August 9, 2017

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

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

Dear Sir, Madam,

Re: Submission of Integrated Report and Annual Accounts of Tata Steel Limited ("the Company") for the Financial Year 2016-17

At the 110th Annual General Meeting of the Company on August 8, 2017, the Members of the Company approved the 110th Annual Accounts of the Company for the Financial Year 2016-17.

We are enclosing herewith the Integrated Report and Annual accounts 2016-17 in compliance with Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, duly approved and adopted by the Members as per the provisions of the Companies Act, 2013.

This is for your information and records.

Yours faithfully,
Tata Steel Limited

Parvatheesam

Parvatheesam K
Company Secretary

Encl: As above

TATA STEEL

TATA



Towards a Sustainable Future

Integrated Report & Annual Accounts **2016-17**

110th Year

OUR APPROACH TO REPORTING

Tata Steel has been publishing Sustainability Reports following the Global Reporting Initiative (GRI) Framework since 2001. Commencing last year, we transitioned towards Integrated Reporting. This is our second year in the journey of publishing the Integrated Report. 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 non-financial section of the Report is guided by the framework of the International Integrated Reporting Council (IIRC) and encompasses the key performance indicators as per GRI, UN Sustainable Development Goals, Securities and Exchange Board of India and World Steel Association.

In order to optimise governance oversight, risk management and controls, the contents of this Report have been reviewed by the members of the Enterprise Management Council consisting of the Managing Director (India & South East Asia), Group Executive Director (Finance, Corporate & Europe), Company Secretary and other Senior Executives of the Company.

Reporting Period

The financial information is reported for the period April 1, 2016 to March 31, 2017. Some parts of the non-financial information including Directors' Report are provided as on May 16, 2017. Comparative figures for last 3 to 5 years have been incorporated in the Report to provide a holistic view to the stakeholders.

Scope and Boundary

This Report is for 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 captures imminent issues and their possible impact on our operations, so as to enable investors and other interested stakeholders to make informed decisions with regard to their engagement with the Company.

Independent Assurance

Assurance on financial statements has been provided by independent auditors Deloitte Haskins & Sells LLP and non-financial statements by Bureau Veritas (India) Private Limited. The certificate issued by Bureau Veritas (India) Private Limited is available on our website www.tatasteel.com

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 operating 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.

Highlights of FY2017

(Consolidated)

DELIVERIES

23.88 MnT

REVENUE

₹1,17,420 Cr.

EBITDA

₹17,025 Cr.

EMPLOYEES

70,000+

NEW PRODUCTS LAUNCHED

51

NUMBER OF LIVES IMPACTED THROUGH CSR

1.1 Mn+

LTIFR*

39% ↓ From FY2010

Jamshedpur Steel Works-
first and only integrated
steel plant in India to be rated
Platinum by GreenCo
assessment conducted by
CII-Green Business Centre

Steel Industry Leader in the
Dow Jones Sustainability Index
for the year 2016.

* Lost Time Injury Frequency Rate

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PERFORMANCE HIGHLIGHTS

(Tata Steel India)

Financial Capital

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

TURNOVER

₹53,261 Cr.

Higher as compared to FY2016, due to commencement of operations at Tata Steel Kalinganagar (TSK), higher production of Chrome Concentrate and Ferro Chrome with improved demand in the international market

PAT

₹3,445 Cr.

Increased by 2.6 times, as compared to FY2016 , primarily on account of improved realisations, higher deliveries and lower exceptional charges over previous year

EBITDA

22%

Due to supportive realisations and strong growth in deliveries

CAPEX

₹3,173 Cr.

Manufactured Capital

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

NEW STEEL MAKING CAPACITY COMMISSIONED

3 MnTPA

Flat products at Kalinganagar (BF-BOF route)

TOTAL CRUDE STEEL PRODUCTION

11.68 MnT

Target achieved due to stable operation of Jamshedpur plant and ramp up of Kalinganagar plant

SAVINGS THROUGH IMPROVEMENT PROJECTS

₹3,400 Cr.

Across the value chain

SALES

7.7 MnT

Flat Products

3.3 MnT

Long Products

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. We incorporate customer requirement in our product development. We also collaborate with experts, academia and think tanks for our R&D efforts.

PATENTS FILED

870

(Cumulative till FY2017)

PATENTS GRANTED

360

(Cumulative till FY2017)

R&D SPEND

₹681 Cr.

(Cumulative from 2011)

REVENUE FROM NEW PRODUCTS

5%

(New Products: Products developed in last three years)

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 overall well-being of our employees.

SAFETY

19%

Increase in LTIs

5

Fatalities

HEALTH INDEX

~2%

Improvement in FY2017 over FY2016, due to focused awareness and intervention programmes

DIVERSITY

15%

Increase in women workforce as compared to FY2016

SKILLED MANPOWER

~100%

EMPLOYEES INVOLVED IN IMPROVEMENT INITIATIVES

92.5%

Relationship Capital

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

SUPPLIERS BASE

5,000+

CHANNEL PARTNERS

12,000+

CUSTOMERS

81.3%

Customer Satisfaction Index

COLLABORATIONS

42

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.

CSR OUTREACH

1.1 Million People

Impacted

CSR SPEND

₹194 Cr.

Consistently higher than the mandate

Natural Capital

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

ENERGY INTENSITY

1.7%

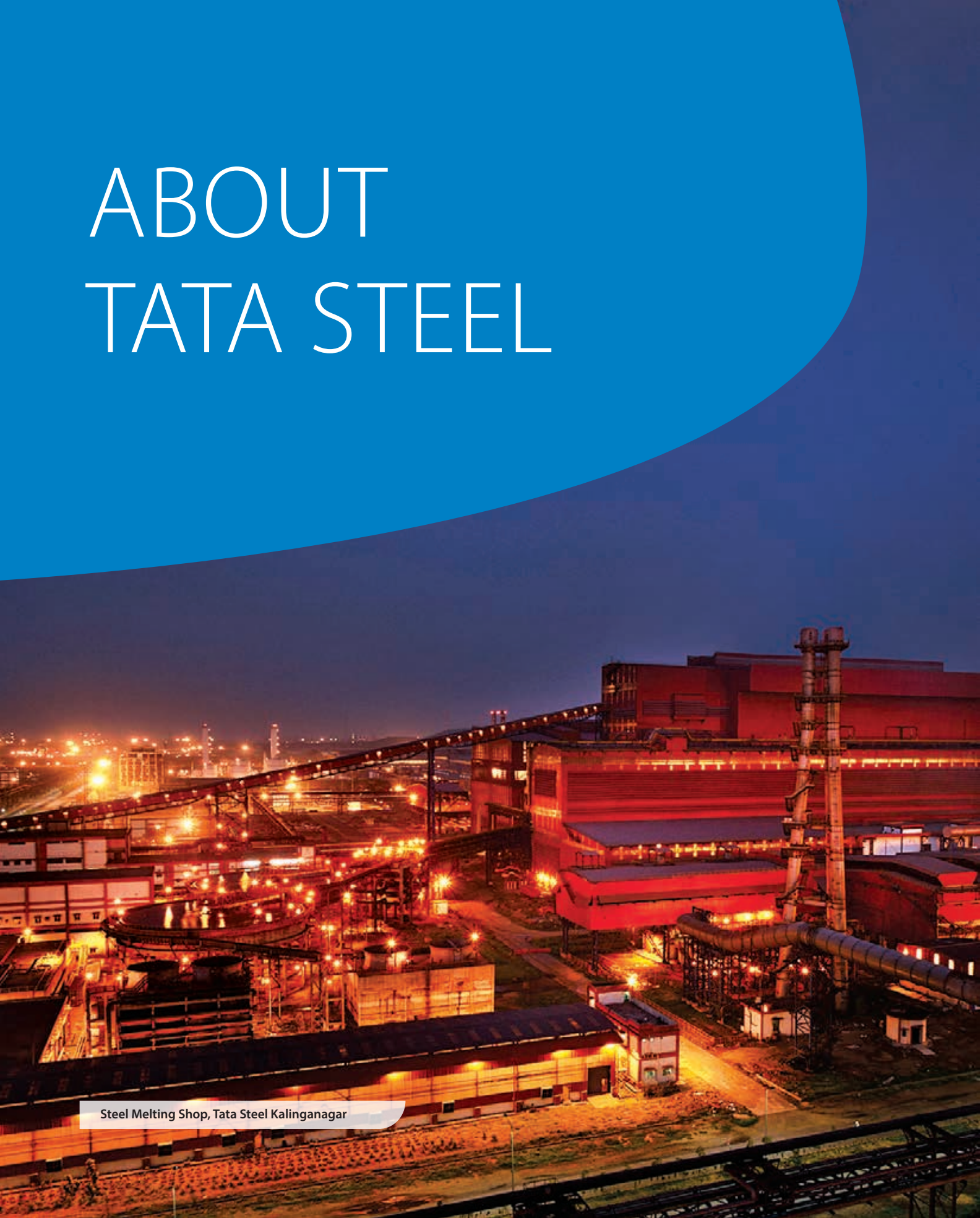
Improvement over FY2016 (At Jamshedpur Steel Works)

WATER CONSUMPTION

~ 13%

Improvement in Specific Water Consumption over FY2016 (At Jamshedpur Steel Works)

ABOUT TATA STEEL



Steel Melting Shop, Tata Steel Kalinganagar

COMPANY OVERVIEW

Established in Jamshedpur in 1907, Tata Steel, a Company that took shape from the vision of Jamsetji N. Tata, is today a global business enterprise having products and services in over 150 countries. Being the world's second-most geographically diversified steel producer, we operate in 26 countries, have commercial presence in over 50 countries and have employees spread across five continents.

Tata Steel is among the top global steel companies with an annual crude steel capacity of 27.5 MnTPA. The Tata Steel Group recorded a consolidated turnover of ₹1,17,420 crore in FY2017.

Tata Steel India has an end-to-end value chain that extends from mining to finished steel goods, catering to an array of market segments. The Jamshedpur facility has an annual crude steel capacity of 10 MnTPA and the Kalinganagar plant has a capacity of 3 MnTPA.

We embrace different skills, celebrate diversity and strive for constant innovation, while continuing to act responsibly in the use of natural resources. Above all, our commitment to give back to the society helps us make our vision of sustainable growth a reality.

Vision

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

Mission

Consistent with the vision and values of the Founder, Jamsetji Tata, Tata Steel strives to strengthen India's industrial base through the effective utilisation of staff and materials. The means envisaged to achieve this are high technology and 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.

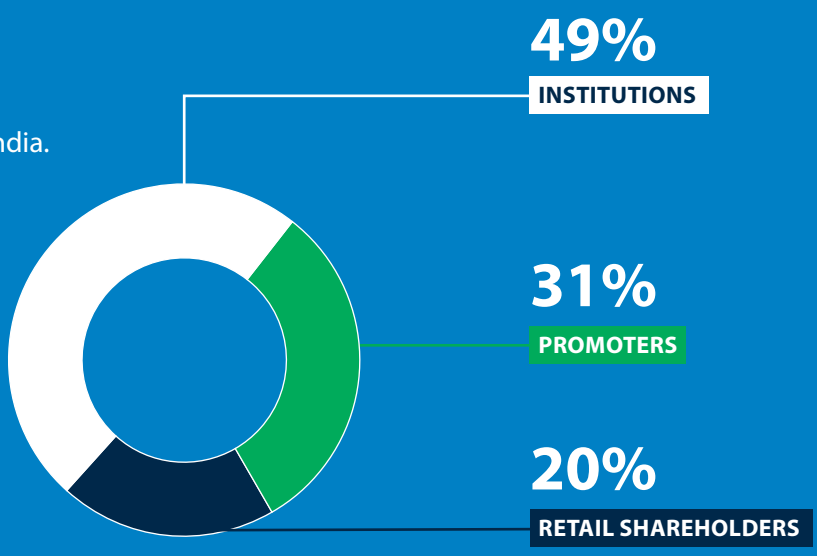
Overall, the Company seeks to scale the heights of excellence in all that it does in an atmosphere free from fear and, thereby, reaffirms its faith in democratic values.

Values

Integrity | Unity | Pioneering | Excellence | Responsibility

Ownership Structure

Tata Steel is headquartered in Mumbai, India. Our ownership (as of March 31, 2017) is diversely held as depicted.



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, Managing Director for our Indian and South-East Asian operations and Mr. Koushik Chatterjee, Group Executive Director (Finance, Corporate & Europe) Mr. Narendran and Mr. Chatterjee, operationally and administratively report to our Chairman, Mr. N. Chandrasekaran and functionally report to the Board of Directors. The executive team responsible for operations such as Raw Materials, Steel Making, Sales and Marketing among others reports to the Managing Director. Corporate functions such as Finance and Accounts, Legal, Secretarial, Communications and Regulatory Affairs, among others, report to the Group Executive Director (Finance, Corporate and Europe). We have a strong, diverse, highly qualified and richly experienced leadership team with a track record of excellence and passion for performance.



Financial Performance

Our strong performance is due to supportive realisations and strong growth in deliveries due to ramp up of our Kalinganagar plant. Our plant in Kalinganagar continues to ramp up well both in terms of quantity and quality.

KEY PERFORMANCE INDICATORS (Tata Steel India)

EBITDA/TURNOVER (%)

FY17	22.44
FY16	18.25
FY15	24.18
FY14	31.84
FY13	30.62

PBET/ TURNOVER (%)

FY17	11.38
FY16	7.48
FY15	15.84
FY14	23.63
FY13	22.28

RETURN ON AVERAGE CAPITAL EMPLOYED (%)

FY17	9.80
FY16	5.57
FY15	8.41
FY14	12.60
FY13	11.94

RETURN ON AVERAGE NET WORTH (%)

FY17	6.83
FY16	1.89
FY15	9.73
FY14	10.61
FY13	9.04

BASIC EARNINGS PER SHARE (₹ PER SHARE)

FY17	33.67
FY16	8.05
FY15	64.49
FY14	64.21
FY13	50.28

NET DEBT/ EQUITY (TIMES)

FY17	0.44
FY16	0.50
FY15	0.40
FY14	0.41
FY13	0.44

* FY17 and FY16 is as per Ind AS and FY13 to FY15 is as per I GAAP

Our ROCE was **9.8%** reflecting the efficiency with which we use our capital.



BOARD OF DIRECTORS

(As on May 16, 2017)



Mr. Ratan N. Tata
Chairman Emeritus



Standing (Left to Right)

Mr. D. K. Mehrotra
Non-Executive Director

3 4 5

Mr. T. V. Narendran
Managing Director
(India and South East Asia)

3 4 6

Sitting (Left to Right)

Mr. Andrew Robb
Independent Director

1

Mr. Ishaat Hussain
Non-Executive Director

1 2 3 4 5

Board Committees

1 Audit

2 Nomination and Remuneration

3 Corporate Social Responsibility & Sustainability

4 Risk Management

5 Stakeholders' Relationship

6 Safety, Health and Environment

Member Chairperson



Dr. Peter Blauwhoff
Independent Director
6

Mr. Deepak Kapoor
Independent Director
4 6

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

Mr. Koushik Chatterjee
Group Executive Director (Finance, Corporate & Europe)
3 4 5

Mr. Natarajan Chandrasekaran
Chairman of the Board
2

Ms. Mallika Srinivasan
Independent Director
2

Mr. Aman Mehta
Independent Director
1

Mr. Parvatheesam K
Company Secretary

CHAIRMAN'S MESSAGE



Dear Shareholders,
It is my privilege to write to you as the Chairman of Tata Steel and I feel honoured to accept the responsibility to Chair the Board. I am happy to present to you the second Integrated Report of Tata Steel for the Financial Year 2016-17.

While the global economy is improving, with global GDP growth projected to pick up from 2.9% in 2017 to around 3.1% in 2018-2020, it remains susceptible to geo-political and other macroeconomic risks.

Meanwhile, India is expected to become the world's fifth largest economy in 2017, surpassing UK and France and the world's third largest economy by 2023, surpassing Japan and Germany. India's GDP is projected to rise from USD 2.2 trillion in 2016 to USD 3.6 trillion by 2020. This augurs well for businesses that are focused on domestic growth in the future.

The global steel industry continues to witness challenging times though the performance of the industry has been better in the Financial Year 2016-17 with improved realisations and a more disciplined supply side response. According to the World Steel Association, global steel output will be tapering in the next year and the slowdown is expected to continue through 2035 as countries around the world start to rein in output while demand retreats.

Given the current stage of development of the Indian economy and the likely growth path for the country's economy in the next decade, the steel demand in India will witness significant growth in future. While the Steel sector in India is financially stressed currently, the Government of India has outlined its intent for ensuring long-term viability of the sector through the recently announced National Steel Policy 2017.

The consolidated Profit after Tax before exceptional items for Tata Steel was ₹4,020 crore in 2016-17 compared to a loss of ₹1,948 crore in the previous year on the back of improved realisations across geographies, ramping up of capacity in Kalinganagar and restructuring initiatives in Europe.

Going forward, Tata Steel's strategic priorities will be to focus on the Indian market, achieving operational excellence and deliver value-added and differentiated products to its customers. Additionally, Tata Steel Europe is currently pursuing the pension restructuring programme in the UK and is hopeful of concluding it soon.

It will be the endeavour of the Company to continue to improve the performance on year-on-year basis and provide better returns to the shareholders and create a strong Balance Sheet that can fund aspirational growth for the Company.

One of the core elements of Tata Steel Group's operating strategy has been its focus on sustainability and the environment. The Company is committed to minimise its impact on climate change and is continuously working on the strategy to reduce the carbon footprint of the business.

Tata Steel Group has continued its tradition of caring for the communities and stakeholders through its Corporate Social Responsibility programme. There were a number of initiatives undertaken during the year including Samvaad, the national tribal conclave in Jamshedpur and the thousand schools project in Odisha. Tata Steel remains committed to improving the quality of the lives of the communities where it operates.

Finally, I would like to thank you for the unstinted support and unwavered confidence in the Company. I would also like to thank the government, customers, suppliers, lenders for their continued support to the Company and also to the employees, unions and the management team for their deep level of commitment to the Company. I look forward to your continued and valuable support in taking the Company to greater and newer heights in the future.

Yours sincerely,

Natarajan Chandrasekaran
Chairman of the Board
Mumbai, May 16, 2017

A DIALOGUE WITH MANAGEMENT



Mr. Koushik Chatterjee
Group Executive Director
(Finance, Corporate & Europe)

Mr. T. V. Narendran
Managing Director
(India and South East Asia)

How do you see state of the global economy today? And where does India stand?

The global economy today is confronted with increased geopolitical risks and fast paced disruptions in technology. This trend increases the risks of protectionism, unemployment and global trade war that could have a material impact on global economy and the financial markets. In the year gone by, while the broad economic parameters have shown signs of stability, the underlying fragility of the global economy continues to be very high. Policy makers, regulators and the political eco system both in developing and developed economies will have to address the imminent challenges of inequality, job creation and climate change through sharper and sustainable policy framework. Countries like India with stable and progressive political climate and superior economic performance compared to the rest of the world is seen to be an attractive destination for global capital. The World Bank's annual ranking of business friendliness of countries indicates that India has improved its standing in "Ease of Doing Business" over the last two years.

Tata Steel Group has shown significant improvement in performance in 2016-17. How would you assess the performance?

Yes, the performance of Tata Steel Group improved very significantly during the year under review on the back of enhanced performance of Jamshedpur operations, ramping up of capacity in Kalinganagar and very critical restructuring initiatives and performance transformation programme in Europe. Our revenues increased to ₹1,17,420 crore during the year compared to ₹1,06,340 crore in the previous year which was a growth of 10.4% compared to the previous year. The earnings increase was much more significant with the EBITDA for the year at ₹17,025 crore that was 114% over the previous year. During the year under review, the company focused on enhancing operating performance and productivity, undertook several restructuring of the portfolio, introduced new and differentiated products and solutions for the customers and optimised working capital management under volatile market conditions to turnaround the company's performance. We will continue to pursue the performance improvement programme in the future to create a more sustainable, profitable and value creating enterprise across the commodity cycle.

Where do you both see the future growth of Tata Steel?

We are of the belief that given the current stage of development of the Indian economy and the likely growth path for the country's economy in the next decade, especially in automotive and infrastructure sector, the steel demand in India will witness significant growth in the next decade. While there is currently financial stress in the Steel sector in India, the Government of India and the Reserve Bank of India are deeply engaged to provide a policy enabled structural resolution for the future. Steel is a critical material for the future growth of India and

It is with great pride that we report to you that the new greenfield Kalinganagar Plant in Odisha is ramping up the operations to its rated capacity within a very short span of time.

the Indian Steel industry is very well poised to leverage the opportunities and serve the country's needs.

Tata Steel has doubled its India capacity in the last decade and it will continue its endeavour to grow significantly in the future in line with the market demands. The focus will be on delivering value added and differentiated products and solutions to its customers. It is with great pride that we report to you that the new greenfield Kalinganagar Plant in Odisha is ramping up the operations to its rated capacity within a very short span of time. This demonstrates Tata Steel's commitment to execute large and complex projects, its capability to quickly stabilise and scale up operations and the strength of its commercial network to service new customer segments profitably. Apart from potential inorganic growth options in India, Kalinganagar will be one of the most competitive growth opportunities for Tata Steel in the future.

How would you analyse the turnaround in Europe?

The European business of Tata Steel showed very significant turnaround in its performance during FY2016-17 compared to the previous year. The EBITDA for the business was ₹4,705 crore compared to a loss of ₹5,218 crore in FY2015-16. This was the result of the significant restructuring undertaken by the company to simplify the portfolio and the hard work by every member of the European team to pursue the profit improvement programme both in the UK and the Netherlands. Tata Steel Europe is currently pursuing the pension restructuring programme in the UK and based on our ongoing assessment of the risks and opportunities of the European portfolio, the company will continue to pursue initiatives to strengthen the business profile of Tata Steel Europe in the European steel industry. We are also investing in improving the asset reliability and product mix especially in Netherlands through the Strategic Asset Roadmap (STAR Programme). This will enable us to focus on creating high strength steel and polymer capability, enhance productivity, strengthen the downstream business and increase the share of high value products.

How was the performance of the subsidiary companies of Tata Steel in India and South East Asia?

Most of our subsidiaries in India, including Tata Metaliks and Tata Sponge Iron, and joint venture companies like Tata Bluescope and JAMIPOL have performed very well during the year.

In South-East Asia, both NatSteel Holdings and Tata Steel Thailand also delivered better performance owing to improved realisations, better spread management and cost rationalisation initiatives. The EBITDA in FY2016-17 increased by 138% over the previous FY2015-16.

What is your broad outlook for the coming year FY2018?

The global steel industry continues to face structural overcapacity but we see recovery in developed economies like Europe, gradual improvement in demand in India and better industry condition in China. At the same time, risk of uncertainty is likely to remain at elevated levels due to structural issues like geo-political uncertainty especially in the USA and UK and rising trend of protectionism.

Broadly the prospects for the industry in the financial year 2018 are mildly positive. The steel demand revival is fundamentally dependent on improving private consumption and investment while supply side discipline will also be critical enabler that will determine the future of the industry performance in the near term.

What are the new initiatives of Tata Steel Group?

Tata Steel has identified 'Industry 4.0' as strategic imperative to attain 'Smart Factory' status with enhanced productivity, customer centricity and sustainable performance. Our new initiatives across India, Europe and other geographies are aligned to pursue operational excellence through programmes like Shikhar25 in India, Delivering our Future in the UK and Sustainable Profit Programme in the Netherlands. Adoption of digital technology is also one of the key priorities. Our digital marketing initiatives like eShop, Electronic data interchange connections, Industrial By-products Management Division (IBMD) Sahaj and Samadhan (which manages solid waste across the value chain) are also critical initiatives.

At the same time, we are committed to improving our customer service to ensure long term partnership with them by developing new products like rust preventive coating using Graphene based technologies and innovative solutions like 'Pravesh Doors' – steel doors with the elegance of wood. Tata Steel is also investing in new technology like HIsarna in Netherlands, a more flexible new smelting reduction technology to produce steel from lower grade raw materials without the need for coke making or agglomeration processes and which positively impacts the CO_2 footprint.

Our research initiatives are aimed at developing cutting-edge manufacturing and product technology so as to improve the

Tata Steel is also investing in new technology like HIsarna in Netherlands, a more flexible new smelting reduction technology to produce steel from lower grade raw materials without the need for coke making or agglomeration processes and which positively impacts the CO_2 footprint.

sustainability of steel products through their life cycles like Protact®, a safe packaging material which is infinitely recyclable with no loss of quality. Moreover, Tata Steel's sustainability principles are embedded in its new product development process, which focusses on lowering greenhouse gas emissions over the life cycle of steel and optimises total cost of ownership.

How does Tata Steel view challenges on sustainability & climate change?

We foresee challenges of climate change are real and will affect everyone in the society including large and small businesses across sectors. Therefore, it is incumbent on us to evaluate the risks and opportunities of climate change to enable us to develop our strategy to future proof our society and businesses. Tata Steel is working actively to reduce the carbon footprints and water intake, switch to renewals to the extent possible and embrace circular economy all of which help in tackling this universal challenge of climate change.

To mitigate the risk of climate change and to be sustainable, Tata Steel is focussing on innovative technologies that can significantly lower emissions over the long-term. The GHG issues and the Company's responses are integrated into the Company's strategy and planning, capital investment reviews, and risk management tools.

Our participation in the Task Force on Climate-related Financial Disclosures formed by the Financial Stability Board has helped us sharpen our focus on the disclosures which are critical to drive efficient allocation of capital and transition to a low-carbon economy.

Finally, can you elaborate a little bit on the Integrated report?

The <IR> framework helps embed corporate responsibility and sustainability into the business measurement framework. Integrated reporting demonstrates the linkage between an organisation's strategy, governance, financial performance and the social, environmental and economic context within which it operates. The framework also integrates sustainability into a company's core business. The <IR> framework ensures a common understanding of value creation process by reflecting integrated thinking and approach in utilising six capitals (Financial, Manufactured, Intellectual, Human, Social & Relationship and Natural) to create sustainable value to stakeholders. This is a principle based framework that helps companies to focus on the long term and create sustainable value for all its stakeholders.

Our participation in the Task Force on Climate-related Financial Disclosures formed by the Financial Stability Board has helped us sharpen our focus on the disclosures which are critical to drive efficient allocation of capital and transition to a low-carbon economy.

BUSINESS MODEL

INPUT

Financial Capital	UOM	FY17
Capex	₹ Cr.	3,173
Revenue Spend *(Other than ED, Tax and extraordinary items)*	₹ Cr.	44,074

Manufactured Capital	UOM	FY17
Crude Steel production capacity	MnTPA	12.7
Inbound raw materials	MnTPA	~40
Outbound finished goods	MnTPA	>11
Pan India Stockyards	Nos.	18
Fininshed Goods Inventory	Kt	226

Intellectual Capital	UOM	FY 17
Patents filed *(Cumulative till FY2017)*	Nos.	870
R&D spend *(Cumulative since FY11)*	₹ Cr.	681

Human Capital	UOM	FY17
Employees on roll	Nos.	34,989
Skilled Manpower	%	~100
Spend on training	₹ Cr.	>50

Relationship Capital	UOM	FY17
Pan India dealers & distributors	Nos.	>12,000
Pan India Sales Offices	Nos.	>25
Application Engineers working jointly with customers	Nos.	~30
Customer facing processes	Nos.	8
Members in customer service teams	Nos.	>100
Supplier base	Nos.	>5,000
Suppliers trained through VCAP*	Nos.	204

Social Capital	UOM	FY17
CSR spend	₹ Cr.	194

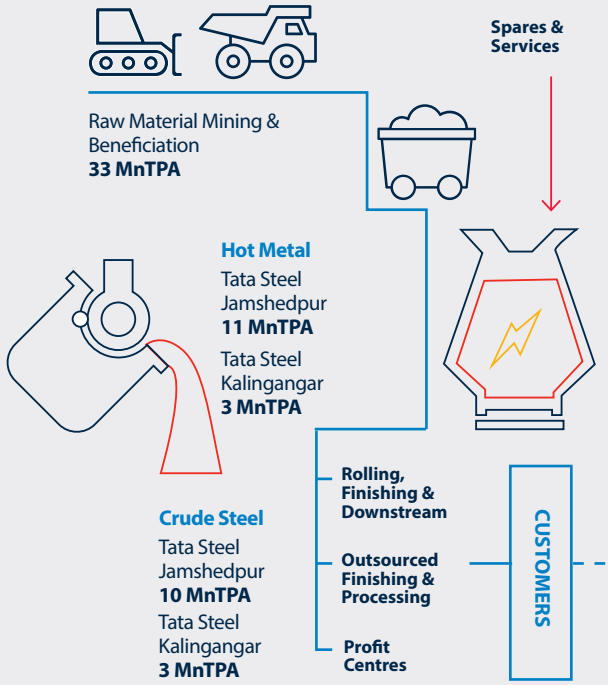
Natural Capital	UOM	FY17
Captive Iron Ore	%	100
Captive Coal	%	36
Specific Water Consumption - TSJ	m^3/tcs	3.83
Specific Water Consumption - TSK	m^3/tcs	7.66
Energy Intensity - TSJ, TSK	GCal/tcs	5.67, 8.49
Tree plantation	Nos.	4,00,225
Capital Spend on environment	₹ Cr.	605

BUSINESS ACTIVITIES AND PROCESSES

VISION, MISSION, VALUES, TATA CODE OF CONDUCT, POLICIES

STAKEHOLDER ENGAGEMENT | **RISKS AND OPPORTUNITIES** | **STRATEGY AND RESOURCE ALLOCATION**

KEY WORK SYSTEMS



SUPPORT FUNCTIONS

SAFETY & ERGONOMICS | CORPORATE ETHICS | HUMAN RESOURCE MANAGEMENT | CORPORATE STRATEGY & PLANNING | ENVIRONMENT MANAGEMENT | INDUSTRIAL BY-PRODUCTS MANAGEMENT DIVISION | CORPORATE SOCIAL RESPONSIBILITY | FINANCE & ACCOUNTS | SHARED SERVICES | INFORMATION TECHNOLOGY SERVICES | PROCUREMENT | CUSTOMER SERVICES DEPARTMENT | RAW MATERIAL MANAGEMENT | CORPORATE COMMUNICATION | CORPORATE SERVICES | ENGINEERING & PROJECTS | RESEARCH & DEVELOPMENT | AUTOMATION | TECHNOLOGY GROUPS

* Vendor Capability Advancement Programme UOM- Unit of Measurement TSJ- Tata Steel Jamshedpur TSK- Tata Steel Kalinganagar TSK under ramp-up

ACTIONS TO ENHANCE/MITIGATE OUTCOMES

OUTPUT

HOT METAL PRODUCTION	CRUDE STEEL PRODUCTION
14 MnTPA	**13 MnTPA**

KEY CUSTOMER SEGMENTS & PRODUCTS

AUTOMOTIVE SEGMENT (OEMs & Auto Ancillaries):
CR SHEETS, COILS, TUBES, SPRINGS, BEARINGS

CONSTRUCTION SEGMENT:
TMT REBARS, STEEL HOLLOW SECTIONS, GC ROOFING SHEETS

GENERAL ENGINEERING SEGMENT:
CR SHEETS AND COILS, HR SHEETS AND COILS, COATED PRODUCTS

INDUSTRIAL SEGMENT:
HOT ROLLED COILS, WIRE RODS

BY-PRODUCTS AND THEIR CONSUMERS

POWER PLANTS, COKE PLANTS, BRICK KILNS:
COAL REJECTS, COAL MIDDLINGS

CEMENT INDUSTRY:
BLAST FURNACE SLAG, LD SLAG

CONSTRUCTION SECTOR (ROAD):
LD SLAG

OUTCOME

Financial Capital	UOM	FY17
Turnover	₹ Cr.	53,261
EBITDA	%	22
PAT	₹ Cr.	3,445
Savings from improvement projects	₹ Cr.	3,400
Value from by-products	₹ Cr.	2,882
Revenue from new products	%	5
Revenue through services and solutions business	₹ Cr.	~750

Manufactured Capital	UOM	FY17
Coke Rate	Kg/tonne of hot metal	360
Availability of critical manufacturing units	%	>90

Intellectual Capital	UOM	FY16
Patents granted *(Cumulative till FY2017)*	Nos.	360
New products launched	Nos.	31

Human Capital	UOM	FY17
Safety - LTI	Nos.	80
Safety - Fatalities	Nos.	5
Health Index	Score out of 16	12.59/16
Employee Productivity (TSJ)	tcs/employee/year	720
Diversity - Gender and SC/ST	%	5.8 and 16.9
Attrition Rate	%	4.83
Employees trained	man-days	3,34,050

Relationship Capital	UOM	FY17
Customer satisfaction	%	81.3
Customer complaints	ppm	759
Brand Equity Index - Tata Shaktee	Score out of 10	7
Brand Equity Index - Tata Tiscon	Score out of 10	6.6
Continuing leadership position in chosen segments (Automotive and Construction)		
Loyal (repeat) customers	%	70
Timely environmental clearances without any major issues		

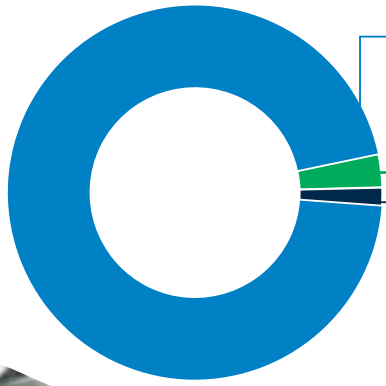
Social Capital	UOM	FY17
Lives impacted through CSR - Health, Education, Livelihood programmes	Nos.	1.1 Million
Economic Value Distributed	%	95.34
Social licence to operate without any major issues		

Natural Capital	UOM	FY17
CO_2 emissions - TSJ, TSK	tCO_2e/tcs	2.29, 3.08
Effluent discharge - TSJ	m^3/tcs	1.01
Solid Waste Utilisation - TSJ	%	82.4
Dust emissions - TSJ, TSK	kg/tcs	0.44, 1.3
Biodiversity preservation at raw material locations	In 2016, the Company entered into phase-II of engagement with IUCN, for mainstreaming biodiversity across all our raw material locations. IUCN is helping in roll-out of Biodiversity Management Plans (BMPs). Specific initiatives based on the BMPs have already been identified which are being implemented for enhancing biodiversity, for e.g. 'Bird Niche Nesting Project.'	

TSK under ramp-up

PRINCIPAL ACTIVITIES AND REVENUE STREAMS

As a global and diversified integrated steel producer, we have adopted a holistic business model that looks at the entire value chain. The key revenue drivers of our Business Value Chain are:



STEEL VALUE CHAIN

92%

of Total Revenue

From captive mining to downstream steel businesses

RAW MATERIALS VALUE CHAIN

7%

of Total Revenue

From mining of chrome and manganese ore to production and sale of ferro-alloys & minerals

OTHER BUSINESSES

1%

of Total Revenue

Including manufacturing of agricultural equipment and bearings

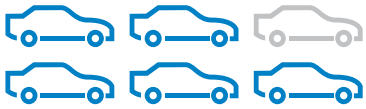


SOME OF OUR LEADING PRODUCTS & BRANDS

TATA TISCON JOY OF BUILDING · TISCON READY BUILT · TATA STRUCTURA STEEL HOLLOW SECTIONS THE SHAPE OF THINGS TO COME · PRAVESH

Automotive Sector

We move India



Almost every vehicle model in India's automobile sector has some steel from **Tata Steel**



Every 3rd tyre made in India makes use of bead wires from **Tata Steel Global Wires**



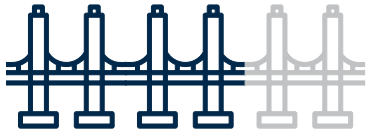
3 out of 4 medium and heavy commercial vehicles run on chassis which is made with **Tata Steel Hot Rolled Steel**

Infrastructure Development

We fortify shelters and the nation



Every 2nd major infrastructure project in India uses **Tata Structura - Steel Hollow section**



Two-third of metro rail, flyovers and bridges are built on high-strength wire strands from **Tata Steel Global Wires**



1 out of 3 Galvanised Sheet roofs in rural India is made with **Tata Shaktee**

4 Million Households served by Tata Steel retail brands **Tata Tiscon, Shaktee, Durashine**

Agriculture

We assist hands that toil hard



Every 3rd agri hand tool comes from **Tata Agrico** product range



Every 3rd borewell in India uses **Tata Pipes**



80% of India's grapes grow on **Tata Wiron**

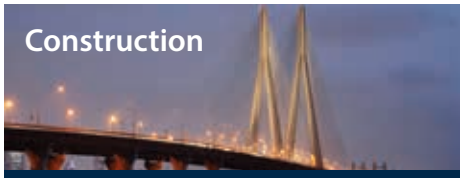
Cylinders

We guard your fuel



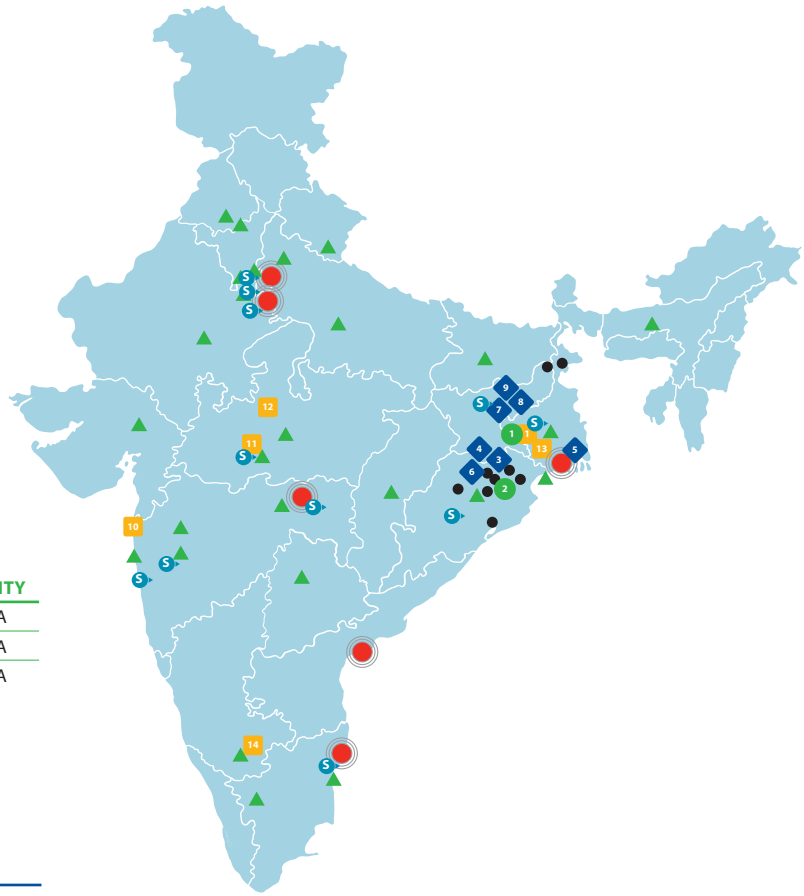
1 in every 2 LPG cylinders in India is made from **Tata Steel Hot Rolled Steel**

KEY MARKET SEGMENTS

	MARKET SUB-SEGMENTS (CUSTOMER GROUPS)	**PRODUCTS & BRANDS**
 **Construction** **A comprehensive range of products and techniques to create value for the construction industry and support sustainable development.**	• Individual House Builders (B2C)	• Tata Tiscon (Rebars) • Pravesh (Doors & Windows) • Tata Pipes (Plumbing Pipes)
	• Rural Roofing (B2C)	• Tata Shaktee (Roofing sheets) • Nest-in (Housing, Water ATMs, Ezynest Toilets)
	• Infrastructure (B2B) • Housing and Commercial (B2ECA)	• TMT Rebars (Higher dia rebars, Corrosion resistance steel) • Tiscon Readybuild (Cut & Bend Bars)
 **Automotive** **Automotive applications is one of the focus areas of Tata Steel's Research & Development, aimed at giving the Group a competitive edge in the automotive market.**	• Auto OEMs (B2B)	• Hot rolled, Cold rolled, Coated Steel Coils & Sheets
	• Auto ancillaries (B2B, B2ECA)	• Hot rolled, Cold rolled, Coated Steel Coils & Sheets • Precision Tubes • Tyre Bead Wires • Spring Wires • Bearings
 **General Engineering** **A range of steel products, encompassing hot rolled and cold rolled sheets, wire rod and wire, sections, plate, bearings and tubes, which serve a multitude of small engineering companies.**	• Panel & Appliances (B2ECA) • Fabrication & Capital Goods (B2ECA) • Furnitures (B2ECA)	• Tata Steelium (Cold Rolled) • Galvano (Coated) • Tata Astrum (Hot Rolled) • Tata Structura (Tubes)
 **Industrial** **A range of products to support industrial processes and applications.**	• LPG (B2B)	• Hot Rolled
	• Welding (B2B)	• Wire Rods
	• Process industries (e.g. cement, power, steel) (B2B)	• Tata Tiscrome (Ferro Chrome) • Tata Ferromag (Ferro Manganese) • Boiler Tubes
 **Agriculture** **High quality agricultural implements making it the first choice in India's rural markets.**	• Agri equipments (B2B)	• Bearings
	• Fencing, Farming & Irrigation (B2C)	• GI wires • Agri & Garden Tools • Conveyance Tubes

OUR FOOTPRINT

We are primarily present in the business of steel making, including raw material and finishing operations. Additionally, we are also present in various value-adding downstream businesses. 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

Steel Business
Raw Material locations

	LOCATION	NATURE OF OPERATIONS
3	Noamundi	Iron Ore Mines & Quarries
4	Joda East	
5	Katamati	
6	Khondbond	
7	West Bokaro	Colliery (West Bokaro Division)
8	Jamadoba Group	Colliery (Jharia Division)
9	Sijua Group	

Steel Business
Downstream Operations

	LOCATION	NATURE OF OPERATIONS
1	Jamshedpur	Tubes Manufacturing
		Industrial By-products Management Division
		Tata Growth Shop
10	Tarapur	Wire Manufacturing
11-12	Pithampur & Killa, Indore	
13	Kharagpur	Bearings Manufacturing
14	Bengaluru	Cut & Bend (Rebar – tailor-made shapes and size)
	Across the country through Agrico Processing Partners (APP)	Agricultural tools & equipment manufacturing

Raw Materials Revenue Stream (Ferro Alloys & Minerals)

LOCATION	NATURE OF OPERATIONS
Joda, Bamnipal and Gopalpur	Ferro Alloys Plant
Sukinda	Chromite Mine
Joda West, Bambebari, Malda, Manmora & Trinpahar	Manganese Mines
Gomardih	Dolomite Mine

NATURE OF OPERATIONS	NOS.
Zonal Hubs	**6** [Delhi, Faridabad, Chennai, Vijayawada, Nagpur, Kolkata]
Stockyards	**18** [not on map]
Distributors	**79** [not on map]
Dealers	**12,000+** [not on map]
Steel Processing Centres	**19 SPCs across 11 locations** [Jamshedpur, Kalinganagar, Chennai, Kolkata, Faridabad, Manesar, Pune, Mumbai, Indore, Delhi, Nagpur]
Sales Offices	**26**

OUR APPROACH TO VALUE CREATION

At Tata Steel, we recognise that our stakeholders expect us to be transparent about our value creation approach.



Ferro-Chrome Plant, Gopalpur, Odisha

This section aims to present a view of the value we create for our stakeholders. Our vision, mission, values, along with our systems, processes and relationships form the very core of our business operations.

