	0.24%	28.12
127	Societe Europeenne De Galvanisation (Segal) Sa	EUR	0.36%	219.52	0.00%	0.33	-	-	0.00%	0.33
128	Staalverwerking en Handel B.V.	EUR	1.18%	718.78	0.87%	116.55	-	-	0.98%	116.55
129	Steel StockHoldings Limited	GBP	0.07%	42.27	-	-	(2.43%)	37.07	0.31%	37.07
130	Steelstock Limited	GBP	0.00%	0.18	-	-	-	-	-	-
131	Stewarts & Lloyds Of Ireland Limited	EUR	(0.00%)	(1.88)	-	-	-	-	-	-

TATA STEEL

Notes

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51. Statement of net assets and profit or loss attributable to owners and minority interest (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)
132	Stewarts And Lloyds (Overseas) Limited	GBP	0.31%	188.84	-	-	-	-	-	-
133	Surahammar Bruks AB	SEK	0.18%	112.02	(0.18%)	(24.85)	0.23%	(3.51)	(0.24%)	(28.36)
134	Swinden Housing Association Limited	GBP	0.02%	11.04	-	-	-	-	-	-
135	Tata Steel Belgium Packaging Steels N.V.	EUR	0.25%	149.37	0.04%	5.21	-	-	0.04%	5.21
136	Tata Steel Belgium Services N.V.	EUR	0.50%	305.74	0.06%	7.62	0.05%	(0.74)	0.06%	6.88
137	Tata Steel Denmark Byggsystemer A/S	DKK	0.04%	21.78	0.00%	0.09	-	-	0.00%	0.09
138	Tata Steel Europe Distribution BV	EUR	(0.05%)	(28.64)	(0.03%)	(4.09)	-	-	(0.03%)	(4.09)
139	Tata Steel Europe Metals Trading BV	EUR	0.49%	299.41	(0.00%)	(0.64)	-	-	(0.01%)	(0.64)
140	Tata Steel France Batiment et Systemes SAS	EUR	(0.03%)	(17.70)	(0.25%)	(33.60)	-	-	(0.28%)	(33.60)
141	Tata Steel France Holdings SAS	EUR	1.54%	937.02	0.19%	25.52	-	-	0.21%	25.52
142	Tata Steel Germany GmbH	EUR	0.34%	209.06	0.32%	43.55	0.08%	(1.16)	0.36%	42.39
143	Tata Steel IJmuiden BV	EUR	32.82%	19,978.91	9.54%	1,281.12	7.55%	(115.12)	9.79%	1,166.00
144	Tata Steel International (Americas) Holdings Inc	USD	0.93%	565.14	(0.20%)	(27.05)	(0.61%)	9.35	(0.15%)	(17.69)
145	Tata Steel International (Americas) Inc	USD	1.85%	1,123.31	0.48%	64.04	-	-	0.54%	64.04
146	Tata Steel International (Canada) Holdings Inc	CAD	0.00%	1.80	(0.00%)	(0.01)	-	-	(0.00%)	(0.01)
147	Tata Steel International (Czech Republic) S.R.O	CZK	0.01%	5.02	0.02%	2.72	-	-	0.02%	2.72
148	Tata Steel International (Denmark) A/S	DKK	0.00%	1.88	0.01%	1.59	-	-	0.01%	1.59
149	Tata Steel International (Finland) OY	EUR	0.00%	1.02	(0.00%)	(0.02)	-	-	(0.00%)	(0.02)
150	Tata Steel International (France) SAS	EUR	0.06%	38.20	0.01%	1.18	-	-	0.01%	1.18
151	Tata Steel International (Germany) GmbH	EUR	(0.00%)	(0.12)	(0.01%)	(1.94)	(0.06%)	0.90	(0.01%)	(1.04)
152	Tata Steel International (South America) Representações LTDA	USD	0.00%	0.80	0.00%	0.30	0.06%	(0.93)	(0.01%)	(0.62)
153	Tata Steel International Hellas SA	EUR	0.00%	1.19	-	-	-	-	-	-
154	Tata Steel International (Italia) SRL	EUR	0.03%	16.54	0.02%	2.08	-	-	0.02%	2.08
155	Tata Steel International (Middle East) FZE	AED	0.16%	97.10	0.06%	7.42	-	-	0.06%	7.42
156	Tata Steel International (Nigeria) Limited	NGN	-	-	-	-	-	-	-	-
157	Tata Steel International (Poland) sp Zoo	PLZ	0.01%	4.48	0.01%	0.95	-	-	0.01%	0.95
158	Tata Steel International (Schweiz) AG	CHF	0.01%	4.68	(0.00%)	(0.06)	-	-	(0.00%)	(0.06)
159	Tata Steel International (Sweden) AB	SEK	0.01%	7.10	0.00%	0.52	-	-	0.00%	0.52
160	Tata Steel International Iberica SA	EUR	0.02%	12.72	0.06%	8.27	-	-	0.07%	8.27
161	Tata Steel Istanbul Metal Sanayi ve Ticaret AS	USD	0.04%	23.70	0.05%	7.04	-	-	0.06%	7.04
162	Tata Steel Maubeuge SAS	EUR	0.37%	223.27	0.48%	64.24	0.05%	(0.72)	0.53%	63.51
163	Tata Steel Nederland BV	EUR	20.66%	12,574.78	3.85%	516.63	(0.80%)	12.16	4.44%	528.78
164	Tata Steel Nederland Consulting & Technical Services BV	EUR	0.07%	44.29	(0.00%)	(0.00)	-	-	(0.00%)	(0.00)
165	Tata Steel Nederland Services BV	EUR	0.47%	283.25	(0.28%)	(38.10)	-	-	(0.32%)	(38.10)
166	Tata Steel Nederland Star-Frame BV	EUR	0.00%	0.15	0.00%	(0.04)	-	-	0.00%	(0.04)
167	Tata Steel Nederland Technology BV	EUR	0.90%	549.19	(0.06%)	(7.42)	-	-	(0.06%)	(7.42)
168	Tata Steel Nederland Tubes BV	EUR	(0.20%)	(123.93)	(0.56%)	(75.40)	-	-	(0.63%)	(75.40)
169	Tata Steel Netherlands Holdings B.V.	EUR	5.61%	3,417.12	(2.76%)	(371.34)	-	-	(3.12%)	(371.34)
170	Tata Steel Norway Byggsystemer A/S	NOK	0.08%	51.55	0.01%	1.94	-	-	0.02%	1.94
171	Tata Steel Sweden Byggsystem AB	SEK	0.05%	30.37	(0.20%)	(26.58)	-	-	(0.22%)	(26.58)
172	Tata Steel UK Consulting Limited	GBP	(0.00%)	(0.10)	(0.03%)	(3.68)	-	-	(0.03%)	(3.68)

51. Statement of net assets and profit or loss attributable to owners and minority interest (Contd.)

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			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)
173	Tata Steel UK Holdings Limited	GBP	(33.21%)	(20,216.37)	(0.80%)	(107.08)	-	-	(0.90%)	(107.08)
174	Tata Steel UK Limited	GBP	(3.07%)	(1,870.57)	96.54%	12,969.46	102.76%	(1,566.27)	95.74%	11,403.20
175	Tata Steel USA Inc.	USD	0.13%	80.03	(0.00%)	(0.07)	-	-	(0.00%)	(0.07)
176	The Newport And South Wales Tube Company Limited	GBP	0.00%	0.32	0.00%	0.18	-	-	0.00%	0.18
177	The Stanton Housing Company Limited	GBP	0.01%	8.88	-	-	-	-	-	-
178	The Templeborough Rolling Mills Limited	GBP	0.24%	146.46	-	-	-	-	-	-
179	Thomas Processing Company	USD	0.23%	140.04	0.03%	3.42	-	-	0.03%	3.42
180	Thomas Steel Strip Corp.	USD	(0.32%)	(193.94)	(0.19%)	(25.04)	(2.63%)	40.12	0.13%	15.08
181	Toronto Industrial Fabrications Limited	GBP	0.00%	0.00	0.03%	4.58	-	-	0.04%	4.58
182	TS South Africa Sales Office Proprietary Limited	SAR	0.01%	4.60	(0.00%)	(0.04)	-	-	(0.00%)	(0.04)
183	Tulip UK Holdings (No.2) Limited	GBP	(0.00%)	(0.38)	-	-	-	-	-	-
184	Tulip UK Holdings (No.3) Limited	GBP	(37.08%)	(22,572.64)	(2.82%)	(379.10)	-	-	(3.18%)	(379.10)
185	U.E.S. Bright Bar Limited	GBP	0.02%	13.84	-	-	-	-	-	-
186	UK Steel Enterprise Limited	GBP	0.24%	146.10	0.03%	3.41	-	-	0.03%	3.41
187	UKSE Fund Managers Limited	GBP	0.00%	0.42	-	-	-	-	-	-
188	Unitol SAS	EUR	0.22%	136.16	0.41%	54.73	0.00%	(0.06)	0.46%	54.67
189	Walker Manufacturing And Investments Limited	GBP	0.52%	318.11	1.31%	175.55	(0.32%)	4.91	1.52%	180.46
190	Walkersteelstock Ireland Limited	EUR	0.01%	3.94	-	-	-	-	-	-
191	Walkersteelstock Limited	GBP	0.02%	9.23	-	-	-	-	-	-
192	Westwood Steel Services Limited	GBP	0.36%	216.84	-	-	-	-	-	-
193	Whitehead (Narrow Strip) Limited	GBP	0.17%	105.83	-	-	-	-	-	-
194	T S Global Minerals Holdings Pte Ltd.	USD	3.75%	2,281.78	(8.62%)	(1,158.44)	(1.14%)	17.35	(9.58%)	(1,141.09)
195	Al Rimal Mining LLC	OMR	0.01%	6.18	(0.00%)	(0.01)	-	-	(0.00%)	(0.01)
196	Black Ginger 461 (Proprietary) Ltd	ZAR	0.26%	157.27	0.26%	34.85	-	-	0.29%	34.85
197	Kalimati Coal Company Pty. Ltd.	AUD	(0.31%)	(191.05)	(0.00%)	(0.25)	-	-	(0.00%)	(0.25)
198	Sedibeng Iron Ore Pty. Ltd.	ZAR	0.21%	128.75	0.30%	39.72	-	-	0.33%	39.72
199	Tata Steel Cote D' Ivoire S.A	FCFA	(0.00%)	(1.29)	(0.57%)	(76.48)	-	-	(0.64%)	(76.48)
200	TSMUK Limited	USD	5.71%	3,473.24	(0.00%)	(0.09)	-	-	(0.00%)	(0.09)
201	Tata Steel Minerals Canada Limited	USD	4.41%	2,685.05	(7.59%)	(1,019.14)	-	-	(8.56%)	(1,019.14)
202	T S Canada Capital Ltd	USD	0.05%	32.91	0.00%	0.36	-	-	0.00%	0.36
203	Tata Steel International (Singapore) Holdings Pte. Ltd.	USD	0.88%	534.15	0.91%	121.92	-	-	1.02%	121.92
204	Tata Steel International (Shanghai) Ltd.	CNY	0.01%	8.35	0.00%	0.37	-	-	0.00%	0.37
205	Tata Steel International (Singapore) Pte. Ltd.	USD	0.05%	30.58	(0.02%)	(2.26)	-	-	(0.02%)	(2.26)
206	Tata Steel International (Asia) Limited	HKD	0.72%	441.14	0.17%	22.20	-	-	0.19%	22.20
207	TSIA Holdings (Thailand) Limited	THB	(0.00%)	(0.10)	(0.00%)	(0.01)	-	-	(0.00%)	(0.01)
208	Tata Steel International (Thailand) Limited	THB	(0.00%)	(0.25)	(0.00%)	(0.01)	-	-	(0.00%)	(0.01)
209	Tata Steel (Thailand) Public Company Ltd.	THB	4.55%	2,770.30	0.07%	9.09	-	-	0.08%	9.09
210	N.T.S Steel Group Plc.	THB	0.24%	144.81	(0.13%)	(17.87)	-	-	(0.15%)	(17.87)
211	The Siam Construction Steel Co. Ltd.	THB	0.84%	508.44	0.65%	87.63	-	-	0.74%	87.63
212	The Siam Iron And Steel (2001) Co. Ltd.	THB	0.43%	261.52	0.15%	20.21	-	-	0.17%	20.21
213	T S Global Procurement Company Pte. Ltd.	USD	3.24%	1,974.33	24.19%	3,249.40	-	-	27.28%	3,249.40
214	ProCo Issuer Pte. Ltd.	GBP	0.28%	168.83	0.91%	121.68	-	-	1.02%	121.68

Notes

FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

51. Statement of net assets and profit or loss attributable to owners and minority interest (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)
C.	**Joint Ventures**									
a)	**Indian**									
1	Himalaya Steel Mills Services Pvt. Ltd.	INR	0.02%	11.54	0.01%	0.92	-	-	0.01%	0.92
2	mjunction services ltd.	INR	0.42%	253.81	0.10%	13.13	-	-	0.11%	13.13
3	S & T Mining Company Private Limited	INR	(0.01%)	(6.52)	-	-	-	-	-	-
4	Tata Bluescope Steel Ltd.	INR	0.53%	319.62	1.01%	136.17	-	-	1.14%	136.17
5	Tata NYK Shipping (India) Pvt ltd	INR	0.01%	3.40	0.01%	0.72	-	-	0.01%	0.72
6	Naba Diganta Water Management Limited	INR	0.03%	19.20	0.02%	2.07	-	-	0.02%	2.07
7	SEZ Adityapur Limited	INR	(0.00%)	(0.07)	-	-	-	-	-	-
8	Jamshedpur Continuous Annealing & Processing Company Private Limited	INR	0.63%	383.59	(0.30%)	(39.71)	-	-	(0.33%)	(39.71)
9	T M Mining Company Limited	INR	(0.00%)	(0.04)	-	-	-	-	-	-
10	TM International Logistics Limited	INR	0.28%	167.96	0.05%	6.94	-	-	0.06%	6.94
11	TKM Global Logistics Limited	INR	0.04%	24.12	(0.01%)	(1.08)	-	-	(0.01%)	(1.08)
12	Industrial Energy Ltd.	INR	1.25%	763.04	(0.11%)	(14.54)	-	-	(0.12%)	(14.54)
13	Jamipol Ltd.	INR	0.25%	151.49	0.04%	5.89	-	-	0.05%	5.89
14	Medica TS Hospital Pvt. Ltd.	INR	(0.03%)	(16.60)	-	-	-	-	-	-
b)	**Foreign**									
1	Minas De Benga Limited	USD	(5.47%)	(3,328.87)	(0.28%)	(37.64)	-	-	(0.32%)	(37.64)
2	BlueScope Lysaght Lanka Private Limited	LKR	0.03%	18.21	0.00%	0.12	-	-	0.00%	0.12
3	Tata NYK Shipping Pte Ltd.	USD	0.24%	144.64	0.08%	11.30	-	-	0.09%	11.30
4	International Shipping and Logistics FZE	USD	0.37%	222.21	0.05%	6.25	-	-	0.05%	6.25
5	TKM Global China Ltd	CNY	0.01%	3.58	0.00%	0.15	-	-	0.00%	0.15
6	TKM Global GmbH	EUR	0.32%	191.99	(0.01%)	(2.00)	-	-	(0.02%)	(2.00)
7	Afon Tinplate Company Limited	GBP	0.05%	31.72	(0.03%)	(3.62)	-	-	(0.03%)	(3.62)
8	Laura Metaal Holding B.V.	EUR	0.26%	160.49	0.14%	18.97	-	-	0.16%	18.97
9	Ravenscraig Limited	GBP	(0.08%)	(46.48)	(0.02%)	(3.24)	-	-	(0.03%)	(3.24)
10	Tata Steel Ticaret AS	TRY	0.03%	16.99	0.07%	9.79	-	-	0.08%	9.79
11	Air Products Llanwern Limited	GBP	0.01%	5.67	0.00%	0.59	-	-	0.00%	0.59
12	Texturing Technology Limited	GBP	0.01%	7.88	0.02%	2.53	-	-	0.02%	2.53
13	TVSC Construction Steel Solutions Limited	HKD	(0.03%)	(20.79)	(0.17%)	(22.77)	-	-	(0.19%)	(22.77)
14	BSR Pipeline Services Limited	GBP	0.01%	7.53	(0.01%)	(1.29)	-	-	(0.01%)	(1.29)
15	Hoogovens Court Roll Service Technologies VOF	EUR	0.04%	22.69	0.01%	1.81	-	-	0.02%	1.81
D.	**Associates**									
a)	**Indian**									
1	Kalinga Aquatics Ltd.	INR	(0.00%)	(0.00)	-	-	-	-	-	-
2	Nicco Jubilee Park Limited	INR	(0.00%)	(0.00)	-	-	-	-	-	-
3	Strategic Energy Technology Systems Private Limited	INR	(0.00%)	(0.41)	-	-	-	-	-	-
4	TRL Krosaki Refractories Ltd.	INR	0.61%	371.70	0.11%	14.73	-	-	0.12%	14.73
5	TRF Ltd.	INR	(0.31%)	(189.76)	-	-	-	-	-	-
6	YORK Transport Equipment India Pvt. Ltd	INR	0.11%	64.64	-	-	-	-	-	-
7	Malusha Travels Pvt Ltd.	INR	0.00%	0.00	-	-	-	-	-	-