Supplier of Choice

While, we supply high-quality steel to our customers across segments, our endeavour is to be the supplier of choice for our products and services, in both the flat and long segments. We deliver value to our customers through an integrated supply chain - from mining of raw materials, production of crude steel of various grades, to manufacturing of customised steel products. The mining and manufacturing activities are also focused on cost competitiveness, enabled in part by efficiency in raw material use and increased recycling, resulting in lower specific consumption of materials. We maintain our competitive position through differentiating strategies based on cost-competitiveness, value-added products and services, technology and innovation.

Environment Conscious

While we cater to the needs of our customers, we are cognisant of our responsibility towards the environment. We focus on water consumption, CO_2 emissions and waste management. Over the years, we have adopted the best available technologies and practices for improvement of our processes. Our Jamshedpur Steel Works is the national benchmark in CO_2 emission intensity and specific energy consumption within the steel sector. Our Kalinganagar plant has state-of-the-art equipment and facilities to ensure minimum impact on the environment.

Sustainable Operations

We have been one of the first companies in India to undertake a biodiversity study on our iron ore mines by the International Union for Conservation of

Nature (IUCN). A biodiversity action plan has already been deployed in line with the recommendation made by the IUCN study. Subsequently, biodiversity studies have been commissioned for all our raw material locations to ensure that there is no ecological damage due to our mining operations. More than 10 lakh trees have been planted in our areas of operation in the last three years in order to mitigate the impact of our mining operations. In fact, Tata Steel's Noamundi and Joda East mines have received a five-star rating from the Government of India for sustainable mining.

Impacting Communities

Our growth has been inclusive, with a focused commitment towards positively impacting the lives of the communities in which we operate. In our journey spanning over a century, we have moved from being a 'provider' to an 'enabler' - with our focus on creating self-sustained communities. During the year, we spent close to ₹194 crore in various community development activities, with a thrust on education, livelihood, health and infrastructure. The activities have impacted lives of 1.1 million people living in both urban and rural areas adjoining our steel plants at Jamshedpur and Kalinganagar, as well as, our mining locations across Jharkhand and Odisha.

People Centric

Our prime focus has always been safety, health and well-being of our people. We have various initiatives on learning and development, on-the-job training, performance management and succession planning. We also take adequate steps to ensure that the work place is diverse and inclusive.

Trusted Investing Partner

We have had long association with our investors and are privileged to have their trust and unstinted support. Our constant endeavour has been to deploy capital appropriately and generate long-term sustainable value for them.

Partnering with Government

We maintain healthy relationships with the Government authorities in places where we operate, with industry and professional bodies, our business partners and the civil society at large.

At Tata Steel, we believe in continually learning and addressing the concerns of all our stakeholders. We do this through engagement forums - prioritising our stakeholders' top concerns based on the impact on our business, society, and the environment. Apart from responding to their concerns through our various actions, their inputs also form the basis for innovation in our products and processes.

Tata Steel's Noamundi and Joda East mines have received a five-star rating from the Government of India for sustainable mining.

We have various initiatives for learning and development, on-the-job training, performance management and succession planning.



Industrial Training Institute, Tamar, Jharkhand

STAKEHOLDER ENGAGEMENT

The Company has robust stakeholder engagement process. In its pursuit to build strong relationships, improve decision-making and accountability, the Company engages with all stakeholders to understand their concerns and devise mechanisms to resolve such concerns.



Customers

The Company engages with customers through various forums like customer meets, ASK Expert Camp, Suraksha (Safety) meets, Distributor Force Gurukul, Retail Runs and social media. The issues raised by the customers at these forums were relating to improvement in resource efficiency, support in time to market, steel requirement for green products like solar panels and enhancing Service Capability & Consumer Experience.

The Company has taken various initiatives to address these issues. It has strengthened its product portfolio for advanced automotive steel, offered unique value propositions in chosen segments, formed cross-functional customer service teams, initiated new product development programme. The Company has also offered tailor-made value propositions and ready-to-use steels for emerging corporate accounts (B2SME), launched Value analysis and Value Engineering (VAVE) to support automotive customers' requirement for cost-effective & low weight solutions to reduce fuel consumption. Further, the Company is entering into new segments like steel for solar panels.



Community

The Company strives to be the neighbours of choice in the communities in which it operates and works towards contributing to their equitable and inclusive development. The Company engages with the community through public hearings, meetings with tribal leaders and CSR Advisory Council.

Health, education, livelihood and public infrastructure were the key issues that were identified at these forums. The Company has launched projects to ensure access to primary healthcare, improved quality of education, training for farmers and rural women, and has augmented community infrastructure projects in its operating areas.



Employees

The Company is committed to its employees who are instrumental to its success. It engages with them through various forums such as MD Online, General Dialogue, Employee Engagement Survey, Employee Happiness Study, Joint Management-Union Forums and Breakfast Chats with Senior Leadership.

To address the employees' concerns, the Company has adopted policies like five-day work week, work from home, satellite office operations, paternity leave. The Company has formed Diversity & Inclusion Council (MOSAIC) that has helped to increase focus on hiring women, people from SC/ST community and specially abled people. Several Health & safety measures have also been undertaken by the Company to ensure safe working environment for its people.



Suppliers

The Company ensures a strong relationship with its suppliers by engaging with them at Vendor meets. The Company has also conducted Vendor Satisfaction Survey, launched Supplier relationship management programme and Vendor Capability Advancement Programme for value-creating partnerships.

Issues relating to ease of doing business, delay in payment and speed of contracting have been resolved by automating the vendor registration process and using digital interventions.



Government and Regulatory Bodies

The Company constantly endeavours to engage with the Government, Regulatory Aurhorities and professionlal bodies through regular dialogue and meetings to ensure timely sanctions, approvals and clearances.

Various steps have been taken by the Company to overcome the challenges in compliance to environmental/regulatory requirements. The Company has also enhanced its focus on regional issues like health, sanitation, drinking water, etc. in partnership with the Government.



Investors

The Company is committed to excellence in governance and in creating long-term sustainable value. The Company engages with investors through investor meets, conferences and analyst calls. The dialogue is mostly around the Company's strategy, operational and financial performance and outlook. The Company has articulated various steps to address these matters in the Directors' Report and in the Strategy Section of this Integrated Report.

INTERLINKAGE BETWEEN STRATEGIES & CAPITALS

CAPITALS	KEY INPUTS
Financial Financial Capital refers to a pool of funds used to create value through conversion into other forms of capital. This capital is raised through financing (equity, debt), operations and investments.	• Cash from business operations including working capital changes (₹11,131 crore) • Current investments, cash balances ₹6,318 crore
Manufactured Manufactured Capital represents physical objects that are available to an organisation for use in the production of goods or provision of services.	• Plant with a crude steel capacity of 13 MnTPA with infrastructure for environmental excellence • Inbound & outbound logistics facilities • Integration with channel partners • Support infrastructure (like Maintenance, IT and Automation)
Intellectual Intellectual Capital represents organisational knowledge-based intangibles.	• Technically skilled and experienced talent • Collaborations with external agencies • Spend on R&D
Human Human Capital represents people's competencies, capabilities, experiences and their motivation to innovate.	• 34,989 collaborative and committed workforce • Policies and strategies for health, safety, diversity, engagement and well-being • Collaboration and partnerships with industry bodies and institutions for capability building
Social & Relationship Social and Relationship Capital represents co-operative ties between a company and different communities and stakeholder groups that engage with each other for societal welfare.	• Mutually respectful relationship with customers • Sustained contribution to community activities • Strong engagement with community leaders • Healthy relations with unions and workforce • Candid communication with suppliers, contractors, investors and media • Amicable relationship with Government and regulatory authorities
Natural Natural Capital represents all renewable and non-renewable environmental resources such as water, land, minerals, forests, biodiversity and ecosystem health.	• Coal (11.2 MnT) • Iron ore (21.6 MnT) • Ferro alloys (0.155 MnT) • Water (TSJ-3.83 m^3/tcs; TSK-7.66 m^3/tcs) • Spend on environmental projects: (₹605 crore)

OUTCOMES	ACTIONS TO ENHANCE OUTCOMES
• EBITDA/Turnover – 22% • Return on Average Capital employed – 10% • Dividend on ordinary shares – ₹10 per share • Increase in market capitalisation to ₹46,876 crore	• Taking measures to preserve cash, strengthen the balance sheet by reducing debt and re-positioning the business *(Refer to the Directors' Report and financial statements)*
• Produced 11.68 MnT of crude steel translating to ₹53,261 crore revenues • Leadership position in Automotive and Construction segment	• Ramp up capacity in existing facilities to focus on high-end product mix for chosen markets • Focus on resource efficiency *(Refer to operational efficiency and customer focus strategies)*
• One of the leading patent filer in manufacturing industry in India • Fast ramp-up of Kalinganagar Plant • Revenue contributed by new products • Operational excellence across value chain resulting in cost savings	• Forge new technical collaborations • Enhance external participation in innovation through platforms like 'Mind Over Matter' and 'Connect & Collaborate' • Use patent and technology intelligence to capture emerging trends in technology *(Refer to innovation and operational excellence strategies)*
• Engaged and happy workforce • Improvement in Health Index • Improvement in diversity and inclusion • Uninterrupted industrial harmony	• Committed to Zero • Focus on Diversity and inclusion • Focus on Health, well-being and engagement of workforce *(Refer to people strategy)*
• Leader in chosen segments • Positive impact on the society • Social Licence to operate • No industrial unrest • Sustained confidence from stakeholders • Timely receipt of environment clearances and approvals for continuity of operations	• Enhance further impact and reach of community activities through collaborations with Government, NGOs, medical institutions • Initiatives to sustain the employer of choice status • Interventions to create long-term sustainable value for investors • Enhanced partnerships through policy advocacy • Delight the customers through new product development and value-added products *(Refer to responsible behaviour, people, growth and customer focus strategies)*
• CO_2 emissions: TSJ-2.29 tCO2/tcs (National benchmark); TSK-3.08 tCO2/tcs • Energy Intensity: TSJ-5.67 GCal/tcs (National benchmark); TSK-8.49 GCal/tcs • Effluent Discharge: TSJ-1.01m^3/tcs • Dust Emissions: TSJ-0.44 kg/tcs, TSK-1.3 kg/tcs • Waste generation- solid waste, hot gases • Impact on biodiversity in mining areas	• Climate change strategy to reduce CO_2 and water footprint and move towards circular economy • Biodiversity management action plans in mining locations • Embedding Integrated approach in key work processes *(Refer to operational efficiency and responsible behaviour strategies)*

TSJ-Tata Steel Jamshedpur | TSK-Tata Steel Kalinganagar

OUR STRATEGY



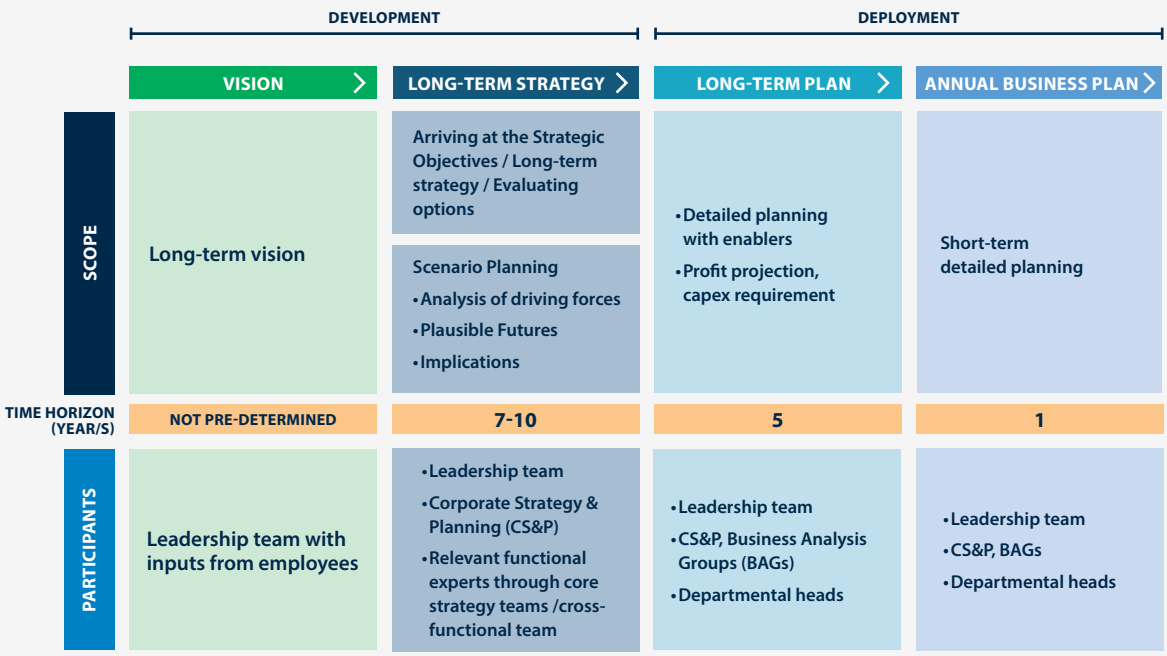
Tata Steel Kalinganagar

STRATEGY PLANNING AND DEPLOYMENT

Our strategy is linked to our Vision, Mission and Values. The planning process takes into account both external and internal business environment and factors in risks, opportunities, challenges and past learnings. Our overall strategy and plans are cascaded down to individual divisions/departments with clearly defined responsibilities across all employee levels.

INTEGRATED STRATEGY PLANNING PROCESS

for Strategy Formulation and Resource Allocation



Our long-term strategies and annual business plans are formulated as an outcome of this process. Our capital provisions are thus formulated, having been aligned with strategies at the beginning of the year. These include:

- **Annual and five-year capital expenditure plans**
- **Corpus for small capital expenditure schemes related to safety, environment and other improvement projects**
- **CSR and R&D budgets**

Projects & partnerships with stakeholders (customers, suppliers, industry bodies and communities) and technological collaboration with academia and technology partners are identified and/or reviewed for implementing the identified strategies. Functional teams take suitable actions to ensure the availability of resources through their respective plans. These are cascaded to individual key result areas comprising following elements:

- **Individual contribution for meeting strategic objectives in the respective functions**
- **Identifying the training needs for the year**
- **Cross-functional projects**

DRIVERS FOR GROWTH

(In FY2017)

Our business environment is influenced by global macro-economic conditions, developments in steel and allied industries and the ever-evolving technological landscape. Apart from this, the social context in the areas we operate in (legislative, regulatory and political) affect our overall ecosystem.

Tata Steel India is well placed to capitalise on India's growth. Though FY2017 was a challenging year, India is poised for a 5-6% increase in the steel demand compared to the previous year.

MACRO-ECONOMIC

3.1%

Global GDP Growth

Overall global recovery in manufacturing and global trade

7.1%

Indian GDP Growth

In India services continued to support growth

STEEL DEMAND

1,515 MnT

Steel Demand Globally

Global Steel demand grew by 1% mainly due to recovery in China

78 MnT

Indian Steel Demand

Indian steel demand saw a modest growth of 3% due to low growth in construction sector and impact of demonetisation coupled with decline in imports

RAW MATERIAL

CFR - 64 $/t

Iron ore contract price

Came down compared to FY2016 due to continued oversupply, high demand in China and delay in operationalisation of new mines

FoB -165 $/t

Coking coal - QBM Price

Went up compared to FY2016 due to disruption in mining operation in Australia and reduction in number of working days in China



Tata Steel Jamshedpur

RISKS AND OPPORTUNITIES

Risks

We are exposed to risks arising out of the dynamic macroeconomic environment as well as from internal business environment. These could adversely affect our ability to create value for our stakeholders.

MACROECONOMIC

- Over capacity and over supply in steel industry
- High levels of imports
- Consolidation among competitors
- Local circumstances of geographies we operate in

FINANCIAL

- Volatility in financial markets and fluctuations in exchange rates
- Downgrading of credit rating of Company's securities
- Substantial amount of debt
- Restrictive covenants in financing agreements

REGULATORY

- Predatory pricing
- Non-renewal of mining leases
- Non-availability of protective trade measures
- Regulatory and judicial actions

OPERATIONAL

- Highly cyclical industry
- Inability to implement growth strategies
- Inherently hazardous industry
- Volatility in raw material prices
- Hostilities, terrorist attack or social unrest
- Failure of Information Technology Systems

MARKET RELATED

- Competition from alternate materials
- Product liability claims

CLIMATE CHANGE

- International and domestic regulations relating to Green House Gas emissions

PEOPLE

- Continued services of Senior Management
- Unanticipated labour unrest

For a detailed narrative on Risks and Opportunities, please refer to the Management Discussion and Analysis.

Opportunities

Setting benchmarks in the sector, we monitor and leverage opportunities presented by the external and internal environment.

Capitalising the demand growth, due to urbanisation and needs of a young demography in India, and developmental needs of other emerging economies	**Leveraging Supportive schemes of the Government such as the "Make in India" initiative**	**Securing raw-material supplies by investing in mines which are in close proximity**	**Innovating and adopting new technologies through Company-wide mobilisation of resources, implementation of pilots and capacity development**	**Value realisation of by-products by exploring new areas of application, collaboration and potential customers**	**Creating differentiation through acceleration of new product development, growing revenue from services & solutions and the B2C segment**



With our concerted efforts towards employee welfare, we have 89 years of harmony within the workforce

PEOPLE

Health & Safety

STRATEGIC FOCUS AREA

Safety - Committed to Zero

STAKEHOLDERS

People working at our sites

OUR GOAL

'Committed to Zero'
Zero LTI

ENABLERS

Build Leadership Capability

Competency development for hazard identification and risk management

Management of contractor safety

Focus on process safety

Improvement in occupational health and industrial hygiene

CAPITALS IMPACTED

UN SDG
3 - GOOD HEALTH & WELL-BEING

Safety and Health Excellence Recognition 2016 in 'Leadership' Category By World Steel Association

Committed to Zero

'Committed to Zero' is our top priority, with the target of having Zero Lost Time Injuries (LTIs). Our senior leadership believes in promoting a safe working environment across the organisation and has taken the onus of being a role model to showcase paramount importance of workplace safety, which is embedded as a core value in our culture. We were conferred the Safety and Health Excellence recognition 2016 in 'Leadership' category by the World Steel Association.

During the year, we saw an increase of 19% in LTIs over FY2016 and 5 fatalities in different divisions. These incidents have been investigated and corrective actions are in progress. Safety of our work force is our utmost priority and we draw lessons from these unfortunate incidents. We continuously strive towards achieving our goals of zero fatalities at work place and eliminating injuries and occupational diseases across the organisation.

During the year, we further mechanised some of our operations, implemented rigorous safety line walks, recalibrated on managing redundant assets, strengthened the deployment of contractor safety management and embraced digital intervention to reduce human interface.



INITIATIVES AND IMPACT



FELT LEADERSHIP

MITIGATION STRATEGY

- Felt leadership training imparted to a large section of officers, front line supervisors and union members at all locations of Tata Steel India
- Leadership team have challenged themselves by targeting Zero in all key safety performance parameters.

IMPACT

2,959 Officers

2,173 Non-Officers

Trained



COMPETENCY & CAPABILITY DEVELOPMENT

MITIGATION STRATEGY

- Supervisors' training on hazard identification and risk management
- Quarterly safety campaigns conducted for the below mentioned categories which were the major contributors for Loss Time Injury (LTI)

  Categories - Slip/ Trip/ Fall & Hit/ Press by object, Material Handling, Rail & Road Safety and Moving Machinery

IMPACT

2,173 Frontline Employees

Trained

The campaigns helped identify and mitigate hazards in the identified categories



CONTRACTOR SAFETY RISK MANAGEMENT

MITIGATION STRATEGY

- Deployed safety capability assessment system
- Launched vendor assessment based on a star rating system for high risk jobs
- Conducted independent Audit for Contractor Safety Management

IMPACT

852 Vendors

Assessed

More than 50% vendors achieved star rating of 3 thereby demonstrating safe work practices

KEY PERFORMANCE INDICATORS

FATALITY (NOS.)

FY17	5
FY16	2
FY15	5
FY14	12
FY13	6

LTIs (NOS.)

FY17	80
FY16	67
FY15	97
FY14	165
FY13	136



ROAD & RAIL SAFETY

- Focus on rail & road safety initiatives such as 'Safe Drive" Training Programme, Mass transport facility engaging contract partners, etc. were launched

Zero fatality on road for last 2 years



PROCESS SAFETY MANAGEMENT

- Standard for Management of Change
- Centre of Excellence (COE) setup for increased sensitisation on process safety and horizontal deployment initiated

No fatality in Jamshedpur Works in FY2017



OCCUPATIONAL HEALTH / INDUSTRIAL HYGIENE (OH/IH)

- Implemented 4 pilots on Qualitative Industrial Hygiene to facilitate identification of occupational health hazards and risk analysis
- Launched focused awareness and intervention programmes like Doctor@Doorstep, Doctor Online and observance of health days

Improvement in Health Index of Tata Steel India from 12.37 in FY2016 to 12.59 in FY2017

52% reduction in number of cases from High risk to Moderate or Low risk

LTIFR (RATE)

FY17	0.37
FY16	0.23
FY15	0.31
FY14	0.50
FY13	0.48

HEALTH INDEX (SCORE OUT OF 16)

FY17	12.59
FY16	12.37
FY15	12.21
FY14	12.80
FY13	12.64

Employer of Choice

STRATEGIC FOCUS AREA

Employer of Choice

STAKEHOLDERS

Current and Prospective Employees

OUR GOAL

To be in the top quartile ranking in India across industries

ENABLERS

Attract and nurture a diverse workforce

20% women in workforce

Improve workforce engagement and happiness

CAPITALS IMPACTED

UN SDG

8 – DECENT WORK & ECONOMIC GROWTH



Our people practices are aimed at developing a culture of care, commitment, engagement and harmony across the workforce. There is increased focus on encouraging diversity, through inclusion of women, underprivileged sections of the community and people who are specially abled. At the same time, we strive to increase productivity while containing wage cost. This continues to be a challenge, making it imperative for us to rationalise, upskill and redeploy workforce without disturbing the industrial harmony that has been the bedrock of our organisation.

GARNERING TALENT

We conducted a variety of on-campus programmes like `Mind Over Matter' for technology schools and `Steel-a-thon' for business schools. We aim to achieve an 80% conversion rate on our pre-placement offers to suitable candidates.

DIVERSITY & INCLUSION

In order to improve employee work-life balance, among others, we rolled out the following policies like paternity leave, increased maternity leave, work from home, etc.

Satellite Work Operation

Aimed at providing flexibility, this policy enables employees to work from any location where the Company has presence other than the employees' base location for a specified period of 1 or 2 years.

Women of Mettle

One of the first programmes in the manufacturing industry in India, Women of Mettle goes beyond providing scholarships. The programme gives women from select engineering colleges the opportunity to work with Tata Steel and experience real-life technical challenges in the steel industry. The programme also gives students the opportunity to interact with senior leadership who act as tutors and mentors.

ENABLERS AND IMPACTS

KEY ENABLERS			
Culture of union and management working together through joint consultative process to address issues related to collective bargaining	Focus on Diversity and Inclusion	Employee capability building through structured training & development programmes	Innovative and attractive voluntary separation scheme
IMPACT			
89 years of industrial harmony	15% increase in the women in the workforce over FY2016 The SC/ST Community forms > 16% of our workforce	3,34,050 man-days of training imparted during FY2017	Increase in Employee Productivity by ~3% over FY2016

KEY PERFORMANCE INDICATORS

EMPLOYEES TRAINING (MAN-DAYS)

FY17	3,34,050
FY16	2,63,050
FY15	2,31,177
FY14	1,77,656
FY13	1,74,505

TRAINING PER EMPLOYEE (MAN-DAYS)

FY17	2.19
FY16	5.70
FY15	6.20
FY14	8.39
FY13	9.50

INVESTMENT IN EMPLOYEE TRAINING AND DEVELOPMENT (₹ CRORE)

FY17	52.55
FY16	43.07
FY15	42.99
FY14	41.51
FY13	41.34

EMPLOYEES INVOLVED IN IMPROVEMENT ACTIVITIES (%)

FY17	92.50
FY16	85.30
FY15	89.40
FY14	82.00
FY13	79.00

PERCENTAGE OF SKILLED MANPOWER (%)

FY17	99.99
FY16	93.90
FY15	91.10
FY14	69.60
FY13	NA*

* Not measured in FY13







Our growth is aimed to create enhanced value for our customers

GROWTH & CUSTOMER FOCUS

Delighting Customers through Growth

STRATEGIC FOCUS AREA

Growth to meet customer requirements and create value

STAKEHOLDERS

Customers
Investors

OUR GOAL

Ramp-up capacity

Preferred choice of supplier in the chosen segment

ENABLERS

Ramp-up and stabilise new facilities

Value-added products, services & solutions

Reduce defects to <100 ppm

CAPITALS IMPACTED

UN SDG
8 – DECENT WORK & ECONOMIC GROWTH

It is imperative for us to keep pace with the growing needs of our customers across sectors, primarily, the automotive and construction sectors. We aim to deliver enhanced value for our customers through our customised services and solutions and our value-added products. To insulate our business interests from cyclicity of the industry, we are foraying into new lines of business.

Tata Steel's Greenfield plant at Kalinganagar in Odisha (the largest in the country) commenced commercial production from May 2016 with a capacity of 3 MnTPA in its first phase. The plant produces world-class flat, lighter, high-tensile strength steel and has augmented our Indian crude steel production to around 13 MnTPA. It has helped the organisation expand its portfolio to high-grade flat products to cater to a range of sectors including ship-building, defence equipment, energy and power, infrastructure building, aviation and lifting and excavation. Seven new product licences and nine higher grades in existing product licence have also been granted by the Bureau of Indian Standard for products manufactured at our Kalinganagar plant.

15%
higher deliveries enabled by ramp up

>3,000
people employed

~₹100 Cr.
CSR spend in Odisha

Tata Steel Kalinganagar has achieved the fastest ramp-up in a Greenfield project in India. Crude steel production in FY2017 was 1.68 MnTPA. The crude steel capacity was ramped up to 88% with the Coke plant & Hot Strip Mill reaching 100% capacity in FY2017.



Tata Steel Kalinganagar

Value Creation through Services & Solutions

Our goal is to achieve 20% of the revenues from services and solutions business. In the last three years, we have built a pipeline of solution concepts that will reach consumers progressively in the coming months and years.

Some of the services and solutions launched/scaled-up in FY2017 are:

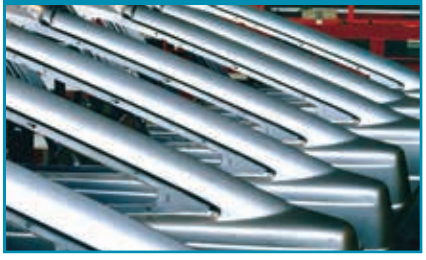


Ready Build Cut & Bend Bars

Hassle-free, superior quality and wastage-free solutions for construction sites

Shaped Blanks

Reducing wastage of automotive customers by providing customised blanks





Pravesh

Steel doors with wood finish offering benefits of strength, corrosion resistance and aesthetics to the consumer

INNOVENT

Conceived in 2013, INNOVENT places a thrust on incubation of new business concepts. The team works closely with customers, captures insights, builds solution and tests the business model viability. Successful models are then passed on to business units for scale up.

Superlinks & Footings

Quality stirrups (application for construction steel components) and foundation to provide strength to Reinforced Cement Concrete (RCC) structure.

TISCON SUPERLINKS

TISCON READYMADE FOOTING



Nest in (EzyNest Modular toilets)

Turnkey, robust, durable, light-weight, secure, one-stop sanitation solution (toilets) targeted towards communities (aiding Government's Swachh Bharat campaign)

ATW (All Time Water) Kiosk

Steel-based All-Time Water Kiosks for upcoming smart cities and for corporate CSR programmes. The unit is supplied with a RO+UV filter.



KEY PERFORMANCE INDICATORS

PAN INDIA DEALERS & DISTRIBUTORS (NOS.)

FY17	12,150
FY16	12,077
FY15	12,070
FY14	12,069
FY13	6,250

CUSTOMER SATISFACTION INDEX (%)

FY17	81.30
FY16	80.40
FY15	77.80
FY14	77.30
FY13	77.00

QUALITY COMPLAINTS (PPM)

FY17	759
FY16	774
FY15	593
FY14	679
FY13	809

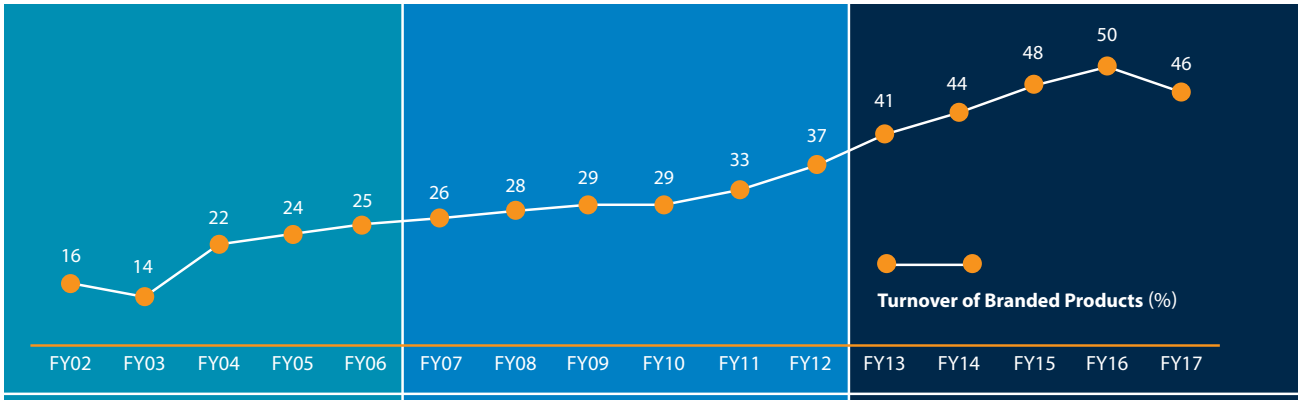
BRAND EQUITY INDEX-TATA TISCON (score out of 10)

FY17	6.60
FY16	6.50
FY15	6.00
FY14	5.90
FY13	5.60

BRAND EQUITY INDEX-TATA SHAKTEE (score out of 10)

FY17	7.00
FY16	6.40
FY15	6.70
FY14	6.90
FY13	5.30

CONTINUOUS DE-COMMODITISATION OF STEEL HAS BEEN THE CORNERSTONE OF TATA STEEL INDIA BRANDING JOURNEY

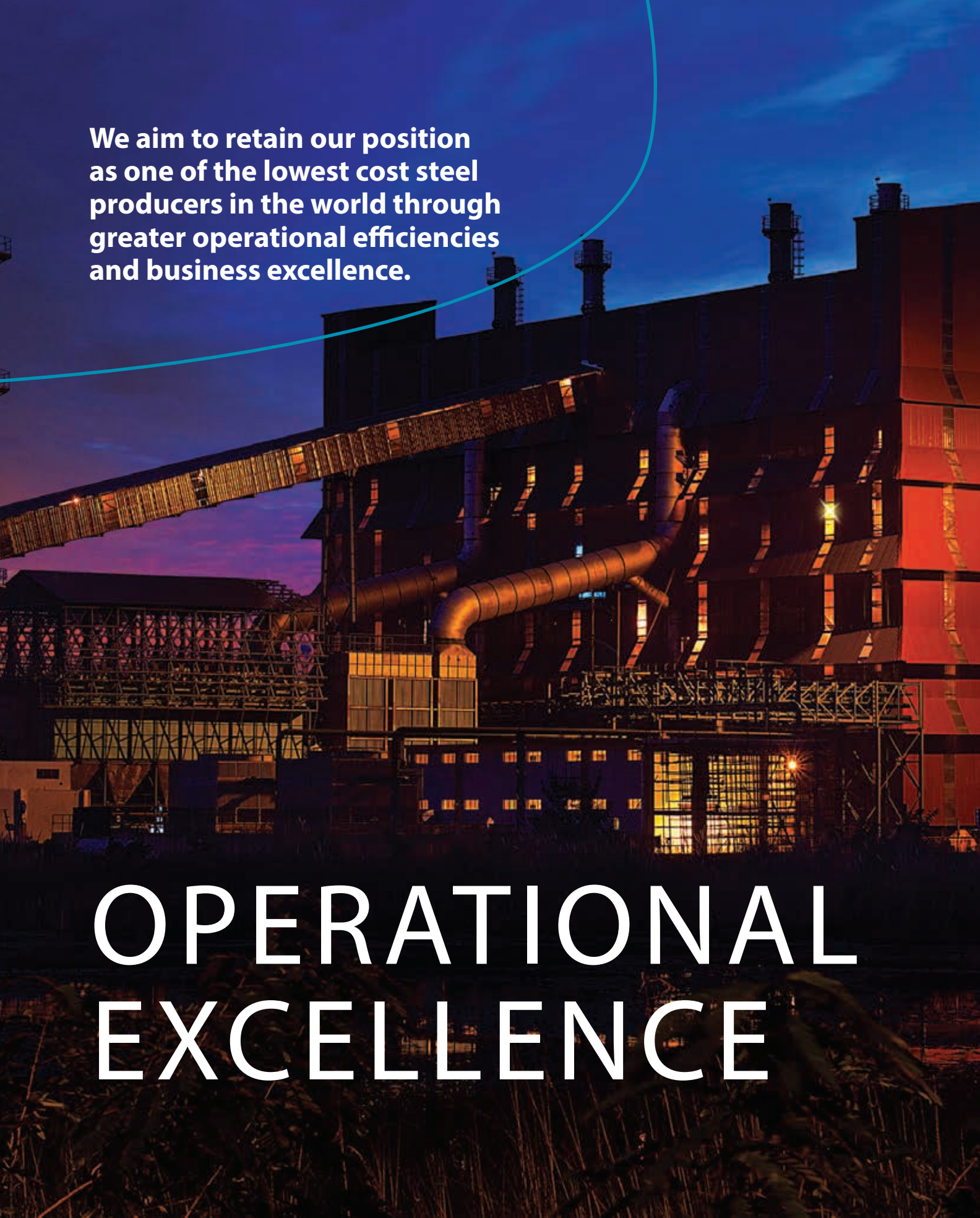


Brands Launched • Tata Agrico • Tata Pipes • Tata Shaktee • Tata Wiron • Tata Tiscon	**Brands Launched** • Tata Steelium • Tata Structura • Galvano • Tata Astrum	**Brands Launched** • Tiscon • Tata Tiscon Superlinks • Durashine • Nest-in • Pravesh • Roof Junction
Brand identity & establishing channel • Appointment of exclusive distributors • Creation of unique identity and logo on product	**Enhancing service capability & consumer experience** • Launch of service centres • Robust Network • Channel capability building • Exclusive shops • Recommended price list • Consumer Intimacy Programmes • Influencer management	**Focus on customised solution & redesigned offering** • New Products: Tiscon 500SD, Shaktee wider & thinner GC, Durashine • Downstream Products: Superlinks & Footings • Housing solutions: Nest-in • Roofing solutions: Roof Junction • Steel doors: Pravesh • Loyalty programme with ECAs • Value-added products

Note: Drop in FY17 as new greenfield project at Kalinganagar is in the ramp-up Phase.



Chairman's visit to IJmuiden facility



We aim to retain our position as one of the lowest cost steel producers in the world through greater operational efficiencies and business excellence.

OPERATIONAL EXCELLENCE

Operational Excellence

STRATEGIC FOCUS AREA

Cost Leadership and Business Excellence

STAKEHOLDERS

Investors
Suppliers
Customers

OUR GOAL

To become the lowest cost steel producer

ENABLERS

Widen scope and maintain rigor of improvement initiatives through SHIKHAR

Reduce procured raw material and services cost

Enhance captive coal production

Double employee productivity

Improve efficiency of material use and Increase recycling.

CAPITALS IMPACTED

UN SDG

8 – DECENT WORK & ECONOMIC GROWTH

We aim to retain our position as one of the lowest cost steel producers in the world through improved operational efficiencies and business excellence. We have a long value chain spanning across mining, iron-making, steel making, casting, rolling, finishing and delivering finished steel products to the customer. While this makes it a complex business, it also offers opportunities for improvement across the value chain. Our main focus areas are achieving superior steel properties, higher efficiency in iron ore & coal beneficiation, lower carbon rate in iron making, optimised product mix, reducing waste generation, energy efficient processes and higher material utilisation.

To expedite projects related to operational excellence across the value chain, in FY2015, we launched the Shikhar25 programme. It aims to identify and accelerate improvement projects across the value chain and achieve benchmark levels while building institutional capability. A total savings of ₹3,400 crore was achieved in FY2017 as a result of all improvement initiatives.



KEY ACHIEVEMENTS

RAW MATERIALS



KEY ENABLERS

Own captive coal throughput increase was prioritised to replace imported coal.

The key initiatives were:

Coal yield optimisation

Debottlenecking of rail and vessel logistics and raw coal evacuation

Maximisation of West Bokaro washeries utilisation

IMPACT

Higher **By-product value realisation**

Arresting **By-product waste**

Reduction in **oversize raw coal to improve fines circuit yield**

Implementation of **analytical tool "Sathi" to monitor lead indicator and take proactive action**

1.2% improvement in yield

IRON-MAKING



KEY ENABLERS

Reduction in Coke rate and hot metal Silicon

Increase in net sinter production through process stabilisation and reliability improvement

Improving performance of Pollution control equipment

IMPACT

Lowest ever blast furnace Coke rate in FY2017 (~10% reduction over FY2016) and hot metal Silicon (0.74%)

Sinter plant crossed **8 MnTPA net sinter production milestone** (Indian benchmark).

It is the only sinter plant in India with Stack Emission **<40 mg/Nm³**

Consistently maintaining **>46% Sinter in Blast Furnace Burden**

Savings due to blast furnace fuel rate **₹118 crore**

STEEL MAKING



KEY ENABLERS

Reduction in transition losses using optimisation models at steel making shop - LD2.

The model identifies best possible grade/chemistry to be produced, checks the order availability, and guides the steel maker to modify the plan accordingly

IMPACT

This model has helped in reducing the transition losses by **~40-50%** thus increasing the utilisation of available capacity

Total savings of **~₹30 crore** was achieved in FY2017

LOGISTICS



KEY ENABLERS

Reduction in landed logistics cost by 12% compared to the previous year

Restructuring of legacy contracts with key suppliers at ports

Reduction of idle freight across mines, collieries, ports and HMC by Installation of IR certified in - motion weigh bridge, Load cells in pay-loaders, increased height of loading in coke wagons

Consolidation of cargo with third parties and trans-shipment

IMPACT

Increased stacking capacity at Dhamra Port at lower cost

Reduction in demurrage at ports

Increased parcel sizes to achieve **lower ocean freight**

KEY PERFORMANCE INDICATORS

OPERATIONAL EXCELLENCE

EMPLOYEE PRODUCTIVITY - TSJ (TCS/ EMPLOYEE/ YEAR)

FY17	720
FY16	701
FY15	623
FY14	597
FY13	513

ENERGY INTENSITY- TSJ (GCAL/ TCS)

FY17	5.67
FY16	5.77
FY15	6.01
FY14	6.02
FY13	6.12

TCS: Tonnes of Crude Steel

COKE RATE (KG/ TONNE OF HOT METAL)

FY17	360
FY16	380
FY15	443
FY14	455
FY13	479



Blast Furnace, Tata Steel Kalinganagar



We leverage our technological capabilities to reduce our carbon footprint, optimally use inferior raw materials, improve yield, utilise solid waste and move towards a system of zero water discharge

INNOVATION

STRATEGIC FOCUS AREA

Technology & Innovation

STAKEHOLDERS

Customers
Suppliers

OUR GOAL

To be one of the top 5 steel technology companies in the world

ENABLERS

Commercialisation of Graphene and creation of new materials business vertical

Technological initiatives in the areas of process efficiency and product development

Creating value through digitalisation

CAPITALS IMPACTED

UN SDG
9-INDUSTRY, INNOVATION & INFRASTRUCTURE



Apart from leveraging our technological capabilities to address inferior quality of indigenous raw material and the variability of domestic ore compared with imported raw materials, we continuously aspire to be at the high end of technological capabilities and strive to meet high-quality product requirements as and when the evolving demand for newer, high-strength grades of steel arises.

Our focus is on reducing our carbon footprint, optimally use inferior raw materials, improve yield, utilise solid waste and move towards a system of Zero Water Discharge. Our efforts in innovation can be broadly classified into four categories: New Product Development, Process Technology, Digitalisation and Advanced Materials.

01 New Product Development

We are pursuing new products to be developed under the two categories:

Platform products: We are working towards improvement in strength and reduction in the number of surface defects, to narrow the technological gap with advanced mills. Especially, for sectors such as automotive, lifting and excavation, oil and gas, infrastructure and capital goods.

Differentiated products: We are developing high-anticorrosion steel, super-hydrophobic steel and cost-effective ultra high-strength steel. Additionally, we will increase our capabilities in downstream value-added products by entering into new segments such as defence, lifting and excavation.

Development of Hot Rolled Dual Phase (DP) Steel, characterised by high-strength and high-formability, is a major step towards meeting the expectations of automotive wheel manufacturers. To address the issues related to automotive wheels with a higher fatigue-life, we developed hot rolled Dual Phase steel with a minimum 600 MPa strength (DP 600) for the first time in India. Apart from high-strength, the grade showed enhanced formability compared with other existing High-Strength Low Alloy steels (HSLA) of similar strength.

Our in-house R&D team achieved this by using advanced thermo-mechanical simulator Gleeble 3800 for hot rolling simulations, by adopting innovative cooling strategies in our Thin Slab Casting and Rolling (TSCR) mill and by making use of longer Run out Table (ROT) with higher cooling capacity. DP steel has cleared stringent requirements of corner fatigue tests that have been conducted at customers' facilities. Another variant of DP 600 steel was developed with low silicon content to achieve superior surface quality. Both the grades have been accepted by our customers and commercialised by us. Two patent applications have also been filed.

02 Process Technology



One of the key enablers of sustainable mining and lower-cost of liquid iron has been the utilisation of high gangue iron ore in our sinter making process. The high gangue material (with iron content of ~55%) requires significant area for stacking as well as the addition of flux (pyroxinite) for the removal of gangue from metal during the sintering process. Earlier, the flux used to be imported, driving up costs considerably. A new process was developed to use high siliceous gangue material in the sinter using a locally sourced material as flux. Consumption of imported flux decreased by 5.5 kg/tonne with no adverse impact on sinter quality. This led to savings of ₹12.5 crore per annum.

Some of the other examples of process improvement are:

- **For utilisation of low-grade chromite ores for sustaining standard concentrate production, a new method of operational philosophy established in the chromite ore beneficiation plant at Sukinda.**
- **Increase in clean coal production from reflux classifier by changing the feed regime and rectifying machine-related issues at West Bokaro Washery #3.**
- **Utilisation of BF slag as flux in chromite pelletising along with improvement in pellet property.**
- **Reduction in water consumption (0.2 m3/tcs) in Jamshedpur Steel Works through multiple recycling of water in high temperature processes.**
- **5% use of non-coking coal in Haldia Met Coke to minimise blend cost and reduce import of coal.**

03 Digitalisation: Leveraging Digital Technology



We appreciate the disruptive potential of Industry 4.0 and are actively seeking opportunities to redefine existing processes and systems by leveraging digital technologies. The year saw a significant upgrade in the discourse around digitalisation along with a rich project pipeline created for delivering business value in the coming years.

During FY2017, we identified opportunities for value creation worth ₹700 crore using digital technologies. The projects include Predictive Asset and Quality Management at process plants, Digitalisation of Customer Decision Journey in the Retail Segment as well as developing Smart-City Applications.

Jamshedpur has also become the first city in India to have a 3-wall-depth penetration of Low Power Wide Area Network (LPWAN), forming the foundation for development of Smart City Applications. Applications under development include - smart metering for power and water, intelligent street-lighting and smart waste bin management.

We have adopted advanced analytics as a key tool to take operating efficiencies to the next level. Advanced Analytic-based predictive models are now powering critical plant functions, examples of which are:

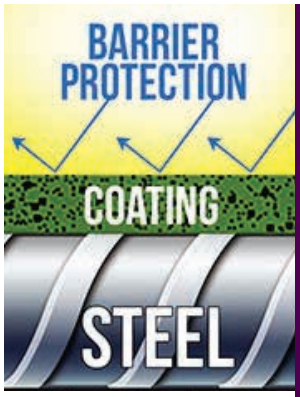
Steel making
Enhancement Break-out Detection System at LD Slab Caster to improve throughput and eliminate unsafe conditions through advanced data analytics.

Tubes Business Unit
A Predictive Asset Maintenance solution enabling higher equipment availability and a Salesforce application for dealers to improve effectiveness and efficiency.

New Bar Mill
Integration of QR Codes onto critical equipment enabling equipment data availability on a smartphone. Designated employees can monitor equipment health right on the shop-floor and perform on-site diagnostics.

Having established a dedicated team to drive the transformation to becoming an Industry 4.0 leader, we also facilitate the development of organisational capabilities around digital technologies and data analytics. We are in the midst of upgrading to SAP S4 HANA platform that will simplify and improve business processes.

04 Advanced Materials



Graphene

Graphene - a material offering substantial superior anti-corrosive properties, enhanced product aesthetics and a wide range of applications - has been identified as one of the advanced materials that has the potential to multiply value across segments. The Indian Graphene market (₹80 crore) is currently in a nascent state with immense potential. The steep rise in graphene application patents further supports the realisation of an industrial market in the upcoming years.

A Graphene Development Cell (GDC) has been created at Jamshedpur to identify applications and establish new business (production units, supply chain and markets). Two Advanced Materials Research centres of excellence have been established at Chennai in collaboration with IIT Madras and at Bengaluru with CeNS for collaboration on basic research on Graphene and other 2D materials.

GDC has developed and implemented Graphene powder and Graphene-based liquid that acts as the input to Graphene based products. Graphene coated stirrups were launched under the brand name SUPERLINK+ in Jharkhand. SUPERLINK+ has enhanced corrosion resistance and better bonding strength with concrete as compared with existing stirrups in the market. Seven patent applications have already been filed in this area of work.

KEY PERFORMANCE INDICATORS

COLLABORATIONS / MEMBERSHIP (TECHNICAL INSTITUTES) (NOS.)

FY17	42
FY16	32
FY15	23
FY14	7
FY13	12

R&D SPEND (₹ CRORE)

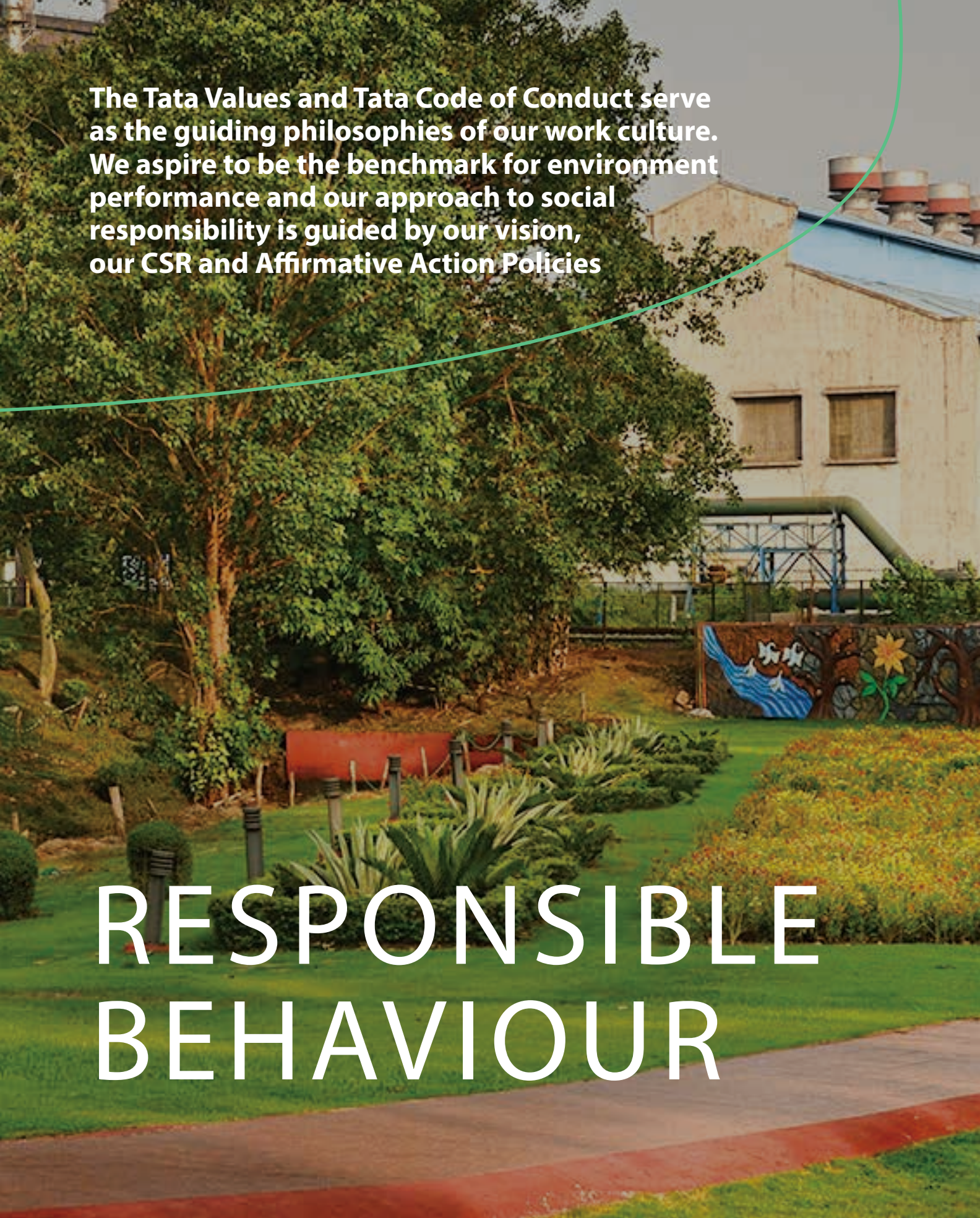
FY17	145
FY16	129
FY15	134
FY14	81
FY13	60

PATENTS FILED (CUMULATIVE TILL FY2017) (NOS.)

FY17	870
FY16	791
FY15	720
FY14	663
FY13	605

PATENTS GRANTED (CUMULATIVE TILL FY2017) (NOS.)

FY17	360
FY16	318
FY15	286
FY14	250
FY13	220



The Tata Values and Tata Code of Conduct serve as the guiding philosophies of our work culture. We aspire to be the benchmark for environment performance and our approach to social responsibility is guided by our vision, our CSR and Affirmative Action Policies

RESPONSIBLE BEHAVIOUR

Environment Leadership

STRATEGIC FOCUS AREA

Environment Leadership

STAKEHOLDERS

Government
Regulatory Bodies
Customers
Civil Society

OUR GOAL

Become industry benchmark in environmental performance

ENABLERS

Reduce CO_2 emission intensity <2tCO_2/tcs
(tcs: tonne of crude steel)

Zero effluent discharge

100% utilisation of LD Slag

Increase use of renewable energy

No net loss of targeted Biodiversity components in raw material locations and progressive reclamation of mine altered sites

CAPITALS IMPACTED

UN SDG
7 - AFFORDABLE & CLEAN ENERGY

UN SDG
13 - CLIMATE ACTION

UN SDG
12 - RESPONSIBLE PRODUCTION & CONSUMPTION

We aspire to be the Indian steel industry benchmark for environment performance by focusing on climate change mitigation and resource efficiency. The key natural resources on which our operations are primarily dependent on are: coal, iron ore, water and ferro alloys.

We are cognisant of the fact that our mining operations impact the biodiversity of the regions in which we operate. Environmental impacts of our manufacturing operations include generation of CO_2, dust emissions, discharge of water effluents and process waste generation.

To address these impacts, our policies for climate change mitigation, environmental care, energy efficiency and renewable energy provide overall guidance to our processes and help us achieve environmental leadership.

Environment management of key sites involved in mining and manufacturing are certified under EMS ISO 14001. The Company continues to be a Climate Action Member of the World Steel Association and endorses the United Nations Global Compact's SDGs and CEO Water Mandate.

Some of the thrust areas for environmental excellence are:

- Concerted R&D efforts to conserve natural resources
- Climate change impact mitigation
- Reduction of our resource footprint through ore beneficiation
- Material substitution
- Continual process improvement and product development
- Revision of the Energy Policy to explicitly embed the promotion of renewable and non-conventional energy

SHADOW CARBON PRICE

We believe any capital investment should be made after evaluation of its climate impact. To enable this, we have introduced the Shadow Carbon Price, which will be used for evaluating any capital expenditure projects in Tata Steel


Central Effluent Treatment Plant

KEY ACHIEVEMENTS

01 CO_2 EMISSION

MITIGATION STRATEGY

- Energy conservation through: Top Recovery Turbine (TRT) power generation
- LD Gas recovery
- Reduction in carbon rate

IMPACT

TRT Power generation
increased by 20%
LD Gas recovery
enhanced by 44%

1% reduction
of Carbon rate

Jamshedpur Steel Works is the
National Benchmark in CO_2 emission intensity and Specific Energy Consumption
within Steel Sector (Coal based Integrated Works, BF-BOF)

26% reduction
in CO_2 emissions in FY2017 (base level in FY2005)

02 WATER CONSUMPTION AND ZERO EFFLUENT DISCHARGE

MITIGATION STRATEGY

- Water conservation initiatives at operational facilities
- Improved utilisation of Central Effluent Treatment Plant

IMPACT

Lowest ever water consumption with 12% reduction
over previous year at our Jamshedpur Steel Works

Best ever effluent discharge figure
in FY2017, which was
~16% reduction
over FY2016

03 SOLID WASTE UTILISATION

MITIGATION STRATEGY

- Zero waste mining driven by ore characterisation, ore-body modeling, and block modeling of mining deposits done, Life Cycle Inventory (LCI) studies for mines
- State-of-the-art beneficiation plants in operation and studies underway for beneficiating slime and low-grade ores

IMPACT

53% LD slag utilisation in FY2017 as compared to 43% in FY2016

We are the **first in India** to process Steel/LD slag as replacement of natural aggregates in road-making through screening and weathering, developed market through joint experiments with National Highway Authority of India, Jharkhand State Rural Road Development Agency and Jharkhand Road Projects Implementation Company Limited and **obtained accreditation from Indian Road Congress**

04 BIODIVERSITY

MITIGATION STRATEGY

- Rollout of Biodiversity Management Plans (BMPs) for each of the eight mining sites
- Assessment of habitats using the Biodiversity Indicator and Reporting System (BIRS) tool undertaken

IMPACT

No net loss
in targeted biodiversity components from pre-mine conditions

Progressive reclamation
of mine-altered sites



05

DUST EMISSION

- Up-gradation of pollution control equipment
- Engagement of OEMs for effective operation & maintenance

Best-ever effluent discharge intensity
achieved in FY2017

KEY PERFORMANCE INDICATORS

EMISSIONS - GHG - TSJ (TCO_2e/tcs)

FY17	2.29
FY16	2.30
FY15	2.42
FY14	2.43
FY13	2.52

TREES PLANTED - TSI (NOS.)

FY17	4,00,225
FY16	4,21,973
FY15	3,22,000
FY14	3,81,000
FY13	4,56,000

EMISSIONS - DUST - TSJ (KG/tcs)

FY17	0.44
FY16	0.50
FY15	0.57
FY14	0.88
FY13	1.00

SPECIFIC WATER CONSUMPTION - TSJ (M^3/tcs)

FY17	3.83
FY16	4.39
FY15	5.54
FY14	5.58
FY13	5.92

EFFLUENT DISCHARGE INTENSITY - TSJ (M^3/tcs)

FY17	1.01
FY16	1.20
FY15	2.31
FY14	2.31
FY13	3.58

SOLID WASTE UTILISATION - TSJ (%)

FY17	82.40
FY16	80.60
FY15	78.30
FY14	78.00
FY13	77.70

MATERIAL EFFICIENCY - TSJ (%)

FY17	92.90
FY16	92.40
FY15	91.30
FY14	91.20
FY13	90.80

TSJ: Tata Steel Jamshedpur
TSI: Tata Steel India


Tata Steel Jamshedpur

Community Development: Positively impacting lives

STRATEGIC FOCUS AREA
Impact Based CSR

STAKEHOLDERS
Government
Regulatory Bodies
Community

OUR GOAL
Positively impacting >2 million lives

ENABLERS
Expand reach and impact of our Initiatives in areas of Health, Education, Livelihood, Water and Civil Infrastructure, Skill Development, Sports and Ethnicity

Leverage collaborative and financing opportunities

CAPITALS IMPACTED

UN SDG
11- SUSTAINABLE CITIES & COMMUNITIES



Thousand Schools Project, Odisha

We are aware that the regions that we operate in are largely socio-economically backward and have been impacted by political unrest. An overwhelming majority of the population in these regions is dependent upon rain-fed, single-crop agricultural produce for their livelihood. A major concern in these regions is the development of the Scheduled Castes (SC) and Scheduled Tribes (ST) who constitute a major percentage of the population. We promote Affirmative Action based on positive discrimination to improve levels of education, employment, employability, entrepreneurship, while preserving the ethnicity of this section of the population.

The Tata Steel CSR Advisory Council comprises eminent personalities from academia and development sector, who provide policy-level inputs for improvement of our CSR interventions. The priority areas for improvement identified in Jharkhand and Odisha are health, education and livelihood. The other areas of intervention are skill development, ethnicity, water, civil infrastructure and sports.

Thousand Schools Project

This ambitious project aims at making the Right to Education (RTE) Act a reality in six blocks of three tribal districts of Odisha – Jajpur, Keonjhar, Sundargarh. The project envisions better access to school for children while improving the quality of education that they have access to.

Improved teaching quality is imperative for quality education. Some of the key initiatives in this direction are:

01 Instituting effective classroom pedagogy to strengthen the foundation level learning of children

02 Enhancing teachers' capabilities

03 Making available quality teaching and learning materials in classrooms

04 Setting up of school libraries and introducing tablet-based classroom content

05 Establishing an effective academic monitoring mechanism

06 Enabling proper functioning of School Management Committees (SMCs), mandated by the RTE Act to have oversight of school functioning and performance

We have carried out numerous activities like staff orientation, training for teachers and the youth. We also trained the School Management Committees (SMCs) and members of Panchayati Raj Institution. We are implementing the project in partnership with Delhi-based NGO ASPIRE.

IMPACT

1. **22,000 children have been positively impacted through this project**
2. **400 habitations are child labour free across the six project blocks**
3. **6,375 out of school children have been mainstreamed into education**
4. **3,646 children have been helped to transition from primary to middle school**
5. **12,705 school going children of primary classes have been helped to improve their learning levels significantly in Language and Maths (evidence-based)**

KEY INITIATIVES

EDUCATION Improving the access and quality of education for all and scholarships for meritorious students



30 MODEL SCHOOLS

ACTION

Construction of 30 model schools in 30 blocks in Odisha

Spend of over
₹29 Cr.

IMPACT

Delivered
3 model schools
to the State Government in FY2017 with the required classroom infrastructure
Another five are ready for handover



JYOTI FELLOWSHIP

ACTION

Scholarships to meritorious SC/ST students

IMPACT

3,083 students
in FY2017 over 2,883 in FY2016



TATA STEEL SCHOLARS PROGRAMME

ACTION

Assistance for professional education to meritorious SC / ST students

IMPACT

95
in FY2017 over 83 in FY2016

SPORTS & ETHNICITY Preserving culture



UNDER 10 FOOTBALL TRAINING CENTRES

ACTION

Training at Tata Steel-backed football training centre

IMPACT

Over 800 boys trained in various nuances of football



TRIBAL LANGUAGE LEARNING CENTRES

ACTION

Promotion of tribal languages and literature

IMPACT

Over 11,000 youth underwent training in tribal languages and scripts





PRESERVE AND PROMOTE TRIBAL CULTURE AND HERITAGE

ACTION

Tribal Conclave

IMPACT

Samvaad: The 3rd edition of 'Samvaad', a 5 day pan-India tribal conclave organised at Jamshedpur on 'Tribal Health Systems', featured 1,500 tribal artists, academicians, eminent personalities and activists from 40 different tribes across 20 states in India. On the lines of its past two editions, Samvaad 2016 featured sessions on 'Tribal perspective on Development'. A tribal fashion show was also organised on the concluding day

HEALTH Primary healthcare, maternal and child healthcare, specialised healthcare and adolescent health programmes



MANSI
Maternal & Newborn Survival Initiatives

ACTION

A PPP model based initiative to train Government appointed village level women heath workers and increase their capabilities to work towards reducing neonatal and infant mortality

IMPACT

46% reduction in Neonatal Mortality Rate

39% reduction in Infant Mortality Rate

(Since the inception of MANSI in 2010)



MESU
Mobile Eye Surgical Unit

A collaborative venture between Sankara Nethralaya and IIT Madras, supported by Tata Trusts and Tata Steel provides state-of-the-art cataract surgery in remote areas

Held 7 camps, screened around **3,700 people**, conducted close to **600 cataract surgeries** and dispensed spectacles to around **350 people** in some of the poorest and tribal-dominated areas



MMU
Mobile Medical Units

Tata Steel mobile clinics, deployed in areas deprived of a proper clinic/dispensary, to provide basic consultation and medicine

4,36,992 people benefitted through mobile medical units in FY2017 (5,33,597 in FY2016)



SPECIALISED HEALTH CAMPS FOR FOCUSED ILLNESSES

Specialised camps are held periodically in remote locations to address specific diseases prevalent in these areas

87 health camps and **23,631 beneficiaries** in FY 2017 (129 camps and 30,537 beneficiaries in FY2016)

SUSTAINABLE LIVELIHOODS Enabling people



SYSTEM OF RICE INTENSIFICATION (SRI) METHOD OF PADDY CULTIVATION

ACTION

Working with farmers to deploy scientific agriculture techniques leading to improvement in paddy yield

IMPACT

9,633 farmers trained in FY2017 on the SRI method (8,350 in FY2016)



FARMERS' TRAINING IN VEGETABLE CULTIVATION

Improving cropping efficiency and maximising use of irrigation facilities

5,451 farmers trained in FY2017 (4,238 in FY2016)



VAARTA
Agricultural Meet

Supporting farmers in undertaking modern agriculture by regular interface with agricultural scientists

Vaarta agriculture experts was held in Jamshedpur (Jan 2017), Kalinganagar and Gopalpur (March 2017) and Noamundi (December 2016) with a total **turnout of over 1,800**



LIVELIHOOD INTERVENTIONS THROUGH COLLECTIVES FOR INTEGRATED LIVELIHOOD INITIATIVES (CInI)

Livelihood interventions in agriculture and knowledge transfer through CInI

Reached out to nearly **1,500 rural women** in FY2017 to improve their economic condition and aid in becoming self-reliant



RISHTA

Regional Initiative For Safe Sexual Health For Today's Adolescents

Adolescents counseled on sexual health through school sessions and Youth Resource Centres

24,402 youth touched in FY2017 (23,741 in FY2016)



BOKARO RIVER DRINKING WATER PROJECT

Rainwater harvesting based project with a dam along with an intake well, capable of supplying approximately 1,000 kilo litres of filtered and chlorinated water per day

Caters to **~ 8,000** people in eight villages of Ramgarh district

Reduction in Infant Mortality Rate by 39%
since the inception of MANSI in FY2010

Reduction in Neonatal Mortality Rate by 46%
since the inception of MANSI in FY2010

Key Performance Indicators	UOM	FY17	FY16	FY15	FY14	FY13
Beneficiaries of Mobile Medical Units and Static Clinics	Nos.	4,70,463	5,68,984	4,37,070	4,19,821	3,72,048
Beneficiaries of specialised health camps	Nos.	23,631	30,537	48,314	29,282	-
Adolescents touched through RISHTA (Regional Initiative For Safe Sexual Health for today's adolescents)	Nos.	24,402	23,741	47,442	46,477	-
Meritorious students covered through fellowships	Nos.	3,185	2,985	3,567	3,169	2,477
Meritorious students covered through TATA scholarship	Nos.	95	83	53	4	-
Youth enrolled for skill development	Nos.	3,090	3,089	3,458	1,743	2,225
Youth trained	Nos.	1,784	1,578	1,938	1,572	N/A
Youth placed / Self employed	Nos.	1,713	1,147	1,206	521	597
Women empowered through SHG	Nos.	10,259	9,975	9,033	9,700	9,500
Farmers trained on System of Rice Intensification (SRI) method of paddy cultivation for yield improvement	Nos.	9,633	8,350	5,948	2,200	250
Area under 2nd and 3rd crop	In Acres	3,511	5,086	5,510	5,032	3,177
Ponds	Nos.	209	200	426	92	-

Compliance, Ethics and Governance

Ethical behaviour is intrinsic to the way we conduct our business. The Tata Group's founder, Jamsetji Tata, insisted that business must respect the rights of all its stakeholders and create an overall benefit for the society.

Our corporate values of unity, responsibility, excellence, pioneering and integrity are the guiding principles by which we strive to conduct our business.

Our governance framework flows from our Code of conduct and policies. The framework is designed to ensure that our business is conducted in an honest and ethical manner, with integrity and it conforms with the relevant laws and regulations of the countries where we operate in.

Tata Code of Conduct

All Tata Group companies subscribe to the Tata Code of Conduct ('Code'), which clearly articulates our ethical principles and desired behaviours. The Code requires the Tata companies and employees to act with professionalism, honesty and integrity and to preserve the human rights of every individual and the community. The principles of the Code apply to all our dealings with our business partners who are encouraged to adhere to similar standards. The Code covers various subjects like equal opportunity employer, dignity & respect, human rights, bribery & corruption, gifts and hospitality, conflict of interest, financial reporting and records among others.

The Tata Code of Conduct is augmented by a number of policies that help strengthen governance practices at Tata Steel. These policies include the Conflict of Interest Policy, The Policy for Receipt of Gifts and Hospitality, The Whistle Blower Policy and the Prevention of Sexual Harassment at Workplace Policy.



Affirmative Action

In accordance with its Affirmative Action Policy, Tata Steel encourages business entrepreneurs from socially disadvantaged communities and includes them in its supply chain on the basis of equal merit. The Company has leveraged its growth projects to diversify its workforce through positive discrimination in favour of local, marginalised communities and women. Also, Tata Steel chooses organisations aligned to its Affirmative Action Policy as its Strategic Sourcing partners.

Building Blocks of Responsible Procurement

Policy outlines the fair business practices by which Tata Steel conducts business and we expect our suppliers to adopt similar principles.

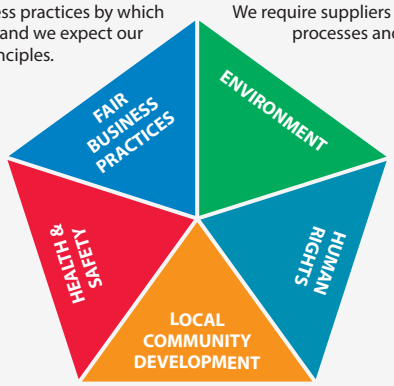
Tata Code of Conduct

We require suppliers to maintain effective policies, processes and procedures to manage their environmental impact.

Green Supply Chain

We expect our suppliers to adopt management practices in respect of Health & Safety which provide a high level of safeguarding for their workers.

SA 8000 and TSL Safety Norms



We expect our suppliers to develop and implement policies and procedures to ensure all human rights in their business and to encourage their suppliers to do likewise.

SA 8000

We expect our suppliers to contribute to the social, economic and institutional development of the communities in which they operate.

Affirmative Action

During the year, the Company provided both classroom and web module training to people who work at its sites. Training was provided on POSH[1], COI[2] and TCOC[3]

3,281 Officers

14,430 Non-Officers

22,069 Contractors' Employees'

1,085 Vocational Trainees

[1] POSH- Prevention of Sexual Harassment
[2] COI- Conflict of Interest
[3] TCOC- Tata Code of Conduct





WAY FORWARD

We will continue to seamlessly deploy our strategy, heading towards the goals set for each of our strategic focus areas.

Safety - Zero injury and fatality

We will continue with our efforts of building leadership's competency, improving contract worker safety management and all other process improvements for identifying safety hazards and mitigating risks, to ultimately reach our goal of Zero LTI

Diversity and Inclusion

With an ambition of having at least 20% women in workforce, we will continue to uphold our ethos of being an equal opportunity employer

Scale-up Services and Solutions

We will aim to ramp-up and stabilise our new operations and continue our efforts towards developing value-added services and products for meeting varied customer requirements

Technology Leadership

We will continue to be the front runners in adoption of new technologies, both in terms of product development and process efficiencies



Thin Slab Casting and Rolling, Tata Steel Jamshedpur

Climate change strategy: Reduction in specific water consumption and CO_2 emission

We will continue to evolve our operational practices and adopt state-of-the-art technologies to increase resource efficiency and reduce emissions

Digitalisation - Realise value and improve stakeholder experience

We will exploit digital technology to the fullest for value enhancement and improving customers' and partners' experience. In view of Industry 4.0, we will strive to be ahead of the curve in adopting disruptive digital technologies

Improvement in employee engagement

We will constantly strive to be one of the top quartile ranking companies in the space of employee engagement. We will keep focussing on employee well-being and happiness.

Cost Leadership

With our multi-pronged approach of improving process efficiencies, optimising raw-material usage, waste recycling and employee productivity enhancement, we will keep honing our efforts of cost-leadership



SUSTAINABILITY GOVERNANCE

Butterfly Park at Noamundi

Sustainability Framework at Tata Steel

Sustainability is embedded in the very culture of Tata Steel. This stems from our visionary founder JN Tata's belief that the community is not just another stakeholder in business, but the very purpose of our organisation's existence. This belief is also reflected in the vision and values of Tata Steel that balance the aspiration of value creation along with the responsibility of being a benchmark corporate citizen.

Sustainability Approach

Our approach is articulated not just in the Sustainability Policy, but also our CSR Policy, HR Policy, Affirmative Action Policy, Climate Change Policy, Environment Policy and Energy Policy. These are available on our corporate website www.tatasteel.com. Some of the key aspects of our approach include:

Stakeholder Engagement

We have established various platforms for periodically listening to stakeholder voices such as the community, investors, customers and employees. These are prioritised and built into our business objectives and strategies.

Participation in national and international forums

Our senior leaders work with various industry bodies like 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) for further guidance on implementing sustainability practices.

Corporate Sustainability team

The team is responsible for mainstreaming sustainability across the organisation and its value chain. The team tracks global best practices related to sustainability and facilitates their incorporation in the key processes of the Company.

External Experts' perspectives

Our Corporate Sustainability team also drives various external assessments like the Dow Jones Sustainability Index and those conducted by the Confederation of Indian Industry. We use feedback from these external assessments for further improvement. Aligned with the United Nation's Sustainable Development Goals (SDGs) and COP21, we are now taking on the challenge of further reducing our carbon and water footprints and enhancing the impact of our CSR activities in the locations where we operate.

The Tata Values and Tata Code of Conduct serve as the guiding philosophies of our work culture. The performance related to various Sustainability issues is reviewed at the Corporate as well as the Board level. The Board-level Committees with their scope and membership have been detailed in the Corporate Governance Report. 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 & Production Meeting. These Committes are chaired by the Managing Director/Group Executive Director.



Afforested Botanical Park, Noamundi, Jharkhand

Leading The Way

Globally, Tata Steel was adjudged the Steel Industry Leader by the Dow Jones Sustainability Index for the year 2016.

Tata Steel has won the Indian Institute of Metals Sustainability Award for FY2016.

In December 2016, Tata Steel Jamshedpur Works underwent the GreenCo assessment conducted by CII-Green Business Centre and was awarded Platinum rating, the highest on the GreenCo rating scale. This made Tata Steel the first and the only Integrated Steel Plant to be awarded the GreenCo Platinum rating.

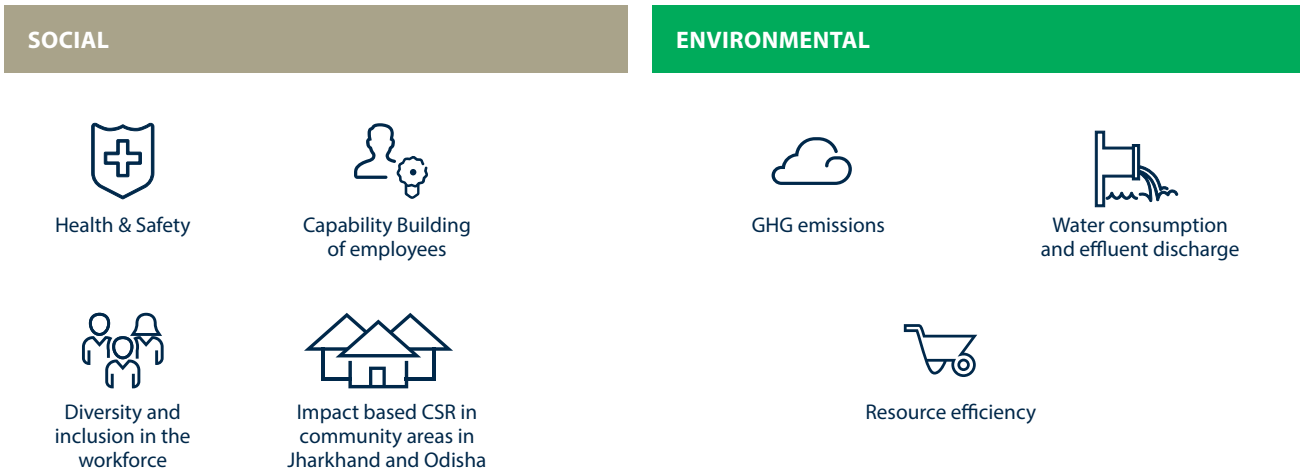
Embedding Sustainability

The Corporate Sustainability group formulates and reviews the Company's Sustainability Policy. The key material issues (issues critical to value creation ability of the Company and of key interest to investors and other stakeholders) listed below are embedded in the business objectives at apex and divisional levels and are acted upon as well as reviewed.

Materiality

We had conducted a materiality assessment for Tata Steel in FY2014. The material issues were identified by mapping stakeholder concerns and our business priorities. The identified material issues have been largely addressed. Moreover, in keeping with the developments in the external environment and changing stakeholder expectations, we have identified some additional issues which are material to us. We have plans to revisit our materiality through a third party study in near future.

Key Material Issues



The economic material issues are part of our Business Objectives and Strategies. Further, to embed an integrated approach in the organisation and create a balance between the six capitals as per the IIRC framework, the key work processes of the Company are being reviewed by the Corporate Sustainability Group to identify gaps and enrich the work processes. This project is aimed at the inclusion of stakeholder issues at each process level and transition to integrated thinking and working. It also envisages minimising the negative impacts of our operations on the environment and society.

Creating a Culture for Sustainability

Customised awareness programmes for Tata Steel officers (both at entry and existing) 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. Focused campaigns and celebrations (such as World Environment Day, Earth Day, Biodiversity Day, Safety Week, World Health Day, Anti-Tobacco Day and Ethics Month) are undertaken to drive awareness on environmental, health and safety issues. In June of every year, we celebrate the Tata Sustainability Month to mainstream Sustainability in our business and processes. In 2016, a Sustainability Expo was held for the first time during the Tata Sustainability Month.

KEY DEVELOPMENTS IN FY2017

Tata Steel released its first Integrated Report for FY2016, replacing two separate reports (Annual Report and Sustainability Report).

A new Carbon (Shadow) Pricing mechanism has been introduced for evaluation of capital projects.

The Energy Policy was revised to include explicit intent on renewable and non-conventional sources of energy.

The use of Life Cycle Assessment (LCA) as a decision-making tool was strengthened and projects for mainstreaming LCA as a decision-making tool was initiated.



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Way Forward in Sustainability

Carbon Neutrality
Studies and discussions have been initiated for carbon sequestration and use of breakthrough technologies and renewable energy.

Water Footprint
Study to be initiated for base-lining of watershed potential at Jamshedpur.

Integrated Approach
Mapping of key work processes to include the social and environmental considerations in line with the six capitals of IIRC framework for further improving Integrated Thinking has been initiated.

Our Disclosures

- Integrated Annual Report presenting the value creation story of Tata Steel to all stakeholders
- Disclosure to RobecoSAM DJSI Corporate Sustainability Assessment
- CDP (erstwhile Carbon Disclosure Project) disclosure for Climate Change and Water
- Application for World's Most Ethical Companies (WME) to Ethisphere Institute, USA
- Communication of Progress to UNGC on the ten principles of Sustainability
- Environment Compliance Reports
- Other Statutory disclosures as per Companies Act, 2013 and SEBI Regulations

Our Partnerships

- The Company is an active member of industry associations that have an international and nationwide presence such as Worldsteel Association, United Nations Global Compact (founding member), Confederation of Indian Industry, Federation of Indian Chambers of Commerce and Industry, Federation of Indian Mineral Industries, Indian Institute in Metals and 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

AWARDS AND RECOGNITION



Prime Minister's Trophy for the 'Best Performing Integrated Steel Plant' in the country for the performance year 2013-14



Safety and Health Excellence recognition 2016 in 'Leadership' category by World Steel Association



'Best Companies to Work for' 2016 award in the core sector by Business Today



'Best Risk Management Practice' Award in the category of Metals & Mining at the 3rd India Risk Management Awards 2017

Financial Capital

- Winner in the 'Iron & Steel' sector for the Dun & Bradstreet Corporate Awards 2016

Manufactured Capital

- Tata Tiscon & Tata Shaktee have been selected as 'Consumer Superbrand' for 2016-17 by Superbrands India Pvt. Ltd. for the third consecutive edition
- 6th EPC awards in the 'Outstanding Company in Steel' category for exceptional contribution towards infrastructure and construction sector

Intellectual Capital

- Clarivate Analytics Innovation Award 2016
- Tata Steel's Advanced Corrosion Research Centre received the 'Excellent Laboratory Award' from National Association of Corrosion Engineers, International Gateway - India section

Human Capital

- 'World's Most Ethical Company Award' 2017 - Recognised for the fifth time by Ethisphere

Social & Relationship Capital

- Conferred the 'Tata Affirmative Action Programme' (TAAP) Jury's Award – 2016 for the fourth year in succession
- Awarded 'National Award for Outstanding Achievement in Industrial Relations' by All India Organisation of Employers (AIOE)

Natural Capital

- Global Steel Industry Leader in the Dow Jones Sustainability Index 2016
- Tata Steel continues to be a climate action member of World Steel Association
- India's 1st Steel company to receive 'GreenCo Platinum Rating' by CII - Green Business Centre
- Awarded 'A' Rating - Climate Leadership Band by CDP for Climate Change disclosures for Supply Chain
- Noamundi Iron Mine and Joda East Iron Mine accorded 'Five Star rating' for its sustainable mining practices by Ministry of Mines, Government of India

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DIRECTORS' REPORT

To the Members,

Your Directors take pleasure in presenting the 2nd Integrated Report (prepared as per the framework set forth by the International Integrated Reporting Council) and the 110th Annual Accounts on the business and operations of the Company, along with the summary of standalone and consolidated financial statements for the year ended March 31, 2017.

A. FINANCIAL RESULTS

(₹ crore)

Particulars	Tata Steel Standalone		Tata Steel Group	
	2016-17	2015-16	2016-17	2015-16
Gross revenue from operations	53,260.96	42,697.44	1,17,419.94	1,06,339.92
Total expenditure before finance cost, depreciation (net of expenditure transferred to capital)	41,385.01	35,085.65	1,00,412.12	98,371.59
Operating Profit	11,875.95	7,611.79	17,007.82	7,968.33
Add: Other income	414.46	391.16	527.47	412.22
Profit before finance cost, depreciation, exceptional items and taxes	12,290.41	8,002.95	17,535.29	8,380.55
Less: Finance costs	2,688.55	1,848.05	5,072.20	4,221.41
Profit before depreciation, exceptional items and taxes	9,601.86	6,154.90	12,463.09	4,159.14
Less: Depreciation	3,541.55	2,962.28	5,672.88	5,306.35
Profit/(Loss) before share of profit/(loss) of joint ventures & associates, exceptional items & tax	6,060.31	3,192.62	6,790.21	(1,147.21)
Share of profit / (loss) of Joint Ventures & Associates	-	-	7.65	(110.42)
Profit/(Loss) before exceptional items & tax	6,060.31	3,192.62	6,797.86	(1,257.63)
Add/(Less): Exceptional Items	(703.38)	(1,649.28)	(4,324.23)	3,990.38
Profit before taxes	5,356.93	1,543.34	2,473.63	2,732.75
Less: Tax Expense	1,912.38	587.69	2,778.01	689.96
(A) Profit/(Loss) after taxes - from Continuing operations	3,444.55	955.65	(304.38)	2,042.79
Profit/(loss) before tax from Discontinued operations	-	-	(770.86)	(2,485.45)
Less: Tax expense of Discontinued Operations	-	-	8.01	54.43
Profit/(Loss) after tax from Discontinued Operations	-	-	(778.87)	(2,539.88)
Profit/(Loss) on Disposal of Discontinued Operations	-	-	(3,085.32)	-
(B) Net Profit/(loss) after tax - from Discontinued operations	-	-	(3,864.19)	(2,539.88)
(C) Net Profit/(Loss) for the Period [A + B]	3,444.55	955.65	(4,168.57)	(497.09)
Total Profit/(Loss) for the period attributable to:				
Owners of the Company	-	-	(4,240.80)	(382.78)
Non controlling interests	-	-	72.23	(114.31)
(D) Total other comprehensive income	675.79	(3,407.13)	(563.06)	(1,898.17)
(E) Total comprehensive income for the period [C + D]	4,120.34	(2,451.48)	(4,731.63)	(2,395.26)
Retained Earnings: Balance brought forward from the previous year	10,075.75	6,852.56	(2,415.49)	(5,925.75)
Add: Profit for the period	3,444.55	955.65	(4,240.80)	(382.78)
Less: Distribution on Hybrid perpetual securities	266.10	266.17	266.10	266.17
Add: Tax effect on distribution of Hybrid perpetual securities	92.09	92.11	92.09	92.11
Add: Other Comprehensive Income recognised in Retained Earnings	(142.42)	(3.28)	(3,549.43)	1,644.93
Add: Other movements within equity	1.75	3,371.15	(142.57)	3,348.44
Balance	13,205.62	11,002.02	(10,522.30)	(1,489.22)
Which the Directors have apportioned as under to:-				
(i) Dividend on Ordinary Shares	776.97	776.97	776.97	776.97
(ii) Tax on dividends	147.74	149.30	147.74	149.30
Total Appropriations	**924.71**	**926.27**	**924.71**	**926.27**
Retained Earnings: Balance to be carried forward	12,280.91	10,075.75	(11,447.01)	(2,415.49)

The Company has adopted Indian Accounting Standard (**'Ind AS'**) with effect from April 1, 2016 and accordingly these financial results along with the comparatives have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

Note:

During the year, the exceptional items primarily include:

a) Provision for demands and claims (₹218 crore), charge on account of Employee Separation Scheme (**'ESS'**) under Sunehere 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).

The exceptional items in Financial Year 2015-16 primarily represents:

a) Provision for demands and claims (₹880 crore), charge on account of Employee Separation Scheme (**'ESS'**) under Sunehere Bhavishya Ki Yojana (**'SBKY'**) scheme (₹556 crore), provision in respect of advances related to a project which the Company has decided to discontinue (₹73 crore) at Tata Steel India.

b) Impairment Charges (₹1,530 crore) in respect of property, plant and equipment (including CWIP) and intangible assets mainly at certain Subsidiaries, Tata Steel Europe & Tata Steel India.

c) Net gain (₹6,983 crore) primarily on account of changes to BSPS and Stichting Pensioenfonds Hoogovens (**'SPH'**) scheme and other restructuring exercise relating to the European operations.

d) Profit on sale of investments in subsidiaries, associates and joint ventures (₹47 crore).

1. Dividend

The Board recommended a dividend of ₹10 per Ordinary Share on 97,12,15,889 Ordinary Shares of ₹10 each for the year ended March 31, 2017. (Financial Year 2015-16: ₹8 per Ordinary Share on 97,12,15,439 Ordinary Shares of ₹10 each).

The dividend on Ordinary Shares is subject to the approval of the shareholders at the Annual General Meeting (**'AGM'**) scheduled to be held on August 8, 2017. The dividend will be paid on and from August 10, 2017. The total dividend pay-out works out to 34% (Previous Year: 97%) of the net profit for the standalone results.

The Register of Members and Share Transfer Books will remain closed from July 22, 2017 to August 8, 2017 (both days inclusive) for the purpose of payment of the dividend for the Financial Year ended March 31, 2017 and the AGM.

2. Dividend Distribution Policy

The Securities and Exchange Board of India (**'SEBI'**) vide its notification dated July 8, 2016, requires the top 500 listed entities (based on the market capitalization calculated as on March 31 of every financial year) to formulate a dividend distribution policy and disclose the same in their annual reports and on their websites.

In terms of the above requirement, the Board of Directors of the Company have formulated a 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 (as determined by the Board of Directors and approved by the shareholders) subject to the applicable rules and regulations. The detailed policy is annexed to this report (**Annexure 1**) and is also available on our website www.tatasteel.com

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 ₹7,716 crore on capital projects across India, Europe, South-East Asia, Canada and Africa largely towards essential sustenance and replacement as also 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 ₹19,777 crore as on March 31, 2017, which includes undrawn lines.

5. Management Discussion and Analysis

The Management Discussion and Analysis as required by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**'Listing Regulations'**) is incorporated herein by reference and forms an integral part of this report. (**Annexure 2**)

B. INTEGRATED REPORT

In keeping with the Company's valued tradition - "thinking about society and not just the business", the Company, in the previous reporting year, moved from compliance based reporting to governance based reporting. The Company adopted the <IR> framework developed by the International Integrated Reporting Council and presented to its stakeholders the 1st Integrated Report for the period ended May 2016.

The Board is happy to present the 2nd Integrated Report which endeavours to comprehensively articulate the measures that contribute to long-term sustainable value and the role the Company plays in the society.

C. EXTERNAL ENVIRONMENT

1. Macro-Economic Environment

During the Financial Year 2016-17, the global economy continued its modest pace of growth at 3% amidst weak international trade, subdued industrial production and investment. The advanced economies witnessed recovery in manufacturing and trade other than industrial production at different points in time. The emerging

and developing economies grew at a diverse pace due to the global trade related policy measures and commodity price movement.

The United States of America (**'USA'**) witnessed economic growth of 1.6%, slowest in the past three years. Better than expected economic indicators such as lower unemployment, business activity and improved sentiment post the Presidential elections did not translate into increased spending. Eurozone continued its 14th consecutive quarter of growth of 1.8%, as business confidence continued to remain resilient despite Britain's vote to leave the European Union (**'EU'**). In Japan, strong domestic demand and net exports helped achieve growth of 1%. Among the emerging and developing economies, China continued to maintain its growth rate at ~7%, aided by policy support, while growth in India slowed down to 7.1% due to the temporary impact of demonetization on key sectors including construction and financial services. Growth in Middle East and sub-Saharan Africa was impacted by geo-political/ domestic conflicts. The rise in commodity prices in latter part of the year helped trigger cyclical recovery in certain regions and thus helped overall global growth.