51. Statement of net assets and profit or loss attributable to owners and minority interest (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)
b)	**Foreign**									
1	New Millennium Iron Corp.	CAD	(0.24%)	(144.30)	(0.38%)	(51.57)	-	-	(0.43%)	(51.57)
2	Gietwalsonderhoudcombinatie B.V.	EUR	0.03%	20.80	0.01%	1.30	-	-	0.01%	1.30
3	Wupperman Staal Nederland B.V.	EUR	0.25%	153.71	0.26%	34.38	-	-	0.29%	34.38
4	YORK Transport Equipment (Asia) Pte Ltd	USD	0.21%	128.23	-	-	-	-	-	-
5	YORK Transport Equipment Pty Ltd	AUD	(0.01%)	(7.13)	-	-	-	-	-	-
6	YORK Sales (Thailand) Co. Ltd	BHT	0.03%	19.53	-	-	-	-	-	-
7	YTE Transport Equipment (SA) (Pty) Limited	ZAR	0.00%	0.66	-	-	-	-	-	-
8	Rednet Pte Ltd.	USD	(0.01%)	(5.92)	-	-	-	-	-	-
9	PT YORK Engineering	INR	(0.00%)	(1.88)	-	-	-	-	-	-
10	YTE Special Products Pte Ltd	USD	0.01%	5.49	-	-	-	-	-	-
11	Qingdao YTE Special Products Co. Ltd	RMB	(0.04%)	(22.50)	-	-	-	-	-	-
12	YORK Transport Equipment (Shanghai) Co. Ltd	RMB	0.03%	16.52	-	-	-	-	-	-
13	Dutch Lanka Trailer Manufacturing Limited	USD	0.02%	12.03	-	-	-	-	-	-
14	Dutch Lanka Engineering Private Limited	LKR	0.01%	4.73	-	-	-	-	-	-
15	Dutch Lanka Trailers Manufacturing LLC	OMR	0.00%	1.51	-	-	-	-	-	-
16	Hewit Robins International Limited	GBP	0.07%	40.85	-	-	-	-	-	-
17	Hewit Robins International Holdings Limited	GBP	0.00%	0.68	-	-	-	-	-	-
18	TRF Singapore Pte Limited	SGD	0.37%	227.20	-	-	-	-	-	-
19	TRF Holding Pte Limited	USD	(0.07%)	(41.77)	-	-	-	-	-	-
20	9336-0634 Quebec Inc	CAD	0.00%	0.00	-	-	-	-	-	-
	TOTAL		**242.33%**	**1,47,506.12**	**(105.11%)**	**(14,120.71)**	**(577.22%)**	**8,798.29**	**(44.69%)**	**(5,322.42)**
E.	**Adjustment due to consolidation**		(142.33%)	(86,635.50)	205.11%	27555.036	677.22%	(10,322.52)	144.69%	17,232.52
	TOTAL		**100.00%**	**60,870.62**	**100.00%**	**13,434.33**	**100.00%**	**(1,524.23)**	**100.00%**	**11,910.10**
F.	**Minority Interests in subsidiaries**									
a)	**Indian Subsidiaries**									
1	The Tinplate Company of India Limited	INR		169.47		17.47		(0.36)		17.11
2	Indian Steel & Wire Products Ltd	INR		3.67		0.49		(0.02)		0.47
3	Tata Metaliks Ltd.	INR		179.01		78.80		0.03		78.83
4	Adityapur Toll Bridge Company Ltd	INR		4.56		(0.01)		-		(0.01)
5	Tata Sponge Iron Ltd	INR		453.34		63.04		(0.51)		62.53
6	Jamshedpur Utilities & Services Company Limited	INR		(15.54)		(5.22)		-		(5.22)
7	Tayo Rolls Limited	INR		(202.23)		(11.66)		-		(11.66)

Notes
FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

51. Statement of net assets and profit or loss attributable to owners and minority interest (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)
b)	**Foreign Subsidiaries**									
1	Tata Steel (Thailand) Public Company Ltd.	THB		392.86		28.36		(37.65)		(9.29)
2	TATA Steel Europe Limited	GBP		(625.40)		4,391.90		(1,530.05)		2861.85
3	Natsteel Holdings Pte. Ltd.	SGD		50.15		(8.37)		1.39		(6.98)
4	T S Global Minerals Holdings Pte Ltd.	USD		642.68		(226.32)		(1.47)		(227.79)
5	Tata Steel (KZN) (Pty) Ltd.	ZAR		(116.05)		-		14.86		14.86
	Total minority interests in subsidiaries			**936.52**		**4,328.48**		**(1,553.78)**		**2774.70**
	Consolidated Net Asset / Profit after Tax			**61,807.14**		**17,762.81**		**(3,078.01)**		**14,684.80**

List of associates and joint ventures which have not been consolidated and reasons for not consolidating

Sl. No.	Name	Reason
1	European Profiles (M) Sdn. Bhd.	The operations of the companies are not significant and hence are immaterial for consolidation
2	Albi Profils SRL	The operations of the companies are not significant and hence are immaterial for consolidation
3	Fabsec Limited	The operations of the companies are not significant and hence are immaterial for consolidation
4	Hoogovens Gan Multimedia S.A. De C.V.	The operations of the companies are not significant and hence are immaterial for consolidation
5	ISSB Limited	The operations of the companies are not significant and hence are immaterial for consolidation
6	Kumardhubi Fireclay & Silica Works Ltd.	Company is under liquidation
7	Kumardhubi Metal Casting & Engineering Ltd.	Company is under liquidation
8	Tata Construction & Projects Ltd.	Company is under liquidation

In terms of our report attached

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

sd/-
Russell I Parera
Partner
Membership Number 042190

Mumbai, May 16, 2018

For and on behalf of the Board of Directors

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/-
D. K. Mehrotra
Director
DIN: 00142711

sd/-
Saurabh Agrawal
Director
DIN: 02144558

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

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

sd/-
Parvatheesam K.
Company Secretary
ACS: 15921

Notice

Notice is hereby given that the 111th Annual General Meeting of the Members of Tata Steel Limited will be held on Friday, July 20, 2018, at 3.00 p.m. IST at the Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020, to transact the following business:

Ordinary Business:

Item No. 1 – Adoption of Audited Standalone Financial Statements

To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2018 and the Reports of the Board of Directors and the Auditors thereon.

Item No. 2 – Adoption of Audited Consolidated Financial Statements

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2018 and the Report of the Auditors thereon.

Item No. 3 – Declaration of Dividend

To declare dividend of:

- ₹10/- per fully paid Ordinary (equity) Share of face value ₹10/- each ('**fully paid shares**') for the Financial Year 2017-18.
- ₹2.504 per partly paid Ordinary (equity) Share of face value ₹10/- each ('**partly paid shares**') (paid-up ₹2.504 per share) for the Financial Year 2017-18.

Item No. 4 – Re-Appointment of a Director

To appoint a Director in the place of Mr. N. Chandrasekaran (DIN:00121863), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, seeks re-appointment.

Special Business:

Item No. 5 – Appointment of Mr. Saurabh Agrawal as a Director

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** Mr. Saurabh Agrawal (DIN:02144558), who was appointed by the Board of Directors as an Additional Director of the Company effective August 10, 2017 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ('**Act**') and Article 121 of the Articles of Association of the Company and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

Item No. 6 – Re-appointment of Mr. Koushik Chatterjee as Whole Time Director designated as Executive Director and Chief Financial Officer and payment of remuneration

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, read along with Schedule V of the Companies Act, 2013, as amended ('**Act**'), and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the consent of the Company be and is hereby accorded to the re-appointment and terms of remuneration of Mr. Koushik Chatterjee (DIN:00004989) as Whole Time Director designated as Executive Director and Chief Financial Officer ('**ED & CFO**') of the Company for a period of five years with effect from November 9, 2017 to November 8, 2022 upon the terms and conditions set out in the Statement annexed to the Notice convening the 111th Annual General Meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his said tenure within the overall limits of Section 197 of the Act with liberty to the Board of Directors (the **'Board'** which term includes a duly constituted Committee of the Board of Directors) to alter and vary the terms and conditions of the said re-appointment as it may deem fit and in such manner as may be agreed to between the Board and ED & CFO.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

Item No. 7 – Ratification of Remuneration of Cost Auditors

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, including any amendment, modification or variation thereof, the Company hereby ratifies the remuneration of ₹18 lakh plus applicable taxes and out-of-pocket expenses payable to Messrs Shome & Banerjee, Cost Accountants (Firm Registration Number - 000001) who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as the Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014, as amended, for the Financial Year ending March 31, 2019.

RESOLVED FURTHER THAT the Board of Directors (the **'Board'** which term includes a duly constituted Committee of the Board of Directors) be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient for giving effect to this Resolution and/or otherwise considered by them to be in the best interest of the Company."

Item No. 8 – Issue of Non-Convertible Debentures on private placement basis not exceeding ₹12,000 crore

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 23, 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 ('**Act**') read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, including any amendment, modification or variation thereof for the time being in force, and subject to all other applicable regulations, rules, notifications, circulars and guidelines prescribed by the Securities and Exchange Board of India ('**SEBI**'), as amended, including the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and the enabling provisions of the listing agreements entered into with the stock exchanges where the ordinary (equity) shares or other securities of the Company are listed (the '**Stock Exchanges**'), and subject to the applicable regulations, rules, notifications, circulars and guidelines prescribed by the Reserve Bank of India ('**RBI**'), the Memorandum of Association and the Articles of Association of the Company, and subject to such approvals, consents, permissions and sanctions as may be required from the Government of India, SEBI, RBI, the Stock Exchanges or any regulatory or statutory authority as may be required (the '**Appropriate Authority**') and subject to such conditions and/or modifications as may be prescribed or imposed by the Appropriate Authority while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the '**Board**' which term shall be deemed to include any Committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this Resolution), subject to the total borrowings of the Company not exceeding the borrowing powers approved by the Members from time to time under Section 180(1)(c) of the Act, the consent of the Members of the Company be and is hereby accorded to the Board and the Board be and is hereby authorised to create, offer, invite for subscription, issue and allot, from time to time, in one or more tranches and/or series, whether secured or unsecured, cumulative or non-cumulative, listed or unlisted, redeemable non-convertible debentures including but not limited to bonds and/or other debt securities, denominated in Indian rupees or any foreign currency ('**NCDs**'), aggregating to an amount not exceeding ₹12,000 crore or its equivalent in one or more currencies, at par or at premium or at a discount, either at issue or at redemption, on a private placement basis, during the period of one year from the date of this Annual General Meeting or such other period as may be permitted under the Act and other applicable laws, as the Board in its absolute discretion deems fit and on such terms and conditions as may be decided by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised on behalf of the Company to determine the terms of issue including the class of investors to whom the NCDs are to be issued, time, the number of NCDs, tranches, issue price, tenor, interest rate, premium/discount, listing (in India or overseas) and to do all such acts, deeds, matters and things and deal with all such matters and take all such steps as may be necessary and to sign and execute any deeds/documents/undertakings/agreements/papers/writings, as may be required in this regard and to resolve and settle all questions and difficulties that may arise at any stage from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred herein to any Committee of Directors or any Director(s) or executive(s)/officer(s) of the Company to do all such acts, deeds, matters and things as also to execute such documents, writings, etc. as may be necessary to give effect to this Resolution."

NOTES:

(a) The Statement, pursuant to Section 102 of the Companies Act, 2013 with respect to Item Nos. 5 to 8 forms part of this Notice. Additional information, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India in respect of Directors seeking appointment/re-appointment at the Annual General Meeting ('**Meeting**') is furnished as annexure to the Notice.

(b) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING ON HIS/HER BEHALF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.

(c) Members are requested to note that a person can act as a proxy on behalf of Members not exceeding 50 in number and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

(d) The instrument of proxy, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A Proxy Form is annexed to this Notice. Proxies submitted on behalf of limited companies, societies, etc. must be supported by an appropriate resolution or authority as applicable.

(e) Corporate members intending to send their authorised representatives to attend the Annual General Meeting are requested to send a certified copy of the Board Resolution to the Company, authorising their representative to attend and vote on their behalf at the Meeting.

(f) In case of joint holders attending the Meeting, only such joint holders who are higher in the order of the names will be entitled to vote.

(g) Members/proxies/authorised representatives are requested to bring the duly filled Attendance Slip enclosed herewith to attend the Meeting.

(h) The Register of Members and Share Transfer Books of the Company will be closed from Saturday, July 7, 2018 to Friday, July 20, 2018 (both days inclusive) for the purpose of Annual General Meeting and dividend (on fully paid as well as partly paid Ordinary Shares) for Financial Year 2017-18.

(i) If dividend on both fully paid Ordinary Shares and partly paid Ordinary Shares (collectively '**Ordinary Shares**') as recommended by the Board of Directors is approved at the Meeting, payment of such dividend will be made on and from Monday, July 23, 2018, as under:

- In respect of Ordinary shares held in physical form, to all those Members whose names appear in the Company's Register of Members after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on Friday, July 6, 2018.
- In respect of Ordinary Shares held in electronic form, to all beneficial owners of the shares, as per details furnished by the Depositories for this purpose, as of the close of business hours on Friday, July 6, 2018.

Members are requested to provide Bank details to facilitate payment of dividend, etc., either in electronic mode or for printing on the payment instruments.

(j) Relevant documents referred to in the Notice and the accompanying Statement are open for inspection by Members at the Registered Office of the Company during business hours on all working days, up to the date of the Meeting.

(k) Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the Meeting.

(l) As per the provisions of the Companies Act, 2013, facility for making nomination is available to the Members in respect of the shares held by them. Nomination forms can be obtained from the Company's Registrars and Transfer Agents by Members holding shares in physical form. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.

(m) The attention of Members is particularly drawn to the Corporate Governance Report forming part of the Directors' Report in respect of unclaimed and unpaid dividends and transfer of dividends/shares to the Investor Education and Protection Fund.

(n) Section 20 of the Companies Act, 2013 permits service of documents on Members by a company through electronic mode. Hence, in accordance with the Companies Act, 2013 read with the Rules framed thereunder, the Integrated Report 2017-18 is being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Depository Participant unless any Member has requested for a physical copy of the Report. For Members who have not registered their e-mail addresses, physical copies of the Integrated Report 2017-18 are being sent by the permitted modes. Members may note that the Integrated Report 2017-18 will also be available on the Company's website www.tatasteel.com

(o) Members holding shares in physical form are requested to consider converting their holding to dematerialised form to eliminate all risks associated with physical shares for ease of portfolio management. Members may contact the Company or TSR Darashaw Limited for assistance in this regard.

(p) To support the 'Green Initiative', Members who have not registered their e-mail addresses are requested to register the same with TSR Darashaw Limited/Depository Participant.

Updation of Members' Details:

The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/Registrars and Transfer Agents to record additional details of Members, including their Permanent Account Number details (PAN), e-mail address, bank details for payment of dividend, etc. Further, the Securities and Exchange Board of India has mandated the submission of PAN by every participant in the securities market.

A form for capturing the above details is appended in the Integrated Report 2017-18. Members holding shares in physical form are requested to submit the filled-in form to the Company or its Registrars and Transfer Agents. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

Process and manner for voting through electronic means:

1. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, each as amended from time to time and the Secretarial Standard on General Meetings ('**SS-2**') issued by The Institute of Company Secretaries of India, the Company is pleased to provide to its Members the facility to cast their votes electronically, through e-voting services provided by National Securities Depository Limited ('**NSDL**'), on resolutions set forth in this Notice. The Members may cast their votes using an electronic voting system from a place other than the venue of the Annual General Meeting ('**remote e-voting**') and the services will be provided by NSDL. Instructions for remote e-voting (including process and manner of e-voting) are given herein below. The

resolutions passed by remote e-voting are deemed to have been passed as if they have been passed at the Annual General Meeting. The Notice of the Annual General Meeting indicating the instructions of remote e-voting process along with printed Attendance Slip and Proxy Form can be downloaded from the NSDL's website www.evoting.nsdl.com or the Company's website www.tatasteel.com

2. The facility for voting through electronic voting system or ballot paper shall be made available at the Annual General Meeting and the Members (including proxies) attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right to vote at the Annual General Meeting.

3. Members who have cast their vote by remote e-voting prior to the Annual General Meeting may attend the Meeting but shall not be entitled to cast their vote again.

The process and manner for remote e-voting are as under:

A. In case a Member receives an e-mail from NSDL (for Members whose e-mail addresses are registered with the Company/ Depository Participant(s)):

i. Open the e-mail and also open PDF file namely 'TSL remote e-voting.pdf' with your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or Folio No. for shares held in physical form, as password. The said PDF file contains your User ID and password/PIN for remote e-voting. Please note that the password is an 'initial password'.

   NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file 'TSL remote e-voting.pdf'. They can use their existing password to log in and cast their vote.

ii. Open the internet browser and type the following URL: https://www.evoting.nsdl.com/ The browser may be accessed either on computer or mobile.

iii. Click on Shareholder's section – Login

iv. A new screen will open. Enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are already registered for NSDL e-services i.e. IDeAS, you can log-in at https://eservices.nsdl.com with your existing IDeAS login and password for casting your vote electronically.

   NOTE: Shareholders who have forgotten the User Details/ Password can use 'Forgot User Details/Password?' (who are holding shares in Demat account with NSDL or CDSL) or 'Physical User Reset Password?' (who are holding physical shares) option available on www.evoting.nsdl.com If the Shareholder is still unable to get the password by aforesaid options, the Shareholder can send a request to evoting@nsdl.co.in mentioning his/her Demat account number/folio number, PAN, name and registered address.

   - In case Shareholders are holding shares in demat mode with NSDL, User ID is the combination of 8 character DPID + 8 character Client ID.
     Example: If your DP ID is IN300*** and Client ID is 12****** then your User ID is IN300***12******
   - In case Shareholders are holding shares in demat mode with CDSL, User ID is the combination of 16 digit Beneficiary ID.
     Example: If your Beneficiary ID is 12************** then your User ID is 12**************
   - In case Shareholders are holding shares in physical mode, User ID is the combination of EVEN No. + Folio No.
     Example: If EVEN is 108384 (fully paid shares) and Folio is S1******** then User ID is 108384S1******** and,
     If EVEN is 108385 (partly paid shares) and Folio is PV******** then User ID is 108385PV********

v. If you are logging-in for the first time, please enter the User ID and password provided in the PDF file attached with the e-mail as initial password. Click Login. If your e-mail-id is not registered, initial password will be communicated on your registered address.

vi. The Password Change Menu will appear on your screen. Change the password/PIN with new password of your choice, making sure that it contains a minimum of eight digits or characters or a combination of both.

vii. Please take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the 'Forgot User Details/ Password?' or 'Physical User Reset Password?' option available on www.evoting.nsdl.com to reset the password. After entering your password, tick on Agree to 'Terms and Conditions' by selecting on the check box. Now click on the 'Log in' button. Home page of remote e-voting will open.

viii. Once the remote e-voting home page opens, click on remote e-voting > Active e-Voting Cycles.

ix. Select 'EVEN' (E-Voting Event Number) of Tata Steel Limited which is 108384 for fully paid Ordinary Shares and 108385 for partly paid Ordinary Shares. Now you are ready for remote e-voting as Cast Vote page opens.

x. Cast your vote by selecting appropriate option and click on 'Submit' and also 'Confirm' when prompted.

xi. Upon confirmation, the message 'Vote cast successfully' will be displayed. You can take print out of the same by clicking on the print option on the confirmation page.

xii. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.

xiii. Institutional Shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutiniser through e-mail to tsl.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in on or before the closing of e-voting.

B. In case a Member receives physical copy of the Notice of Annual General Meeting (for Members whose e-mail addresses are not registered with the Company/Depository Participant(s) or requesting physical copy):

i. Initial password is provided in the enclosed Attendance Slip(s) along with EVEN (E-Voting Event Number), User ID and password.

ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xiii) as above in (A), to cast your vote.