2. Economic Outlook

According to International Monetary Fund (**'IMF'**), global growth is projected to rise to 3.5% in 2017 and 3.6% in 2018, moving closer to the long-term growth trend of 4%. The outlook indicates a likely up cycle of modest recovery after three successive shocks – the global financial crisis of 2007-09, the Eurozone crisis of 2009-13 and decline in commodity prices during 2014-15. However, the uncertainty with respect to sustainable growth remains. While the continued recovery and gradual closing of output gaps are likely to maintain growth momentum in the advanced economies over the next few years, supportive policy and adjusting to current price levels by commodity exporting countries are expected to aid growth in emerging and developing economies.

US growth is expected to recover as investments increase and domestic policies aid growth. The euro area recovery is expected to proceed at a broadly similar pace in 2017–18 as in 2016. The modest recovery is projected to be supported by a mildly expansionary fiscal stance, accommodative financial conditions and a weaker euro. The medium-term outlook for the euro area is likely to be impacted by weak productivity, adverse demographics, and, in some countries, unresolved legacy problems of public and private debt overhang, with a high level of non-performing loans. Further, uncertainty about the European Union's future relationship with the United Kingdom (**'UK'**) is expected to weigh on economic activity. China is expected to continue its gradual economic transition to a more service economy and coupled with partial recovery in commodity prices, it is expected to drive growth in certain emerging and developing economies.

As per IMF, India is expected to grow at 7.2% in 2017 and surpass the UK and France in 2017 to become the world's fifth largest economy. The macro-economic stability with inflation below 5% continues to be the foundation of economic success which is reflected by growth in its key sectors - agriculture, industrial and services. Government initiatives like Make-in-India, Invest India, Start Up India and e-biz Mission Mode Project under the national e-governance plan are helping to improve ease of doing business in the country. In addition, the biggest tax reform since Independence, Goods and Services Tax (**'GST'**) will help simplify India's tax regime and is likely to boost GDP and reduce inflation in the long-term despite the threat of a potential slowdown in economic activity during the transition to the GST in the near term.

However, structural issues continue to pose a significant risk to the growth cycle. Firstly, initiative of the US Government of advancing 'Buy American Hire American' and political trends in Europe and elsewhere suggest a rising wave of protectionism which may lead to reversals of trade liberalization and geo-political conflicts. Secondly, economic policy uncertainty continues to be high, given USA's expansive pro-growth reforms and China taking lead in globalization 2.0. This poses a risk of high level of volatility in the financial markets. Thirdly, debt and deficits among emerging market and developing economies are on the rise making them susceptible to increase in borrowing costs. Fourthly, outcome of the Brexit negotiations is likely to impact the pace of recovery in UK as well as Eurozone economy.

D. STEEL INDUSTRY

1. Global Steel Industry

Global steel markets recovered during Financial Year 2016-17 registering better than estimated production & demand growth. During the year, the global steel demand grew by 1% to 1.52 billion tonnes on the back of stronger than expected demand growth in China (1.3%) coupled with optimism on supply-side structural reforms and restocking. The crude steel production was 1.63 billion tonnes, up by 0.8% compared to the previous year. China remains the world's largest crude steel producer with the production at 0.8 billion tonnes. China's apparent steel consumption has continued to remain structurally below its production level leading to exports of 0.1 billion tonnes in spite of global protectionism. The global capacity utilization ratio remained around 70% in spite of proactive measures being undertaken in China and Europe. For instance, Chinese Government intends to reduce steel production capacity by 100-150 million tonnes by 2020, and has also announced merger of two major Chinese steel producers in the previous year.

The overcapacity of steel production in the developing world particularly in China has weighed on global steel prices for quite some time. During the year under review, the raw material prices remained volatile especially for coking coal due to supply related issues. In addition, prolonged oversupply in iron ore has led to lower level for raw material prices despite steel realizations getting support from cost push as raw material prices fluctuated on supply issues in the second half of 2016. However, regulatory measures announced by the Indian Government during the year have continued to aid domestic steel prices. The Indian steel industry has increased its capacity in the recent years, though the demand

growth has remained muted. This has resulted in financial stress in the balance sheet of the steel players. The Government of India and the Reserve Bank of India is currently deeply engaged to find a structural solution to the above issue. The domestic crude steel capacity rose to 122 million tonnes, an increase of 11% year-on-year while the production of finished steel was around 101 million tonnes. The Financial Year 2016-17, saw a modest consumption growth of 3% due to low growth in construction sector and impact of demonetisation and a sharp decline in imports as domestic supply rebounded to the extent that India became a net exporter of steel, after a gap of three years.

In Europe, anti-dumping legislation, currency movement, growth in apparent demand and low inventory levels have led to an increase in demand by 2% to 155 million tonnes compared to 2015. During the year, the total activity in the steel end use sectors especially automotive rose by 1.7%, similar to the previous two years.

2. Outlook For Steel Industry

As per the World Steel Association (**'WSA'**), global steel demand is expected to grow at 1.3% in 2017 to 1.54 billion tonnes and a further 0.9% in 2018 to 1.55 billion tonnes. Recovery in developed economies and accelerating growth in emerging and developing markets especially Russia, Brazil and India is expected to aid demand growth and keep inventory levels low which in turn is expected to support global steel prices. However, low level of capacity reduction than targeted by nations and continued oversupply in raw materials especially iron ore are likely to weigh down on the prices in the absence of effective trade measures and/or increase in steel demand.

China's steel demand which accounts for 45% of global steel demand is expected to be flat this year at 681 million tonnes while falling by 2% to 667 million tonnes in 2018. However, as per WSA, steel demand in emerging and developing economies excluding China is expected to grow at 4-5% per annum in the next two years to 475 million tonnes. In addition, the advanced economies are expected to grow at 1% for the next two years.

India's prospects continue to remain bright albeit with few short-term headwinds in the form of imports and surplus capacity. Proactive policy measures by the Government are expected to address most of these concerns. For instance, a Steel Price Monitoring Committee was formed by the Government with an aim to monitor price rationalization, analyse price fluctuations and advise all concerned regarding any irrational price behaviour of steel commodity. As per WSA, steel demand in India is expected to grow at 6-7% per annum in the next two years, compared to 4% in 2016.

European prospects for 2017 and 2018 are mildly positive. As per WSA, EU is expected to grow at 0.5–1.5% per annum in the next two years due to improving domestic demand with private consumption as key driver in 2017 and investment taking over the lead in 2018. The Government measures to counter cheap imports would support domestic prices in the near term. In addition, weaker euro is expected to improve domestic competitiveness against imports.

E. OPERATIONS AND PERFORMANCE

1. Tata Steel Group

During the year under review, the Tata Steel Group (**'the Group'**) recorded total deliveries of 23.88 million tonnes (previous year - 23.54 million tonnes). The steel deliveries increased at Tata Steel India by 15%, primarily due to ramp up of the Kalinganagar Steel Plant. This increase was offset by lower deliveries at Tata Steel Europe by 9% due to sale of the long products business and closure of Llanwern mill to focus on higher value sales mix.

During the year, the turnover for the Group was at ₹1,17,420 crore, an increase of 10% over the previous year. The growth is largely driven by strong performance from Indian Operations with volume growth in steel and ferro alloys business and supportive global pricing environment. The Group EBITDA was ₹17,025 crore, an increase of 114% compared to previous year EBITDA of ₹7,951 crore. This improvement comes on the back of strong global market conditions, strong volume growth in India and the impact of the implementation of transformation program and restructuring efforts in Europe to improve the underlying performance.

During the year, the industry witnessed recovery in steel prices mainly driven by increase in coking coal and iron ore prices improvement in underlying global demand and lower seaborne imports. However, the timing and extent of continued price recovery or the sustenance of the current demand cycle is uncertain. In response to recent declines and higher volatility in steel and raw material prices, the Company has implemented a number of cost-saving measures intended to improve operating income as well as measures to enhance cash generation from the business.

The Group reported a consolidated loss after tax (including discontinuing operations) of ₹4,169 crore as against a loss of ₹497 crore in the previous year. The year's loss includes an exceptional charge of ₹4,324 crore mainly due to British Steel Pension Scheme (**'BSPS'**) curtailment charges, while an exceptional gain of ₹3,990 crore was recorded in the Financial Year 2015-16.

2. India

In Financial Year 2016-17, Tata Steel India deliveries grew by 15%, significantly better than the broader market and reached a level of 11 million tonnes (previous year - 9.5 million tonnes). This is a testament of the strength of the business model of the Indian operations, the strength of the business relationships, the power of the product brands and the robustness of the distribution channel. The Company's sales to the automotive segment increased by approximately 9% over previous year, as the Company continued to partner with its automotive customers in the drive towards localization. New model launches, aided by a strong growth in the passenger vehicle segment, also helped the Company to increase

the market share in the automotive space. Similarly, the Company's Industrial Products, Projects and Exports vertical witnessed a 47% year-on-year growth.

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. In India, the Company launched 31 new products and the branded products contributed to around 45% of the revenue.

The newly launched 'Services & Solutions' business is performing as per plan and the Company is optimistic about its potential to generate 20% of its revenue in the future. The Company is already engaged in development of several solution products based on steel, including doors, windows, modular housing, toilets and water ATMs etc. The Company is also foraying into furniture space and the products would have wood or wood-like finish but blended steel structure.

During the year, revenues from Indian operations increased to ₹53,261 crore (previous year – ₹42,697 crore). The EBITDA was ₹11,953 crore, 53% higher than the previous year EBITDA of ₹7,792 crore. The Profit after tax was also higher at ₹3,445 crore (previous year – ₹956 crore). During the year, the various improvement initiatives including Shikhar25 contributed improvement savings of over ₹3,400 crore.

The strong performance during the year under review is due to supportive realisations and strong growth in deliveries due to ramp up of the Kalinganagar plant. The Kalinganagar operations continues to ramp up well both in terms of quantity and quality. The plant crossed 2.2 million tonnes of Hot Metal and 1.5 million tonnes of Hot Rolled Coil production since commissioning in May 2016. Moreover, the performance of the Ferro Alloys & Minerals division registered sharp improvement backed by improved market conditions. The full year operating profit of the division at ₹1,165 crore was higher by ₹1,040 crore compared to the previous year.

3. Europe

During the year, the mild steel demand growth in the European Union was fully absorbed by imports, with import volumes at historically high levels, although anti-dumping measures provided some relief in the market prices, supported by lower raw material costs.

Several strategic and critical re-structuring initiatives were undertaken in TSE during the year, such as the sale of Long Products business to Greybull Capital LLP, closure of Llanwern Mill in the UK, right sizing of manpower, announcement of collaboration with strategic players, sale of Speciality Steel business to Liberty House and closure of the defined Benefit Pension Scheme to the future accruals.

On the operational front, TSE launched a number of new digital services to transform the customer experience and deliver value viz. Tata Steel in Europe Customer Portal, Tata Steel in Europe eShop, Connecting Systems and Building Information Modelling. TSE also launched 20 new products and was able to increase the share of differentiated products to 37% and of new products to 8%. TSE's focus remains on developing differentiated products and services like Serica and MagiZinc products which improve car body appearance and performance.

The Hot Strip Mill at Port Talbot in the UK broke its previous financial year volume record of 3.22 kt to produce 3.32 kt in the current financial year. The Galvanising Line 3 in IJmuiden, Netherlands broke its previous financial year volume record of 552 kt to produce 562 kt in the current financial year. The customer complaints for the year in the Strip Products business in Mainland Europe were the lowest at 0.18%.

During the year, the revenues remained flat at ₹52,085 crore compared to previous year – at ₹53,555 crore while the EBITDA improved very significantly to ₹4,705 crore from the EBITDA loss of ₹513 crore in the previous year. The strong performance is due to stronger market conditions during the year, focussed transformation program in the UK and sustainable profit program in the Netherlands, including the supply chain transformation programme which went live during the year.

During the year, TSE was recognized as the best supplier of steel and nominated for future supplies by Renault, Ford and Toyota. TSE was also awarded the "Quality through Excellence award" by Volvo, a first time award given to a steel supplier. The 'PeopleLink' project team within TSE was selected as the Gold Winner of the SAP UKI Quality Awards in the HR Cloud Category.

4. South-East Asia

During the year, the performance in South-East Asia was strong on the back of continued thrust by the Government on infrastructure projects, particularly in Thailand. The revenues stood at ₹8,245 crore (previous year – ₹7,851 crore), the EBITDA was ₹528 crore (previous year – ₹222 crore) and the Profit after tax was ₹175 crore (previous year – loss of ₹237 crore). The improvement in performance is mainly attributable to improved realizations, better spread management and cost rationalization initiatives.

NatSteel Holdings (**'NSH'**) operations improved significantly. Domestic market demand for steel bars remained weak in Financial Year 2016-17 due to sluggish construction market. Continuous cost reduction initiatives, including re-alignment of optimal capacity level with demand achieved a fixed cost saving of S$20m. Mothball of NatSteel Xiamen (**'NSX'**) operations in mid Financial Year 2015-16 had improved EBITDA. Further, during the year, NSX sold its land and other assets and has realized ₹86 crore.

During the year, Tata Steel Thailand (**'TSTH'**) delivered better performance on all fronts as compared to previous year. TSTH achieved reduction in conversion costs both at steel plant and rolling mill stage. TSTH is committed to deliver value added products and services to its customers. In this regard sale of High Tensiles, Siesmic and cut and bend Rebars surpassed the previous records. TSTH invested in phase 3 of state-of-the art cut and bend facility at NTS plant and completed the project in March 2017.

During the year, sale of new products at TSTH touched new heights. Wire rods business saw a significant improvement in the second half of the financial year due to higher import prices from China, anti-dumping duties announced by Thai Government and strong customer relationship. During the year, TSTH collected more than a million tonnes of domestic scrap and also developed billet sources from India, Russia, South America and other regions.

F. STRATEGY

While Financial Year 2015-16 saw a contraction in global steel demand, steel demand grew by 1% in the Financial Year 2016-17 largely driven by strong growth in India and South-East Asia. Despite a recovery in steel prices on the back of better than expected Chinese steel demand, concerns regarding excess capacity and uncertainty in Chinese steel demand over the medium-term persist and contribute towards increased volatility in prices.

The Company continues to pursue its vision to become the global benchmark in 'value creation' and 'corporate citizenship' in the steel industry and aims to develop long-term partnerships with customers in the chosen markets. It endeavours to make the most of the growing demand for steel by investing in new facilities. Expansion plans for both – Kalinganagar and Jamshedpur sites are in development. Along with volume growth, the Company is committed to move towards more value added products and offer services and solutions to further enhance revenues and reduce the linkage of revenues to volatile steel prices.

The Company has identified Digital as a driver to enhance customer centricity, productivity and sustainable performance. A large number of projects across the value chain have been identified where value can be created via utilization of existing and emerging digital technologies. The Company is working on leveraging its online presence to enhance customer experience via creation of platform to onboard stakeholders, facilitate peer reviews and ease access. Capabilities in data analytics are being built via its Analytics Centre of Excellence. Jamshedpur has been LORAWAN (Low Power WAN) enabled allowing the Company to explore Internet of things (**'IOT'**).

In the medium-term, the Company expects the external environment to remain challenging. In response, the Company is working towards rationalizing it's existing operations and designing new facilities to maximize productivity and improve cost competitiveness. It has set the following five priorities for the medium-term to help attain its vision and goals – (a) Customer Focus, (b) Innovation, (c) Operational Excellence, (d) Responsible behaviour and (e) People.

Customer focus: The Company has plans in place to keep pace with the growing needs of customers across sectors with a special focus on automotive and attractive segments in the construction sector eg. Individual House Builder. New facilities planned will ensure that shift of demand to wider, lighter and high strength steel in the automotive sector is adequately met. The Company is also expanding its presence in other attractive segments like Oil & Gas and Lifting & Excavation enabled by it's new plant at Kalinganagar. The Company also aims to leverage its brands to increase revenues from B2C sales – including increasing reach in rural markets. It further aims to enhance value for customers through services and solutions and value added products.

Innovation: The focus area for research is to develop new and differentiated products and services for customer segments, reduce carbon footprint, optimally use inferior raw materials, utilize solid waste and move towards a system of Zero Water Discharge. The Company conducts research programmes through strategic collaboration with academic institutions in India and overseas. It has made a breakthrough in low cost graphene production and graphene based coating solutions for steel. Going ahead it is investing in scaling these solutions and developing other applications.

Operational excellence: It is the Company's endeavor to establish best-in-class facilities and it constantly invests to upgrade its manufacturing and distribution facilities in order to improve performance and cost competitiveness. The focus areas are achieving superior steel properties, higher efficiency in iron ore & coal beneficiation, lower carbon rate in iron-making, optimized product mix, reducing waste generation, energy efficient processes and higher material utilisation.

Responsible behaviour: The Company acts responsibly towards the environment, focusing on sustainable usage of raw materials, water and energy conservation, waste utilization, emissions reduction and land reclamation. It explores and supports the development of breakthrough technologies to deal with the challenge of carbon emissions. Reduction of CO_2 emissions through energy conservation remains the prime corporate strategy to ensure business sustainability while mitigating climate change. Jamshedpur Steel Works is the National Benchmark in CO_2 emission intensity and Specific Energy Consumption within Steel Sector (Coal based Integrated Works, BF-BO). The Company supports the communities it operates by promoting sports & education, sustainable livelihood, health and ethnicity. It also supports the economic, environmental and social development of its communities through financial support, provision of materials and the time and enthusiasm of its employees.

People: The safety of the people who work on the Company's sites is number one priority. The Company is committed to the people who are instrumental to its success. Committed to Zero is Company's top priority, with the target of having Zero Lost Time Injuries (**'LTIs'**). The Company has taken safety and health strategic initiatives on capability building, leadership development, contractor safety, process risk, rail & road safety and employee health. The Company fosters teamwork, nurtures talent, enhances leadership capability and encourages employees to act with pace, pride and passion. There is an increased focus on encouraging diversity and inclusion in terms of gender and representation of the underprivileged sections of the community as well as people who are specially abled.

G. KEY DEVELOPMENTS

1. India

Kalinganagar Steel Plant

During the year, the Company commenced commercial production at its Kalinganagar Steel Plant. The facility produces flat steel for high-end applications enabling the Company to expand its product portfolio in the ship building, defence equipment, energy & power, infrastructure and aviation sectors. This plant will help the Company to consolidate its leadership position in the domestic automotive segment. Tata Steel Kalinganagar (**'TSK'**) has achieved one of the fastest ramp-up in a Greenfield project in India. Crude steel production in Financial Year 2016-17 was 1.68MnTPA while, crude steel capacity was ramped up to 88% with the Coke Plant & Hot Strip Mill reaching 100% capacity in Financial Year 2016-17. The Coke Plant at Kalinganagar achieved 1.5 million tonnes of gross coke production and generated revenue worth ₹70 crore through the sale of coal tar during Financial Year 2016-17. The facility dispatched first rake of HR coils on June 8, 2016 and first rake of Ferro-shots on September 12, 2016. During the year, the Sinter Plant at Kalinganagar achieved production of 2 million tonnes of net Sinter. The Blast Furnace achieved 2 million tonnes of hot metal production and started Top Recovery Turbine. It achieved lowest ever monthly average coke rate in all coke operation of 532 kg/t of hot metal. The Hot Strip Mill at Kalinganagar, achieved production of 1.5 million tonnes of HR coil and crossed ABP target of 1.54 million tonnes in Financial Year 2016-17 by achieving production of 1.78 million tonnes. The capacity of the Plant can be expanded further to meet the customer needs and make Tata Steel more profitable and sustainable in the future.

Acquisitions

Brahmani River Pellets Limited

In order to make the Kalinganagar Steel Plant more competitive, in December 2016, the Company executed a definitive agreement to acquire 100% equity shares of Brahmani River Pellets Limited (**'BRPL'**) for a value of ₹900 crore plus closing adjustments. BRPL owns a 4MnTPA pellet plant in Jajpur, Odisha and 4.7MnTPA iron ore beneficiation plant in Barbil, Odisha connected through a 220 km underground slurry pipeline. The above transaction is currently pending regulatory approvals.

Subarnarekha Port Private Limited

Logistics is a critical element in the supply-chain of an integrated steel facility. Considering the future logistics needs of the Indian Operations, in January 2017, the Company executed a definitive agreement to acquire 51% equity stake in Creative Port Development Private Limited for the development of Subarnarekha Port at Odisha through a wholly-owned subsidiary, Subarnarekha Port Private Limited. Given the location of the proposed port, the acquisition will enhance competitive position of Indian operations and de-risk the in-bound and out-bound supply-chain. This is a greenfield project and currently the Company is undertaking detailed feasibility studies.

Divestments

TM Harbour Services Pvt. Ltd

On December 7, 2016, TM International Logistics Limited, a Tata Steel Group company divested its entire stake in its wholly-owned step down subsidiary TM Harbour Services Pvt. Ltd. (**'TMHSPL'**) to Adani Ports and Special Economic Zone Limited for a total consideration of ₹106.27 crore. TMHSPL was engaged in the business of providing Tug services at Dhamra Port and owned 3 tug boats.

Issue of Debt Securities

On October 4, 2016, the Company allotted 8.15% 10,000 Unsecured, Redeemable, Non-Convertible Debentures having a face value of ₹10 lakh each for an amount aggregating to ₹1,000 crore on private placement basis to identified investors.

Credit Ratings

In October 2016, Brickworks revised the rating for Non-Convertible Debentures from BWR 'AA+'/ Outlook Stable to BWR 'AA'/ Outlook Negative as well as downgraded the ratings for Perpetual Hybrid Securities from BWR 'AA'/ Outlook stable to BWR 'AA'/ Outlook negative.

As per the Ratings Agency, the change in ratings was due to the uncertainty consequent to the change in top management at the Tata Group level which could in turn slow down vital decisions such as cost cutting and deleveraging the Balance Sheet concerning the unprofitable UK operations and restructuring of the European business.

In January 2017, CARE has revised the ratings for Non-Convertible Debentures and long-term rupee loans from CARE 'AA+'/ Outlook stable to CARE 'AA'/ Outlook stable and for Perpetual Hybrid Securities from CARE 'AA'/ Outlook stable to 'AA-' / Outlook stable. This revision in rating was triggered due to uncertainties relating to the restructuring of the Company's UK business.

2. Europe

British Steel Pension Scheme

On March 7, 2017, Tata Steel UK (**'TSUK'**), a wholly-owned indirect subsidiary of Tata Steel Limited and the principal sponsor of the British Steel Pension Scheme (**'BSPS'**) completed consultation with its employees with regard to the closure of the defined benefit section of the BSPS to future accruals with effect from April 1, 2017. This followed an agreement between TSUK and the trade unions in December 2016 in the same regard, where it was also agreed that subject to the structural de-risking and de-linking of the BSPS

from the business, TSUK will continue the existing blast furnace configuration of Port Talbot until 2021 and, based on achieving the necessary financial performance and cash flows as per the transformation plan of the UK business, it will also continue its investment to enhance its competitive position in European steel industry. An employment pact was also offered until 2021.

Subsequently, after prolonged and intense discussions and negotiations with the BSPS Trustee(s), The Pensions Regulator (**'TPR'**) and the Pension Protection Fund (**'PPF'**), the key commercial terms of a Regulated Apportionment Arrangement (**'RAA'**) were agreed in-principle between TSUK and the BSPS Trustee(s). These terms are in line with the published principles of TPR and PPF. However, as of May 16, 2017, the RAA remains subject to detailed documentation, formal approval by TPR, non-objection from the PPF and the formal agreement of the individual entities who would be party to the RAA. These parties are in positive discussions and are hopeful of reaching final agreement shortly. If an agreement is reached and the necessary approvals are obtained, the RAA will become effective once agreed conditions are satisfied, including the payment by a member of the Tata Steel Group of an agreed settlement amount of GBP 550 million to the BSPS and the provision of a 33% equity stake in TSUK.

TSUK has also agreed in principle, that subsequent to the RAA, TSUK would sponsor a closed new pension scheme (**the 'New Scheme'**). TSUK sponsorship of the New Scheme is conditional upon satisfaction of certain qualifying conditions. If those conditions are satisfied, members of the BSPS would be offered an option to transfer to the New Scheme. The New Scheme would have lower future annual increases for pensioners and deferred members than the BSPS and therefore an improved funding position which would pose significantly less risk for TSUK. There is presently no certainty with regards to the eventual existence, size, terms or form of the New Scheme and the funding position and membership of any New Scheme would be dependent on a voluntary membership transfer exercise.

Divestments

Sale of Long Products Europe Business

TSUK signed an agreement on April 11, 2016, to sell its Long Products Europe Business to Greybull Capital LLP for a nominal consideration. On May 31, 2016, TSUK completed the sale of Long Products Europe business, which will trade under the name of British Steel. The Long Products business in the UK includes the Scunthorpe steelworks, two mills in Teesside, an engineering workshop in Workington, a design consultancy in York, associated distribution facilities as well as a rail mill in northern France. With this, Tata Steel Europe crude steel capacity stood at 12.9 million tonnes.

TSUK's Speciality Steel Business

As an overall restructuring strategy of the UK portfolio, TSUK (an indirect subsidiary of the Company) signed a Letter of Intent on November 28, 2016 and a definitive sale agreement on February 9, 2017 with Liberty House Group for sale of Speciality Steel business for a total consideration of GBP 100 million. The sale covers several South Yorkshire based assets including electric arc steelworks and bar mill at Rotherham, the steel purifying facility in Stocksbridge, a mill in Brinsworth and service centres in Bolton and Wednesbury, UK and in Suzhou and Xi'an, China. The sale was completed on May 2, 2017. Speciality Steel business directly employed about 1,700 people making steel for aerospace, automotive and the oil and gas industries. With this, Tata Steel Europe crude steel capacity stands at 12.1 million tonnes.

3. Canada

Tata Steel Minerals Canada

Tata Steel Minerals Canada Ltd. (**'TSMC'**) is engaged in development of iron ore deposits in Quebec and Newfoundland & Labrador in Canada. The investment is deployed towards setting up mining operations and multiple processing facilities including the state-of-the-art beneficiation plant. The project has also enabled the development of infrastructure facilities including rail, roads, telecommunications and port that has had significant positive impact in the socio-economic landscape in Quebec, Newfoundland and Labrador.

In October 2016, TSMC signed the definitive agreements with Government of Quebec's investment entities, Resource Quebec and Investment Quebec respectively for providing C$175 million financial assistance in the form of equity and debt. With this investment, the Government of Quebec holds 18% stake in TSMC and the balance is held between the Company (77.66%) and New Millennium (4.32%), a publicly owned Canadian mining company.

On March 24, 2017, TSMC signed a multi-user-concept based non-binding MOU between PPP's partners: Society of Plan Nord (**'SPN'**) and other mining players, which will facilitate the connectivity of the existing material handling facilities at Point Noire to the new Multi User Deep Sea Terminal (**'MUD'**) and further enable detailed assessment of improvements to the infrastructure, cost-efficient Port operations, scalability in volume and asset allocation among others. The Company has been awarded John T Ryan Award for Safe Mining for two consecutive years – 2015 and 2016 by the Canadian Institute of Mining, Metallurgy and Petroleum (**'CIM'**).

4. South-East Asia

Divestments

Kalzip Guanzhou Limited

In March 2017, Kalzip Guanzhou Limited, a wholly-owned subsidiary of the Company, divested its entire stake to Shanghai Qinheng International Trace Co. Ltd. for a net consideration of Euro

5.2 million. Kalzip Guanzhou Limited was engaged in the business of supplying aluminum roofs for construction projects in China.

H. SUSTAINABILITY

In the words of the Company's founder, J N Tata – 'In a free enterprise the community is not just another stakeholder in business, but is in fact the very purpose of its existence.'

This belief has been embedded in the Company's vision and values as it continues to strike a balance between value creation and being a leader in corporate citizenship. Sustainability is at the very heart of what the Company does. As one of the world's leading steel producers, the Company is dedicated to both managing its operations responsibly and striving towards continuous improvement. The Company is committed to designing more sustainable products which are lighter, long lasting and require fewer resources to be produced. The Company's steel goes into the world's most sustainable buildings and transport infrastructure and supports the performance of the most efficient vehicles in the market. Above all, the Company operates in a way that is safe for all employees and respectful to the environment. The Company's endeavour is to act with utmost responsibility and care towards the communities surrounding it which are impacted by its operations.

The Company's sustainability approach as articulated in the Sustainability Policy reinforces the triple bottom-line approach in its systems and processes. The Company has also established various platforms for engaging with its stakeholders to recognize their concerns and opinions that are then prioritized and embedded in its business objectives and strategies. The Company is actively associated with various industry bodies like Confederation of Indian Industry (**'CII'**), Global Reporting Initiative (**'GRI'**), International Integrated Reporting Council (**'IIRC'**) and the Taskforce on Climate-related Financial Disclosures (**'TCFD'**) of the Financial Stability Board in order to mainstream the best practices on sustainability in different functions and processes across the organization.

The Company has a dedicated Corporate Sustainability Group that tracks the global best practices related to sustainability and facilitates its incorporation in the key processes of the Company. The Group also drives various external assessments and makes comprehensive disclosures on sustainability to stakeholders. In December 2016, the Jamshedpur Works underwent the GreenCo assessment conducted by CII-Green Business Council and was awarded with Platinum rating (the highest rating on the GreenCo rating scale) thus making it the first and only Integrated Steel Plant to be awarded the Platinum rating. Globally, the Company has been adjudged as the Industry Leader by the Dow Jones Sustainability Index (the most trusted and widely accepted rating by investors globally) for the year 2016.

Aligned with the UN Global Sustainable Development Goals, the Company is now taking on the challenge of further reducing its carbon and water footprints and enhancing the impact of its CSR activities in the Company's areas of presence.

1. Environment

Respecting and safeguarding the environment is a fundamental principle held by all Tata Group companies. The Company has implemented environmental management systems that meet the requirements of international standard ISO14001 at all its leading manufacturing sites. These systems provide the Company with a framework for managing compliance and achieving continuous improvement. The Group-wide leadership in environmental matters is provided by the Board's Safety, Health and Environment Committee and its overall performance is subject to on-going and detailed scrutiny of the Board of Directors.

The Company's first priority is to be fully compliant with conditions for environmental permits and with other legal requirements that are applicable within the jurisdictions in which it operates. The Company's efforts are channelized towards adopting sustainable practices and ensuring continuous improvement in environmental performance. It continues to focus on operational excellence aimed at resource efficiency through "Recovery, Reuse and Recycle" approach to minimize the ecological footprint.

In India, during the previous financial year, the Company adopted the maiden Biodiversity Policy and revised the Energy Policy to include therein Renewable & Non-Conventional Energy. The Company is member of World Steel Association Environment Policy Committee, Central Pollution Control Board's National Taskforce, Indian Steel Association and various other organizations and it continues to pursue advocacy on policy and regulatory issues through these forums. During the year, the Company actively participated in the Taskforce of Climate related Financial Disclosure (**'TCFD'**) formed by the Financial Stability Board aiming to make markets more efficient and economies more stable and resilient through increased disclosure and transparency. The Company is engaging with International Union for Conservation of Nature (**'IUCN'**), the world's largest global environmental network, to implement biodiversity conservation plans at its mining locations. The Company has completed a pilot program on natural capital valuation as part of its capacity building program. It also has a dedicated Research & Development team to work on Life Cycle Assessment. The Company has commenced valuation of carbon emissions with the introduction of shadow price at US$ 15/tCO_2e which will enable it to consider the environmental aspects of projects before it decides to pursue them. This is being used for appraisal of all capital expenditure proposals including growth plans.

In Europe, the Company is a leading member of ULCOS (Ultra-Low CO_2 Steel-making) – a pioneering partnership of 48 companies and organizations from 15 European countries that recently completed the first phase of a co-operative research initiative to achieve a step change in CO_2 emissions from steel-making. The ultimate and ambitious aim of the ULCOS project, which began in 2004 and which is supported by the European Commission, is to reduce CO_2 emissions per tonnes of steel produced by at least 50% by 2050.

2. Climate Change

Climate change is one of the most pressing issues the world faces today. Climate change is a global phenomenon which requires global measures in the long-term to effectively deal with this real threat to sustainable human life. Tata Steel aims to play a leadership role in addressing challenges of climate change. Climate change is the defining issue of the early 21st Century and the Company recognizes that it has an obligation to minimize its own contribution to 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 listed below:

Emissions Reduction: The Company will continue to improve its current processes to increase its energy efficiency and to reduce its carbon footprint. The Company targets to reduce its carbon dioxide emissions per tonnes of liquid steel by at least 20% compared to 1990 levels.

Investing in Technology: The Company will continue to invest in long-term breakthrough technologies through initiatives such as ULCOS.

Market Opportunities: The Company endeavors to develop such new products and services that reduces the environmental impact over its products' life-cycles and helps its customers to reduce their carbon footprints.

Employee Engagement: The Company will actively engage its workforce and encourage everyone to contribute to its strategy.

Lead by Example: The Company will further 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 top most priority and the Company aspires to be the industry benchmark in safety. 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 minimize risk. At the Group level, the Company has achieved 39% decline in Lost Time Injury Frequency Rate (**'LTIFR'**) from 2010.

The Company also continues to focus on its competency development programs in health and safety leadership. In collaboration with Ashome Hill, UK, safety and health excellence programmes were conducted for leaders across levels of the Company and Members of the Union from all locations of Tata Steel India. A total of 3,200 Officers and 505 union committee members were trained. This programme has been utilized in all regions and was recognized as H&S excellence by World Steel Association in October 2016. Leadership engagement at the shop floor has improved by way of safety line walks with 'Find It – Own It - Fix It' approach.

Alongside leadership, the Company's strategic priorities include contractor management, process safety management, industrial hygiene and road & rail safety management. Five high-hazard departments have started the Process Safety Centre of Excellence in collaboration with the TSE team. Similarly, two departments have started quantitative and qualitative study on Industrial Hygiene with cross learning from TSE.

NSH also achieved a 22% decline in LTIFR as compared to previous year while TSTH finished the year with zero loss time injury to any employee or contract workmen. Deploying long-term safety improvement plan, regular sharing of best practices and learning from incidents from other companies in the Tata Group has strengthened the occupational safety, health and environment process in both TSTH and NSH.

4. Research and Development

The Company has best-in-class research facilities to develop and deliver high quality value added products for its customers and significant process improvements for its business units. During the year, the Company undertook several initiatives in India to help the business units achieve their goals and some of these initiatives have been successfully executed at the plant level. JK DM Cyclone is one such initiative which has been operational since November 2016 in stream No. 1 of washery#3 at West Bokaro. The JK DM Cyclone process helps in better separation of clean coal from middlings. This process is expected to reap an annual benefit of approximately ₹10 crore in one washery on complete implementation and is now considered to be a global benchmark. Another such initiative is the setting up of the Nano Membrane UHLA Desalination pilot plant in Haldia for removal of chloride by tailor made ion through selectively charged Nano filtration membrane. This initiative, being a first of its kind, has helped to reduce the operational cost by at least 50%. The Company has undertaken many other research initiatives during the year which are expected to provide fruitful solutions in the future.

In Europe, the Company is continuously engaged in various research and technology initiatives. To illustrate, the Company invests in short to medium term energy efficiency improvements aimed at reduction in CO_2 emission through 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.

In Singapore, the Company is focusing on solution driven value propositions and piloting Building Information Modeling (**'BIM'**) as well as Developing Mobile Apps for select customers for complete

visibility of the projects across the value chain leading to increased productivity & efficiency. R&D activities are mostly focusing on developing advanced wire materials for construction and automotive applications. The Company is building a new Research and Development Centre at wire factory in Thailand which will focus on development of new wire and related products for the group.

The Company is also exploring ways to make Graphene based value-add products, with a focus on development of high value niche market segments for coated products.

Further, during the year, the Company's process technology program focused on creating robust and stable manufacturing processes, making better use of raw materials and finding solutions to quality issues and thereby also supporting its differentiated product strategy.

5. New Product Development

The Company recognizes that to become a long-term partner to its customers, it must develop an in-depth understanding of their needs. Above and beyond meeting certification and legislative requirements, customers are also seeking to improve the sustainability performance of their operations and products. There is a growing emphasis on being able to rely on a responsible supplier.

The Company is responding to customer needs by including sustainability principles in its new product development process, focusing on lowering greenhouse gas emissions over the full life cycle of steel products, reducing water consumption, avoiding the use of hazardous and potentially toxic chemicals, optimising resource efficiency and reducing waste in production, improving the circularity of products, ensuring responsible supply and increasing the social value of products and optimising total cost of ownership.

During the year, in India the Company's efforts in the area of new product development has been directed towards increasing customer satisfaction and having products with differentiated quality. About 37 new products were developed in the Flat Products area, the major ones being in the hot rolled category. The most noteworthy amongst these is the DP600 low Si, which is expected to reduce scale issues and thereby increase customer satisfaction. The HS800 in 5 mm section has been specifically developed for commercial vehicles in the automotive segment and is in the final stage of trials. The IF390 in cold rolled category is another significant example of a new product of a high strength grade developed for automotive customers. The focus at the Company's Kalinganagar facility has been to develop and increase the sales of value added products by leveraging the plant's superior capabilities. In the Long products area, it has been making concerted efforts to increase productivity. During the year, it has developed high strength SAW Wire Rods, Low Manganese High carbon Wire Rods and Couplers for Construction segment. In India, the Company launched 31 new products during the year.

In Europe, the Company launched 20 new products in the year. These launches include major developments for the automotive, construction, engineering and packaging markets. Prominent examples of product launches include XPF800 and Trimawall®. XPF800 is its new range of breakthrough steels aimed at helping car makers reduce the weight of undercarriages and increase fuel efficiency. Trimawall® caters to the construction segment, offering a foam insulated wall sandwich panel with a completely flat outer surface, providing customers with an architecturally state-of-the-art flat panel. In the last five years, Tata Steel Europe has introduced over 160 new products. The share of differentiated products in Financial Year 2016-17 increased by 3% as compared to previous year and reached 37% of prime sales. These differentiated products give customers enhanced capabilities for specific applications and are manufactured by only a few steel producers.

In Singapore, the Company's operations got certification for Malaysia Authorities' New Standard for bars requiring 5m cycle of fatigue tests for export of bars to Malaysia and also rolled out grade 600 bars, Steel Carpet and Fan Mesh to multiple projects in Singapore construction sector. The wire units in Thailand (Siam Industrial wires and TSN wires) launched zinc aluminium for fishery tools & poultry cages, low carbon automotive wires, barbed wires, sprig wires and galvanised PC strand for rock engineering in local Thai markets as well as international markets. In continuation of its efforts towards branding its products, SENTEC brand was launched for galvanised wires.

6. Customer Relationship

The Company endeavors to build sustainable long-term value-creating partnerships with its customers and channel partners through a wide range of product offerings, innovative services and unique solutions.

In India, the Company's customers are segmented into three categories i.e. B2B, B2C and B2ECA (**'Emerging Corporate Accounts'**). These categories are then micro-segmented based on applications and buying behavior. The Company's focus is to understand the expectations and requirements of current and potential customers/market segments, to deliver customer-specific products & services and to provide collaborative value-creating solutions.

The Company engages with B2B customers through cross-functional customer service teams to generate value-creating ideas, develop new products and focus on quality improvements thereby helping to achieve operational excellence. By leveraging its investments in Research & Development facilities, the Company has deepened its engagement with key automotive customers to provide cost and weight reduction solutions and advanced product application support. This has enabled the Company to partner with its customers for their future product launches. The Company has also enhanced its engagement with Emerging Corporate Accounts by facilitating direct interactions with Subject Matter Experts (**'SMEs'**) through programs such as "ECafez Webinars" and "Skills4 India".

The Company's B2C brands have embraced digital solutions to substantially enhance the consumer buying experience. **Tata Tiscon** has built an online e-sales platform to reach out to around 2.5 lakh consumers. To overcome the cash crunch post demonetization in November 2016, the Company's B2C brands have installed over 1,500 Point-of-Sales (**'POS'**) machines across its dealer network. To reach out to the rural consumers at the last mile, intensive mobile marketing campaigns were conducted under the program of "Ek Kadam Parivartan ki Ore" where the consumers were educated about the benefits of **Tata Shaktee** vis-a-vis other roofing solutions prevalent in the region. The Group Rural Action Mission (**'GRAM'**) focuses on harnessing synergies with other group companies for creating rural consumers awareness and lead generation programs.

Knowledge-sharing platforms such as "Driving Steel", "Wired 2 Win", "Steelopedia" are organized to provide insights on current and future industry trends and promotes new services & solution offerings. The senior leadership team frequently interacts with strategic and key customers in customer meets, seminars, during plant visits undertaken by the customers and celebration events to commemorate the milestones achieved.

In Europe, the Company aims to develop long-term partnerships with customers by unlocking the potential of steel. The Company is focused on strengthening customer relationships by continuously introducing new, innovative and high quality steel products, jointly developing smart solutions for products and services to unlock customer value and creating new partnerships to optimize the supply chain. A number of new digital services have been launched to make it easier for customers to do business including eShop and Electronic Data Interchange (**'EDI'**) connections.

To increase customer focus, the Company is convinced that advancing strategy of customer intimacy, building strong partnerships with satisfied loyal customers will be as important as any other factor to shape a successful, sustainable future for the business. To do so, insights gained from the Tata Business Excellence Model assessment, an Employee Survey and a Customer Satisfaction Survey were taken and integrated into a consistent, cross-functional approach across Europe. The Journey to Commercial Excellence programme is central to the ambition to develop a culture that is customer focused and performance driven. To develop a service based decisive competitive advantage, the Company is focusing on increasing its delivery performance to the market. This business change is being supported by transformation of IT under the Supply Chain Transformation programme. The first phase of this initiative went live in September 2016. Tata Steel UK is pursuing a transformation programme "Delivering Our future" to increase customer value and reduce operating costs.

In Singapore, the Company's Reinforcing Knowledge Cluster team is working very closely with customers and project managers for driving solutions and services. The Company continues to strengthen its relationship through various projects in Singapore as well as with international customers through Customer Value Management.

During the year, the Company entered the B2C wire markets in Thailand and Indonesia with the appointment of distributors and retailers to serve the wire customers at the retail level. In Vietnam, Retail Value Management remains the key focus in Independent House Builders (**'IHB'**) segment.

In Thailand, customer relationship was strengthened further through dedicated Customer Service Teams. The Company also engaged with Engineering Institute of Thailand and leading Universities in the country for research and promotion of specialized Rebars.

7. Human Resources Management & Industrial Relations

From its foundation over a century ago, Tata Steel Group's employment philosophy and practices have been based on the recognition that its people are the primary source of its competitiveness.

The Group consistently abides by human resources policy that is found on a set of following principles: equality of opportunity, continuing personal development, fairness, mutual trust and teamwork. These principles are, in turn, underpinned by the five Tata Group core Values of Pioneering, Integrity, Excellence, Unity and Responsibility. The Company also believes as a matter of principle that, diversity within its workforce greatly enhances its overall capabilities. The Company is an equal opportunity employer and it does not discriminate on the basis of race, caste, religion, colour, ancestry, gender, marital status, sexual orientation, age, nationality, ethnic origin or disability. All decisions relating to promotion, compensation and any other forms of reward and recognition are based entirely on performance and merits.

The Company's ambition is to be a modern employer offering employees long-term prospects for a meaningful professional career. This is why the Company's collective labour agreement focuses on four aspects: health & vitality, career development & skills, employee productivity and employment conditions.

During the year, the Company focused on improvement in areas related to diversity & inclusion and training & development. Many initiatives were undertaken to bring about a change in the mind-set of the workforce regarding these aspects.

In India, the Company's efforts to improve gender diversity included 'Women of Mettle', an engagement and scholarship program for recruiting women talent from technical schools, revision of maternity benefits, work from home option, extension of additional privilege leave to non-officer lady employees and many other measures taken to retain and attract its women employees and cater to their needs for adequate balance between work and personal duties. Under the Company's Affirmative Action programs, it introduced the Tata Steel scholarship program under which it gave pre-placement offers to 17 Affirmative Action candidates who hold under-graduate degree in engineering.

The Company's focus on learning & development underwent a shift in pedagogy this year. The Company introduced various e-learning courses on managerial and functional competencies

through the Skillsoft learning platform. It also rolled out other initiatives such as 'Lunch & Learn', 'NPTEL technical skill modules', modules on Internet of Things/Big Data, etc. In continuation with the previous years, 17 new academies were rolled out during the year to institutionalize the academy approach of learning and development. During the year, the Company also commenced a program called Felt Leadership Training, wherein senior leaders as trainers share with the workforce their learning and experiences on matters pertaining to health and safety.

The Company is concentrating its efforts on leveraging digitalization to enhance Productivity, Predictability, Capability, Stakeholder Experience and Safety in its business through constant discussions with the members of the Unions.

The Company's achievements in Human Resource Management were recognized through several accolades. Business Today has, for the 2nd time in a row, declared the Company as the 'Best Place to Work' in the Core Sector. The Company has also been certified as a 'Great Place to Work' as per the Great Place to Work study conducted for the year 2017. The Company bagged the BML Munjal Award for Business Excellence through Learning & Development under Sustained Excellence Category and was also adjudged Best Training Establishment of India by CII in 28th National Works Skill Competition held in Bangalore. During the year, Capability Development group also secured the certification of ISO 9001:2015 Quality Management System standard.

TSE promotes a healthy work environment and lifestyle through various initiatives such as central and local fitness programmes, training to prevent and deal with stress and local labour conditions improvement initiatives. The career development and skills initiative is focused in stimulating long-term employability and creating a flexible workforce through career counselling, pension advice and 'Matching' bureau to identify options for part-time working. TSE also emphasises on employment conditions and industrial relations by focusing on creating modern employment conditions that ensure healthy long-term employability. This is achieved through flexible working hours at the Hot Strip Mill and reviewing overtime arrangements.

The Tata Steel Academy in Europe focuses on strengthening the organisation's competitive advantage by enabling its people to achieve the highest standards of technical and professional expertise. The Academy uses an approach known as 'blended learning' – a mix of practical, computer-based and classroom training. The majority of training remains 'on the job', but is structured through the creation of 12 distinct faculties focused on leadership, health & safety, sales & marketing, manufacturing, engineering, technical, supply chain, finance, HR, IT, procurement and total quality management.

The Company's South-East Asian entities focused initiatives towards enhancing technical knowledge in the areas of steel making, rolling and maintenance with the support of external experts. Regular best practices sharing with other companies in Tata Group facilitated horizontal deployment. Coaching and mentoring ability of the leadership team was also enhanced.

The Company continues to be very constructively engaged with the Unions in all geographies where it operates including the Tata Workers Union in Jamshedpur, the European Works Council for the TSE and all other unions in different parts of the world. Employees and unions are very important stakeholders for the Company and the Management team is in continuous engagement through the year to ensure seamless and transparent communication on all important issues that relates to the employees and the future of the Company.

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. This objective is in alignment with the Tata Group core purpose.

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, sports and infrastructure development. During the year, it spent ₹194 crore on CSR activities. The Annual Report on CSR activities, in terms of Section 135 of the Companies Act, 2013, is annexed to this report (**Annexure 3**).

The Company has always had a very visible presence in its communities. In Europe, the Company is committed to working with local communities to support their social and economic well-being. The Company puts future generations at the centre of its local community strategy, which has three anchors: education & learning, health & well-being and environment & sustainability. The Company has formed education and learning partnerships with local organisations. The Company works with them and aims to increase the social skills and confidence of young people, boost pupils' level of understanding about the steel industry and improve understanding & ambition of students – particularly girls – in STEM (Science, Technology, Engineering and Math) subjects. The Company also runs, its own vocational school in IJmuiden. Every year, about 100 students start their education in mechanics, electro or process technology.

The Company has partnerships with organizations such as Age Cymru and Young Careers Network whose work helps to combat some of the issues such as lack of access to good health, protection from crime and clean & safe environment. The Company also helps fund Port Talbot Women's Aid in their on-going work with children affected by domestic violence. The Company has had a long-standing partnership with the Triathlon Trust in the UK and hosted free-to-access junior triathlons for 8-14 year olds across the country. It also is a partner in the Steel Valley Project which aims to help people understand and care for their local environment to create healthy and sustainable communities.

In Singapore, the Company organizes monthly outings with its beneficiaries, namely, The Society for the Physically Disabled, Fernvale Gardens School catering to children with intellectual disability. The Company has also partnered with the initiative 'Food from the Heart', a non-profit voluntary group which distributes food to those in need.

In Thailand, initiatives in the area of education such as 'Grow Smart with Tata Steel' reached 248 schools in 52 provinces. As a responsible citizen, the Company along with its employees also supported the Government relief initiatives post the floods in Southern Thailand.

I. CORPORATE GOVERNANCE

The Company constantly endeavours to follow the corporate governance guidelines and best practices sincerely and disclose the same transparently. The Board is conscious of its inherent responsibility to disclose timely and accurate information regarding the Company's operations, performance, material corporate events as well as on the leadership and governance matters relating to the Company.

During the second half of the year under review, the Company faced challenges owing to leadership change at Tata Sons (the Promoter). Amidst the leadership transition, there were references to involvement of Tata Trusts and Tata Sons in the business and operations of the Company. The Board likes to categorically state that the Company upholds the highest standards of corporate governance, has very robust processes and has a duly constituted and independent Board of Directors (**'Board'**) that conducts itself independently keeping in line the best tradition of a Tata company. The Board, at all times exercises its independence both, in letter and in spirit and the Directors fully understand their fiduciary duties. The Directors have always acted in the best interest of the Company and will continue to do so in the future. It is equally important to state that the Company has a professional and competent leadership team for the management of the business. The Board guides, supports and compliments the Management team towards achieving the set objectives to make the enterprise more sustainable and valuable in the future.

During the course of the leadership transition in Tata Sons, clarifications were also sought by Regulators with respect to sharing of information with the Chairman Emeritus and the Board of Tata Sons. The Board would like to state clearly that the Company has robust systems and processes in place to ensure compliance with applicable rules and regulations on sharing of information. The Board confirms that the Company has acted in accordance with the applicable regulatory framework at all times. The Company ensures that confidential information is handled with due care and is shared on a need-to-know basis in furtherance of legitimate purpose of Company's business.

Certain allegations were also made to investment decisions with respect to acquisition of Corus Group Plc (**'Corus'**) in 2007 and its subsequent performance. The Board wishes to place on record that the acquisition and subsequent financing arrangements were undertaken following due governance processes and under the supervision and oversight of the Board. The acquisition of Corus was based on the long-term strategy of the Company to pursue growth through international expansion and enhance the portfolio of value-added products. The Board discussed the acquisition proposal and financing requirements at various meetings held between October 12, 2006 and April 17, 2007 and approved the same without dissent from any Member of the Board. Being a responsible listed company, necessary disclosures were made in this regard to the Regulators.

The performance of Corus in the two years post acquisition validated the Company's growth strategy. The 'black swan' event in the form of the global financial crisis structurally impacted the underlying demand across many geographies and had a significant impact across the global steel industry and more specifically to the European steel industry which witnessed 30% structural reduction in demand. In response to the above challenges, the Management of the Company has undertaken several strategic and operational interventions to ensure the future sustenance of the European business including restructuring of the portfolio, investment in improving asset quality and reliability, manpower rightsizing to improve productivity, focusing on significantly enhancing the product portfolio and differentiate offering to the customers and new product development. The Board did undertake detailed review and based on such review supports the Management in all its endeavours. The macroeconomic condition and its impact on the Company's European operations in general, on the UK operations in particular and the various interventions of the Board were disclosed each year in the Directors' Report between Financial Years 2009 through 2016.

Certain questions were also raised on independence of Mr. Jacobus Schraven, Mr. Andrew Robb and Ms. Mallika Srinivasan. The Board reviewed the issues raised, sought advice from eminent jurists/legal counsels. Based on the review of documents and the advice so received, the Board was fully satisfied of the independence of these directors. All three Directors are eminent personalities with extraordinary business acumen and exhibit very high sense of integrity. The three Directors during their tenure have added enormous value to the Board deliberations and the Board has immensely benefitted from their knowledge, experience and insights.

The Board closely monitored the events that unfolded during the leadership transition. The Audit Committee of the Board (**'Committee'**) reviewed the aforementioned issues including the correspondence between the Regulators and the Company including the queries raised on the representations made by Mr. Cyrus P. Mistry and Mr. Nusli N. Wadia in terms of Section 169 of the Companies Act, 2013 and allegations made in this regard in the proceedings before the National Company Law Tribunal initiated against the Promoter. The Committee also reviewed the Company's interventions, the processes implemented and followed with respect to various compliances and disclosures and the rigours applied when such strategic investment decisions were taken. After due

deliberations with relevant stakeholders and review of relevant documents, the Committee expressed its confidence in the Company's processes to ensure compliance with the provisions of SEBI Regulations. The Committee noted that appropriate procedures were followed by the Company in preparing its financial statements and addressing the business risk issues and that there has been compliance with all legal requirements and corporate governance standards. It follows therefore to conclude that the Company at all points has followed the due corporate governance process and the Board and Management of the Company has conducted the business with due care and in the best interest of the Company.

1. Extra-Ordinary General Meeting

Upon the Requisition and Special Notice received from Tata Sons Limited, Company's Principal Shareholder, the Company convened an Extra-Ordinary General Meeting (**'EGM'**) on December 21, 2016. The Requisitionist placed proposals for removal of Mr. Cyrus P. Mistry and Mr. Nusli N. Wadia as Directors of the Company.

The Company held the EGM at 3:00 PM (IST) on December 21, 2016. A total of 1,868 shareholders (including 5 authorised representatives of the Promoter and Promoter Group) were present in person and through proxies.

Resolution No. 1 in the notice convening the EGM relating to removal of Mr. Cyrus P Mistry was dropped at the EGM since the same was rendered infructuous upon the resignation submitted by Mr. Mistry on December 19, 2016.

The Meeting considered Resolution No. 2, relating to removal of Mr. Nusli N. Wadia as a Director of the Company. Mr. Wadia was not present at the meeting but had sent a communication to the Company Secretary and had requested that the same be read out to the shareholders. The Company Secretary read the said communication verbatim.

A total of 88 members spoke at length at the meeting. At the end of the meeting, the Chairman of the Meeting, Mr. O P Bhatt, Independent Director, responded to all the questions raised by the Members. The meeting concluded at 9:30 PM (IST).

The result of the shareholders vote is given below:

Category	Total Votes polled		Votes cast in favour		Votes cast against	
	No. of votes	%	No. of votes	%	No. of votes	%
Promoters	29,59,17,367	97.18	29,59,17,367	100.00	-	-
Institutions	31,99,25,078	75.02	26,38,77,467	82.48	5,60,47,611	17.52
Retail Shareholders	96,14,960	4.00	81,21,947	84.47	14,93,013	15.53
All Shareholders	**62,54,57,405**	**64.40**	**56,79,16,781**	**90.80**	**5,75,40,624**	**9.20**

Pursuant to the Listing Regulations, the Corporate Governance Report and the Auditors' Certificate regarding compliance of conditions of Corporate Governance are annexed to this report (**Annexure 4**).

2. 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 11 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 Companies Act, 2013 and the Listing Regulations.

3. Selection of New Directors and Board Membership Criteria

The Nomination and Remuneration Committee (**'NRC'**) works with the Board to determine the appropriate attributes, 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 judgment, 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 and was annexed to the Board Report of Financial Year 2014-15. During the year, there have been no changes to the Policy. Hence, the same is not annexed to this Report, but is available on the website at www.tatasteel.com

4. Familiarization 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 familiarize the new IDs with the Company's business operations. The new IDs are given an orientation on the Company's products, group structure and subsidiaries, Board constitution and procedures, matters reserved for the Board, and the major risks and risk management strategy.

Details of orientation given to the 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 the website at www.tatasteel.com

5. Evaluation

The Board evaluated the effectiveness of its functioning, that of the Committees and of individual Directors. The Board, through NRC, 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 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. Also, the IDs at their meeting reviewed the performance of the Board, Chairman of the Board and that of 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 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 succession planning, strategic plan for portfolio restructuring of Tata Steel Europe and exploring new drivers of growth for the Group.

6. Compensation Policy for the Board and Senior Management

Based on the recommendations of NRC, the Board has approved the Remuneration Policy for Directors, Key Managerial Personnel (**'KMP'**) 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, KMP 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, KMP and other Employees was adopted by the Board on March 31, 2015 and was annexed to the Board Report of Financial Year 2014-15. During the year, there have been no changes to the Policy. Hence, the same is not annexed to this Report, but is available on our website at www.tatasteel.com

7. 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 5).**

8. Independent Directors' Declaration

The Company has received the necessary declaration from each ID in accordance with Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence as laid out in Section 149(6) of the Companies Act, 2013 and the Listing Regulations.

9. Directors

The year under review saw major changes to the Board of Directors (**'Board'**), including that of the position of the Chair of the Board.

The Board, on November 25, 2016, appointed Mr. O. P. Bhatt as the Chairman of the Board in place of Mr. Cyrus P. Mistry. The Board appointed Mr. Bhatt as the Chairman keeping in mind the principles of good corporate governance and to provide impartial leadership to the Company in its preparation and conduct of the EGM. The Company convened and held the EGM on December 21, 2016 upon the Requisition and Special Notice received from Tata Sons, Company's Principal Shareholder (**'Requisitionist'**). The Requisitionist placed proposals for removal of Mr. Cyrus P. Mistry and Mr. Nusli N. Wadia as Directors of the Company.

The appointment of Mr. Bhatt as the Chairman was also to ensure stability to the Company and in the larger interest of Company's stakeholders, including but not limited to employees, trading partners, financial stakeholders and local community around Company's operations. Mr. Bhatt served as the Chairman of the Board through December 22, 2016.

The Board placed on record its deep appreciation towards Mr. Bhatt for his leadership during challenging times.

Inductions to the Board

On the recommendations of the Nomination and Remuneration Committee, the Board appointed:

- Mr. N. Chandrasekaran as Additional (Non-Executive) Director of the Company effective January 13, 2017 and as the Chairman of the Board effective February 7, 2017. Mr. Chandrasekaran brings to the Board his extensive and outstanding experience in successfully leading and managing a large and valuable global corporation.
- On February 7, 2017, the Board appointed Dr. Peter (Petrus) Blauwhoff as Additional (Independent) Director of the Company. The appointment was effective immediately. Dr. Blauwhoff brings a wealth of experience to the Board with his knowledge of the global manufacturing industry, technology focus in general and of the energy, oil and gas business in particular. Dr. Blauwhoff brings valuable insights and guidance in the areas of safety, health and environment.
- On March 29, 2017, the Board appointed Mr. Aman Mehta as Additional (Independent) Director of the Company. The appointment was effective immediately. Mr. Mehta brings a wealth of experience to the Board with his extensive experience in the field of banking & finance and proven track record of successfully managing large multinational enterprises.
- On March 29, 2017, the Board appointed Mr. Deepak Kapoor as Additional (Independent) Director of the Company. The appointment was effective April 1, 2017. Mr. Kapoor brings to the Board his experience in successfully steering the Indian arm of a Global Consulting and Advisory firm during very challenging times and strengthening the firm's footprint in India. The Board will also draw on his extensive global experience in the audit function as well as business advisory related work encompassing multiple industries.

The resolution(s) for confirming the above appointments will come before you at the ensuing Annual General Meeting (**'AGM'**) scheduled to be held on August 8, 2017. We seek your support and hope you will enthusiastically vote in confirming the above appointments to the Board.

Re-appointments

As per the provisions of the Companies Act, 2013, Mr. D. K. Mehrotra and Mr. Koushik Chatterjee will retire at the ensuing AGM and being eligible, seek re-appointment. The Board recommends and seeks your support in confirming re-appointment of Mr. D. K. Mehrotra and Mr. Koushik Chatterjee.

The profile and particulars of experience, attributes and skills that qualify all of the above Directors for the Board membership is disclosed in the Notice convening the AGM.

Cessation

In accordance with the retirement policy applicable for the Company's Board of Directors (Independent Directors to retire on attaining 75 years of age), Mr. Jacobus Schraven and Mr. Subodh Bhargava, Independent Directors, retired from the Board on February 7, 2017 and March 29, 2017 respectively. Mr. Cyrus P. Mistry resigned as the Member of the Board effective December 19, 2016. Mr. Nusli N. Wadia, in terms of a shareholder vote ceased to be the Member of the Board effective December 21, 2016.

The Board of Directors place on record their deep appreciation for the contribution of these Directors during their tenure.

10. Key Managerial Personnel

Pursuant to Section 203 of the Companies Act, 2013, the Key Managerial Personnel of the Company are – Mr. T. V. Narendran, Managing Director (India and South-East Asia), Mr. Koushik Chatterjee, Group Executive Director (Finance, Corporate & Europe) and Mr. Parvatheesam K, Company Secretary. During the year, there has been no change in the Key Managerial Personnel.

11. 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 7 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. Ishaat Hussain, Mr. Andrew Robb and Mr. Aman Mehta.

12. Internal Control Systems

The Board of Directors of the Company is responsible for ensuring that Internal Financial Controls have been laid down in the Company and that such controls are adequate and operating effectively. The 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 IFC framework, commensurate with the size, scale and complexity of its operations. The framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies. The 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 IFC 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 the 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 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 IFC.

13. Risk Management

Risk is an essential part of business and taking risk is a fundamental driving force in business. In fact, it is the unique differentiator between companies who thrive and those who merely survive or otherwise. This has never been more important than in today's VUCA (Volatility, Uncertainty, Complexity and Ambiguity) world.

There are several rapid, unprecedented and unpredictable changes taking place all the time. The size, scale and scope of these changes in today's world are enormous. Many of these are driven by changes in technology and have consequential impacts on supply chain, manufacturing, assembling, logistics and costs. The geo-political environment is extremely volatile and regulatory framework uncertain which in-turn is leading to changes in the supply-demand equation, commodity prices, market forces and competition. The aforementioned uncertainties warrant robust process and framework to minimize the threats and capture opportunities to create sustainable value for the organization.

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

The ERM is aimed at developing a "Risk Intelligent Organization" that supports risk informed business decisions, strengthens organizational risk resiliency and provides agility to the organization for preserving as well as enhancing long term value for all stakeholders.

In order to achieve the stated ERM objectives, the Company has constituted a robust governance structure comprising of three levels of risk management responsibilities as: Risk Oversight, Risk Infrastructure and Risk Ownership.

- The Risk Oversight function consists of the Board, Risk Management Committee (**'RMC'**) and Group Risk Review Committee (**'GRRC'**) that provide clear directions and guidelines for spearheading the ERM framework & policy across the organization. The RMC of Board assists the Board in framing the Risk Management Plan for the Company and reviewing and guiding the risk policy. It also 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 improve the Company's performance.
- The Company has laid down a strong foundation for a successful risk management process by setting up the risk infrastructure in the form of a dedicated organizational unit called ERM headed by Group Head – Corporate Finance & Risk Management, who acts as the Chief Risk Officer (**'CRO'**) of the Company.
- The ownership of risk tracking and mitigation rests with the senior executives of various functional units who as the risk owners review and monitor key risks of the division periodically in order to avoid any undue deviations or adverse events by designing and implementing suitable mitigation plans proactively. Regular and extensive reviews at business units lead to robust implementation of mitigation plans which ultimately create value for the business.

The robust governance structure has also helped in the integration of the ERM process with the Company's strategy & planning processes where emerging risks are used as inputs in the strategy and planning process. Risk is also integrated with the capital allocation process and risk assessments form important considerations for key decisions on investment proposals for organic and inorganic growth.

During the year, the Company has undertaken various focused initiatives and process improvements aimed at strengthening, widening & deepening the scope and coverage of ERM across the

Company. The risk maturity assessment process has been rolled out to the domestic and overseas subsidiaries and the process has been strengthened through a customized in-house built IT solution to facilitate real time reporting of risks, provide visibility, drill-down and appropriate escalation mechanisms across the Enterprise.

During the year, the Company undertook various external and internal training programs/sessions along with communication campaigns to promote awareness of the ERM process.

The Board is happy to report that the Company has been conferred the honour of the 'Best Risk Management Practice' in the category of Metals & Mining at the 3rd India Risk Management Awards 2017. This is indicative of the Company's commitment towards cultivating a robust and proactive risk intelligent culture.

14. Vigil Mechanism

The Company's Vigil Mechanism provides a formal mechanism for all Directors, employees and business associates 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 Business Associates and Whistle Blower Reward & 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 Business Associates provides protection to vendors from any victimization or unfair trade practices by the Company.

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

During the year, a series of communication awareness on the "Code of Conduct" of the Company were sent to business associates and "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.

As a tribute to late Mr. J R D Tata, for over a decade, the Company has been celebrating the month of July as Ethics Month. This practice has helped in reinforcing employee involvement and passion in driving the Management of Business Ethics. A workshop on Tata Values, Tata Code of Conduct and Governance process was initiated with an objective of training employees.

During the year, the Company 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.

During the year, the Company received 382 whistle-blower complaints of which 348 were investigated and appropriate action was taken. Investigations are underway for the remaining complaints.

15. Related Party Transactions

There have been no materially significant related party transactions between the Company and the Directors, the Management, the subsidiaries or the relatives except for those disclosed in the financial statements.

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

16. 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 26 complaints of sexual harassment, out of which 19 complaints have been resolved by taking appropriate actions. The remaining 7 complaints are under investigation.

17. 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 the 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 2016-17.

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 along with proper explanation relating to material departures;

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

18. 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 recognized framework to report on the environmental and social initiatives undertaken by the Company. Further, SEBI has on February 6, 2017 advised Companies that are required to prepare BRR to transition towards an Integrated Report.

As stated earlier in the Report, the Company has followed the framework of the International Integrated Reporting Council to report on all the six capitals that it uses to create long-term stakeholder value. The Company's Integrated Report has been assessed and Bureau Veritas (India) Private Limited has provided the required assurance. The Company has 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 the website www.tatasteel.com.

19. Subsidiaries, Joint Ventures and Associates

The Company has 255 subsidiaries, 19 joint ventures and 22 associate companies as on March 31, 2017. During the year, the Board of Directors reviewed the affairs of material subsidiaries. The Company has, 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 of the subsidiary, associate and joint venture and salient features of the financial statements in the prescribed Form AOC-1 is annexed to this report (**Annexure 6**).

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and financial statements of each of the subsidiary 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 are disclosed in the annexure to this report (**Annexure 7**).

20. Auditors

Statutory Auditors

In terms of the provisions of the Companies Act, 2013 (**'Act'**), statutory auditors need to be rotated on completion of two consecutive terms of five years each. For those of the companies that have firms audit their accounts for more than ten years as of April 1, 2014, the Act provided such companies a transition period of three years to comply with the provisions of the Act. The current statutory auditors, M/s Deloitte Haskins & Sells LLP (**'DHS LLP'**) completed two consecutive terms as of April 1, 2014 and hence the Company availed the benefit of the transition period which came to an end on March 31, 2017. Accordingly, the Company would need to appoint a new audit firm to audit its books of account for the year ending March 31, 2018 and onwards.

The Management under the guidance of the Audit Committee initiated the process of selection of auditors and had detailed interactions with certain eligible audit firms and assessed them against a defined eligibility and evaluation criteria. The assessment was undertaken by a Steering Committee constituted for this purpose.

The Audit Committee of the Board considered the findings of the Steering Committee and has decided to appoint Price Waterhouse & Co Chartered Accountants LLP (**'PW'**) as the statutory auditors of the Company for a period of five years commencing from the conclusion of the ensuing 110th Annual General Meeting scheduled to be held on August 8, 2017 through the conclusion of 115th Annual General Meeting of the Company to be held in the year 2022.

The Board, at its meeting held on May 16, 2017, considered the recommendations/decision of the Audit Committee with respect to the appointment of PW as the statutory auditor. Based on due consideration, the Board recommends for your approval the appointment of PW as the statutory auditor of the Company.

The Audit Committee and the Board of Directors considered the following factors in recommending the appointment of PW as the statutory auditor of the Company:

- Experience of the firm in handling audits of large global metal and mining corporations;
- Competence of the leadership and the proposed audit team of the firm in auditing the financial statements of the Company;
- Ability of the firm to seamlessly scale and understand the Company's operations, systems and processes; and

- Geographical presence and ability of the firm in servicing the Company and its subsidiaries at multiple locations.

The Board seeks your support in approving the appointment of PW as the new statutory auditor of the Company.

DHS LLP, Chartered Accountants, are the auditors of the Company and will hold office until the conclusion of the ensuing AGM. On your behalf and on our own behalf we place on record our sincere appreciation for the services rendered by DHS LLP during its long association with the Company.

Cost Auditors

As per Section 148 of the Companies Act, 2013 (**'Act'**), the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. 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, 2018.

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. The Board seeks your support in approving the proposed remuneration of ₹18 lakh plus out-of-pocket expenses payable to the Cost Auditors for the Financial Year ending March 31, 2018.

M/s Shome & Banerjee have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the past several years under the provisions of the erstwhile Companies Act, 1956.

The due date for filing the Cost Audit Report of the Company for the Financial Year ended March 31, 2016 was September 30, 2016 and the same was filed in XBRL mode by the Cost Auditor on September 2, 2016.

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 2016-17 and their report is annexed to this report (**Annexure 8**). There are no qualifications/ observations/reservations/adverse remarks in the said report.

The Board has also appointed Parikh & Associates as Secretarial Auditor to conduct Secretarial Audit of the Company for Financial Year 2017-18.

21. 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 9**).

22. Significant and Material orders passed by the Regulators or Courts

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

23. 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 10**).

24. 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 11**).

25. Deposits

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

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. The Company's 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, 2017

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 at www.tatasteel.com

I confirm that the Company has in respect of the Financial Year ended March 31, 2017, received from the Senior Management Team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Management Team means the Members of the Management one level below the Managing Director as on March 31, 2017

sd/-
T. V. Narendran
Managing Director
(India and South East Asia)
(DIN: 03083605)

Mumbai
May 16, 2017

ANNEXURE 1
Dividend Distribution Policy

1. PREAMBLE

1.1 The Dividend Distribution Policy (hereinafter referred to as the '**Policy**') have 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"**) in 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 08, 2016 has amended the Listing Regulations by inserting Regulation 43A in order to make it mandatory to have a Dividend Distribution Policy in place by the top five hundred listed companies based on their market capitalization calculated as on the 31st day of March of every year.

3.2 As the Company is one of the top five hundred companies as on 31st March 2016, the Board has lay 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 or 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 analyze 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 viz-a-viz 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 modernization or augmentation of capital asset including any major sustenance, improvement and growth proposals.

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 above under Clause 4 and 5 above, before determination of any dividend payout after analyzing 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 The 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 UTILIZED.

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

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.

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 2016-17. This Report should be read in conjunction with the Company's financial statements, the schedules and notes thereto and the 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, opportunities and threats, 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 aspects mentioned above.

B. TATA STEEL GROUP OPERATIONS

1. Tata Steel India

(₹crore)

	FY 17	FY 16
Turnover	53,261	42,697
EBITDA	11,953	7,792
Profit before tax (PBT), before exceptional	6,060	3,193
Profit before tax (PBT)	5,357	1,543
Profit after tax (PAT), before exceptional	4,148	2,605
Profit after tax (PAT)	3,445	956

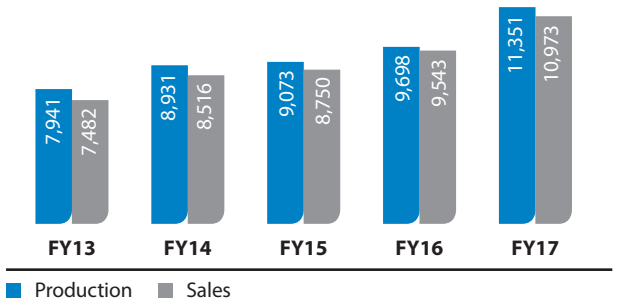
(i) Operations

(In million tonnes)

	FY 17	FY 16	Change (%)
Hot Metal	13.05	10.65	22
Crude Steel	11.68	9.96	17
Saleable Steel	11.35	9.70	17
Sales	10.97	9.54	15

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

Production and sales of Steel Division ('000 tones)



Tata Steel Jamshedpur (TSJ)

During Financial Year 2016-17, the saleable steel production stood at 9.71 million tonnes which is same as that of previous year. The hot metal production for the financial year was at 10.83 million tonnes which is 1.60% higher over previous year. This stable performance was due to consistent supply of desired quality of raw materials from captive mines, use of low ash imported coking coal, consistent supply of energy, utilities and better plant yield. The Company has cross functional continuous improvement programs through Total Quality Management methodologies and Shikhar25 (accelerated improvement program). The key operational improvements during Financial Year 2016-17 over previous year are reduction in coke rate, lime consumption, refractory consumption, increase in pulverised coal and tar injection and other improvements.

Tata Steel Kalinganagar (TSK)

Tata Steel has set-up Phase 1 of the state-of-the-art 3MnTPA capacity steel plant at Kalinganagar. Trial run of the major facilities started in the last quarter of Financial Year 2015-16 and the commencement of commercial production started from May 2016.

The process route for the plant is Blast Furnace, Basic Oxygen Furnace, Continuous Caster, Hot Strip Mill and the product mix is Hot Rolled Coils and plates.

The Phase 1 of the plant consists of a 3.3 million tonnes Blast Furnace (4,330 cubic metre capacity), Two Coke Ovens- stamp charged gas recovery type batteries of 1.5 million tonnes of gross coke, Sinter plant with a gross production capacity of 5.75 million tonne, Steel Melting Shop with the largest converter in India (310 Tonne) and Hot Strip Mill having two roughing mills along with seven strands – all duly commissioned.

The facility is a testimony to technological excellence. Technologies that are unique in Kalinganagar Plant include Composition Adjustment System with Oxygen Blowing process for secondary refining in steel making, Twin Caster for steel casting, Twin Tippler for Raw Material handling and Granshot production from Hot Metal. Hot Strip Mill is designed to produce High Strength Steel in various segments with wide range of product features (up to 1200MPa tensile strength, 2050 mm width and 25 mm thickness of Hot Rolled Coils). The plant is provided with Waste Recycling Plant and Central Effluent Treatment Plant to conserve natural resources. Gas based Captive Power Plants maximize power generation using the by-product gases generated in the plant operations.

The Financial Year 2016-17 was defining for TSK. Ramp-up of all the major facilities was ahead of the plan and the plants reached very high levels of capacity utilization. The production volumes reached by the various plants are - Coke Plant - 1.3 million tonnes of Gross Coke, Blast Furnace - 2.2 million tonnes hot metal, Steel Melting Shop - 1.68 million tonnes crude steel, and Hot Strip Mill - 1.78 million tonnes of Hot Rolled Coils with rolling of additional slabs transferred from Jamshedpur Plant and procured from outside. Sales volume achieved during Financial Year 2016-17 was 1.6 million tonnes of Hot Rolled Coils. The quality ramp-up in steel making and rolling also remained ahead of the plan. The product mix comprised of low carbon grades, medium & high carbon grades, and peritectic grades, which served different market segments, such as LPG, Tube making, Tin plating, Construction & Projects, Lifting and Excavation, Automotives, Heavy Engineering, etc. The plant is poised to produce Advanced High Strength Steels (**'AHSS'**) grades like CR Grades, high strength LPG grade, high strength grades for structural applications, special tube grades and automotive grades.

(ii) Marketing and Sales Initiatives

During the year, our Steel Business achieved highest ever sales volume of 10.97 MT, registering a growth of ~15% over the previous year's sales of 9.54 MT as against industry growth of ~3%. This growth is attributable to the ramp-up of our Kalinganagar plant.

The break-up of sales in our various segments and the break-up of domestic sales to exports is as follows:

(All figures in Million tonnes)

Particular	FY 17	FY 16
Automotive & Special products	1.58	1.43
Branded Products, Retail & Solutions	3.47	3.36
Industrial Products & Projects	4.03	3.46
Domestic	**9.08**	**8.24**
Exports	0.74	0.16
Domestic + Exports	**9.82**	**8.41**
Transfers (Wires,Tubes,Agrico,TCIL)	1.15	1.14
Total Sales	**10.97**	**9.54**

Automotive and Special Products: Achieved best ever sales in the Automotive segment. Currently, the Company occupies 44% of the market in this segment. Sales increased by ~9% over the previous year while the industry growth stood at ~6%. This was achieved through various initiatives such as Value Analysis & Value Engineering (**'VAVE'**) workshops, organizing Milestone Celebration Activities, engagement with Auto OEMs, etc. The Company organized the 6th Edition of its biennial Auto Steel Knowledge Summit - "Driving Steel" in Kuala Lumpur, Malaysia which saw 155 participants from 9 countries. The Company has been recognized and awarded with 'Outstanding Support in Sales Promotion' by Honda Motors, 'Excellence Award' by Maruti Suzuki, 'Overall Performance Award' by Tata Motors and 'Quality Certificate' awarded by Toyota Kirloskar for achieving quality targets.

Branded Products, Retail and Solutions: Sales of branded products grew by ~3% in the Financial Year 2016-17 over the previous year. The Company achieved its highest ever B2C sales of 1.62 million tonnes, which include Tata Tiscon and Tata Shaktee brands. Tata Steel's sales to Small and Medium Enterprises (**'SME'**) segment (including brands of Astrum, Steelium & Galvano) also achieved the highest ever sales of 1.85 million tonnes in 2016-17. Tata Shaktee and Tata Tiscon have been adjudged as 'Consumer Super brand' for 2016-17 for third and fourth time in a row respectively by Super Brands India Pvt. Ltd. In addition to above, Tata Tiscon won 'Asia's Most Admired Brand' in Infrastructure category by World Consulting & Research Corporation, India's leading brand equity management and consulting firm.

Industrial Products, Projects and Exports: The Company continued the journey towards increasing the value added sales with a highest ever sales in LPG segment at 0.36 million tonnes. The Company achieved a market share of 47% coupled with almost a 5 fold jump in sales to new segments such as Pre-engineered Building, Construction & Projects, Lifting & Excavation and Oil & Gas segment. Industrial Products business (including exports) vertical has registered a growth of 32% and our focused efforts towards enhancing its presence in international geographies has resulted in best ever exports of 0.74 MnT (previous best 0.55 MnT in FY 2009).

As a recognition for its efforts towards achieving excellence, the Company was bestowed the '6th Engineering Procurement Construction' awards in the 'Outstanding Company in Steel' category for its exceptional contribution towards infrastructure and construction sector. The Company was also awarded with the 'Best in Quality Product' by the 9th Annual Franchise India and Magppie Estate Awards.

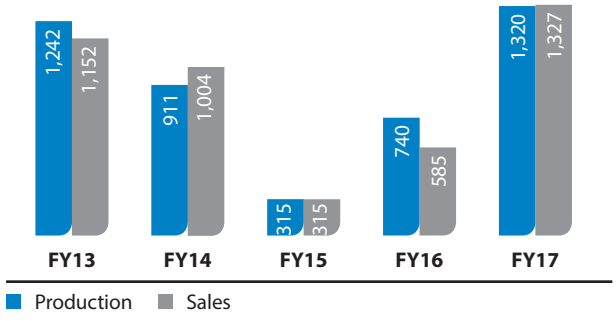
(iii) Ferro Alloys and Minerals Division

Our Ferro Alloys and Minerals Division (**'FAMD'**) is amongst the top six chrome alloy producers globally with operations spanning across two continents. In India, it is the largest producer of ferro chrome and also one of the leading manganese alloy producer. During the year, there was a sudden increase in demand for stainless steel due to growth in global economy.

However, the supplies of ferro chrome and chrome ore was not geared up. This led to steep hike in international prices. The Company increased ferro chrome production through new ferro processing centres and sale at spot prices across different markets and different grades.

FAMD achieved a production of 1,320 KMT as against 740 KMT in the previous year.

Production and sales of FAMD ('000 tones)

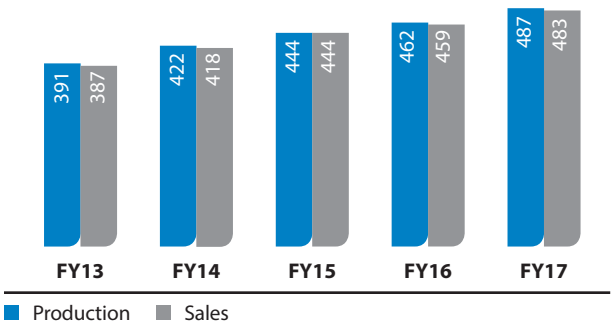


In February 2017, our first greenfield Ferro Chrome Plant at Gopalpur commenced production. Our Chromite Mine at Sukinda became the first unit to obtain Integrated Management Systems (**'IMS'**) certification. (ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007).

(iv) Tubes Division

Our Tubes Strategic Business Unit (**'SBU'**) is a leading manufacturer of pipes and tubes having its manufacturing facility at Jamshedpur. The division has an annual production capacity of ~5 lakh metric tonnes. The three main lines of businesses are conveyance tubes (Tata Pipes), structural tubes (Tata Structura) and precision tubes for auto and boiler segments.

Production and sales of Tubes Division ('000 tones)



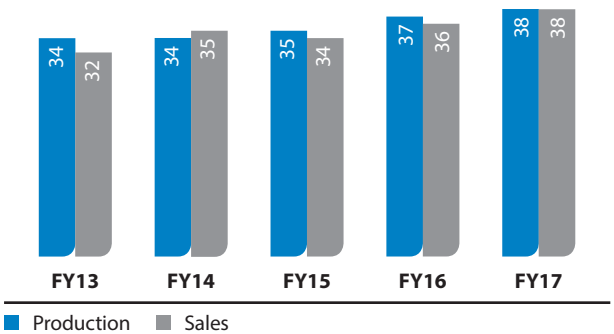
During the year, the Tubes SBU achieved 5% growth in sales over the previous year. Tata Structura grew 10% and this was mainly due to improved demand in the construction segment. We also undertook measures to sustain the price in the market that resulted in higher sales revenue.

The division has undertaken digital initiatives and developed new products like differentiated blue coloured thin organic coated tubes for better corrosion protection, medium/heavy structural steel segment.

(v) Bearings Division

Our Bearings Division is one of the India's largest quality bearing manufacturers, having manufacturing facility at Kharagpur. The division has an annual production capacity of 40 million bearing numbers. It is the only bearings manufacturer in India to win the TPM Award (2004) from Japan Institute of Plant Maintenance, Tokyo. The division is also certified with ISO/TS16949, OHSAS, ISO14001 and ISO9001:2008 certifications for all its systems and processes. We are 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.

Production and sales of Bearings Division (Mn nos.)



The division attained 5% growth in sales over previous year mainly due to increased off-take by two wheeler and channel segments. The division has also improved plant availability by de-bottlenecking and leveraging its existing resources for sustainable operations.

The division has won number of awards and accolades - "Bosch Supplier Award-2016, India Region" for superior quality (<50 parts per billion for last 2 years) for excellent delivery performance, "Self Certified Supplier" recognition from Mitshubishi Heavy Industries – VST Diesel Engine Pvt Ltd.

2. Tata Steel Europe

Global GDP grew at 2.3% in 2016, the eurozone economy grew by 1.7%, which was slightly lower than in 2015 (2.0%). In order to avoid a deflationary environment the European Central Bank extended the quantitative easing programme causing a further depreciation of the euro. The UK economy grew by 1.8% in 2016 (2.2% in 2015). The impact of the UK referendum to leave the European Union (**'Brexit'**) has to date been modest. The most significant development has been the depreciation of the pound against major currencies including the euro and the US dollar. Growth in China again decelerated in 2016 to 6.7% (2015: 6.9%). The Government is seeking to transform the economy from being investment led to become more consumer driven, as its cost advantage is being eroded.

The steel industry is a highly cyclical industry. Financial performance is affected by general macroeconomic conditions that set the demand from the downstream steel using industries, as well as by available global production capacity and exchange rates relativities. As integrated steel players seek to maintain high capacity utilisation, changes in margins across regions lead to changes in the geographical sales pattern. In addition to market developments in the UK and mainland Europe, changes in the global market for steel influence the financial performance of Tata Steel Europe (**'TSE'**). TSE is continuously undertaking strategic initiatives to maintain its ability to successfully compete in the long term.

The turnover and profit/loss figures of TSE (continuing operations) are given below:

(₹crore)

	FY 17	FY 16
Turnover	52,085	53,555
EBITDA	4,705	(513)
Profit before tax (PBT), before exceptional	(326)	(5,969)
Profit before tax (PBT)	(4,079)	1,082
Profit after tax (PAT), before exceptional	(762)	(5,778)
Profit after tax (PAT)	(4,515)	1,274

The production and sales performance of TSE (continuing operations) is given below:

(In million tonne)

	FY 17	FY 16	Change (%)
Liquid Steel Production	10.56	11.11	(5)
Deliveries	9.93	10.97	(9)

TSE's revenue of ₹52,085 crore for the Financial Year 2016-17 was 3% lower than the previous year in rupee terms.

However in GBP terms (TSE's reporting currency) it was higher by 9% attributable to 20% increase in average revenue per tonnes on account of recovery to European Union (**'EU'**) steel selling prices and benefit from depreciation of sterling following Brexit. These gains were partly offset by a 9% decrease in deliveries caused by lower production.

TSE reported lower loss (before exceptional items) from continuing operations mainly on account of stronger market conditions, currency tailwinds, restructuring of UK operations as well as the ongoing improvement programmes, including the supply chain transformation programme which went live during the year. Exceptional items including non cash pension curtailment charges aggregating to ₹3,753 crore resulted in a loss of ₹4,515 crore from continuing operations.

Liquid steel production during the year was 0.55MnT lower than the previous year mainly due to restructuring measures implemented in the UK to reduce production levels to rationalise costs and focus on higher margin business.

Post restructuring, TSE's facilities at IJmuiden, Netherlands and Port Talbot, UK, produce carbon steel by the basic oxygen steelmaking method.

Strip Products Mainland Europe: During the year, the liquid steel production at IJmuiden Steel Works, Netherlands was at 6.9MnT which was 0.2MnT lower than the previous year. The decline was due to operational issues in the Blast Furnaces and Basic Oxygen Steelmaking. Record annual outputs of 1MnT were achieved at Cold Mill 22 and 0.6MnT at Hot Dipped Galvanised 3. The plant has undertaken improvement initiatives on cost reduction, business specific improvement plans and securing access to cost effective raw materials.

During the year the business progressed its 'Sustainable Profit' programme which is targeting improvements to delivery and yield performance, and reductions to operating costs and unplanned downtime. Further progress was also achieved in the 'Strategic Asset Roadmap' (**'STAR'**) capital investment programme which will support the strategic growth of differentiated, high value products in the automotive, lifting & excavating and energy & power market sectors.

Strip Products UK: During the year, liquid steel production at the Port Talbot Steel Works at 3.6MnT, was 0.4MnT lower than the previous year. The decline was due to restructuring measures implemented in the UK in order to focus on higher value products. Record annual outputs were achieved in Port Talbot during the year on the following installations: 1.8MnT at Caster 3 (previous record in FY16 1.7MnT), 3.3MnT at the Hot Strip Mill (previous record in FY16 3.2MnT) and 1.2MnT in the Link (marginally higher than the previous record in FY16). In the Llanwern site the Zodiac line maintained production at the record level of 0.5MnT (unchanged from the previous year) but with a record level of 92% of automotive grades compared to 81% in Financial Year 2015-16. During the year the business progressed the 'Delivering Our Future'

transformation programme, which is targeting increased customer value and a reduction to operating costs, and also initiated the first phase of the 'Supply Chain Transformation' programme.