Other Instructions:

i. In case of any queries, you may refer the Frequently Asked Questions (**FAQs**) for Shareholders and User Manual on E-Voting System for Shareholders, available at the 'downloads' section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

ii. The remote e-voting period commences on Monday, July 16, 2018 (9.00 a.m. IST) and ends on Thursday, July 19, 2018 (5.00 p.m. IST). During this period, Members of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date of Friday, July 13, 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change the vote subsequently.

iii. You can also update your mobile number and e-mail address in the user profile details of the folio which may be used for sending future communication(s).

iv. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e Friday, July 13, 2018 and as per the Register of Members of the Company.

v. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of Annual General Meeting and holding shares as of the cut-off date, i.e Friday, July 13, 2018 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or csg-unit@tsrdarashaw.com (RTA e-mail). However, if you are already registered with NSDL for remote e-voting then you can use your existing User ID and password for casting your vote. If you have forgotten your password, you can reset your password by using 'Forgot User Details/Password?' or 'Physical User Reset Password' option available on www.evoting.nsdl.com or contact NSDL at the following Toll Free No.: 1800-222-990 or e-mail at evoting@nsdl.co.in

vi. Please note, only a person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of voting, either through remote e-voting or voting at the Annual General Meeting through e-voting or ballot paper.

vii. The Board of Directors has appointed Mr. P. N. Parikh (Membership No. FCS 327) or failing him Mr. Mitesh Dhabliwala (Membership No. FCS 8331) of M/s Parikh & Associates, Practising Company Secretaries, as the Scrutiniser to scrutinise the remote e-voting process as well as voting at the Annual General Meeting in a fair and transparent manner.

viii. At the Annual General Meeting, at the end of the discussion of the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutiniser, allow voting for all those Members who are present but have not cast their vote electronically using the remote e-voting facility.

ix. The Scrutiniser shall immediately after the conclusion of voting at the Annual General Meeting, first count the votes cast at the Annual General Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the Meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same.

x. The Chairman or a person authorised by him in writing shall declare the result of voting forthwith.

xi. The results declared along with the Scrutiniser's Report shall be placed on the website of the Company www.tatasteel.com and on the website of NSDL www.evoting.nsdl.com immediately after the result is declared by the Chairman or any other person authorised by the Chairman and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

xii. In case of any grievances with respect to the facility for voting by electronic means, Members are requested to contact Mr. Amit Vishal, Senior Manager at amitv@nsdl.co.in or evoting@nsdl.co.in or on (+91 22 2499 4360/1800-222-990) or write at NSDL, Trade World, 'A' wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.

By Order of the Board of Directors

sd/-
PARVATHEESAM K.
Company Secretary
ACS: 15921

Mumbai
May 16, 2018

Registered Office:
Bombay House, 24, Homi Mody Street,
Fort, Mumbai - 400 001
Tel: +91 22 6665 8282 Fax: +91 22 6665 7724
CIN: L27100MH1907PLC000260
Website: www.tatasteel.com
E-mail: cosec@tatasteel.com

Statement pursuant to Section 102(1) of the Companies Act, 2013, as amended ('Act')

The following Statement sets out all material facts relating to Item Nos. 5 to 8 mentioned in the accompanying Notice.

Item No. 5:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors ('**Board**'), appointed Mr. Saurabh Agrawal as an Additional (Non-Executive) Director of the Company, liable to retire by rotation, on August 7, 2017 effective August 10, 2017. Pursuant to the provisions of Section 161 of the Act and Article 121 of the Articles of Association of the Company, Mr. Saurabh Agrawal will hold office up to the date of the ensuing Annual General Meeting ('**AGM**') and is eligible to be appointed as a Director of the Company. The Company has, in terms of Section 160 of the Act, received a notice in writing, from a member, proposing the candidature of Mr. Agrawal for the office of Director. Mr. Agrawal once appointed will be liable to retire by rotation and will be subject to the Company's Policy on Retirement of Directors.

The Company has received from Mr. Agrawal (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act.

The profile and specific areas of expertise of Mr. Agrawal are provided as annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Agrawal, to whom the resolution relates, is concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

The Board recommends the resolution set forth in Item No. 5 for the approval of the Members.

Item No. 6:

Mr. Koushik Chatterjee was appointed as the Whole Time Director and Group Chief Financial Officer of your Company for a period of five years with effect from November 9, 2012 till November 8, 2017 and the said appointment was approved by the Shareholders at the Annual General Meeting of the Company held on August 14, 2013. Based on the recommendation of the Nomination and Remuneration Committee ('**NRC**'), the Board of Directors ('**Board**'), on October 30, 2017, re-appointed Mr. Chatterjee as a Whole Time Director, designated as Executive Director and Chief Financial Officer ('**ED & CFO**') for a further period of five years with effect from November 9, 2017 to November 8, 2022, subject to approval of the Shareholders.

Mr. Chatterjee joined the Company in 1995. He was appointed as the Vice President Finance in 2004, Group CFO in 2008 and appointed on the Board in 2012 as Executive Director. During his tenure in the Company, he has led the Company's finance function and provided financial stewardship in the areas of financial strategy, large and complex financing in India and overseas, mergers and acquisitions, risk management, controlling, investor relations and taxation. He has also been deeply involved in portfolio restructuring and turnaround situations, public policy on financial governance and pension restructuring in the UK.

On the recommendations of the NRC, the Board at its meeting held on October 30, 2017 and May 16, 2018 approved the terms and conditions of Mr. Koushik Chatterjee's re-appointment, subject to the approval of the Shareholders.

The main terms and conditions relating to the re-appointment of Mr. Koushik Chatterjee as ED & CFO are as follows:

(1) Period: For a period of 5 years, i.e from November 9, 2017 to November 8, 2022.

(2) Nature of Duties: The ED & CFO shall devote his whole time and attention to the business of the Company and perform such duties as may be entrusted to him by the Board and/or CEO & Managing Director of Tata Steel Limited from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to the superintendence, control and directions of the Board and/or CEO & Managing Director of Tata Steel Limited in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and/or subsidiaries, including performing duties as assigned to the ED & CFO from time to time by serving on the boards of such associated companies and/or subsidiaries or any other executive body or any committee of such a company.

(3) A. Remuneration:

a) Basic Salary

Current Basic Salary of ₹10,25,000/- per month, up to a maximum of ₹15,00,000/- per month, with annual increments effective April 1, each year, as may be decided by the Board, based on merit and taking into account the Company's performance for the year.

b) Benefits, perquisites and allowances

Details of Benefits, Perquisites and Allowances are as follows:

i. Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance and utilities (e.g. gas, electricity and water charges) for the said accommodation.

   OR

   House Rent, House maintenance and utility allowances aggregating 85% of Basic Salary.

ii. Hospitalisation, Transport, Telecommunication and other facilities:

a. Hospitalisation and major medical expenses for self, spouse and dependent parents and children;

b. Car, with driver provided, maintained by the Company for official and personal use; and

c. Telecommunication facilities including broadband, internet, fax.

iii. Other perquisites and allowances as given below, subject to maximum of 55% limit of the annual basic salary.

The categories of perquisites/allowances to be included within the 55% limit would be-

a. Monthly Supplementary Allowances/Personal Accident Insurance/Club Membership fees – 38.34%

b. Leave Travel Concession/Allowance – 8.33%

c. Medical Allowance – 8.33%

iv. Contribution to Provident Fund, Superannuation Fund and Gratuity Fund, as per the Rules of the Company.

v. Mr. Chatterjee will be entitled to leave in accordance with the rules of the Company. Privilege leave earned but not availed by him would be encashable in accordance with the Rules of the Company.

c) Bonus/performance linked incentive/commission

Mr. Chatterjee shall be entitled to bonus/performance linked incentive, Long Term Incentive Plan ('**LTIP**') and/or commission based on certain performance criteria laid down by the Board and/or Committee thereof, subject to overall ceilings stipulated in Section 197 of the Companies Act, 2013. The specific amount of bonus/performance linked incentive, LTIP and/or Commission will be based on performance as evaluated by the Board or a Committee thereof, duly authorised in this behalf.

B. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained where in any financial year during the currency of the tenure of Mr. Koushik Chatterjee, the Company has no profits or its profits are inadequate, the Company will pay him remuneration by way of salary, benefits and perquisites and allowances, bonus/performance linked incentive, Long Term Incentive Plan as approved by the Board.

(4) Other Terms of Appointment:

i. The ED & CFO, so long as he functions as such, undertakes not to become interested or otherwise concerned, directly or through his spouse and/or children, in any selling agency of the Company.

ii. The terms and conditions of the re-appointment of the ED & CFO and/or this Agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the ED & CFO, subject to such approvals as may be required.

iii. The appointment may be terminated earlier, without any cause, by either Party by giving to the other Party six months' notice of such termination or the Company paying six months' remuneration which shall be limited to provision of Salary, Benefits, Perquisites, Allowances and any pro-rated Incentive Remuneration (paid at the discretion of the Board), in lieu of such notice.

iv. The employment of the ED & CFO may be terminated by the Company without notice or payment in lieu of notice:

a. if the ED & CFO is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or

b. in the event of any serious or repeated or continuing breach (after prior warning) or non-observance by the ED & CFO of any of the stipulations contained in the Agreement; or

c. in the event the Board expresses its loss of confidence in the ED & CFO.

v. In the event the ED & CFO is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

vi. Upon the termination by whatever means of ED & CFO's employment under the Agreement:

a. He shall immediately cease to hold offices held by him in any holding company, subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trusts connected with the Company.

b. He shall not, without the consent of the Board and/or the CEO & Managing Director of Tata Steel Limited, at any time thereafter represent himself as connected with the Company or any of its subsidiaries and associated companies.

vii. All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the ED & CFO unless specifically provided otherwise.

viii. If and when the Agreement expires or is terminated for any reason whatsoever, Mr. Chatterjee will cease to be the ED & CFO and also cease to be a Director of the Company. If at any time, the ED & CFO ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the ED & CFO and the Agreement shall forthwith terminate. If at any time, the ED & CFO ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director and ED & CFO of the Company.

ix. The terms and conditions of re-appointment of ED & CFO also include clauses pertaining to adherence to the Tata Code of Conduct, protection and use of intellectual property, non-competition, non-solicitation post termination of agreement and maintenance of confidentiality.