3. NatSteel Holdings

The turnover and profit/loss figures of NatSteel Holdings (**'NSH'**) for Financial Year 2016-17 are as follows:

(₹crore)

	FY 17	FY 16
Turnover	4,478	4,697
EBITDA	206	59
Profit before tax (PBT) before exceptional	27	(142)
Profit before tax (PBT)	132	(294)
Profit after tax (PAT), before exceptional	30	(114)
Profit after tax (PAT)	134	(266)

During the year, NSH recorded total deliveries of 1.35 million tonnes as against 1.55 million tonnes in the previous year. This led to lower revenues. In the current year, domestic demand in the steel bars remained weak due to sluggish construction market which led to lower volumes.

The improvement in profit is mainly due to increased profitability from NatSteel Singapore Upstream Business and reduced losses at China operations owing to closure of Xinhai operations in September 2015.

4. Tata Steel Thailand

The turnover and profit/loss figures of Tata Steel Thailand (**'TSTH'**) for Financial Year 2016-17 are as follows:

(₹crore)

	FY 17	FY 16
Turnover	3,767	3,154
EBITDA	322	164
Profit before tax (PBT), before exceptional	202	42
Profit before tax (PBT)	84	42
Profit after tax (PAT), before exceptional	159	29
Profit after tax (PAT)	41	29

TSTH sales volume stood at 1,262 Kt, an increase of 10% over the previous year. This is primarily on account of increase in private consumption supported by stimulus measures from the Government. The turnover increased by 19% over the previous year, due to increase in commodity prices. The increase in TSTH profits is attributable to better operating performance, reduction in conversion cost, cost improvement initiatives, optimisation of spares and consumables inventory.

During the year, the Siam Construction Steel Company Ltd. (**'SCSC'**) plant of TSTH won the prestigious Prime Minister's Industry Awards 2016 on Safety Management. TSTH won the "Thailand ICT Excellence Award 2017" on "Digital to Accelerate Performance Enhancement".

5. Tata Metaliks Limited

The turnover and profit/loss figures of Tata Metaliks Limited (**'TML'**) for Financial Year 2016-17 are as follows:

(₹crore)

	FY 17	FY 16
Turnover	1,410	1,390
Profit before tax (PBT)	152	137
Profit after tax (PAT)	116	111

TML has its manufacturing plant at Kharagpur, which produces annually 3 lakh tonnes of pig iron and 2 lakh tonnes of ductile iron pipes. Pig iron is marketed in the brand name 'Tata eFee' (world's first brand) and ductile iron pipe is marketed in the brand name 'Tata Ductura'.

During the year, the production and sale of ductile iron pipes increased by 41% and 40% respectively as compared to the previous year. The profits of current year are higher as compared to previous year primarily due to lower operating cost and higher volumes of ductile iron pipes off-set by higher operating cost and lower volumes of pig-iron.

During the year, TML took following strategic measures:

- Amalgamation of its subsidiary, Tata Metaliks DI Pipes Limited to realise greater synergies;
- Capacity expansion of DI pipe plant by installing a new casting machine and a finishing line;
- Coke Oven Project on BOOT (**'Build Own Operate Transfer'**) basis having a capacity of 10,000 tonnes/month of blast furnace grade coke;
- 10 MW Power Plant utilizing the exhaust flue gases from Coke Ovens; and
- Modernization and expansion of mini-blast furnace.

6. The Tinplate Company Of India Limited

The turnover and profit/loss figures of The Tinplate Company of India Limited (**'TCIL'**) for Financial Year 2016-17 are as follows:

(₹crore)

	FY 17	FY 16
Turnover	849	847
Profit before tax (PBT)	41	106
Profit after tax (PAT)	28	68

TCIL is the largest indigenous producer of tin-coated and tin free steel used for metal packaging. TCIL 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. The installed annual production capacity of tinplate and tin-free steel is around 3.79 lakh tonnes.

During the year, the overall production from the two cold rolling mills was at 3.32 lakh tonnes, 3% higher than previous year (3.23 lakh tonnes). The annual production of tinning was at 3.21 lakh tonnes, 2% higher than previous year (3.14 lakh tonnes). The deliveries were lower by 2% due to cheaper imports and domestic competition which resulted in decline in turnover. The annual profits declined over previous year due to higher input cost and lower deliveries.

7. Tata Steel Processing And Distribution Limited

The turnover and profit/loss figures of Tata Steel Processing and Distribution Limited (**'TSPDL'**) for Financial Year 2016-17 are as follows:

		(₹crore)
	FY 17	**FY 16**
Turnover	2,472	1,940
Profit before tax (PBT)	56	72
Profit after tax (PAT)	40	48

TSPDL is the largest steel service centre in India with a steel processing capacity of around 1.80 MTPA. It has ten steel processing units, several distribution locations and a host of partners like external processing agencies.

TSPDL has come a long way to be a leader in the steel service centre business in India. TSPDL has sustained its strong growth path with its commitment to quality processing, innovation and focus on value added services to its customers. TSPDL has an advanced state-of-the-art Plate processing and Fabrication center at Tada in Andhra Pradesh aiming to cater to the specialized demand from various emerging engineering segments of the industry such as lifting and excavating, power equipment, wind energy, ship building, mining machinery, material handling equipment, boiler & steam generating plant, etc. TSPDL has undertaken several key initiatives such as setting up of new cold rolled hi-end coil slitting line at cold rolling plant at Jamshedpur, conduct of cold trials at wide cut to length line at Kalinganagar.

During the year, the profits of TSPDL declined on account of lower contribution from tolling business along with lower tolling compensation received from Tata Steel on account of lower volumes for Chennai Steel Servicing Centre (**'SSC'**).

The flat processing and fabrication centre at Tada received OHSAS 18001:2007 certificate and the Pune unit achieved CII GreenCo Gold Certificate.

8. Tata Sponge Iron Limited

The turnover and profit/loss figures of Tata Sponge Iron Limited (**'TSIL'**) for financial year 2016-17 are as follows:

		(₹crore)
	FY 17	**FY 16**
Turnover	615	635
Profit before tax (PBT)	84	43
Profit after tax (PAT)	58	32

TSIL is a manufacturer of sponge iron with an annual production capacity of 3.9 lakh tonnes and generates 26 MW of power through the waste heat recovery route. During the year, TSIL reported 3% decline in turnover due to 4% lower realisation from sponge iron.

TSIL has received Winners' Award, Energy Management Award and SHE Commendation Certificate from Confederation of Indian Industries (Eastern Region).

C. FINANCIAL PERFORMANCE

1. Tata Steel India

During the year, the Company recorded a profit after tax of ₹3,445 crore (previous year: ₹956 crore) on the back of supportive realisations, strong growth in deliveries, ramp-up of Kalinganagar plant and lower exceptional charges over previous year. The basic and diluted earnings per share were at ₹33.67 (previous year: ₹8.05).

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

a) Net sales and other operating income

			(₹crore)
	FY 17	**FY 16**	**Change (%)**
Sale of products	51,011	40,689	25
Sale of power and water	1,418	1,468	(3)
Income from town, medical and other services	136	133	2
Other operating income	696	407	71
Total income from operations	**53,261**	**42,697**	**25**

During the year, the overall turnover was higher as compared to the previous year. This was primarily due to commencement of operations at Tata Steel Kalinganagar (**'TSK'**) in May 2016. The Ferro Alloys and Mineral Division (**'FAMD'**) registered higher revenues owing to higher production of Chrome Concentrate and Ferro Chrome along with improved demand in the international market.

b) Purchase of finished, semi-finished steel and other products

(₹crore)

	FY 17	FY 16	Change (%)
Purchase of finished, semi-finished steel and other products	881	992	(11)

During the year, the purchase of finished and semi-finished materials decreased as compared to the previous year. This was due to lower purchases of steel wire rods and imported rebars for resale.

c) Raw materials consumed

(₹crore)

	FY 17	FY 16	Change (%)
Raw materials consumed	12,497	9,700	29

During the year, the consumption of Raw Materials increased primarily due to commencement of production at TSK as well as higher cost of imported coal.

d) Employee benefits expense

(₹crore)

	FY 17	FY 16	Change (%)
Employee benefits expense	4,605	4,320	7

During the year, the employee benefits expense increased as compared to the previous year. This was primarily on account of salary revisions and its consequential impact on the retirement provisions.

e) Depreciation and amortisation expense

(₹crore)

	FY 17	FY 16	Change (%)
Depreciation and amortisation expense	3,542	2,962	20

The increase in depreciation is primarily due to commencement of operations at TSK, partly offset by impact of re-assessment of useful life of asset effective April 1, 2016.

f) Other expenses

(₹crore)

	FY 17	FY 16	Change (%)
Other expenses	24,732	20,003	24

Other expenditure represents the following expenditure:

(₹crore)

	FY 17	FY 16	Change (%)
Consumption of stores and spares	2,752	2,446	13
Repairs to buildings	71	57	25
Repairs to machinery	2,282	2,025	13
Relining expenses	55	43	28
Fuel oil consumed	111	138	(20)
Purchase of power	2,770	2,408	15
Conversion charges	2,701	2,204	23
Freight and handling charges	3,784	2,995	26
Rent	76	74	3
Royalty	1,146	939	22
Rates and taxes	1,298	753	72
Insurance charges	80	57	40
Commission, discounts and rebates	207	183	13
Allowance for credit losses/provision for advances	16	22	(27)
Excise duty (including recovered on sales)	5,268	4,429	19
Other expenses	2,333	1,829	28
Less : Expenditure (other than interest) transferred to capital & other accounts	218	599	(64)
Total Other expenses	**24,732**	**20,003**	**24**

Other expenses were higher as compared to the previous year, primarily on account commencement of TSK. Further the increase in Rates and taxes is on account of higher charge in DMF (**'District Mineral Foundation'**) as in previous year post notification in September 2015 stipulating the rate to 30% of the royalty, the Company has reversed the excess provision (January 2015 to August 2015) which was earlier provided at 100% of the royalty.

g) Finance costs and Net Finance costs

(₹crore)

	FY 17	FY 16	Change (%)
Finance costs	2,689	1,848	46
Net Finance costs	2,351	1,637	44

During the year, the finance costs were higher as previous year included higher interest capitalised of TSK. Net finance charges were higher in line with higher finance cost, partly offset by higher profits from sale of mutual funds.

h) Exceptional items

(₹crore)

	FY 17	FY 16	Change (%)
Exceptional items	(703)	(1,649)	57

The exceptional items during the year primarily represents statutory demand and claims, charge on account of Employee Separation Scheme (**'ESS'**) under 'Sunhere Bhavishya ki Yojana' (**'SBKY'**) scheme and provision for advances given for repurchase of equity shares in Tata Teleservices Limited from NTT Docomo Inc.

i) Fixed Assets

(₹crore)

	FY 17	FY 16	Change (%)
Property,Plant and Equipment	71,779	49,561	45
Capital work-in-progress	6,125	28,174	(78)
Other Intangible assets	788	527	50
Intangible assets under development	39	32	22
Total Fixed Assets	**78,731**	**78,294**	**1**

Capitalisation of Kalinganagar facilities from June 1, 2016.

j) Investments

(₹crore)

	FY 17	FY 16	Change (%)
Investments in subsidiaries, associates and joint ventures	3,398	3,341	2
Other Investments	4,958	4,119	20
Current Investments	5,310	4,325	23
Total Investments	**13,666**	**11,785**	**16**

During the year, the increase in 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 17	FY 16	Change (%)
Stock in Trade			
Finished and semi-finished goods	4,205	2,862	47
Work-in-progress	6	18	(67)
Raw materials	3,899	2,369	65
Stores and spares	2,127	1,888	13
Total Inventory	**10,237**	**7,137**	**43**

Finished and semi-finished inventory increased as compared to the previous year. This increase is mainly due to commencement of operations at Kalinganagar. The increase in raw material inventories as compared to previous year is mainly due to increase in cost of imported coal.

l) Sundry Debtors

(₹crore)

	FY 17	FY 16	Change (%)
Gross Debtors	2,025	1,147	77
Less: provision for doubtful debts	18	14	29
Net Debtors	**2,007**	**1,133**	**77**

The increase in sundry debtors as compared to previous year, primarily due to higher deliveries and increase in international prices.

m) Gross Debt and Net Debt

(₹crore)

	FY 17	FY 16	Change (%)
Gross Debt	28,285	30,844	(8)
Less: Cash and Bank balances (incl. Noncurrent balances)	1,008	1,071	(6)
Less: Current investments	5,310	4,325	23
Net Debt	**21,967**	**25,448**	**(14)**

During the current year gross debt decreased primarily due to following:

- Repayment of term loans (net of drawals) ₹3,347 crore and commercial paper (net of drawals) ₹960 crore partly offset by;
- Increase in non-convertible debentures (net of repayments) ₹736 crore and recognition of finance leases by ₹730 crore.

Further Current investments were higher by ₹985 crore as compared to March 31, 2016, thereby resulting in the decrease in the net debts.

n) Cash Flow

(₹crore)

	FY 17	FY 16	Change (%)
Net Cash Flow from operating activities	11,131	7,372	51
Net Cash Flow from investing activities	(3,921)	(4,352)	10
Net Cash Flow from financing activities	(7,280)	(2,540)	(187)
Net increase / (decrease) in cash and cash equivalents	(69)	480	(114)

Net cash flow from operating activities

During the year, the net cash from operating activities was ₹11,131 crore as compared to ₹7,372 crore during previous year. The cash operating profit before working capital changes and direct taxes was ₹11,561 crore as compared to ₹7,622 crore during previous year due to higher profitability. Working Capital decreased during

the year by ₹1,111 crore. This was due to increase in financial and other financial liabilities/provisions by ₹5,276 crore partly offset by increase in inventories by ₹3,093 crore and financial and other financial assets by ₹1,072 crore.

The income taxes paid during the year was ₹1,541 crore as compared to ₹1,244 crore during the previous year.

Net cash from investing activities

During the year, the net cash outflow from investing activities amounted to ₹3,921 crore as compared to ₹4,352 crore during previous year. The outflow during the year broadly represents capex of ₹3,173 crore, advance of ₹144 crore given for repurchase of equity shares in Tata Teleservices Limited from NTT Docomo Inc and purchase (net of sale) of current investment amounting to ₹668 crore.

Net cash from financing activities

During the year, the net cash outflow from financing activities was ₹7,280 crore as against ₹2,540 crore during previous year.

The outflow during the year is primarily on account of repayment of borrowings (net of proceeds) amounting to ₹3,256 crore, interest payments of ₹2,625 crore, dividend payment of ₹925 crore and payment of ₹112 crore made towards finance lease liabilities.

2. Tata Steel Group

Tata Steel Group profit after tax from continuing operations before exceptional items for the current year was ₹4,020 crore as against loss of ₹1,948 crore during previous year. Exceptional items, including non cash pension curtailment charges, aggregating to ₹4,324 crore resulted in a loss of ₹304 crore from continuing operations during the current year.

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

a) Net sales and other operating income

(₹crore)

	FY 17	FY 16	Change (%)
Tata Steel	53,261	42,697	25
TSE	52,085	53,555	(3)
NSH	4,478	4,697	(5)
TSTH	3,767	3,154	19
Others	31,145	22,152	41
Eliminations & Adjustments	(27,316)	(19,915)	(37)
Total income from operations	**117,420**	**106,340**	**10**

The turnover of the Group for the current year was higher as compared to the previous year. The increase at Tata Steel India was primarily on account of commencement of TSK and improved market conditions and at TSTH mainly on account of higher realisations.

In TSE, though revenue was 3% lower than the previous year in rupee terms, however in GBP terms it was higher by 9%. This reflects an increase in realisations.

In NSH turnover declined mainly on account of lower volumes.

b) Purchases of finished, semi-finished steel & other products

(₹crore)

	FY 17	FY 16	Change (%)
Tata Steel	881	992	(11)
TSE	5,518	5,682	(3)
NSH	3,149	2,664	18
TSTH	2,385	1,680	42
Others	2,518	2,130	18
Eliminations & Adjustments	(3,026)	(2,567)	(18)
Purchase of finished, semi-finished steel and other products	**11,425**	**10,581**	**8**

Purchases at the 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 and wire rods. TSE recorded a decrease primarily due to exchange impact on translation, partly offset by external steel purchases required for operation.

c) Raw materials consumed

(₹crore)

	FY 17	FY 16	Change (%)
Tata Steel	12,497	9,700	29
TSE	16,883	17,013	(1)
NSH	69	73	(5)
TSTH	205	220	(7)
Others	24,035	15,074	59
Eliminations & Adjustments	(21,271)	(13,965)	(52)
Raw materials consumed	**32,418**	**28,115**	**15**

The increase at Tata Steel India is due to higher consumption at TSK and cost of imported coal. Decrease at TSE is primarily due to the exchange impact on translation, partly offset by increase in iron ore and coal costs.

The increase in 'Others' is primarily due to activities at TS Global Procurement (**'TSGP'**) in relation to raw material procurement, eliminated on consolidation.

d) Employee benefits expense

(₹crore)

	FY 17	FY 16	Change (%)
Tata Steel	4,605	4,320	7
TSE	11,344	11,815	(4)
NSH	470	544	(14)
TSTH	172	152	13
Others	661	757	(13)
Employee benefits expense	**17,252**	**17,588**	**(2)**

Employee Benefit expenses increased in Tata Steel India mainly on account of increase in salary revisions and its consequential impact on the retirement provisions. At TSE wage cost was lower on account of exchange impact on translation, partly offset by increase in wages.

e) Depreciation and amortisation expense

(₹crore)

	FY 17	FY 16	Change (%)
Tata Steel	3,542	2,962	20
TSE	1,639	1,833	(11)
NSH	143	157	(9)
TSTH	93	90	3
Others	256	264	(3)
Depreciation and amortisation expense	**5,673**	**5,306**	**7**

The increase in depreciation at Tata Steel India is primarily due to commencement of TSK partly offset by impact of re-assessment of useful life of asset. Expense decreased at Tata Steel Europe mainly on account of exchange impact on translation.

f) Other expenses

(₹crore)

	FY 17	FY 16	Change (%)
Tata Steel	24,732	20,003	24
TSE	16,362	18,218	(10)
NSH	837	983	(15)
TSTH	894	801	12
Others	3,189	2,353	36
Eliminations & Adjustments	(2,159)	(2,195)	2
Other expenses	**43,855**	**40,163**	**9**

Other expenditure represents the following expenditure:

(₹crore)

	FY 17	FY 16	Change (%)
Consumption of stores and spares	7,881	8,288	(5)
Repairs to buildings	101	114	(11)
Repairs to machinery	5,333	5,534	(4)
Relining expenses	141	118	19
Fuel oil consumed	467	486	(4)
Purchase of power	4,754	4,508	5
Conversion charges	2,343	1,980	18
Freight and handling charges	7,268	6,832	6
Rent	2,364	2,730	(13)
Royalty	1,188	998	19
Rates and taxes	1,644	1,157	42
Insurance charges	426	296	44
Commission, discounts and rebates	235	258	(9)
Allowance for credit losses/provision for advances	46	101	(54)
Excise duty (including recovered on sales)	5,121	4,375	17
Other expenses	5,308	3,481	52
Less :-Expenditure (other than interest) transferred to capital & other accounts	765	1,093	(30)
Total Other expenses	**43,855**	**40,163**	**9**

Other expenditures increased at Tata Steel India mainly on account of commencement of TSK and increased charge under District Mineral Foundation. Decrease at Tata Steel Europe is primarily due to lower operational cost owing to reduced production. The increase in others is primarily due to adverse exchange rate movement at TSGH, Singapore.

g) Finance costs and Net Finance costs

(₹crore)

	FY 17	FY 16	Change (%)
Tata Steel	2,689	1,848	46
TSE	3,413	3,628	(6)
NSH	40	47	(15)
TSTH	28	33	(15)
Others	2,528	1,942	30
Eliminations & Adjustments	(3,626)	(3,277)	(11)
Finance costs	**5,072**	**4,221**	**20**

(₹crore)

	FY 17	FY 16	Change (%)
Tata Steel	2,351	1,637	44
TSE	3,392	3,623	(6)
NSH	36	43	(16)
TSTH	27	32	(16)
Others	(291)	(328)	11
Eliminations & Adjustments	(960)	(1,105)	13
Net Finance costs	**4,555**	**3,902**	**17**

Higher finance cost at Tata Steel India as previous year included higher interest capitalisation of TSK. Decrease at TSE is primarily due to exchange impact on translation and decrease in bank and other borrowings partly offset by addition of subordinate loan.

Net finance charges were higher as compared to previous year primarily due to the increase in finance cost partly offset by increase in finance income at Tata Steel India mainly due to higher profits from the sale of mutual funds.

h) Exceptional items

(₹crore)

	FY 17	FY 16	Change (%)
Tata Steel	(703)	(1,649)	57
TSE	(3,753)	7,084	(153)
NSH	105	(158)	166
TSTH	(118)	-	
Others	(30)	(1,397)	98
Eliminations & Adjustments	175	110	59
Exceptional items	**(4,324)**	**3,990**	**(208)**

Exceptional items during the year primarily represent :

a) Statutory demand 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.

Exceptional items during the previous year primarily represent:

a) Net credit on account of pension schemes changes at Tata Steel Europe.
b) Provision for statutory demands and claims, charge on account of ESS under SBKY scheme, advances related to a project which the Company has decided to discontinue.
c) Impairment of property, plant and equipment and charge on account of Occupational Disease Claims taken at Tata Steel Europe.
d) Provision for NatSteel Xiamen.
e) Others represent non-cash write-down of PPE and goodwill at certain subsidiaries.

i) Fixed Assets

(₹crore)

	FY 17	FY 16	Change (%)
Tata Steel	78,731	78,294	1
TSE	15,605	16,047	(3)
NSH	835	1,048	(20)
TSTH	695	926	(25)
Others	8,760	8,163	7
Eliminations & Adjustments	(330)	(350)	6
Fixed Assets	**1,04,296**	**1,04,128**	**0**

Almost at par with previous year.

j) Inventories

(₹crore)

	FY 17	FY 16	Change (%)
Stock in Trade			
Finished and semi-finished goods	9,185	7,353	25
Work-in-progress	4,379	4,301	2
Raw materials	8,020	5,153	56
Stores and spares	3,220	3,206	0
Total Inventory	**24,804**	**20,013**	**24**

(₹crore)

	FY 17	FY 16	Change (%)
Tata Steel	10,237	7,137	43
TSE	11,770	11,313	4
NSH	818	579	41
TSTH	587	433	36
Others	1,449	610	138
Eliminations & Adjustments	(57)	(59)	3
Total Inventory	**24,804**	**20,013**	**24**

Increase in inventory at Tata Steel India was primarily on account of commencement of TSK and increase in coal cost. At Tata Steel Europe, the increase was primarily on account of increase in raw material prices partly offset by exchange impact and disposal of longs product business.

k) Sundry Debtors

(₹crore)

	FY 17	FY 16	Change (%)
Tata Steel	2,007	1,133	77
TSE	6,255	7,843	(20)
NSH	421	389	8
TSTH	179	120	49
Others	12,223	9,219	33
Eliminations & Adjustments	(9,498)	(6,638)	(43)
Net Debtors	**11,587**	**12,066**	**(4)**

Decrease in Sundry Debtors at Tata Steel Europe is due to disposal of Long products business as well as exchange impact on translation. This is partly offset by increase at Tata Steel India primarily on account of higher deliveries and realisations.

l) Gross Debt and Net Debt

(₹crore)

	FY 17	FY 16	Change (%)
Gross Debt	83,014	81,987	1
Less: Cash and Bank balances (incl. Noncurrent balances)	4,975	6,225	(20)
Less: Current investments	5,673	4,664	22
Net Debt	**72,366**	**71,098**	**2**

Gross and Net Debt increased by over ₹1,000 crore as fresh drawals were partly offset by repayments primarily at Tata Steel India and exchange impact on translation.

m) Cash Flow

(₹crore)

	FY 17	FY 16	Change (%)
Net Cash Flow from operating activities	10,848	11,455	(5)
Net Cash Flow from investing activities	(9,086)	(9,254)	2
Net Cash Flow from financing activities	(2,592)	(4,729)	45
Net increase / (decrease) in cash and cash equivalents	**(831)**	**(2,528)**	**67**

Net cash flow from operating activities

During the year, net cash from operating activities was ₹10,848 crore as compared to ₹11,455 crore during previous year. The cash operating profit before working capital changes and direct taxes was ₹17,581 crore as compared to ₹6,824 crore during previous year due to higher profitability. Working Capital increased during the year by ₹4,891 crore due to increase in inventories by ₹8,243 crore along with financial and other financial assets by ₹524 crore, partly offset by increase in financial and other financial liabilities/provisions by ₹3,877 crore.

The income taxes paid during the year was ₹1,843 crore as compared to ₹1,534 crore during the previous year.

Net cash from investing activities

During the year, the net cash outflow from investing activities amounted to ₹9,086 crore as compared to ₹9,254 crore during previous year. The outflow during the year broadly represents capex of ₹7,716 crore (mainly at Tata Steel India and Tata Steel Europe) and purchase (net of sale) of current investment amounting to ₹693 crore.

Net cash from financing activities

During the year, the net cash outflow from financing activities was ₹2,592 crore as against ₹4,729 crore during previous year.

The outflow during the year is primarily on account of interest payments of ₹4,732 crore, dividend payment of ₹950 crore and payment of ₹208 crore made towards finance lease liabilities. These payments were partly offset by proceeds from borrowings (net of repayment) amounting to ₹3,090 crore (mainly at TSGP).

D. RISKS

The Company is exposed to risks arising out of the dynamic macro-economic environment as well as from internal business drivers. These could adversely impact its ability to create value over the short, medium and long-term.

The Company has an Enterprise Risk Management (**'ERM'**) framework to continuously develop itself as a risk-intelligent organisation and strengthen corporate governance by supporting risk-informed business decision-making.

The ERM process is well-integrated with the key business processes; the strategy, planning, investment and capital allocation processes. It draws inputs from audit findings and is integrated with the internal audit process as well.

The key risks and Company's mitigation plans are given below:

1. Macroeconomic risks

- Overcapacity and oversupply in the global steel industry and high levels of imports may negatively affect steel prices and demand thereby reducing the Company's profitability.
- Developments in the competitive environment in the steel industry, such as consolidation among the Company's competitors, could have a material adverse effect on the Company's competitive position. This could potentially impact the Company's business, financial condition, results of operations and future prospects.
- The Company has a global presence and its financial condition and results of operations may be affected by the local conditions prevalent in the countries where it operates.
- Any downgrading of India's sovereign rating by independent agency(ies) may harm the Company's ability to raise finance.

2. Financial risks

- Volatility in financial markets including fluctuation in foreign exchange rates impacts the Company's debt financing programmes and creates uncertainties in accessing financial markets.
- Downgrade in credit rating of Company's securities may have an adverse impact on the Company's ability to raise finance at competitive rates.

- The Company has substantial amount of debt, which may adversely affect its cash flow and its ability to operate the business.
- Any changes in assumptions underlying the carrying value of certain assets, including as a result of adverse market conditions, could result in impairment of such assets.
- Restrictive covenants in financing agreements may limit the Company's financial flexibility and adversely impact its financial condition, results of operations and prospects

3. Regulatory risks

- The Company faces regulatory risk from predatory pricing and surge in steel imports.
- Non-compliance to regulatory and environmental norms may result in liabilities and damage the Company's reputation.
- The Company relies on leased mines and in case of non-renewable of the mining leases, it may be forced to purchase such minerals at higher prices from the open market, which may negatively impact its performance.
- The Company may benefit from certain protective trade restrictions, including anti-dumping laws, countervailing duties and tariffs, which if not available, may adversely affect its operations and financial condition.
- The Company's business could be affected by potential regulatory and judicial actions.

4. Operational risks

- The industry is highly cyclical and a decrease in steel prices may adversely impact its financial condition.
- The Company's operations and financial condition could be adversely affected if it is unable to successfully implement its growth strategies.
- The Company's industry is inherently hazardous. Unsafe conditions/ acts leading to loss of life, injury may result in capital, financial and reputational damage.
- The Company's business is prone to high proportion of fixed costs and volatility in the prices of raw materials and energy. Mismatches between trends in prices of raw materials and steel, as well as limitations on or disruptions in the supply of raw materials, could adversely affect its profitability.
- Estimates of the Company's Indian mineral reserves and the mineral reserves of its other mining investments are subject to certain assumptions. If the actual amounts of such reserves are less than estimated, or if the Company is unable to gain access to sufficient mineral reserves, its results of operations and financial condition may be adversely affected.
- Hostilities, terrorist attacks or social unrest in regions where the Company operates may adversely affect its operations and financial condition.
- The Company's operations impact the environment. Compliance with laws and regulations and remediation of contamination, could result in substantial increase of capital requirements and operating costs.
- Failure of Information Technology systems which control the Company's manufacturing plants may adversely impact its business operations.

5. Market related risks

- Competition from other materials, or changes in the products or manufacturing processes of the Company's customers who use steel products, could reduce market prices and demand for the Company's products, thereby reducing its cash flow and profitability.
- Product liability claims may adversely affect the Company's operations and finance.

6. Climate Change Risks

- In April 2016, 174 countries, including India signed the Paris agreement (COP21). The principle aim of the Agreement is to accelerate and intensify the actions required for a sustainable low carbon future. India's commitments in COP21 have come into force and mandatory emission reduction targets are expected by 2020. Going forward, the industry will be challenged by increase in international and domestic regulations relating to GHG emissions.
- The ultimate effect of such international agreements and regulatory measures to limit GHG emissions on the Company's performance and the timing of these effects will depend on a number of factors. Such factors include, among others, the sectors covered, the GHG emissions reductions required and the extent to which the Company will be able to recover the costs incurred through the pricing of its products in the competitive marketplace.

7. People risk

- The Company's success depends on the continued services of its senior management team and business and prospects could suffer if it loses one or more key personnel or if it is unable to attract and retain its employees.
- Any labour unrest could adversely affect the Company's operations and financial condition.

The Company's mitigation strategies are enumerated as under:

The macroeconomic and market related risks are addressed through diversification of the Company's product portfolio and development of value added products.

To counter exposure to foreign exchange volatility, the Company has formulated foreign exchange hedging policies to protect the trading and manufacturing margins. The Company actively monitor the currency and commodity markets and formulate strategies with inputs from market participants and industry experts. Liquidity management is integrated with business planning and cash flow projections. The Company opportunistically refinances its debt with favourable covenants and reduced interest rates to provide financial flexibility to its business.

The regulatory risks are managed through dialogue with regulatory authorities and proactive legal consultations to ensure timely sanctions, approvals, clearances, and renewal of mining leases for the Company's operations. The Company works with policy makers to curb predatory pricing and surge in steel imports to create a level playing field. Efforts are made though Industry Associations towards simplification of rules, a predictive policy regime and transition time for regulatory changes. The Company continuously looks to invest in automated systems for monitoring the compliances to the regulatory and environmental norms.

The operational risks are mitigated through development of well-structured processes for effective project planning & management. The Company enhances in-house capability and leverage past project management expertise. It also looks to evaluate investment proposals for inorganic growth. The launch of "Committed to Zero" campaign has led to increased safety awareness and improved safety practices at the Company's facilities. The Company continues to focus on various initiatives to address Health, Education and Livelihood of the community in its operating areas. The continued supply of raw material is ensured through centralized procurement, continued monitoring of market conditions and robust contractual arrangements. Risk assessments of extended supply chain has been undertaken to identify weak links.

The Company is conscious of the impact of its operations on environment and it continues to invest in projects & schemes including pollution control equipment, effluent treatment plants, air quality monitoring systems, waste recycling & disposal schemes, etc. aimed at minimizing environmental footprint.

To mitigate the risk of climate change and to be sustainable, the Company is focussing on innovative technologies that can significantly lower emissions over the long-term. The GHG issues and the Company's responses are integrated into the Company's strategy and planning, capital investment reviews, and risk management tools and processes, where applicable. Further, the Company draws on the Tata Group's initiatives and collaborations with academic & research institutions for projects on Climate Change issues.

The Company periodically reviews the succession plan for its senior management team to ensure continuity in leadership. The Company's people related policies are reviewed and monitored to attract and retain its employees.

E. OPPORTUNITIES

The Company continues to adapt to the ever changing business environment to take advantage of the opportunities to deliver sustainable value for all its stakeholders.

With increasing migration, newer centres of development and government programmes such as the Smart City Mission, the rate of urbanisation in India is expected to rise significantly in the near future. A young demography tends to propel demand for housing, transportation and public infrastructure. Despite a significantly growing urban population, India's per capita steel consumption is considerably low (61kg) compared to China (540kg). This clearly shows that there is significant headroom for consumption growth. The Company expects to take advantage of the growth opportunity provided by the Indian economy, by enhancing its steel producing capacity in India by both, organic and inorganic means.

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 Company also endeavours to access high quality, low-cost iron ore that is available in its proximity by continuously investing in mining assets to secure the long term availability of iron ore.

The demand for new product segments and creating differentiation through services and solutions will be leveraged through acceleration of new product development and creation of differentiated products, services and solutions.

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 intends to adopt digital technology to improve productivity and become more agile. To strengthen this opportunity, the Company is currently undertaking pilot projects and developing capabilities on an organization-wide basis.

To enable the Company's customers to realize value from its by-products, the Company assists them in exploring new application areas.

F. STATUTORY COMPLIANCE

The Managing Director (India & South East Asia) and Group Executive Director (Finance, Corporate & Europe) make 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 all corporate laws and listing rules applicable to the Company.

ANNEXURE 3

Annual Report on Corporate Social Responsibility Activities [Pursuant to Section 135 of the Companies Act, 2013]

I. OVERVIEW OF THE CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Our CSR initiatives are guided by our CSR Policy (**'Policy'**) adopted on September 17, 2014. The Policy is available on the Company's website at www.tatasteel.com. Our CSR activities are aligned to the Tata Group focus initiatives namely Education, Health, Livelihood, Rural and Urban infrastructure. We also undertake community-centric interventions in the areas of sports, disaster relief, environment and ethnicity.

II. COMPOSITION OF CSR AND SUSTAINABILITY COMMITTEE OF THE BOARD

At the helm of our CSR governance structure is the Corporate Social Responsibility and Sustainability Committee of the Board that comprises of Mr. Ishaat Hussain (Chairman), Mr. O. P. Bhatt, Mr. D. K. Mehrotra, Mr. Koushik Chatterjee and Mr. T. V. Narendran.

III. CSR ADVISORY COUNCIL

We have a 12-member 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's 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 object 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.

V. TATA STEEL FOUNDATION

In order to strengthen our CSR deployment and governance system, the Board of Directors, on December 16, 2015, approved the formation of a Section 8 Company. On August 16, 2016, Tata Steel Foundation (**'TSF'**), a Section 8 Company, was incorporated under the Companies Act, 2013. The Board of Directors of TSF comprises of Mr. Ishaat Hussain, Mr. T.V. Narendran and Mr. Koushik Chatterjee.

The broad objectives of TSF are as follows:

1. To undertake various developmental and CSR programmes, including those provided in Schedule VII of Section 135 of the Companies Act, 2013, either on its own or on behalf of any other person or organization
2. To undertake CSR projects jointly with other companies including foreign companies
3. To borrow or raise money and garner support from national and international agencies
4. To make contributions to any non-profit organization with objectives similar to those of the Company
5. To apply the profits solely towards the promotion of its objectives

VI. FINANCIAL DETAILS

Particulars	(₹ crore)
Average net profit of the Company for the last 3 financial years	5,789.77
Prescribed CSR Expenditure (2% of the average net profits)	115.80
Details of CSR Expenditure during the financial year:	
Total amount to be spent for the financial year	115.80
Amount spent	193.61
Amount unspent	Nil

Manner in which amount spent during the financial year is given as an annexure to this report. Details of projects undertaken during the year along with the impact of our CSR activities are discussed in the Community Development Section of this Integrated Report.

VII. 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 our CSR objectives.

sd/-
Ishaat Hussain
Chairman of CSR and Sustainability Committee
(DIN: 00027891)

sd/-
T. V. Narendran
Managing Director
(DIN: 03083605)

Mumbai
May 16, 2017

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 (Budget)**	**Amount Spent on the projects or programs**	**Cumulative expenditure till the reporting period**	**Amount spent Direct or through implementing agency**
1	Promoting health care including preventive health care and sanitation	Health	**Jharkhand** - East Singhbhum, West Singhbhum, Ranchi, Dhanbad, Ramgarh, Gumla **Odisha** - Ganjam, Jajpur, Kendujhar, Sundargarh, Bhubaneshwar **West Bengal** - Kolkata **Maharashtra** - Mumbai	69.27	58.75	58.75	Direct, TSRDS, TCS, TSFIF
	Total			**69.27**	**58.75**	**58.75**	
2	Making available safe drinking water	Drinking Water	**Jharkhand** - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh **Odisha** - Ganjam, Jajpur, Kendujhar, Sundargarh	13.54	9.39	9.39	Direct, TSRDS
	Total			**13.54**	**9.39**	**9.39**	
3	Promotion of education including special education	Education	**Jharkhand** - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh **Odisha** - Ganjam, Jajpur, Kendujhar, Sundargarh	58.37	73.71	73.71	Direct, TSRDS, TCS, TSF
	Total			**58.37**	**73.71**	**73.71**	
4	Employment enhancing vocational skills especially to women, children, differently abled	Livelihood	**Jharkhand** - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh **Odisha** - Ganjam, Jajpur, Kendujhar, Puri, Sundargarh	20.41	20.39	20.39	Direct, TSRDS, TCS, TSSDS
5	Livelihood enhancement projects						
	Total			**20.41**	**20.39**	**20.39**	

(₹ 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 (Budget)**	**Amount Spent on the projects or programs**	**Cumulative expenditure till the reporting period**	**Amount spent Direct or through implementing agency**
6	Environmental sustainability, protection of flora & fauna, agroforestry, animal welfare, resource conservation, maintaining quality of soil, air, water	Environment	**Jharkhand** - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh **Odisha** - Jajpur, Kendujhar, Sundargarh **Maharashtra** - Mumbai **New Delhi**	2.85	2.90	2.90	Direct, TSRDS, TSZS
	Total			**2.85**	**2.90**	**2.90**	
7	Protection and restoration of national heritage, promotion of art, culture, handicrafts, setting up public libraries etc.	Ethnicity	**Jharkhand** - East Singhbhum, West Singhbhum, Ramgarh, Dhanbad **Odisha** - Kendujhar, Jajpur	6.60	3.89	3.89	TSRDS, TCS
	Total			**6.60**	**3.89**	**3.89**	
8	Promotion of Rural, Nationally recognised, Paralympic and Olympic sports especially training	Sports	**Jharkhand** - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh **Odisha** - Ganjam, Jajpur, Kendujhar, Sundargarh	5.71	3.37	3.37	Direct, TSRDS
	Total			**5.71**	**3.37**	**3.37**	
9	Setting up homes, hostels, old age homes, day care centres for women, orphan, elderly	Rural & Urban Infrastructure	**Jharkhand** - East Singhbhum, West Singhbhum, Dhanbad, Ramgarh **Odisha** - Ganjam, Jajpur, Kendujhar, Sundargarh	16.63	11.99	11.99	Direct, TSRDS
10	Rural development projects (infrastructure and other developments)						
	Total			**16.63**	**11.99**	**11.99**	
	Total Direct expenses of projects & programmes (A)			193.38	184.39	184.39	
	Overhead expenses (restricted to the 5% of total CSR expenditure) (B)			9.67	9.22	9.22	
	Total (A) + (B)			**203.05**	**193.61**	**193.61**	

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 processes. 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 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.

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 and separate its functions of governance and management. As on March 31, 2017, 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 at 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 by 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 at www.tatasteel.com.

Table A: Composition of the Board and Directorships held as on March 31, 2017

Name of the Director	DIN	Indian Public Companies	All Companies worldwide	Board Committees	
				Chairperson	Member
Non-Executive Directors					
Mr. N. Chandrasekaran	00121863	6	7	-	-
Mr. Ishaat Hussain	00027891	10	15	2	5
Mr. D. K. Mehrotra	00142711	7	8	3	3
Independent Directors					
Ms. Mallika Srinivasan	00037022	7	9	-	-
Mr. O. P. Bhatt	00548091	3	5	2	3
Mr. Andrew Robb	01911023	1	4	-	1
Dr. Peter (Petrus) Blauwhoff	07728872	1	7	-	-
Mr. Aman Mehta	00009364	6	9	2	5
Executive Directors					
Mr. Koushik Chatterjee	00004989	4	8	-	1
Mr. T. V. Narendran	03083605	2	5	-	-

(1) Directorships in Companies worldwide (listed, unlisted and private limited companies) including Tata Steel Limited and excluding Section 8 Companies.
(2) As required by 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.
(3) Mr. N. Chandrasekaran was appointed as Additional (Non-Executive) Director effective January 13, 2017 and as Chairman of the Board effective February 7, 2017.
(4) Dr. Peter (Petrus) Blauwhoff was appointed as Additional (Independent) Director effective February 7, 2017.
(5) Mr. Aman Mehta was appointed as Additional (Independent) Director effective March 29, 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 works with the Board to determine the appropriate qualifications, positive attributes, 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. The Policy for appointment and removal of Directors and determining Directors' independence is available on our website at www.tatasteel.com.

Familiarisation Programme for Independent Directors

All new Independent Directors inducted on the Board are given a formal orientation. The familiarization programme for our Directors is customized 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 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 coinciding with our Founder's Day celebration. This helped Directors understand and experience the rich legacy of the Company.

As stated in the Directors' Report, the details of orientation given to our existing Independent Directors are provided in Table B.

Table B: Details of orientation given to the existing Independent Directors during the year are as follows:

	O. P. Bhatt	Andrew Robb	Mallika Srinivasan
Safety, Health and Environment	1.3	1.3	0.7
Strategy/ Industry Trends	35.9	22.4	14.3
Governance and Operations	18.1	15.7	25.4
Total Hours	**55.3**	**39.4**	**40.4**

These details are also available on our website at www.tatasteel.com

Further, Dr. Peter (Petrus) Blauwhoff, Mr. Aman Mehta and Mr. Deepak Kapoor who were inducted on the Board recently were taken through a comprehensive induction program covering the economic, environmental and societal aspects of the organisation.

Board Evaluation

The Nomination and Remuneration Committee has approved 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 (**'KMP'**) and all other employees of the Company. The same is available on our website at www.tatasteel.com. Details of remuneration for Directors in Financial Year 2016-17 are provided in Table C.

Table C: Shares held and cash compensation paid to Directors for the year ended March 31, 2017

(₹ lakh, except share data)

Name	Fixed Salary			Commission	Sitting Fees	Total Compensation	No. of Equity Shares held
	Basic	Perquisites/ Allowances	Total Fixed Salary				
Non-Executive Directors							
Mr. N. Chandrasekaran	–	–	–	-	0.80	0.80	–
Mr. Cyrus P. Mistry				-	4.80	4.80	–
Mr. Ishaat Hussain	–	–	–	120.00	10.20	130.20	2,216
Mr. D. K. Mehrotra	–	–	–	70.00	5.20	75.20	–
Independent Directors							
Mr. Nusli N. Wadia				-	4.40	4.40	–
Mr. Jacobus Schraven	–	–	–	70.00	5.60	75.60	–
Mr. Subodh Bhargava	–	–	–	110.00	10.20	120.20	–
Ms. Mallika Srinivasan	–	–	–	90.00	3.60	93.60	–
Mr. O. P. Bhatt	–	–	–	120.00	9.60	129.60	–
Mr. Andrew Robb	–	–	–	70.00	7.70	77.70	–
Dr. Peter (Petrus) Blauwhoff	–	–	–	25.00	0.40	25.40	–
Executive Directors							
Mr. Koushik Chatterjee	101.40	193.51	294.91	515.00	–	809.91	1,320
Mr. T. V. Narendran	109.20	159.11	268.31	549.00	–	817.31	1,753

The commission of Mr. D. K. Mehrotra shown in Table C is paid to Life Insurance Corporation of India. Further, Mr. Koushik Chatterjee was paid ₹48.37 lakh and Mr. T. V. Narendran was paid ₹37.52 lakh. These amounts were paid in terms of the Company's Long Term Incentive Plan and relates to FY 2011-12 prior to they becoming Members of the Board.