The profile and specific areas of expertise of Mr. Chatterjee are provided as annexure to this Notice.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives, except Mr. Chatterjee, to whom the resolution relates, is concerned or interested in the Resolution mentioned at Item No. 6 of the Notice.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, the approval of the Members is sought for the re-appointment and terms of remuneration of Mr. Koushik Chatterjee as Whole Time Director designated as Executive Director and Chief Financial Officer as set out above.

The Board recommends the resolution set forth in Item No. 6 for the approval of the Members.

Item No. 7:

The Company is required under Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, to have the audit of its cost records for products covered under the Companies (Cost Records and Audit) Rules, 2014 conducted by a Cost Accountant in Practice. The Board of Directors of the Company has on the recommendation of the Audit Committee approved the appointment and remuneration of Messrs Shome & Banerjee, Cost Accountants as the Cost Auditor of the Company for the Financial Year 2018-19.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors of the Company for the Financial Year ending March 31, 2019.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 7 of the Notice.

The Board recommends the resolution set forth in Item No. 7 for the approval of the Members.

Item No. 8:

Over the last few years, the Company has been investing in its steelmaking facilities in India while continuing to upgrade its facilities in Europe and South-East Asia. Following the successful implementation of Phase I of the Kalinganagar Project, the Company would now pursue the next phase of expansion of capacity in Kalinganagar by 5 MnTPA from 3 MnTPA to 8 MnTPA. The Company is also exploring options for inorganic growth and has submitted resolution plans in respect of certain companies undergoing the corporate insolvency resolution process under the Insolvency and Bankruptcy Code. The Company was declared as the successful resolution applicant by the Committee of Creditors of Bhushan Steel Limited ('**BSL**') on March 22, 2018, subject to obtaining necessary regulatory approvals, including approval from the National Company Law Tribunal ('**NCLT**'). Further, the NCLT (Principal Bench, New Delhi) vide its Order dated May 15, 2018 has approved the Resolution Plan submitted by the Company for acquiring the controlling stake of BSL. In light of the organic and inorganic growth strategy of the Company, the Company would require significant financial capital. In line with past strategy, the Company will seek to balance its growth ambitions with its goal of having a healthy balance sheet. Moreover, organic growth projects will be phased keeping in mind the financial health of the Company.

As a step towards improving its capital structure, the Company recently completed a Rights Issue of Equity Shares to its existing Shareholders. The Company also seeks to continuously optimise its borrowings by ensuring they are aligned in terms of quantum, risk, maturity and cost with its earnings profile. The Company also opportunistically taps debt capital markets from time to time to meet a portion of its borrowing needs, which often presents windows of opportunity to raise capital that is cost-effective, has better terms and can help lengthen its maturity profile. The flexibility to raise capital through issue of market instruments becomes more important in view of the changing regulatory landscape, with the guidelines released by central bank requiring large borrowers to meet a portion of incremental funding needs through market mechanism.

The provisions of Sections 23, 42 and 71 of the Act read with Rule 14(2)(a) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 (the '**PAS Rules**'), provide that a company shall not make a private placement of its securities unless the proposed offer of securities or invitation to subscribe to the securities has been previously approved by the Members of the Company by a special resolution. The second proviso to Rule 14(2)(a) of the PAS Rules provides that in case of an offer or invitation to subscribe to Non-Convertible Debentures ('**NCDs**') on private placement basis, the Company can obtain prior approval by means of a special resolution once a year for all offers or invitations for such NCDs during the year.

The pricing for any instrument which may be issued by the Company on the basis of the Resolution set out at Item No. 8 of the Notice will be done by the Board (which term includes a duly constituted Committee of the Board of Directors) in accordance with applicable laws including the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and foreign exchange regulations, as may be applicable.

TATA STEEL

The Members of the Company through the resolution passed by Postal Ballot on August 1, 2014 had approved the borrowing limits pursuant to the provisions of the Section 180(1)(c) of the Act of ₹70,000 crore or the aggregate of the paid-up capital and free reserves of the Company, whichever is higher. As on March 31, 2018, the net worth of the Company is ₹63,790 crore and the total debt of the Company is ₹28,126 crore including outstanding NCDs of ₹10,346 crore.

Accordingly, the Company is seeking approval from its Members under Sections 23, 42, 71 and other applicable provisions, if any, of the Act, read together with the PAS Rules and Companies (Share Capital and Debentures) Rules, 2014, as amended, to issue securities, as set out in the Special Resolution at Item No. 8 of the Notice, not exceeding ₹12,000 crore through issuance of NCDs in the international and/or domestic capital markets, within a period of one year from the date of the 111th Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 8 of the Notice.

The Board recommends the resolution set forth in Item No. 8 for the approval of the Members.

By Order of the Board of Directors

sd/-
PARVATHEESAM K.
Company Secretary
ACS: 15921

Mumbai
May 16, 2018

Registered Office:
Bombay House, 24, Homi Mody Street,
Fort, Mumbai - 400 001
Tel: +91 22 6665 8282 Fax: +91 22 6665 7724
CIN: L27100MH1907PLC000260
Website: www.tatasteel.com
E-mail: cosec@tatasteel.com

Annexure to the Notice

Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting
[Pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings]

Profile of Mr. Natarajan Chandrasekaran

Mr. Natarajan Chandrasekaran (54) was appointed as a Member of the Board effective January 13, 2017 and as Chairman of the Board effective February 7, 2017.

Mr. Chandrasekaran is the Executive Chairman of Tata Sons Limited and the former Chief Executive Officer and Managing Director of Tata Consultancy Services ('**TCS**'), a leading global IT solution and consulting firm, a position he had held since 2009.

Mr. Chandrasekaran holds a Bachelor's degree in Applied Science. He also holds a Master's degree in Computer Applications from Regional Engineering College, Trichy, Tamil Nadu, India.

He was also appointed as a director on the board of India's Central Bank, the Reserve Bank of India in 2016. He has served as the chairperson of IT Industry Governors at the World Economic Forum, Davos, in 2015-16. He has been playing an active role in the Indo-US and India-UK CEO Forums. He is also part of India's business taskforces for Australia, Brazil, Canada, China, Japan and Malaysia. He served as the chairman of Nasscom, the apex trade body for IT services firms in India in 2012-13 and continues to be a member of its governing executive council.

Mr. Chandrasekaran has received several awards and recognition in the business community. He was honoured with the 'Business Leader Award' at the ET Awards for Corporate Excellence 2016. He was also awarded Qimpro Platinum Standard Award 2015 (business) and Business Today's Best CEO 2015 (IT and ITEs). He was voted the 'Best CEO' for the fifth consecutive year by the Institutional Investor's 2015 Annual All-Asia Executive Team rankings. During 2014, he was voted as one of CNBC TV 18 Indian Business Icons. He was also awarded CNN-IBN Indian of the Year 2014 in the business category. Mr. Chandrasekaran was presented with the 'Best CEO for 2014' award by Business Today for the second consecutive year. He has also received the Medal of the City of Amsterdam - Frans Banninck Coqc - in recognition of his endeavour to promote trade and economic relations between Amsterdam and India.

Mr. Chandrasekaran was conferred with an honorary doctorate by JNTU, Hyderabad, India (2014). He has received an honorary doctorate from Nyenrode Business Universiteit, Netherland's top private business school (2013). He has also been conferred honorary degrees by many Indian universities such as the Gitam University, Visakhapatnam, Andhra Pradesh (2013); KIIT University, Bhubaneswar, Odisha (2012) and the SRM University, Chennai, Tamil Nadu (2010).

Particulars of experience, attributes or skills that qualify the candidate for Board membership

Under the leadership of Mr. Chandrasekaran, TCS became one of the largest private sector employer in India with the highest retention rate in a globally competitive industry. Under Mr. Chandrasekaran's leadership, TCS was rated as the world's most powerful brand in IT services in 2015 and was recognised as a Global Top Employer by the Top Employers Institute across 24 countries. A technopreneur known for his ability to make big bets on new technology, Mr. Chandrasekaran shaped TCS's strong positioning in the emerging digital economy with a suite of innovative digital products and platforms for enterprises, some of which have since scaled into sizeable new businesses.

Mr. Chandrasekaran having been the CEO of TCS brings with him valuable experience in managing the issues faced by large and complex organisations. The Company and the Board will immensely benefit by leveraging his demonstrated leadership capability, general business acumen and knowledge of complex financial and operational issues faced by the Company.

Mr. Chandrasekaran also brings rich experience in various areas of business, technology, operations, societal and governance matters.

Board Meeting Attendance and Remuneration

During the year, Mr. Natarajan Chandrasekaran attended all seven Board Meetings that were held. Details regarding the compensation is provided in the Directors' Report and in the Corporate Governance Report forming part of the Directors' Report.

Bodies Corporate (other than Tata Steel Limited) in which Mr. Natarajan Chandrasekaran holds Directorships and Committee Membership

Directorships

Tata Sons Limited
Tata Consultancy Services Limited
Tata Motors Limited
The Indian Hotels Company Limited
The Tata Power Company Limited
TCS Foundation (Section 8 company)
Tata Global Beverages Limited
Jaguar Land Rover Automotive Plc
Reserve Bank of India

Chairperson of Board Committees

Tata Consultancy Services Limited
Corporate Social Responsibility Committee
Executive Committee of the Board

The Tata Power Company Limited
Executive Committee of the Board

Member of Board Committees

Tata Sons Limited
Nomination and Remuneration Committee
Special Committee

Tata Consultancy Services Limited
Nomination and Remuneration Committee

Tata Motors Limited
Nomination and Remuneration Committee

The Indian Hotels Company Limited
Nomination and Remuneration Committee

The Tata Power Company Limited
Nomination and Remuneration Committee

Tata Global Beverages Limited
Nomination and Remuneration Committee

Reserve Bank of India
Human Resource Management Sub-committee

Jaguar Land Rover Automotive Plc
Nomination and Remuneration Committee

Disclosure of Relationship inter-se between Directors, Manager and other Key Managerial Personnel

There is no inter-se relationship between Mr. Natarajan Chandrasekaran, other Members of the Board and Key Managerial Personnel of the Company.

Shareholding in the Company

Mr. Natarajan Chandrasekaran does not hold any Equity Shares of the Company.

Profile of Mr. Saurabh Agrawal

Mr. Saurabh Agrawal (48) was appointed as a Member of the Board effective August 10, 2017.

Mr. Agrawal joined Tata Sons Limited in June 2017 as Group Chief Financial Officer and was appointed as the Executive Director of Tata Sons in November 2017. Prior to joining the Tata Group, he was the Head of Strategy at the Aditya Birla Group. In a career spanning over two decades Mr. Agrawal has also been the Head of Corporate Finance Business of Standard Chartered Bank in South Asia and the Head of Investment Banking for India in Bank of America Merrill Lynch.

Mr. Agrawal holds a graduate degree in chemical engineering, with honours, from the Indian Institute of Technology, Roorkee and holds a Post-Graduate Diploma in Management from Indian Institute of Management, Calcutta.

Particulars of experience, attributes or skills that qualify the candidate for Board membership

Mr. Agrawal has a wide-ranging experience in strategy and capital markets where he had a ringside view of the evolution of Indian economy since the mid-90s. He has advised clients on transactions valued more than US$16 billion. In addition, Mr. Agrawal has helped various large Indian and Global corporates raise over US$10 billion from the capital markets.

Mr. Agrawal has experience across strategy and execution, covering a wide range of industries. Mr. Agrawal's leadership capabilities, his rich experience in portfolio optimisation, investment management and capital allocation and his deep understanding of the complex strategic and financial issues will strengthen the Board's collective vision, knowledge, capabilities and experience.

Board Meeting Attendance and Remuneration

During the year, Mr. Agrawal attended four Board Meetings held post his appointment as Director. Details regarding the compensation is provided in the Directors' Report and in the Corporate Governance Report forming part of the Directors' Report.

Bodies Corporate (other than Tata Steel Limited) in which Mr. Saurabh Agrawal holds Directorships and Committee Membership

Directorships

Tata Sons Limited
Tata Capital Limited
Tata AIA Life Insurance Company Limited
Tata AIG General Insurance Company Limited
Tata Teleservices Limited

The Tata Power Company Limited
Tata Sky Limited
Candid Fruits Private Limited
Chambal Natural Fruits Private Limited
Gradis Trading Private Limited
Natural Fruits Private Limited
Natural Whole Fruits Private Limited

Chairperson of Board Committees

Tata Capital Limited
Risk Management Committee
Finance and Asset Liability Supervisory Committee

Tata Teleservices Limited
Audit Committee
Nomination and Remuneration Committee
Finance Committee

Tata AIG General Insurance Company Limited
Nomination and Remuneration Committee

Member of Board Committees

Tata Capital Limited
Nomination and Remuneration Committee

Tata Teleservices Limited
Share/Warrant/Debenture Allotment & Transfer Committee
Network and Technical Committee

Tata AIA Life Insurance Company Limited
Investment Committee
Nomination and Remuneration Committee
Audit Committee
With Profits Committee

The Tata Power Company Limited
Audit Committee

Tata Sky Limited
Nomination and Remuneration Committee

Tata AIG General Insurance Company Limited
Investment Committee

Disclosure of Relationship inter-se between Directors, Manager and other Key Managerial Personnel

There is no inter-se relationship between Mr. Saurabh Agrawal, other Members of the Board and Key Managerial Personnel of the Company.

Shareholding in the Company

Mr. Saurabh Agrawal does not hold any Equity Shares of the Company.

Profile of Mr. Koushik Chatterjee

Mr. Koushik Chatterjee (49) was inducted as a Whole Time Director of the Company effective November 9, 2012 and re-appointed as Whole Time Director effective November 9, 2017 designated as Executive Director and Chief Financial Officer.

Mr. Chatterjee joined the Company in 1995 in Jamshedpur. He was transferred to Tata Sons Limited in 1999 in the Group Executive Office. He became General Manager - Corporate Finance, Tata Sons Limited in 2002. Mr. Chatterjee re-joined the Company on August 1, 2003 and was appointed the Vice President (Finance) effective August 1, 2004. He was appointed as the Group CFO in 2008 and appointed to the Board in 2012 as Executive Director. During the last 14 years in the Company, he has led the Company's finance function and provided financial stewardship in the areas of financial strategy, large and complex financing in India and overseas, mergers and acquisitions, risk management, controlling, investor relations and taxation. He has also been deeply involved in portfolio restructuring and turnaround situations, public policy on financial governance and pension restructuring in the UK. During his tenure, Mr. Chatterjee led the overseas acquisitions of the Company in South-East Asia and Europe.

During his tenure in the Company, he has led the Company to raise over US$60 billion of gross capital funding including refinancing through a variety of multi-currency instruments covering several instrument structures including Leveraged buyout structure, Syndicated loans, Convertible bonds, Rupee and Dollar bonds, ECA financing, Equity and structured equity. He provided leadership and hands-on experience in developing M&A strategy, transaction planning, structuring and execution planning for acquisitions with transactions value aggregating to more than US$15 billion in India, Europe, Canada, Africa, Thailand, Singapore and Australia. He also steered the Company in developing and execution of a structured divestment strategy with multiple portfolio exits aggregating over US$3 billion.

In recent times, he led the negotiations with multiple stakeholders including the consortium of Unions in the UK, the Government of UK, the Pension Regulator and the British Steel Pension Scheme Trustees for structural de-risking and delinking of the defined benefit pension scheme from the business ensuring a sustainable future for both the employees and the Company.

Mr. Chatterjee has been a member of the Primary Market Advisory Committee of the SEBI and was member of the task force set up by SEBI that drafted the Takeover Code. He was also the member of the Global Preparers Forum, the advisory body to the International Accounting Standards Board London. He is currently the member of International Integrated Reporting Council, Global Task Force on Climate Related Financial Disclosures set up by the Financial Stability Board and has been member of several B20 Task Forces under the Chairmanship of Turkey, China and Germany. He is a frequent speaker in various conferences in India and abroad and has been recognised as one of India's best CFO by several organisations like CNBC, Asiamoney, Chartered Institute of Management Accountants UK.

Mr. Koushik Chatterjee is an Honours Graduate in Commerce from Calcutta University and a Fellow Member of the Institute of Chartered Accountants of India.

Particulars of experience, attributes or skills that qualify the candidate for Board membership:

Mr. Koushik Chatterjee has valuable experience in managing the issues faced by large and complex corporations as a result of his services at Tata Sons and Tata Steel.

Mr. Chatterjee brings to the Board extensive experience in the areas of controllership, financial stewardship, business responsibility (including re-structuring and turnaround of large organisations), business development (mergers, acquisitions and divestments), strategy and execution of large and complex financing, strategic communication, risk management, crisis leadership, public affairs, legal, compliance and governance.

Mr. Chatterjee's experience demonstrates his leadership capability, general business acumen and knowledge of complex financial and operational issues that large corporations face.

By virtue of his background and experience Mr. Chatterjee has an extraordinarily broad and deep knowledge of the steel and mining industry. His experiences will enable him to provide the Board with valuable insights on a broad range of business, social and governance issues that are relevant to the Company.

His re-appointment will strengthen the Board's knowledge, capability, experience and execution of the Company's strategy

Board Meeting Attendance and Remuneration

During the year, Mr. Chatterjee attended all seven Board Meetings held. Mr. Chatterjee, being an Executive Director, was not paid any sitting fees for attending the meetings of the Board/Committees. Details regarding the compensation is provided in the Directors' Report and in the Corporate Governance Report forming part of the Directors' Report.

Bodies Corporate (other than Tata Steel Limited) in which Mr. Koushik Chatterjee holds Directorships and Committee Membership

Directorships

Tata Steel Europe Limited
Tata Metaliks Limited
The Tinplate Company of India Ltd
Tata Steel Special Economic Zone Limited
Tata Steel Foundation (Section 8 Company)
Dimna Steel Limited
Bistupur Steel Limited
TS Global Holdings Pte. Ltd.
TS Global Minerals Holdings Pte. Ltd.
TS Global Procurement Co. Pte. Ltd.
World Steel Association

Member of Board Committees

Tata Metaliks Limited
Nomination and Remuneration Committee

The Tinplate Company of India Ltd.
Nomination and Remuneration Committee

Tata Steel Special Economic Zone Limited
Nomination and Remuneration Committee

Tata Steel Europe Limited
Audit Committee
Executive Committee
Board Pension Committee