Mr. Andrew Robb receives an annual fee of £1,90,000 from Tata Steel Europe (**'TSE'**) covering his role as Chairman and Member of Board Committees. Mr. Jacobus Schraven serves as the Independent Director of TSE and Tata Steel Nederland B V (**'TSN BV'**). Towards this he receives an annual fee of £99,999 from TSE and €45,000 from TSN BV. The remuneration paid is consistent with the market practices and are aligned to the benchmark figures published by global consulting firms.

None of our Directors held stock options as on March 31, 2017. Our Executive Directors are not eligible for payment of any severance fees and their contracts may be terminated by either of the parties by giving 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. Most Board Meetings are held at the Registered Office of the Company at Bombay House, 24, Homi Mody Street, Fort, Mumbai 400001. 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 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 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.

11 Board meetings were held during the year ended March 31, 2017 on April 20, 2016, May 25, 2016, July 8, 2016, August 11, 2016, September 12, 2016, November 11, 2016, November 21, 2016, November 25, 2016, December 22, 2016, February 7, 2017 and March 2, 2017. The gap between any two Board meetings did not exceed one hundred and twenty days.

Table D: Attendance details of Directors for the year ended March 31, 2017 are given below:

Name of the Director	Category	No. of Meetings Attended	Attendance (%)
Mr. N. Chandrasekaran	NED	2	100
Mr. Ishaat Hussain	NED	11	100
Mr. D. K. Mehrotra	NED	9	82
Ms. Mallika Srinivasan	ID	9	82
Mr. O. P. Bhatt	ID	11	100
Mr. Andrew Robb	ID	11	100
Dr. Peter (Petrus) Blauwhoff	ID	1	100
Mr. Koushik Chatterjee	ED	11	100
Mr. T. V. Narendran	ED	11	100

NED – Non-Executive Director; ID – Independent Director; ED – Executive Director

All the Directors as on the date of the previous AGM were present at the AGM of the Company held on August 12, 2016.

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.

Meetings of the Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013, the Independent Directors met on November 11, 2016 and 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 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 Audit Committee is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations read with Section 177 of the Companies Act, 2013. 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 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 Anti-Sexual Harassment Policy and guidelines and internal controls. The Tata Code of Conduct is available on our website at www.tatasteel.com

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 of the Committee. The internal auditor reports functionally to the Audit Committee.

7 meetings of the Committee were held during the year ended March 31, 2017 on April 19, 2016, May 24, 2016, August 10, 2016, September 12, 2016, November 10, 2016, December 14, 2016 and February 6, 2017.

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.

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	ID	7	100
Mr. Ishaat Hussain	NED	7	100
Mr. Andrew Robb	ID	7	100
Mr. Aman Mehta	ID	-	-

ID – Independent Director; NED – Non-Executive Director

Mr. Subodh Bhargava retired as Member of the Board effective March 29, 2017 and hence, as of that date, ceased to be the Chairman of Audit Committee. Mr. Aman Mehta was appointed as Additional (Independent) Director effective March 29, 2017 and was inducted as Member of the Audit Committee effective same date. Mr. O. P. Bhatt assumed the Chair of the Committee effective March 30, 2017. Mr. Subodh Bhargava, Chairman of the Audit Committee as on the date of AGM was present at the AGM of the Company held on August 12, 2016.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee (**'NRC'**) is constituted in accordance with the provisions of Regulation 19 of the Listing Regulations read with Section 178 of the Companies Act, 2013. The purpose of the NRC is to oversee the Company's nomination process for the Senior Management and specifically to assist the Board in succession planning and to identify, screen and review 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 Committee also discharges the Board's responsibilities relating to compensation of the Company's Executive Directors and Senior Management. The Committee has formulated 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 at 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 coordinates and oversees the annual self-evaluation of the performance of the Board, Committees and of individual Directors.

4 meetings of the Committee were held during the year ended March 31, 2017 on April 20, 2016, May 25, 2016, November 9, 2016 and January 13, 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	ID	1	100
Mr. Ishaat Hussain	NED	1	100
Mr. O. P. Bhatt	ID	3	75

ID – Independent Director; NED – Non-Executive Director

Ms. Mallika Srinivasan and Mr. Ishaat Hussain were appointed as the Chairperson and Member of the NRC respectively effective December 22, 2016. Further, Mr. Cyrus P. Mistry, Mr. Nusli Wadia and Mr. Subodh Bhargava ceased to be Members of NRC effective December 19, 2016, December 21, 2016 and March 29, 2017 respectively. Mr. Nusli Wadia, former Chairperson of NRC, was present at the AGM of the Company held on August 12, 2016.

Corporate Social Responsibility and Sustainability Committee

The purpose of our Corporate Social Responsibility and Sustainability (**'CSR'**) Committee is to formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the initiatives to be undertaken by the Company, recommend the amount of expenditure the Company should incur on 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 Committee has been renamed as CSR and Sustainability Committee effective same date.

The CSR policy is available on our website at www.tatasteel.com.

2 meetings of the Committee were held during the year ended March 31, 2017 on April 19, 2016 and February 6, 2017.

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. Ishaat Hussain	NED	2	100
Mr. D. K. Mehrotra	NED	2	100
Mr. O. P. Bhatt	ID	2	100
Mr. Koushik Chatterjee	ED	2	100
Mr. T. V. Narendran	ED	2	100

NED – Non-Executive Director; ID – Independent Director; ED – Executive Director

Mr. Ishaat Hussain, Chairman of the Committee was present at the AGM held on August 12, 2016.

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 Committee 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 on May 20, 2015 adopted a charter for our RMC Committee. 1 meeting of the Committee was held during the year ended March 31, 2017 on January 13, 2017.

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	ID	1	100
Mr. Ishaat Hussain	NED	1	100
Mr. D .K. Mehrotra	NED	1	100
Mr. Koushik Chatterjee	ED	1	100
Mr. T. V. Narendran	ED	1	100
Mr. Hans Fischer	MoM	1	100
Mr. Anand Sen	MoM	1	100
Mr. Sandip Biswas	MoM	1	100
Mr. N. K. Misra	MoM	1	100

ID – Independent Director; NED – Non-Executive Director; ED – Executive Director; MoM – Member of Management.

Mr. Deepak Kapoor, Independent Director was appointed as the Member of the Committee effective May 16, 2017.

Details on risks and opportunities including commodity price risks and foreign exchange risks are available in the 'Management Discussion and Analysis' section of this Integrated 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 Committee was held during the year ended March 31, 2017 on February 6, 2017.

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	NED	1	100
Mr. Ishaat Hussain	NED	1	100
Mr. Koushik Chatterjee	ED	1	100

NED – Non-Executive Director; ED – Executive Director

Mr. D. K. Mehrotra, Chairman of SRC was present at the AGM of the Company held on August 12, 2016. Also, Mr. Subodh Bhargava ceased to be a Member of the SRC effective March 29, 2017.

In terms of Regulation 6 and Schedule V to 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, 2017 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 2016-17

Opening as on April 1, 2016	9
Received during the year	128
Resolved during the year	127
Closing as on March 31, 2017	10

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 recommends to the Board capital budgets and other major capital schemes and assists the Board to consider new businesses, acquisitions, alliances and joint ventures, subsidiaries, divestments, changes in organisational structure, company contracts above 5 years etc. 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 Board has approved the revised Charter for the functioning of the ECOB on March 2, 2017.

1 meeting of the ECOB was held during the year ended March 31, 2017 on November 9, 2016.

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. Ishaat Hussain	NED	1	100
Mr. Andrew Robb	ID	1	100
Mr. Koushik Chatterjee	ED	1	100
Mr. T. V. Narendran	ED	1	100

NED – Non-Executive Director; ID – Independent Director; ED – Executive Director

Mr. Cyrus P. Mistry and Mr. Nusli N. Wadia ceased to be Members of ECOB effective December 19, 2016 and December 21, 2016 respectively. Also, Mr. N. Chandrasekaran was appointed as Member and Chairman of ECOB effective February 7, 2017.

Ethics and Compliance Committee

The Committee, during the year, reviewed and monitored the implementation of the Tata Code of Conduct and also reviewed the implementation of the Anti-Sexual Harassment Policy of the Company and the actions taken thereon. Effective March 2, 2017, the Committee has merged and forms part of the Audit Committee.

1 meeting of the Committee was held during the year ended March 31, 2017 on November 10, 2016.

Table L: 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. Ishaat Hussain	NED	1	100
Mr. Andrew Robb	ID	1	100
Mr. Koushik Chatterjee	ED	1	100
Mr. T. V. Narendran	ED	1	100

NED – Non-Executive Director; ID – Independent Director; ED – Executive Director

Safety, Health and Environment Committee

The Safety, Health and Environment Committee (**'SH&E'**) of the Board oversee 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.

4 meetings of the Committee were held during the year ended March 31, 2017 on May 24, 2016, July 7, 2016, November 10, 2016 and February 6, 2017.

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 (Petrus) Blauwhoff	ID	-	-
Mr. T. V. Narendran	ED	4	100
Mr. Hans Fischer	MoM	4	100

ID – Independent Director; ED – Executive Director; MoM - Member of Management

Mr. Jacobus Schraven and Mr. Subodh Bhargava ceased to be Members of the SH&E Committee effective February 7, 2017 and March 29, 2017. Dr. Peter (Petrus) Blauwhoff was appointed as Chairman of the Committee effective February 7, 2017. Mr. Deepak Kapoor, Independent Director was appointed as the Member of the Committee effective May 16, 2017.

SHAREHOLDERS

Disclosures regarding the appointment or re-appointment of Directors

In terms of the relevant provisions of the Companies Act, 2013, Mr. D. K. Mehrotra and Mr. Koushik Chatterjee will retire at the ensuing AGM and being eligible, seek re-appointment.

Further, during the year, the Board appointed Mr. N. Chandrasekaran, Dr. Peter (Petrus) Blauwhoff and Mr. Aman Mehta as Additional Directors. Further, on April 1, 2017, Mr. Deepak Kapoor was appointed as an Additional Director. The Board has recommended that the Additional Directors be appointed as Directors, subject to shareholders' approval.

The Board recommends above 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 at www.tatasteel.com.

Earnings calls are held with analysts and investors and their audio recordings are published on the website. Presentations made to analysts and others are also made available on the Company's website at 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 the respective electronic filing systems.

The Company's website is a comprehensive reference on its 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 Stakeholder 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 the share transfer.

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 at www.tatasteel.com. The Company has received confirmations from the Executive Directors as well as Senior Management Personnel regarding compliance of the Code during the year under review. It has also adopted the Code of Conduct for Non-Executive Directors of the Company which is available on the website at 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, Securities and Exchange Board of India (**'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, nor have there been any strictures imposed by any stock exchange or SEBI, on any matters relating to the capital market over the last three 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(E) of the Listing Regulations, the auditors' certificate 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 and 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 the 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 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 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 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 at www.tatasteel.com.

During the Financial Year 2016-17, the Company did not have any material pecuniary relationship or transactions with Non-Executive Directors apart from paying Director's remuneration.

During the year, 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 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 KMP 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 at 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 and/or 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 business associates of the Company has an assured access to the Ethics Counsellor and/or Chairman of the Audit Committee. Details of the Vigil Mechanism are given in the Directors' Report. The whistle blower policy is available at the Company's website at 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, 2016	August 12, 2016	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, 2015	August 12, 2015			Further issuance of securities not exceeding ₹10,000 crore
March 31, 2014	August 14, 2014			None

No Special Resolution was passed by the Company during the Financial Year 2016-17 through Postal Ballot. None of the business proposed to be transacted at the ensuing AGM require passing a Special Resolution through Postal Ballot.

Table O: Annual General Meeting 2017

Date	August 8, 2017
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 22, 2017 to August 8, 2017 (both days inclusive)
Dividend Payment Date	On and from August 10, 2017

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 shares under the Depository System is INE081A01012.

The Company has 94,17,07,406 Ordinary Shares representing 96.96% of the Company's share capital which is dematerialised as on March 31, 2017. 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 email ids with their respective DPs.

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. The email address of grievance redressal division 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 investors 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

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	
	2017	2016	2017	2016	2017	2016	2017	2016
1	25,545	25,127	3.02	2.59	25,545	25,127	0.00	0.00
2-10	1,16,936	1,25,967	13.85	13.00	8,09,461	8,83,711	0.08	0.09
11-50	2,58,030	2,94, 591	30.56	30.39	77,96,201	90,04,541	0.80	0.93
51-100	1,40,993	1,66,113	16.70	17.14	1,13,09,854	1,34,29,827	1.17	1.38
101-200	1,38,784	1,61,256	16.43	16.64	2,05,85,912	2,40,89,137	2.12	2.48
201-500	97,576	1,16,684	11.55	12.04	3,07,73,602	3,71,04,049	3.17	3.82
501-1,000	35,088	42,349	4.16	4.37	2,52,36,294	3,06,00,684	2.60	3.15
1,001-5,000	26,908	32,016	3.19	3.30	5,35,08,710	6,36,65,151	5.51	6.56
5,001-10,000	2,639	3,030	0.31	0.31	1,83,57,019	2,10,01,663	1.89	2.16
10,001-1,00,000	1,658	1,886	0.20	0.19	3,90,11,303	4,29,08,055	4.02	4.42
1,00,001 and above	272	244	0.03	0.03	76,38,01,538	72,85,03,494	78.64	75.01
Total	**8,44,429**	**9,69,263**	**100.00**	**100.00**	**97,12,15,439**	**97,12,15,439**	**100.00**	**100.00**

Transfer of Unclaimed Dividend to Investor Education and Protection Fund

Pursuant to the provisions of the Companies Act, 2013 read with Investor Education Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended (the **'Rules'**), the shares pertaining to which dividend remains unclaimed/ unpaid for a period of seven years from the date of transfer to the unpaid dividend account is mandatorily required to be transferred to the Investor Education and Protection Fund (**'IEPF'**) established by the Central Government.

We have sent individual communication to the concerned shareholders at their registered address, whose dividend remains unclaimed and whose shares are liable to be transferred to the IEPF by May 31, 2017.

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 duly completed form, shareholders are required to take print of the same and send physical copy duly signed along with requisite documents as specified in the form to the attention of the Company Secretary (Nodal Officer), at the Registered Office. The e-form can be downloaded from our website at www.tatasteel.com and simultaneously from the website of Ministry of Corporate Affairs at 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 1996-97	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 1997-98 to 2008-09	Transferred to the IEPF of the Central Government	Yes	Submit e-form IEPF 5 to the Registered Office of the Company addressed to the Company Secretary (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 2009-10 to 2015-16	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 2015-16 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
2010	8	August 13, 2010	September 17, 2017
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

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 at www.tatasteel.com.

Shares held in Electronic Form

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

Shares held in Physical Form

Shareholders holding shares in physical form may please note that instructions regarding change of address, bank details, email 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

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

The Circular further states that in cases where either the bank details such as Magnetic Ink Character Recognition (**'MICR'**) and Indian Financial System Code (**'IFSC'**), amongst others, that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the bank, 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. They are requested to opt for any of the above mentioned electronic modes of payment of dividend and other cash benefits and update their bank details:

- In case of holdings in dematerialised form, by contacting their DP and giving suitable instructions to update the bank details in their demat account.
- In case of holdings in physical form, by informing the Company's RTA i.e., 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's Ordinary shares are listed on BSE Limited and National Stock Exchange of India Limited in India. The annual Listing fee 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	500470
National Stock Exchange of India Limited (**'NSE'**) Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra(E), Mumbai - 400 051, Maharashtra, India	INE081A01012	TATASTEEL

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 (₹ crore)	1,500.00	775.00
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)

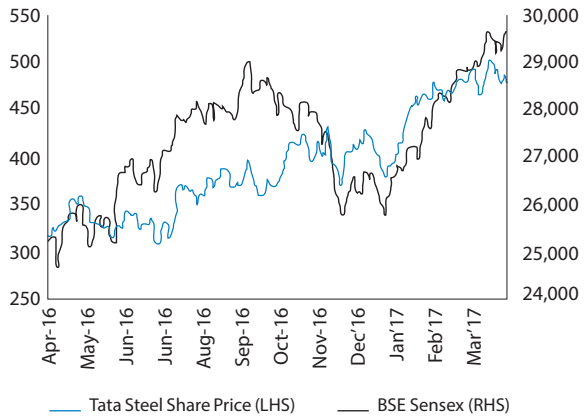
Coupon Rate (%)	ISIN	Principal Amount		Maturity
			Amount	Date
9.15	INE081A08199	500.00	500.00	January 24, 2019
10.40	INE081A08124	650.90	650.90	May15, 2019
11.00	INE081A08132	1,500.00	1,500.00	May 19, 2019
9.15	INE081A08207	500.00	500.00	January 24, 2021
2.00	INE081A08181	1,500.00	1,500.00	April 23, 2022
8.15	INE081A08215	1,000.00	1,000.00	October 01, 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 06, 2029
			833.33	January 06, 2030
			833.33	January 06, 2031

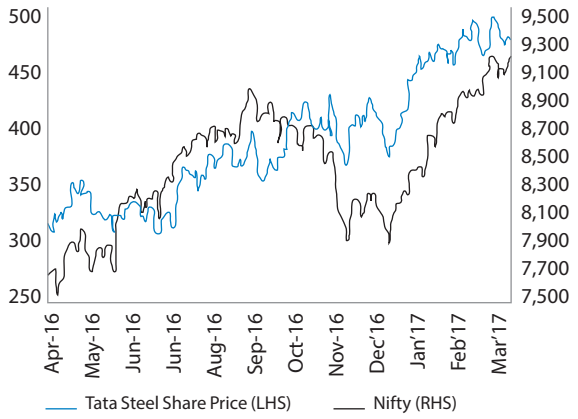
Market Information

Table V: Market Price Data- High, Low (based on the closing prices) and volume during each month in last Financial Year.

Month	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume (No. of shares)	High (₹)	Low (₹)	Volume (No. of shares)
April 2016	358.40	312.10	2,25,36,945	358.60	312.30	16,25,90,077
May 2016	348.45	313.60	1,87,27,394	348.90	313.55	13,82,10,590
June 2016	342.85	310.35	1,84,07,288	342.60	310.50	13,25,06,414
July 2016	372.85	317.65	2,21,46,559	372.90	317.70	15,96,65,692
August 2016	392.30	357.60	1,96,48,346	392.15	358.05	13,64,09,397
September 2016	402.90	359.05	1,97,94,051	403.00	358.85	12,88,23,857
October 2016	428.45	382.85	1,74,30,076	428.55	382.85	13,49,99,113
November 2016	436.85	371.55	1,78,51,834	437.00	371.45	13,64,08,162
December 2016	431.55	380.45	1,19,96,421	431.30	380.10	8,35,12,992
January 2017	469.25	403.15	1,70,17,427	469.50	403.30	10,76,02,802
February 2017	490.60	459.90	1,44,59,427	490.95	459.85	10,57,55,616
March 2017	502.05	467.80	1,38,94,316	502.20	467.75	11,18,81,061
Yearly	**502.05**	**310.35**	**21,39,10,084**	**502.20**	**310.50**	**1,53,83,65,773**

Tata Steel 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.

COMPLIANCE OF REGULATION 39(4) AND SCHEDULE VI OF THE LISTING REGULATIONS

Table W: As per Regulation 39(4) and Schedule VI of the Listing Regulations, the details of shares in the suspense accounts of Link Intime India Pvt. Ltd., Registrars to the Issues are given in the table below:

Issues	Securities	As on April 1, 2016		Shareholders who approached the Registrars and Shares transferred in their favour during the year		Balance as on March 31, 2017	
		No. of records	No. of shares	No. of records	No. of shares	No. of records	No. of shares
Rights Issue – 2007	Ordinary Shares	124	2,980	2	32	122	2,977*
Follow-on Public Issue – 2011		5	271	0	0	5	271

*This includes 29 shares, which have been wrongly credited to this account and the same was reversed in April 2017.

The voting rights in respect of the balance shares in the suspense accounts will be frozen, in the event of a poll at the Company's general meetings.

Outstanding GDRs of 1,55,10,420 Shares (31.03.2016: 2,25,14,584) of face value of ₹10 per share represent the shares underlying GDRs which were issued during 1994 and 2010. Each GDR represents one underlying Ordinary Share.

Secretarial Audit

The Board appointed Parikh and Associates, Practising Company Secretaries Firm, to conduct secretarial audit of its records and documents. The secretarial audit report confirms that the Company has complied with all applicable provisions of the Companies Act 2013, 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 Integrated 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 No.

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

Tata Steel CRM Complex, Bara
Tata Steel Limited
P.O. Agrico, P.S. Sidhgora,
Jamshedpur-831 009

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 Cold Rolling Mill Complex
Plot No S 76, Tarapur MIDC,
P.O. Boisar, Dist. Palghar-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
Indore - Tata Steel Limited
Wire Division
Plot 14/15/16 & 32 Industrial Estate
Laxmibai Nagar, Fort Indore,
Madhya Pradesh-452 006

Wire Division, Pithampur
Pithampur 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. Bamebari, Via: Joda, Dist. Keonjhar,
Odisha-758 086

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
PO – Chamakhandi, Chatrapur Tahsil
Dist. Ganjam, Odisha – 761020

Investor Contact

Registered Office:
Tata Steel Limited
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. Kiran Kanchinadham,
Senior Manager - Investor Relations
One Forbes, 1, Dr. V. B. Gandhi Marg, Fort,
Mumbai-400 001.
Tel.: +91 22 6665 0530
Fax: +91 22 6665 0598
E-mail: kiran.kanchinadham@tatasteel.com

Registrar 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,
10.00 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,
Website: www.bourse.lu
Tel: (+352) 4779361

London Stock Exchange
10 Paternoster Square,
London - EC4M 7LS
Tel: (+44) 20 7797 4400
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
Website: www.nsdl.co.in

Central Depository Services (I) Ltd
Phiroze Jeejeebhoy Towers, 17th Floor,
Dalal Street, Mumbai-400 001.
Tel.: +91 22 2272 8427/ 8658
Toll free: 1800-200-5533
Fax: +91 22 2272 3199
E-mail: helpdesk@cdslindia.com,
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/corporate/pdf/Dividend%20Policy%20Final.pdf
Corporate Social Responsibility Policy	http://www.tatasteel.com/corporate/pdf/CSR-Policy.pdf
Composition and Profile of the Board of Directors	http://www.tatasteel.com/corporate/management/board-of-directors.asp
Terms and Conditions of appointment of Independent Directors	http://www.tatasteel.com/investors/pdf/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
Familiarization Programme for Independent Directors	http://www.tatasteel.com/investors/pdf/Familiarization%20Programme%202017.pdf
Remuneration policy of Directors, KMPs & other Employees	http://www.tatasteel.com/corporate/pdf/Remuneration-Policy-of-Directors-etc.pdf
Tata Code of Conduct	http://www.tatasteel.com/corporate/pdf/TCOC.pdf
Criteria for making payments to Non-Executive Directors	http://www.tatasteel.com/investors/pdf/criteria-of-making-payments-to-non-executive-directors.pdf
Code of Conduct for Non-Executive Directors	http://www.tatasteel.com/investors/pdf/TCOC-non-executive-directors.pdf
Policy on Related Party Transactions	http://www.tatasteel.com/corporate/pdf/Revised-Policy-on-Related-Party-transactions_4.2.16.pdf
Policy on determining Material Subsidiaries	http://www.tatasteel.com/corporate/pdf/Revised-Policy-on-determining-Material-Subsidiaries_4.2.16.pdf
Whistle Blower Policy	http://www.tatasteel.com/corporate/ethics/vigil-mechanism.pdf
Code of Corporate Disclosure Practices	http://www.tatasteel.com/corporate/pdf/code-of-corporate-disclosure-practices.pdf
Policy on determination of Materiality for Disclosure(s)	http://www.tatasteel.com/corporate/pdf/Tata-Steel-Materiality-Policy.pdf
Document Retention and Archival Policy	http://www.tatasteel.com/corporate/pdf/Tata-Steel-Document-Retention-Policy.pdf
Prevention of Sexual Harassment (POSH) at Workplace Policy	www.tatasteelindia.com/corporate/pdf/posh-policy.pdf

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
Tata Steel Limited

1. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Tata Steel Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2017, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2017.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
Registration No.: 117366W/W-100018

sd/-
N. VENKATRAM
Partner
Membership No.: 71387

Mumbai,
May 16, 2017

ANNEXURE 5

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 2016-17	₹8,69,461
The percentage increase in the median remuneration of employees in the Financial Year	10.45%
The number of permanent employees on the rolls of Company as on March 31, 2017	34,989

(₹lakh)

Name of Director	Remuneration for Financial Year		% increase in remuneration	Ratio of remuneration to median remuneration of all employees
	2016-17	2015-16		
Non-Executive Directors				
Mr. N. Chandrasekaran [1]	0.80	-	*	*
Mr. Cyrus P. Mistry [2]	4.80	6.40	*	*
Mr. Ishaat Hussain	130.20	117.10	11.19	14.97
Mr. D. K. Mehrotra	75.20	54.10	39.00	8.65
Independent Directors				
Mr. Nusli N. Wadia [3]	4.40	113.50	*	*
Mr. Jacobus Schraven [4]	75.60	64.40	17.39	8.69
Mr. Subodh Bhargava [5]	120.20	113.20	6.18	13.82
Ms. Mallika Srinivasan	93.60	52.60	77.95	10.77
Mr. O. P. Bhatt	129.60	111.30	16.44	14.91
Mr. Andrew Robb	77.70	68.60	13.27	8.94
Dr. Peter (Petrus) Blauwhoff [6]	25.40	-	-	-
Executive Directors/ KMP				
Mr. Koushik Chatterjee	809.91	735.84	10.06	93.15
Mr. T. V. Narendran	817.31	730.57	11.87	94.00
Mr. Parvatheesam K.	153.47	122.80	24.98	17.65

*Since the remuneration of these Directors is only for part of the year, the ratio of their remuneration to median remuneration is not comparable and hence increase in remuneration is not stated.

Notes:

(1) Mr. N. Chandrasekaran was appointed as Additional (Non-Executive) Director effective January 13, 2017 and as Chairman of the Board of Directors effective February 7, 2017. Mr. Chandrasekaran being the Executive Chairman of Tata Sons Limited has not accepted any commission from the Company.
(2) Mr. Cyrus P. Mistry ceased to be a Member of the Board effective December 19, 2016.
(3) Mr. Nusli N. Wadia through a shareholder vote ceased to be the Member of the Board effective December 21, 2016. Given that Mr. Wadia ceased to be a director by way of shareholder vote, the Board of Directors did not recommend any commission for Mr. Wadia.
(4) Mr. Jacobus Schraven retired as Member of the Board effective February 7, 2017.
(5) Mr. Subodh Bhargava retired as Member of the Board effective March 29, 2017.
(6) Dr. Peter (Petrus) Blauwhoff was appointed as Additional (Independent) Director effective February 7, 2017.

During the year, the average percentage increase in salary of the Company's employees, excluding the Key Managerial Personnel (**'KMP'**) was 6.60%. The total remuneration of the KMPs for the Financial Year 2016-17 was ₹1,780.69 lakh as against ₹1,589 lakhs during the previous year. The percentage increase in remuneration during the Financial Year 2016-17 to Mr. T.V. Narendran, Managing Director was 11.87%, to Mr. Koushik Chatterjee, Group Executive Director (Finance, Corporate & Europe) was 10.06% and to Mr. Parvatheesam K, Company Secretary was 24.98%. 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, 2017

Statement of Disclosure pursuant to Section 197 of the Companies Act, 2013.
[Read with Rule 5(2) 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 2016-17

Sl. No	Name	Designation	Remuneration (₹)	Qualification	Experience (Years)	Date of Commencement of Employment	Age (Years)	Last employment
1	Koushik Chatterjee	Group Executive Director (Finance, Corporate & Europe)	8,03,28,393	B.Com. (Hons), FCA	21	13-11-1995	48	Tata Sons Ltd.
2	T. V. Narendran	Managing Director (India and South East Asia)	7,95,83,326	B.E., PGDM	26	01-07-1988	51	-
3	Anand Sen	President (TQM & Steel Business)	3,83,34,889	B.Tech (Hons), Met. Engg., PGDM	35	27-07-1981	57	-
4	Suresh Dutt Tripathi	Vice President (Human Resource Management)	3,39,07,344	M.Sc., Diploma in Social Welfare	33	18-10-2012	56	SRF
5	Sandip Biswas	Group Executive Vice President (Finance)	2,98,39,141	B.Com.(Hons), ACA, ACS	24	01-04-2005	49	First India Asset Management Co. (P) Ltd.
6	Rajesh Ranjan Jha	Vice President (Engineering & Projects)	2,20,75,936	B.E, PGDBM	26	02-07-1990	47	Tata Projects Ltd
7	Sunil Bhaskaran	Vice President (Corporate Services)	2,14,84,166	B.Tech., PGDM	32	01-07-1987	52	Tata International
8	R Ranganath	Vice President (Finance India & SE Asia)	2,13,47,609	B.Sc, ACA	33	16-05-2013	57	Cairn India Ltd.
9	Rajiv Kumar	Vice President (Operation - TSK)	2,12,79,852	B.Sc. (Engg)	26	01-10-1990	49	-
10	Binod Kumar Das	Vice President (Iron Making)	2,02,10,180	M.Tech	37	01-08-1980	59	-

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 2016-17

Sl. No	Name	Designation	Remuneration (₹)	Qualification	Experience (Years)	Date of Commencement of Employment	Age (Years)	Last employment
1	A. D. Kothari	Chief (Project Coke, Sinter & Iron)	1,06,74,346	B.Tech.	25	01-07-1991	48	
2	Amit Kumar Chatterjee	Chief (Electrical Maintenance)	1,15,34,725	B.E.	29	27-07-1987	54	-
3	Amitava Baksi	Chief (Procurement Officer)	1,12,48,702	B.Sc. (Engg)	30	30-06-1986	53	-
4	Anup Sahay	Chief (Corporate Strategy & Planning)	1,27,28,201	B.A. (Hons), PGDM	30	01-07-1986	55	S B Billimoria & Co
5	Arun Misra	Vice President (Gopalpur Project)	1,91,45,364	B.Tech	28	01-07-1988	51	-
6	Ashok Kumar	Chief (Technology Officer, Process)	1,38,39,770	B.Tech	32	01-07-1984	55	-
7	Avneesh Gupta	Principal Executive Officer	1,26,87,095	B.Tech, PGDM	30	01-07-1986	53	-
8	Ch. Ramesh Babu	Chief (Design & Engineering-Process)	1,11,46,743	B.E.	32	24-12-2012	52	AEGIS Ltd
9	Chanakya Chaudhary	GD (Corporate Comm. & Regulatory Affairs)	1,80,10,698	B.E.	28	16-12-1988	52	-
10	Debashis Das	Chief (Manufacturing, Long Product)	1,20,27,064	B.Tech	34	02-08-1982	57	-
11	Dibyendu Bose	Group Director (Investments & New Ventures)	2,00,50,911	B.Tech, PGDM	28	01-07-1988	55	Tisco Collieries
12	Dibyendu Dutta	Group Head (M&A and Treasury)	1,15,06,619	B.Com, FCA, ACWA	23	16-04-2009	50	Indian Hotels Co. Ltd.
13	Dipali Talwar	Group General Counsel	1,46,06,484	B.A, LL.M	22	30-06-2014	47	Pfizer Inc.
14	Dwarika Nand Jha	GM (Design & Engineering, KLNR & Gr Shp)	1,59,33,209	B.Sc. (Engg), PGDM	36	01-08-1980	57	-
15	Gopal Prasad Choudhary	Chief (Security)	1,41,28,934	B.A. (Hons), LLB	28	01-01-2013	53	WIPRO
16	Manish Sharma	Principal Executive Officer (Corporate)	1,16,14,894	B. Tech, PGDM	25	25-08-1991	52	-

Sl. No	Name	Designation	Remuneration (₹)	Qualification	Experience (Years)	Date of Commencement of Employment	Age (Years)	Last employment
17	Meena Lall	Chief (Legal & Compliance)	1,02,47,557	B.Sc., LLB	27	10-01-1990	52	-
18	Nirbhay Singh Salar	Chief (Project Planning)	1,04,03,737	B.E., M.Tech	26	01-07-2013	50	CGPL (Tata Power)
19	P K Ghose	Chief (Projects, Jamshedpur)	1,37,14,881	B.Tech	25	01-07-1991	47	-
20	Parthasarathi Mishra	Chief (HRM, OM&Q)	1,08,13,795	M.A., LLB	22	02-09-2013	52	Pipavav Defence & Offshore Engineering Co. Ltd.
21	Parvatheesam Kanchinadham	Company Secretary	1,47,98,706	B. Com (Hons), ACS, LLB, MBA	17	12-01-2015	41	Infosys Limited
22	Peeyush Gupta	Vice President (Steel Marketing & Sales)	1,74,56,030	B.E, MBA	24	01-01-1993	48	
23	Prosenjit Sarkar	Chief (Utilities & Power Systems, KLNR)	1,02,64,834	B.Sc. (Engg), PGDBM	36	02-02-1981	58	-
24	Rajeev Singhal	Vice President (Raw Material)	1,87,82,974	B.Tech, PGDM	31	01-07-1985	53	-
25	Rajesh N	Chief (Manufacturing, Flat Product)	1,02,44,877	B.Tech	28	01-07-1988	50	-
26	Rajiv Kumar Soni	Executive-In-Charge (Global Wires-India)	1,18,49,750	B.Sc. (Engg), PGDM	34	02-08-1982	56	-
27	Ramam D B Sundara	Executive-in-Charge (FAM)	1,30,01,751	B.Sc. (Engg)	26	28-07-1990	47	-
28	S K Singh	General Manager (West Bokaro)	1,08,57,470	B.Tech	25	01-07-1991	48	-
29	S Mokashi	Chief (Group Information Services)	1,49,25,051	B.Tech, PGDM	35	01-02-1982	59	-
30	Samita Shah	Group Head (Corp Finance & Risk Management)	1,36,67,689	B.A. (Hons), PGDM	24	18-10-2012	46	Axis Bank
31	Sanjay Chandra	Chief (R&D and Scientific Services)	1,02,96,639	B.Tech, Ph.D	33	08-08-1983	56	-
32	Sanjay Rajoria	General Manager (Jharia)	1,02,99,270	B.E.	28	01-07-1988	51	-
33	Satish Kumar Tiwary	Chief (Mechanical Maintenance)	1,04,24,891	B.E.	27	01-07-1989	51	-
34	Subodh Pandey	Executive-in-Charge (Tubes)	1,09,35,843	B.Tech	24	13-07-1992	47	-
35	Sudhansu Pathak	Vice President (Steel Manufacturing)	1,86,78,241	B.E., PGDM	32	02-07-1984	55	-
36	Suresh Kumar T.S.	Chief (Natural Resources Division)	1,04,44,698	M.Sc.	37	20-07-2009	59	ACC Ltd
37	Suresh Kumar	Vice President (Shared Services)	1,77,64,262	B.Tech, PGDM	36	01-08-1980	59	-
38	Uttam Singh	Chief (Blast Furnaces)	1,24,24,041	B.Tech	24	13-07-1992	48	-
39	Vinay V Mahashabde	Chief (Technology Officer, Flat Products)	1,07,04,332	B.Tech	30	01-07-1986	51	-

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 acturial 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.

On behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

Mumbai
May 16, 2017

ANNEXURE 6

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.	Apr 12, 2013	USD	64.85	1.30	(266.75)	11,229.90	11,495.36	-	-	86.69	11.16	75.52	-	100.00
2	Adityapur Toll Bridge Company Limited	Jun 12, 2002	INR	1.00	46.78	(6.99)	59.70	19.91	-	4.31	(3.50)	-	(3.50)	-	88.50
3	Tata Steel Special Economic Zone Limited	Oct 11, 2006	INR	1.00	135.74	(3.12)	159.20	26.58	-	0.25	(1.31)	-	(1.31)	-	100.00
4	Indian Steel & Wire Products Ltd.	Dec 20, 2003	INR	1.00	5.99	57.42	150.34	86.93	-	257.81	9.52	3.40	6.12	-	95.01
5	Jamshedpur Utilities & Services Company Limited	Aug 25, 2003	INR	1.00	20.35	43.53	599.91	536.02	35.21	782.49	48.78	(2.78)	51.56	-	100.00
6	Haldia Water Management Limited	Jun 12, 2008	INR	1.00	27.77	(188.62)	13.86	174.71	-	-	(13.57)	-	(13.57)	-	60.00
7	NatSteel Asia Pte. Ltd.	Feb 15, 2005	USD	64.85	1,115.41	377.66	4,558.12	3,065.05	2,924.36	-	(73.16)	(0.19)	(72.97)	-	100.00
8	TS Asia (Hong Kong) Ltd.	Sep 27, 2006	USD	64.85	7.40	107.91	563.36	448.05	-	1,700.27	17.97	2.96	15.01	-	100.00
9	Rujuvalika Investments Limited	Apr 30, 2015	INR	1.00	1.33	82.81	89.88	5.74	115.97	-	2.38	-	2.38	0.64	100.00
10	T S Alloys Limited	Mar 14, 2007	INR	1.00	65.71	47.08	143.35	30.57	-	155.48	0.50	(0.34)	0.84	-	100.00
11	Tata Korf Engineering Services Ltd.	Oct 30, 1985	INR	1.00	0.40	(10.20)	0.91	10.71	-	-	(0.02)	-	(0.02)	-	100.00
12	Tata Metaliks Ltd.	Feb 7, 2008	INR	1.00	25.29	181.89	1,065.70	858.52	0.02	1,410.10	152.21	35.73	116.48	6.09	50.09
13	Tata Sponge Iron Limited	Aug 28, 2012	INR	1.00	15.40	849.45	1,044.74	179.89	263.28	615.16	83.47	25.29	58.18	-	54.50
14	TSIL Energy Limited	Nov 20, 2012	INR	1.00	1.06	0.08	1.15	0.01	1.13	-	0.03	-	0.03	-	100.00
15	Tata Steel (KZN) (Pty) Ltd.	Nov 20, 2012	ZAR	4.86	85.69	(1,097.60)	217.05	1,228.96	-	-	-	-	-	-	90.00
16	T Steel Holdings Pte. Ltd.	Jul 5, 2006	GBP	80.98	47,875.33	(348.31)	47,527.19	0.17	39,272.93	-	(0.07)	-	(0.07)	-	100.00
17	T S Global Holdings Pte Ltd.	Jul 4, 2008	GBP	80.98	33,074.33	(1,663.73)	66,663.84	35,253.24	33,114.42	3.29	(5,179.28)	181.83	(5,361.11)	-	100.00
18	Orchid Netherlands (No.1) B.V.	Mar 20, 2009	EUR	69.27	0.12	1.46	1.58	-	-	-	(0.01)	0.01	(0.02)	-	100.00
19	NatSteel Holdings Pte. Ltd.	May 23, 2008	SGD	46.40	928.13	(925.64)	2,184.85	2,182.36	542.89	2,812.47	2.29	(17.31)	19.60	-	100.00
20	Easteel Services (M) Sdn. Bhd.	Feb 15, 2005	MYR	14.65	29.30	(0.52)	137.47	108.69	-	457.29	(0.44)	(0.11)	(0.33)	-	100.00
21	Eastern Steel Fabricators Philippines, Inc.	Feb 15, 2005	SGD	46.40	20.15	(60.07)	11.50	51.42	-	-	-	-	-	-	67.00
22	NatSteel (Xiamen) Ltd.	Feb 15, 2005	CNY	9.42	575.03	(676.12)	142.18	243.27	-	0.11	95.39	-	95.39	-	100.00
23	NatSteel Recycling Pte Ltd.	Feb 15, 2005	SGD	46.40	46.40	148.66	280.46	85.41	-	900.43	4.42	0.19	4.23	-	100.00
24	NatSteel Trade International (Shanghai) Company Ltd.	Feb 15, 2005	CNY	9.42	1.56	(1.83)	0.63	0.91	-	-	(0.07)	-	(0.07)	-	100.00
25	NatSteel Trade International Pte. Ltd.	Feb 15, 2005	USD	64.85	9.34	5.69	16.22	1.19	-	199.04	0.75	-	0.75	76.33	100.00
26	NatSteel Vina Co. Ltd.	Feb 15, 2005	VND	0.00	67.31	8.28	122.57	46.97	-	401.74	7.82	0.63	7.19	-	56.50
27	The Siam Industrial Wire Company Ltd.	Feb 15, 2005	THB	1.89	86.80	916.83	1,090.06	86.43	79.25	892.40	98.94	13.94	85.01	-	100.00
28	TSN Wires Co., Ltd.	Apr 5, 2012	THB	1.89	132.08	(75.23)	191.24	134.39	-	122.95	(10.05)	-	(10.05)	-	60.00
29	Tata Steel Europe Limited	Apr 2, 2007	GBP	80.98	33,518.79	(16,641.53)	40,003.84	23,126.57	13,324.74	-	(1,045.18)	(65.60)	(979.59)	-	100.00
30	Apollo Metals Limited	Apr 2, 2007	USD	64.85	0.00	70.62	102.75	32.14	-	153.59	34.74	(4.83)	39.57	-	100.00
31	Augusta Grundstucks GmbH	Apr 2, 2007	EUR	69.27	37.20	(39.07)	5.54	7.41	-	-	(1.07)	0.06	(1.12)	-	100.00
32	Automotive Laser Technologies Limited	Apr 2, 2007	GBP	80.98	0.00	-	-	-	-	-	-	-	-	-	100.00
33	B S Pension Fund Trustee Limited	Apr 2, 2007	GBP	80.98	17.38	0.55	17.93	-	-	-	-	-	-	-	100.00
34	Beheermaatschappij Industriele Produkten B.V.	Apr 2, 2007	EUR	69.27	0.12	(47.92)	48.79	96.59	48.19	-	(0.45)	(0.11)	(0.34)	-	100.00
35	Bell & Harwood Limited	Apr 2, 2007	GBP	80.98	0.00	(10.23)	-	10.23	-	-	-	-	-	-	100.00
36	Blastmega Limited	Apr 2, 2007	GBP	80.98	0.00	753.24	753.26	0.02	753.16	-	-	-	-	-	100.00
37	Blume Stahlservice GmbH	Apr 2, 2007	EUR	69.27	35.46	17.56	63.33	10.30	-	(0.01)	(10.13)	0.32	(10.45)	-	100.00
38	Blume Stahlservice Polska Sp.Z.O.O	Apr 2, 2007	PLZ	16.36	0.00	-	-	-	-	-	0.06	-	0.06	-	100.00