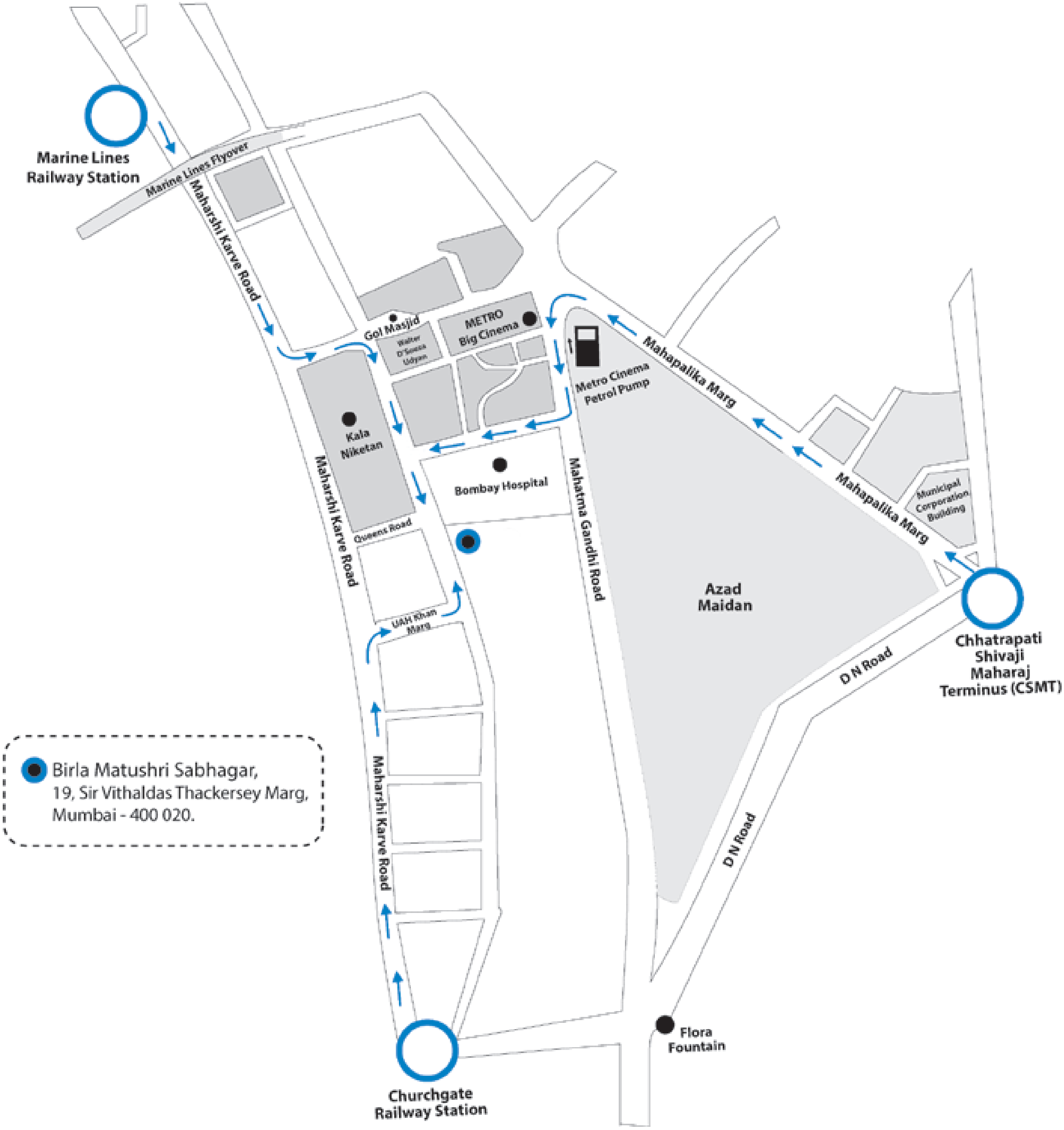
Disclosure of Relationship inter-se between Directors, Manager and other Key Managerial Personnel

There is no inter-se relationship between Mr. Koushik Chatterjee, other Members of the Board and Key Managerial Personnel of the Company.

Shareholding in the Company

Mr. Koushik Chatterjee holds 1,531 fully paid Ordinary Shares and 105 partly paid Ordinary Shares of the Company.

Route Map to the AGM Venue



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To,

TSR Darashaw Limited/Depository Participant

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Updation of Shareholders Information

I/We request you to record the following information against my/our Folio No./DP ID/Client ID:

General Information:

Folio No./DP ID/Client ID:	
Name of the first named Shareholder:	
PAN:*	
CIN/Registration No.:* (applicable to Corporate Shareholders)	
Tel. No. with STD Code:	
Mobile No.:	
E-mail id:	

*Self attested copy of the document(s) enclosed.

Bank Details:

IFSC: (11 digit)	
MICR: (9 digit)	
Bank A/c Type:	
Bank A/c No.: *	
Name of the Bank:	
Bank Branch Address:	

*A blank cancelled cheque is enclosed to enable verification of bank details.

I/We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company/RTA responsible. I/We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/We understand that the above details shall be maintained till I/We hold the securities under the above mentioned Folio No.

Place:

Date:

____

Signature of Sole/First holder

Note:
Shareholders holding shares in physical mode and having Folio No(s) should provide the above information to our RTA, TSR Darashaw Limited. Shareholders holding Demat shares are required to update their details with the Depositary Participant.

TATA STEEL

Tata Steel Limited

Registered Office: Bombay House, 24, Homi Mody Street, Fort, Mumbai - 400 001.

Tel.: +91 22 6665 8282 • Fax: +91 22 6665 7724 • Corporate Identity No.: (CIN) – L27100MH1907PLC000260

Website: www.tatasteel.com • Email: cosec@tatasteel.com

Attendance Slip

(To be presented at the entrance)

111TH ANNUAL GENERAL MEETING ON FRIDAY, JULY 20, 2018, AT 3.00 P.M. (IST)

at Birla Matushri Sabhagar,19, Sir Vithaldas Thackersey Marg, Mumbai - 400 020.

Folio No. ____________ DP ID No. ____________ Client ID No. ____________

Name of the Member: ______________________ Signature: ____________

Name of the Proxyholder: ______________________ Signature: ____________

I hereby record my presence at the 111th Annual General Meeting of the Company held on Friday, July 20, 2018, at 3.00 p.m. IST at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai – 400 020.

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Integrated Report for reference at the Meeting.

TATA STEEL

Tata Steel Limited

Registered Office: Bombay House, 24, Homi Mody Street, Fort, Mumbai-400 001.

Tel.: +91 22 6665 8282 • Fax: +91 22 6665 7724 • Corporate Identity No.: (CIN) – L27100MH1907PLC000260

Website: www.tatasteel.com • Email: cosec@tatasteel.com

Proxy Form

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014, as amended)

Name of the Member(s) : ______________________

Registered address : ______________________

E-mail Id : ______________________

Folio No./Client ID No. ____________ DP ID No. ____________

I/We, being the Member(s) holding ____________ Equity Shares of Tata Steel Limited, hereby appoint

1. Name: ____________ E-mail Id: ____________

   Address: ____________

   ____________ Signature: ____________ or failing him

2. Name: ____________ E-mail Id: ____________

   Address: ____________

   ____________ Signature: ____________ or failing him

3. Name: ____________ E-mail Id: ____________

   Address: ____________

   ____________ Signature: ____________

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 111th Annual General Meeting of the Company to be held on Friday, July 20, 2018, at 3.00 p.m. IST at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai-400 020 and at any adjournment thereof in respect of such Resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Resolution	For	Against
Ordinary Business			
1	Consider and adopt the Audited Standalone Financial Statements for the Financial Year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon		

Resolution No.	Resolution	For	Against
Ordinary Business			
2	Consider and adopt the Audited Consolidated Financial Statements for the Financial Year ended March 31, 2018 and the Report of the Auditors thereon		
3	Declaration of Dividend on fully paid and partly paid Ordinary Shares for Financial Year 2017-18		
4	Appointment of Director in place of Mr. N. Chandrasekaran (DIN: 00121863), who retires by rotation and being eligible, seeks re-appointment		
Special Business			
5	Appointment of Mr. Saurabh Agrawal (DIN: 02144558) as a Director		
6	Re-Appointment of Mr. Koushik Chatterjee (DIN: 00004989) as Whole Time Director designated as Executive Director and Chief Financial Officer and payment of remuneration		
7	Ratification of remuneration of Messrs Shome & Banerjee, Cost Auditors of the Company		
8	Issue of Non-Convertible Debentures on private placement basis not exceeding ₹12,000 crore		

Signed this ____________ day of ____________ 2018

Affix Revenue Stamp

Signature of Shareholder ____________________ Signature of Proxyholder(s) ____________________

NOTES:

1. This Form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at Bombay House, 24, Homi Mody Street, Fort, Mumbai-400 001 not less than 48 hours before the commencement of the Meeting.

** 2. This is only optional. Please put a '√' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

3. Appointing Proxy does not prevent a Member from attending in person if he so wishes.

4. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

TATA

LEADERSHIP WITH TRUST
SINCE 1868

₹ 656,973 CRORE REVENUE

600 MILLION+ CONSUMERS

In a free enterprise,
the community is not just another
stakeholder in business, but is in fact
the very purpose of its existence.
- Jamsetji Tata

695,699 EMPLOYEES

₹ 27,346 CRORE PROFIT AFTER TAX

3.98 MILLION SHAREHOLDERS

150+ COUNTRIES

66% OF PARENT COMPANY TATA SONS' EQUITY SHARE CAPITAL HELD BY PHILANTHROPIC TRUSTS

150 YEARS

The figures are aggregated for Tata companies for the financial year ended 31.03.2017.

From pioneering businesses, to pioneering welfare practices,
to pioneering national institutions,
the Tata Group remains committed to improving the lives of communities
we serve globally, based on leadership with trust.

Picture (left to right): The four partners - Jamsetji Tata, Founder of the Tata Group; R. D. Tata, father of J. R. D. Tata;
Sir Ratan Tata, younger son of the Founder; and Sir Dorabji Tata, elder son of the Founder.

tata150.com

TATA STEEL

Tata Steel Limited
Bombay House, 24 Homi Mody Street, Mumbai - 400 001
www.tatasteel.com

Scan the QR Code to view the report-related documents.

/TataSteelLtd

/Tatasteelltd

/company/tata-steel/

/user/Thetatasteel/

/tatasteelltd/

/content and design consultants AICL (hello@aicl.in)