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39	Bore Samson Group Limited	Apr 2, 2007	GBP	80.98	170.07	(48.53)	182.39	60.85	182.39	-	-	-	-	-	100.00
40	Bore Steel Limited	Apr 2, 2007	GBP	80.98	129.58	8.50	138.07	-	-	-	-	-	-	-	100.00
41	British Guide Rails Limited	Apr 2, 2007	GBP	80.98	2.43	36.92	39.35	-	-	-	-	-	-	-	100.00
42	British Steel Corporation Limited	Apr 2, 2007	GBP	80.98	146.39	100.65	247.04	-	-	-	-	-	-	-	100.00
43	British Steel Directors (Nominees) Limited	Apr 2, 2007	GBP	80.98	0.00	-	-	-	-	-	-	-	-	-	100.00
44	British Steel Engineering Steels (Exports) Limited	Apr 2, 2007	GBP	80.98	0.00	-	0.10	0.10	-	-	-	-	-	-	100.00
45	British Steel Nederland International B.V.	Apr 2, 2007	EUR	69.27	0.13	432.03	458.25	26.09	280.65	-	6.53	0.97	5.56	-	100.00
46	British Steel Service Centres Limited	Apr 2, 2007	GBP	80.98	161.97	271.09	634.50	201.44	-	-	-	-	-	-	100.00
47	British Tubes Stockholding Limited	Apr 2, 2007	GBP	80.98	80.98	4.30	85.29	-	-	-	-	-	-	-	100.00
48	C V Benine	Apr 2, 2007	EUR	69.27	15.01	(0.02)	98.15	83.15	-	-	-	-	-	-	76.92
49	C Walker & Sons Limited	Apr 2, 2007	GBP	80.98	28.34	103.24	564.04	432.46	18.93	-	-	-	-	-	100.00
50	Catnic GmbH	Apr 2, 2007	EUR	69.27	0.18	40.39	51.47	10.90	-	99.60	5.44	1.41	4.03	-	100.00
51	Catnic Limited	Apr 2, 2007	GBP	80.98	1.82	(2.31)	0.15	0.65	0.15	-	(8.10)	-	(8.10)	-	100.00
52	CBS Investissements SAS	Apr 2, 2007	EUR	69.27	0.55	1.08	3.85	2.21	-	-	0.28	0.12	0.15	-	100.00
53	Cogent Power Inc.	Apr 2, 2007	CAD	48.69	1.46	145.42	309.07	162.19	-	805.09	(5.18)	(11.98)	6.80	-	100.00
54	Tata Steel International Mexico SA de CV	Apr 2, 2007	USD	64.85	0.02	(0.47)	0.33	0.78	-	-	(0.46)	-	(0.46)	-	100.00
55	Cogent Power Inc.	Apr 2, 2007	USD	64.85	1.95	17.80	20.80	1.05	-	-	(8.21)	-	(8.21)	-	100.00
56	Cogent Power Limited	Apr 2, 2007	GBP	80.98	345.54	(238.38)	349.24	242.08	220.01	-	(0.12)	-	(0.12)	-	100.00
57	Color Steels Limited	Apr 2, 2007	GBP	80.98	0.36	36.35	101.59	64.88	-	-	-	-	-	-	100.00
58	Corbeil Les Rives SCI	Apr 2, 2007	EUR	69.27	4.45	4.06	8.54	0.03	-	-	-	-	-	-	67.30
59	Corby (Northants) & District Water Company Limited	Apr 2, 2007	GBP	80.98	2.11	2.54	5.99	1.35	-	2.28	-	-	-	-	100.00
60	Cordor (C& B) Limited	Apr 2, 2007	GBP	80.98	2.63	-	2.63	-	-	-	-	-	-	-	100.00
61	Corus Aluminium Verwaltungsgesellschaft Mbh	Apr 2, 2007	EUR	69.27	3.60	-	22.82	19.21	8.10	-	8.23	-	8.23	-	100.00
62	Corus Beteiligungs GmbH	Apr 2, 2007	EUR	69.27	8.87	(7.10)	1.80	0.04	-	-	(18.35)	-	(18.35)	-	100.00
63	Corus Building Systems Bulgaria AD	Jun 19, 2008	LEV	35.47	4.15	(28.13)	29.45	53.43	-	0.32	(2.32)	-	(2.32)	-	65.00
64	Corus CNBV Investments	Apr 2, 2007	GBP	80.98	0.00	-	-	-	-	-	-	-	-	-	100.00
65	Corus Cold drawn Tubes Limited	Apr 2, 2007	GBP	80.98	40.49	(54.45)	-	13.95	-	-	-	-	-	-	100.00
66	Corus Engineering Steels (UK) Limited	Apr 2, 2007	GBP	80.98	80.98	289.98	370.97	-	-	-	-	-	-	-	100.00
67	Corus Engineering Steels Holdings Limited	Apr 2, 2007	GBP	80.98	3,368.02	261.24	4,603.73	974.47	4,555.80	-	-	-	-	-	100.00
68	Corus Engineering Steels Limited	Apr 2, 2007	GBP	80.98	3,742.25	109.01	3,851.26	-	-	-	-	-	-	-	100.00
69	Corus Engineering Steels Overseas Holdings Limited	Apr 2, 2007	GBP	80.98	3.24	4.81	15.84	7.79	-	-	-	-	-	-	100.00
70	Corus Engineering Steels Pension Scheme Trustee Limited		GBP	80.98	0.00	-	-	-	-	-	-	-	-	-	100.00
71	Corus Group Limited	Apr 2, 2007	GBP	80.98	14,169.38	(13,300.93)	7,387.06	6,518.61	7,386.57	-	(273.03)	-	(273.03)	-	100.00
72	Corus Holdings Limited	Apr 2, 2007	GBP	80.98	2.02	1.32	3.35	-	-	-	0.52	-	0.52	-	100.00
73	Corus International (Overseas Holdings) Limited	Apr 2, 2007	GBP	80.98	1,143.55	2,662.47	3,813.80	7.79	2,091.31	-	54.64	(8.22)	62.86	-	100.00
74	Corus International Limited	Apr 2, 2007	GBP	80.98	3,971.19	(1,523.70)	2,489.30	41.81	2,421.95	-	8.85	-	8.85	-	100.00
75	Corus International Romania SRL.	Apr 2, 2007	RON	15.24	0.01	0.39	0.57	0.18	-	-	0.02	0.02	0.01	-	100.00
76	Corus Investments Limited	Apr 2, 2007	GBP	80.98	178.16	5.51	183.68	-	-	-	-	-	-	-	100.00
77	Corus Ireland Limited	Apr 2, 2007	EUR	69.27	0.00	5.34	8.17	2.84	-	-	1.08	-	1.08	-	100.00
78	Corus Large Diameter Pipes Limited	Apr 2, 2007	GBP	80.98	0.00	589.10	601.48	12.38	-	-	-	-	-	-	100.00
79	Corus Liaison Services (India) Limited	Apr 2, 2007	GBP	80.98	8.10	(27.46)	1.45	20.81	-	-	-	-	-	-	100.00
80	Corus Management Limited	Apr 2, 2007	GBP	80.98	0.00	(367.21)	1,990.75	2,357.96	1,635.31	-	-	-	-	-	100.00
81	Corus Primary Aluminium B.V.	Apr 2, 2007	EUR	69.27	11.61	(133.12)	268.23	389.74	263.96	-	(3.33)	(0.83)	(2.49)	-	100.00
82	Corus Property	Apr 2, 2007	GBP	80.98	0.00	-	0.01	0.01	-	-	-	-	-	-	100.00
83	Corus Service Centre Limited	Apr 2, 2007	GBP	80.98	28.18	101.07	129.26	-	-	-	-	-	-	-	100.00
84	Corus Steel Service STP LLC	Apr 6, 2009	RUB	1.15	0.13	(1.81)	0.66	2.35	-	-	0.19	-	0.19	-	100.00

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85	Corus Tubes Poland Spolka Z.O.O	Apr 2, 2007	EUR	69.27	0.35	(1.93)	1.08	2.66	-	-	-	-	-	-	100.00
86	Corus UK Healthcare Trustee Limited	Mar 31, 2009	GBP	80.98	0.00	-	-	-	-	-	-	-	-	-	100.00
87	Corus Ukraine Limited Liability Company		UAH	2.40	0.01	0.01	0.02	-	-	-	-	-	-	-	100.00
88	CPN (85) Limited	Apr 2, 2007	GBP	80.98	0.00	(0.68)	-	0.68	-	-	-	-	-	-	100.00
89	Crucible Insurance Company Limited	Apr 2, 2007	GBP	80.98	4.05	274.95	570.56	291.57	244.72	-	42.50	-	42.50	-	100.00
90	Degels GmbH	Apr 2, 2007	EUR	69.27	0.55	(16.39)	197.52	213.36	-	633.73	23.53	(0.06)	23.58	-	100.00
91	Demka B.V.	Apr 2, 2007	EUR	69.27	42.62	18.17	60.88	0.10	-	-	(0.13)	(0.03)	(0.10)	-	100.00
92	DSRM Group Plc.	Apr 2, 2007	GBP	80.98	40.49	120.21	160.70	-	-	-	-	-	-	-	100.00
93	Eric Olsson & Soner Forvaltnings AB	Apr 2, 2007	SEK	7.26	0.07	15.96	16.03	-	15.99	-	-	-	-	-	100.00
94	Esmil B.V.	Apr 2, 2007	EUR	69.27	100.56	(81.96)	18.61	0.02	-	-	0.06	0.02	0.05	-	100.00
95	Europressings Limited	Apr 2, 2007	GBP	80.98	4.86	0.32	5.17	-	-	-	-	-	-	-	100.00
96	Firsteel Group Limited	Apr 2, 2007	GBP	80.98	51.02	(122.26)	69.65	140.88	-	-	(216.43)	-	(216.43)	-	100.00
97	Firsteel Holdings Limited	Apr 2, 2007	GBP	80.98	0.06	62.62	140.34	77.67	-	-	-	-	-	-	100.00
98	Fischer Profil GmbH	Apr 2, 2007	EUR	69.27	70.83	(78.12)	209.69	216.98	-	493.69	(40.03)	2.26	(42.30)	-	100.00
99	Gamble Simms Metals Limited	Apr 2, 2007	EUR	69.27	4.40	(6.35)	-	1.95	-	-	-	-	-	-	100.00
100	Grant Lyon Eagre Limited	Apr 2, 2007	GBP	80.98	3.04	44.66	47.70	-	-	-	-	-	-	-	100.00
101	H E Samson Limited	Apr 2, 2007	GBP	80.98	30.37	11.93	42.30	-	-	-	-	-	-	-	100.00
102	Hadfields Holdings Limited	Apr 2, 2007	GBP	80.98	0.81	(65.88)	4.29	69.36	-	-	-	-	-	-	62.50
103	Halmstad Steel Service Centre AB	Mar 31, 2015	SEK	7.26	0.04	64.87	202.40	137.50	-	280.51	(8.08)	-	(8.08)	-	100.00
104	Hammermega Limited	Apr 2, 2007	GBP	80.98	18.22	-	18.22	-	-	-	-	-	-	-	100.00
105	Harrowmills Properties Limited	Apr 2, 2007	GBP	80.98	0.01	154.23	154.24	-	-	-	-	-	-	-	100.00
106	Hille & Muller GmbH	Apr 2, 2007	EUR	69.27	35.45	74.69	375.06	264.92	-	564.13	5.33	2.18	3.15	-	100.00
107	Hille & Muller USA Inc.	Apr 2, 2007	USD	64.85	0.02	114.88	121.60	6.70	76.34	19.40	2.93	-	2.93	-	100.00
108	Hoogovens USA Inc.	Apr 2, 2007	USD	64.85	394.56	81.02	475.98	0.40	417.25	-	0.89	-	0.89	-	100.00
109	Huizenbezit "Breesaap" B.V.	Apr 2, 2007	EUR	69.27	0.31	(7.79)	0.30	7.77	-	-	0.08	0.02	0.06	-	100.00
110	Ickles Cottage Trust Limited	Apr 2, 2007	GBP	80.98	0.00	1.63	1.92	0.28	-	-	-	-	-	-	100.00
111	Inter Metal Distribution SAS	Apr 2, 2007	EUR	69.27	0.53	33.86	115.85	81.47	-	410.31	14.91	5.28	9.63	6.93	100.00
112	Kalzip Asia Pte Limited	Apr 2, 2007	SGD	46.40	62.64	(176.73)	8.00	122.09	-	10.66	(25.66)	-	(25.66)	-	100.00
113	Kalzip FZE	Nov 1, 2012	AED	17.66	1.77	2.93	7.58	2.89	-	-	0.85	-	0.85	-	100.00
114	Kalzip GmbH	Apr 2, 2007	EUR	69.27	0.24	0.72	1.00	0.03	-	-	-	-	-	-	100.00
115	Kalzip GmbH	Apr 2, 2007	EUR	69.27	44.29	(26.25)	235.97	217.94	-	364.02	3.72	1.15	2.57	-	100.00
116	Kalzip Inc	Apr 2, 2007	USD	64.85	0.00	(45.24)	1.43	46.67	-	-	0.14	-	0.14	-	100.00
117	Kalzip India Private Limited		INR	1.00	5.46	4.87	33.77	23.44	-	45.54	0.90	-	0.90	-	100.00
118	Kalzip Italy SRL	Jun 11, 2010	EUR	69.27	0.07	0.23	1.52	1.22	-	-	0.09	0.05	0.04	-	100.00
119	Kalzip Limited	Apr 2, 2007	GBP	80.98	29.96	(14.21)	21.93	6.17	-	2.67	2.05	-	2.05	-	100.00
120	Kalzip Spain S.L.U.	Apr 2, 2007	EUR	69.27	6.23	4.17	10.52	0.11	-	-	0.15	0.04	0.11	-	100.00
121	Layde Steel S.L.		EUR	69.27	34.63	36.45	322.36	251.27	0.03	778.31	17.90	-	17.90	-	100.00
122	Lister Tubes Limited	Apr 2, 2007	EUR	69.27	0.00	11.21	11.21	-	-	-	-	-	-	-	100.00
123	London Works Steel Company Limited	Apr 2, 2007	GBP	80.98	0.00	(83.46)	45.35	128.81	-	-	-	-	-	-	100.00
124	Midland Steel Supplies Limited	Apr 2, 2007	GBP	80.98	0.00	-	-	-	-	-	-	-	-	-	100.00
125	Montana Bausysteme AG	Apr 2, 2007	CHF	64.86	51.88	41.57	212.92	119.47	-	339.34	14.15	2.53	11.62	8.11	100.00
126	Naantali Steel Service Centre OY	Mar 31, 2015	EUR	69.27	0.02	27.74	162.30	134.54	-	279.28	(6.77)	-	(6.77)	-	100.00
127	Nationwide Steelstock Limited	Apr 2, 2007	GBP	80.98	0.02	(9.20)	-	9.18	-	-	-	-	-	-	100.00
128	Norsk Stal Tynnplater AS	Mar 31, 2015	NOK	7.56	20.04	27.54	164.06	116.48	0.61	426.14	11.67	2.89	8.77	10.62	100.00
129	Norsk Stal Tynnplater AB	Mar 31, 2015	NOK	7.56	0.45	15.21	75.82	60.15	-	306.70	3.76	0.82	2.94	-	100.00
130	Orb Electrical Steels Limited	Apr 2, 2007	GBP	80.98	0.00	-	-	-	-	-	-	-	-	-	100.00

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131	Ore Carriers Limited	Apr 2, 2007	GBP	80.98	16.46	6.61	23.12	0.05	-	-	-	-	-	-	100.00
132	Oremco Inc.	Apr 2, 2007	USD	64.85	0.65	(10.96)	0.36	10.67	-	-	(1.61)	-	(1.61)	-	100.00
133	Plated Strip International Limited	Apr 2, 2007	GBP	80.98	18.24	(3.84)	14.49	0.10	-	-	-	-	-	-	100.00
134	Precoat International Limited	Apr 2, 2007	GBP	80.98	6.67	56.11	80.73	17.95	10.72	-	-	-	-	-	100.00
135	Precoat Limited	Apr 2, 2007	GBP	80.98	8.91	(26.09)	5.17	22.36	5.17	-	-	-	-	-	100.00
136	Rafferty-Brown Steel Co Inc Of Conn.	Apr 2, 2007	USD	64.85	20.54	8.42	28.99	0.04	-	-	(0.44)	(0.24)	(0.20)	-	100.00
137	Round Oak Steelworks Limited	Apr 2, 2007	GBP	80.98	24.30	(412.32)	0.97	388.99	-	-	-	-	-	-	100.00
138	Runblast Limited	Apr 2, 2007	GBP	80.98	69.37	352.05	421.42	-	-	-	-	-	-	-	100.00
139	Runmega Limited	Apr 2, 2007	GBP	80.98	3.52	-	3.52	-	-	-	-	-	-	-	100.00
140	S A B Profiel B.V.	Apr 2, 2007	EUR	69.27	0.94	320.17	421.39	100.29	157.31	599.14	160.62	8.26	152.37	416.99	100.00
141	S A B Profil GmbH	Apr 2, 2007	EUR	69.27	0.21	119.64	142.96	23.11	-	184.61	5.62	(0.94)	6.56	-	100.00
142	Seamless Tubes Limited	Apr 2, 2007	GBP	80.98	161.97	(11.60)	150.37	-	-	-	-	-	-	-	100.00
143	Service Center Gelsenkirchen GmbH		EUR	69.27	127.52	217.67	601.70	256.51	0.42	868.98	(218.13)	2.43	(220.56)	-	100.00
144	Service Centre Maastricht B.V.	Apr 2, 2007	EUR	69.27	0.37	28.55	637.47	608.54	-	1,707.70	27.50	1.86	25.64	-	100.00
145	Skruv Erik AB	Apr 2, 2007	SEK	7.26	0.07	0.42	0.50	-	-	-	-	-	-	-	100.00
146	Societe Europeenne De Galvanisation (Segal) Sa	Apr 2, 2007	EUR	69.27	86.58	101.32	259.16	71.26	-	407.14	11.84	8.25	3.59	-	100.00
147	Staalverwerking en Handel B.V.	Apr 2, 2007	EUR	69.27	311.70	922.18	1,806.52	572.64	1,793.27	-	410.92	(1.53)	412.46	-	100.00
148	Steel StockHoldings Limited	Apr 2, 2007	GBP	80.98	30.77	6.32	37.31	0.22	-	-	-	-	-	-	100.00
149	Steelstock Limited	Apr 2, 2007	GBP	80.98	0.16	-	62.23	62.07	-	-	-	-	-	-	100.00
150	Stewarts & Lloyds Of Ireland Limited	Apr 2, 2007	EUR	69.27	0.66	(2.27)	-	1.61	-	-	-	-	-	-	100.00
151	Stewarts And Lloyds (Overseas) Limited	Apr 2, 2007	GBP	80.98	165.70	0.05	165.74	-	-	-	-	-	-	-	100.00
152	Stocksbridge Works Cottage Trust Limited	Apr 2, 2007	GBP	80.98	0.00	0.89	0.92	0.03	-	-	-	-	-	-	100.00
153	Surahammar Bruks AB	Apr 2, 2007	SEK	7.26	43.55	87.19	185.61	54.86	-	181.33	(7.16)	-	(7.16)	-	100.00
154	Swinden Housing Association	Apr 2, 2007	GBP	80.98	0.00	5.23	7.07	1.84	-	-	-	-	-	-	100.00
155	Tata Steel Belgium Packaging Steels N.V.	Apr 2, 2007	EUR	69.27	176.17	16.68	232.04	39.19	0.59	73.30	6.09	2.31	3.79	-	100.00
156	Tata Steel Belgium Services N.V.	Apr 2, 2007	EUR	69.27	151.32	209.37	921.67	560.97	-	-	12.29	3.19	9.09	-	100.00
157	Tata Steel Denmark Byggsystemer A/S	Apr 2, 2007	DKK	9.33	0.47	18.32	22.92	4.13	-	59.27	(2.71)	-	(2.71)	-	100.00
158	Tata Steel Europe Distribution BV	Apr 2, 2007	EUR	69.27	5.07	(26.11)	6.13	27.18	-	-	2.63	0.64	1.99	-	100.00
159	Tata Steel Europe Metals Trading BV		EUR	69.27	0.09	257.13	408.54	151.32	-	2.83	(0.41)	(0.10)	(0.31)	-	100.00
160	Tata Steel France Batiment et Systemes SAS	Apr 2, 2007	EUR	69.27	27.71	(14.07)	169.68	156.04	0.86	404.66	(14.72)	-	(14.72)	-	100.00
161	Tata Steel France Holdings SAS	Apr 2, 2007	EUR	69.27	34.63	746.76	937.37	155.98	674.63	-	(131.10)	(72.95)	(58.15)	-	100.00
162	Tata Steel Germany GmbH	Apr 2, 2007	EUR	69.27	708.33	(705.37)	1,249.30	1,246.34	820.32	-	(404.09)	6.26	(410.34)	-	100.00
163	Tata Steel IJmuiden BV		EUR	69.27	779.26	15,867.81	23,877.01	7,229.94	460.58	24,789.67	2,268.73	619.90	1,648.83	-	100.00
164	Tata Steel International (Americas) Holdings Inc	Apr 2, 2007	USD	64.85	4,230.35	(3,641.14)	1,739.73	1,150.52	286.46	-	6.46	26.15	(19.70)	-	100.00
165	Tata Steel International (Americas) Inc	Apr 2, 2007	USD	64.85	57.73	986.92	1,248.38	203.74	-	815.97	4.53	(26.63)	31.16	-	100.00
166	Tata Steel International (Benelux) BV	Apr 2, 2007	EUR	69.27	0.12	8.55	10.46	1.79	-	-	0.08	0.02	0.07	-	100.00
167	Tata Steel International (Canada) Holdings Inc	Apr 2, 2007	CAD	48.69	0.05	1.70	1.86	0.12	-	-	-	-	-	-	100.00
168	Tata Steel International (Czech Republic) S.R.O	Apr 2, 2007	CZK	2.57	0.31	8.52	9.35	0.52	-	-	3.91	0.74	3.17	-	100.00
169	Tata Steel International (Denmark) A/S	Apr 2, 2007	DKK	9.33	0.85	(0.37)	2.30	1.82	-	-	(0.21)	0.07	(0.28)	-	100.00
170	Tata Steel International (Finland) OY	Apr 2, 2007	EUR	69.27	0.87	0.02	1.84	0.95	-	-	-	-	-	0.87	100.00
171	Tata Steel International (France) SAS	Apr 2, 2007	EUR	69.27	1.39	30.35	35.79	4.06	-	-	0.41	-	0.41	-	100.00
172	Tata Steel International (Germany) GmbH	Apr 2, 2007	EUR	69.27	6.03	(5.24)	54.39	53.60	-	-	3.29	0.67	2.62	-	100.00
173	Tata Steel International (South America) Representacoes Limited		USD	64.85	1.40	(0.87)	0.71	0.18	-	-	0.47	0.12	0.34	-	100.00
174	Tata Steel International Hellas SA		EUR	69.27	0.42	0.60	1.63	0.61	-	-	-	-	-	-	100.00
175	Tata Steel International (Italia) SRL	Apr 2, 2007	EUR	69.27	0.35	12.05	18.29	5.90	-	-	5.43	1.61	3.81	-	100.00
176	Tata Steel International (Middle East) FZE	Apr 2, 2007	AED	17.66	79.47	130.29	228.92	19.16	-	77.59	7.84	-	7.84	-	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 (%)
177	Tata Steel International (Nigeria) Limited	Jun 10, 2008	NGN	0.20	0.00	-	-	-	-	-	-	-	-	-	100.00
178	Tata Steel International (Poland) sp Zoo	Apr 2, 2007	PLZ	16.36	14.41	(11.37)	3.44	0.39	-	-	2.31	0.40	1.90	-	100.00
179	Tata Steel International (Schweiz) AG	Apr 2, 2007	CHF	64.86	0.65	3.85	5.63	1.13	-	-	(0.31)	(0.09)	(0.22)	0.06	100.00
180	Tata Steel International (Sweden) AB	Apr 2, 2007	SEK	7.26	0.07	6.06	9.82	3.68	-	-	2.73	0.67	2.07	-	100.00
181	Tata Steel International (India) Limited	Apr 2, 2007	INR	1.00	6.39	36.79	45.16	1.98	-	-	4.06	-	4.06	-	100.00
182	Tata Steel International Iberica SA	Apr 2, 2007	EUR	69.27	1.04	2.78	8.41	4.59	-	-	4.97	1.93	3.04	8.31	100.00
183	Tata Steel Istanbul Metal Sanayi ve Ticaret AS	Apr 2, 2007	USD	64.85	74.75	(58.18)	202.48	185.90	-	310.18	(1.20)	-	(1.20)	-	100.00
184	Tata Steel Latvia Building Systems SIA	Apr 2, 2007	EUR	69.27	0.59	(0.50)	0.20	0.11	-	1.11	0.01	0.01	0.01	-	100.00
185	Tata Steel Maubeuge SAS	Apr 2, 2007	EUR	69.27	51.95	85.01	744.35	607.40	7.52	2,267.45	101.24	24.36	76.88	-	100.00
186	Tata Steel Nederland BV	Apr 2, 2007	EUR	69.27	2,684.85	8,171.63	14,753.95	3,897.47	10,342.65	-	215.67	(18.73)	234.40	1,004.38	100.00
187	Tata Steel Nederland Consulting & Technical Services BV	Apr 2, 2007	EUR	69.27	62.34	(24.37)	43.86	5.89	-	-	(0.02)	0.03	(0.06)	-	100.00
188	Tata Steel Nederland Services BV	Apr 2, 2007	EUR	69.27	2.95	272.54	601.40	325.92	-	-	(118.62)	(29.21)	(89.40)	-	100.00
189	Tata Steel Nederland Star-Frame BV	Apr 2, 2007	EUR	69.27	3.12	(2.95)	0.18	0.02	-	-	(0.01)	(0.00)	(0.01)	-	100.00
190	Tata Steel Nederland Technology BV	Apr 2, 2007	EUR	69.27	0.12	477.04	587.80	110.63	11.55	-	(41.28)	(60.50)	19.22	-	100.00
191	Tata Steel Nederland Tubes BV	Apr 2, 2007	EUR	69.27	332.48	(374.09)	565.72	607.33	-	1,305.46	34.80	9.10	25.70	-	100.00
192	Tata Steel Netherlands Holdings B.V.		EUR	69.27	35,215.78	(27,874.31)	43,595.33	36,253.86	37,008.52	-	(391.66)	(575.73)	184.08	-	100.00
193	Tata Steel Norway Byggsystemer A/S	Apr 2, 2007	NOK	7.56	0.92	44.24	80.49	35.33	-	173.82	9.31	2.26	7.06	-	100.00
194	Tata Steel Speciality Service Centre Suzhou Co Limited	Dec 17, 2008	USD	64.85	3.57	(7.47)	57.80	61.70	5.14	82.30	(3.10)	-	(3.10)	-	100.00
195	Tata Steel Sweden Byggsystem AB	Apr 2, 2007	SEK	7.26	0.73	19.65	87.61	67.24	15.91	148.26	(15.94)	-	(15.94)	-	100.00
196	Tata Steel Speciality Service Centre Xian Co. Limited		USD	64.85	5.14	0.74	47.09	41.21	-	38.56	0.27	-	0.27	-	100.00
197	Tata Steel UK Consulting Limited		GBP	80.98	14.05	(10.91)	6.24	3.10	-	13.38	0.60	-	0.60	-	100.00
198	Tata Steel UK Holdings Limited		GBP	80.98	28,324.30	(11,332.15)	45,542.46	28,550.31	21,527.57	-	(371.92)	-	(371.92)	-	100.00
199	Tata Steel UK Limited	Apr 2, 2007	GBP	80.98	18,151.15	(35,053.98)	18,025.56	34,928.39	6,060.44	17,725.50	(6,172.38)	700.99	(6,873.37)	-	100.00
200	Tata Steel USA Inc.	Apr 2, 2007	USD	64.85	0.91	78.80	89.62	9.91	32.96	-	0.65	(4.89)	5.53	-	100.00
201	The Newport And South Wales Tube Company Limited	Apr 2, 2007	GBP	80.98	0.01	0.12	4.43	4.30	0.00	-	-	-	-	-	100.00
202	The Stanton Housing Company Limited	Apr 2, 2007	GBP	80.98	0.49	7.31	7.80	-	-	-	-	-	-	-	100.00
203	The Templeborough Rolling Mills Limited	Apr 2, 2007	GBP	80.98	24.30	104.25	128.55	-	-	-	-	-	-	-	100.00
204	Thomas Processing Company	Apr 2, 2007	USD	64.85	0.00	135.94	136.65	0.71	-	23.30	(1.40)	-	(1.40)	-	100.00
205	Thomas Steel Strip Corp.	Apr 2, 2007	USD	64.85	51.88	(259.85)	344.89	552.87	24.61	590.07	19.85	(13.93)	33.78	-	100.00
206	Toronto Industrial Fabrications Limited	Apr 2, 2007	GBP	80.98	0.13	(4.15)	-	4.02	-	-	-	-	-	-	100.00
207	Trierer Walzwerk Verwaltungsgellshcaft mbH	Apr 2, 2007	EUR	69.27	17.73	8.66	53.65	27.26	-	-	(0.35)	0.38	(0.73)	-	100.00
208	TS South Africa Sales Office Proprietary Limited	Aug 31, 2015	SAR	17.29	0.00	4.61	5.18	0.57	-	-	1.43	0.49	0.94	-	100.00
209	Tulip UK Holdings (No.2) Limited	Apr 2, 2007	GBP	80.98	28,371.73	(15,052.42)	13,319.64	0.33	13,319.64	-	-	-	-	-	100.00
210	Tulip UK Holdings (No.3) Limited	Apr 2, 2007	GBP	80.98	28,374.74	(15,512.49)	43,284.13	30,421.88	18,711.39	-	(322.96)	-	(322.96)	-	100.00
211	U.E.S. Bright Bar Limited	Apr 2, 2007	GBP	80.98	12.15	-	12.15	-	-	-	-	-	-	-	100.00
212	UK Steel Enterprise Limited	Apr 2, 2007	GBP	80.98	80.99	44.26	242.46	117.22	27.32	24.66	(5.66)	-	(5.66)	-	100.00
213	UKSE Fund Managers Limited	Apr 2, 2007	GBP	80.98	0.28	0.09	0.60	0.23	-	-	-	-	-	-	100.00
214	Unitol SAS	Apr 2, 2007	EUR	69.27	41.56	28.30	417.01	347.15	0.56	1,135.03	52.02	16.02	36.00	-	100.00
215	Walker Manufacturing And Investments Limited	Apr 2, 2007	GBP	80.98	4.31	120.81	125.12	-	8.74	-	-	-	-	-	100.00
216	Walkersteelstock Ireland Limited	Apr 2, 2007	EUR	69.27	67.61	(64.23)	14.59	11.21	12.01	-	-	-	-	-	100.00
217	Walkersteelstock Limited	Apr 2, 2007	GBP	80.98	8.10	-	8.10	-	0.16	-	-	-	-	-	100.00
218	Westwood Steel Services Limited	Apr 2, 2007	GBP	80.98	190.31	-	190.31	-	-	-	-	-	-	-	100.00
219	Whitehead (Narrow Strip) Limited	Apr 2, 2007	GBP	80.98	72.89	19.99	92.88	-	-	-	-	-	-	-	100.00
220	T S Global Minerals Holdings Pte Ltd.	Aug 1, 2008	USD	64.85	8,554.29	(3,418.87)	7,687.61	2,552.19	-	610.14	(35.53)	34.42	(69.95)	-	100.00
221	Al Rimal Mining LLC	Feb 25, 2008	OMR	168.46	16.85	(10.69)	8.91	2.76	-	-	(0.02)	-	(0.02)	-	70.00
222	Black Ginger 461 (Proprietary) Ltd	Mar 6, 2008	ZAR	4.86	28.68	86.81	426.51	311.02	-	642.62	74.38	22.11	52.27	-	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 (%)
223	Kalimati Coal Company Pty. Ltd.	Aug 1, 2009	AUD	49.54	65.43	(254.60)	0.22	189.39	-	-	1.55	-	1.55	-	100.00
224	Sedibeng Iron Ore Pty. Ltd.	Feb 24, 2011	ZAR	4.86	0.00	86.36	396.56	310.20	-	642.62	77.68	22.11	55.57	-	64.00
225	Tata Steel Cote D' Ivoire S.A	May 15, 2012	FCFA	0.11	156.40	(92.17)	65.15	0.91	-	-	(1.26)	-	(1.26)	-	85.00
226	TSMUK Limited	Sep 23, 2010	USD	64.85	3,821.38	922.68	6,811.16	2,067.10	6,372.98	-	(0.04)	-	(0.04)	-	100.00
227	Tata Steel Minerals Canada Limited	Dec 31, 2010	USD	64.85	5,694.19	(1,178.17)	6,670.31	2,154.30	-	-	(162.28)	-	(162.28)	-	77.68
228	T S Canada Capital Ltd	Dec 31, 2012	USD	64.85	0.00	32.38	32.56	0.18	-	-	0.55	0.56	(0.01)	-	100.00
229	Tata Steel International (Singapore) Holdings Pte. Ltd.	Jan 25, 2008	HKD	8.35	451.83	(73.65)	423.88	45.69	378.18	13.77	0.07	-	0.07	-	100.00
230	Tata Steel International (Shanghai) Ltd.	Jan 25, 2008	CNY	9.42	4.60	2.61	7.88	0.68	-	2.22	0.29	0.15	0.13	-	100.00
231	Tata Steel International (Singapore) Pte. Ltd.	Jan 25, 2008	SGD	46.40	7.89	24.69	33.17	0.59	8.35	9.23	3.85	-	3.85	-	100.00
232	Tata Steel International (Asia) Limited	Jan 25, 2008	HKD	8.35	0.00	538.79	626.86	88.08	2.00	20.26	0.40	-	0.40	-	100.00
233	Tata Steel (Thailand) Public Company Ltd.	Apr 4, 2006	THB	1.89	1,589.06	908.65	2,991.66	493.95	-	191.88	102.47	2.90	99.58	-	67.90
234	N.T.S Steel Group Plc.	Apr 4, 2006	THB	1.89	873.25	(726.37)	1,047.90	901.03	-	3,673.87	(57.57)	(0.20)	(57.36)	-	99.76
235	The Siam Construction Steel Co. Ltd.	Apr 4, 2006	THB	1.89	330.21	50.31	688.77	308.25	-	1,461.49	112.13	38.95	73.18	-	99.99
236	The Siam Iron And Steel (2001) Co. Ltd.	Apr 4, 2006	THB	1.89	22.64	195.46	369.23	151.13	-	700.16	31.57	1.18	30.39	-	99.99
237	T S Global Procurement Company Pte. Ltd.	Apr 23, 2010	USD	64.85	646.08	1,618.84	25,375.71	23,110.79	-	20,811.98	86.83	18.86	67.97	-	100
238	ProCo Issuer Pte. Ltd.	Sep 8, 2010	GBP	80.98	0.00	2,841.49	7,842.00	5,000.51	-	472.65	191.97	11.41	180.55	-	100
239	Tata Steel Odisha Limited	Jun 22, 2012	INR	1.00	2.57	(2.57)	0.04	0.04	-	-	(0.02)	-	(0.02)	-	100
240	Tata Steel Processing and Distribution Limited	Jul 14, 2009	INR	1.00	68.25	468.51	1,160.00	623.23	2.75	2,471.75	56.34	15.94	40.41	-	100
241	Tayo Rolls Limited	Dec 1, 2008	INR	1.00	10.26	(432.92)	87.87	510.52	-	46.64	(84.00)	-	(84.00)	-	54.91
242	Tata Pigments Limited	May 18, 1985	INR	1.00	0.75	45.70	75.95	29.50	23.57	117.07	10.22	3.76	6.46	0.90	100
243	The Tinplate Company of India Ltd	Apr 1, 2011	INR	1.00	104.80	517.49	873.53	251.24	76.45	848.54	40.66	12.80	27.86	4.26	74.96
244	Tata Steel Foundation	Aug 16, 2016	INR	1.00	1.00	(0.01)	18.99	18.00	-	-	(0.01)	-	(0.01)	-	100

Notes:

* Includes share application money.
\# Reporting period for subsidiary companies at Sl. No. 48, 58, 63, 75, 84, 110, 152 is December.
@ Closing exchange rate as on March 31, 2017 has been considered for calculation

Name of the subsidiaries which are yet to commence operations :
1 Speciality Steels UK Limited

Name of the subsidiaries which have been liquidated or sold during the year :
1 Bangla Steel & Mining Co. Ltd.
2 Almana Steel Dubai (Jersey) Limited
3 British Steel Samson Limited
4 Cladding and Decking UK Limited
5 Corus Building Systems SAS
6 Corus Properties (Germany) Limited
7 Corus Republic Of Ireland Subsidiaries Pension Scheme Trustee Limited
8 Firsteel Strip Mill Prodcuts Limited
9 Hoogovens (UK) Limited
10 Hoogovens Aluminium UK Limited
11 Hoogovens Finance B.V.
12 Kalzip (Guangzhou) Limited
13 Longs Steel UK Limited
14 Mistbury Investments Limited
15 Stainless Velsen-Noord BV
16 Tata Steel France Rail SAS
17 Tata Steel UK Rail Consultancy Limited
18 The Steel Company Of Ireland Limited
19 Tuscaloosa Steel Corporation
20 TSIA Holdings (Thailand) Limited
21 Tata Steel International (Thailand) Limited

Name of the companies which have merged :
1 Tata Metaliks DI Pipes Limited
2 Howse Minerals Ltd.

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	Not considered in consolidation
A.	**Joint Venture**											
1	Minas De Benga (Mauritius) Limited	Dec 31	Nov 30, 2007	USD	27,13,43,558	2,287.37	35.00	1	-	(878.56)	329.85	612.57
2	Minas de Benga Limited-Mozambique	Dec 31		USD		1,020.17	99.50	1	-	(1,623.46)	(39.58)	(0.20)
3	Bhubaneshwar Power Private Limited	Mar 31	Aug 6, 2008	INR	4,99,85,309	43.73	26.00	1	-	52.41	(6.25)	(17.80)
4	Himalaya Steel Mills Services Pvt. Ltd.	Mar 31	Sep 15, 2010	INR	36,19,945	3.62	26.00	1	-	2.07	(0.06)	(0.17)
5	mjunction services ltd.	Mar 31	Feb 1, 2001	INR	40,00,000	4.00	50.00	1	-	114.34	11.65	11.65
6	S & T Mining Company Private Limited	Mar 31	Sep 18, 2008	INR	1,29,41,400	12.94	50.00	1	-	(0.50)	(2.53)	(2.53)
7	Tata Bluescope Steel Ltd.	Mar 31	Feb 9, 2005	INR	43,30,00,000	433.00	50.00	1	-	188.57	28.20	28.20
8	BlueScope Lysaght Lanka (Pvt) Ltd	Mar 31	Apr 1, 2015	LKR	1,06,35,000	9.12	100.00	5	-	18.40	4.35	-
9	Tata NYK Shipping Pte Ltd.	Mar 31	Mar 19, 2007	USD	6,51,67,500	350.13	50.00	1	-	60.93	21.11	21.11
10	Tata NYK Shipping (India) Pvt. Ltd.	Mar 31	Apr 1, 2015	INR	2,50,00,000	25.00	100.00	5	-	2.61	0.07	-
11	Naba Diganta Water Management Limited	Mar 31	Jan 9, 2008	INR	1,36,53,000	13.65	74.00	5	-	16.41	2.53	-
12	SEZ Adityapur Limited	Mar 31	Oct 30, 2006	INR	25,497	0.03	51.00	5	-	(0.06)	-	-
13	Jamshedpur Continuous Annealing & Processing Company Private Limited	Mar 31	Aug 17, 2012	INR	47,53,20,000	475.32	51.00	4	-	235.19	(104.88)	(100.76)
14	T M Mining Company Limited	Mar 31	Dec 22, 2010	INR	1,62,800	0.16	74.00	4	-	(0.02)	(0.01)	-
15	TM International Logistics Limited	Mar 31	Jan 18, 2002	INR	91,80,000	9.18	51.00	4	-	289.44	20.70	19.89
16	International Shipping and Logistics FZE	Mar 31	Feb 1, 2004	USD	1	1.24	100.00	5	-	214.87	11.85	-
17	TKM Global China Ltd	Mar 31	Jun 25, 2008	CNY	1	4.39	100.00	5	-	3.12	(0.18)	-
18	TKM Global GmbH	Mar 31	Mar 1, 2005	EUR	100	1.11	100.00	5	-	166.30	49.95	-
19	TKM Global Logistics Limited	Mar 31	Jan 18, 2002	INR	36,00,000	5.16	100.00	5	-	24.89	0.28	-
20	Industrial Energy Ltd.	Mar 31		INR	17,31,60,000	173.16	26.00	1	-	212.93	(10.64)	-
21	Jamipol Ltd.	Mar 31	Apr 24, 1995	INR	44,75,000	8.39	39.78	1	-	53.93	5.31	-
22	Afon Tinplate Company Limited	Dec 31	Apr 2, 2007	GBP	6,40,000	5.18	64.00	2	-	31.29	2.73	-
23	Caparo Merchant Bar Plc	Dec 31	Apr 2, 2007	GBP	6,16,667	17.57	25.00	2	-	(5.13)	1.23	-
24	Industrial Rail Services IJmond B.V.	Dec 31	Apr 2, 2007	EUR	50	0.06	50.00	2	*	-	-	-
25	Laura Metaal Holding B.V.	Dec 31	Apr 2, 2007	EUR	2,744	8.62	49.00	2	-	128.11	15.14	-
26	Ravenscraig Limited	Dec 31	Apr 2, 2007	GBP	100	0.00	33.33	2	-	(37.70)	(8.11)	-
27	Tata Elastron Steel Service Center SA	Dec 31		EUR	5,00,000	34.63	50.00	2	-	9.26	(4.48)	-
28	Tata Steel Ticaret AS	Dec 31	Apr 2, 2007	TRY	80,000	0.01	50.00	2	-	12.11	1.17	-
29	Air Products Llanwern Limited	Sep 30	Apr 2, 2007	GBP	50,000	0.41	50.00	2	-	6.08	2.48	-
30	BSR Pipeline Services Limited	Dec 31	Apr 2, 2007	GBP	50,000	0.41	50.00	2	-	7.77	0.19	-
31	Texturing Technology Limited	Mar 31	Apr 2, 2007	GBP	10,00,000	8.13	50.00	2	-	4.70	2.61	-
32	TVSC Construction Steel Solutions Limited	Dec 31	May 30, 2014	HKD	3,32,84,000	27.78	50.00	2	-	2.95	(14.75)	-
B.	**Associates**											
1	European Profiles (M) Sdn. Bhd.	Dec 31	Jan 25, 2008	MYR	7,00,000	1.03	20.00	3	*	-	-	(0.15)
2	New Millennium Iron Corp.	Mar 31		CAD	4,74,02,908	318.89	26.18	1	*	64.43	(67.74)	-
3	Albi Profils SRL	Dec 31		EUR	1,800	0.63	30.00	2	*	-	-	-
4	Fabsec Limited	Dec 31	Apr 2, 2007	GBP	250	-	25.00	2	*	-	-	-
5	Gietwalsonderhoudcombinatie B.V.	Dec 31	Apr 2, 2007	EUR	50	9.18	50.00	2	-	17.16	0.62	-
6	Hoogovens Court Roll Service Technologies VOF	Mar 31	Apr 2, 2007	EUR	-	9.37	50.00	2	-	-	-	-
7	Hoogovens Gan Multimedia S.A. De C.V.		Apr 2, 2007	MEX PESO	25,000	-	50.00	2	*	-	-	-
8	ISSB Limited	Jun 30	Apr 2, 2007	GBP	500	-	50.00	2	*	-	-	-
9	Wupperman Staal Nederland B.V.	Dec 31	Apr 2, 2007	EUR	2,400	59.40	30.00	2	-	116.99	21.30	-
10	Kalinga Aquatics Ltd.			INR	10,49,920	-	30.00	1	Dormant	-	-	-
11	Kumardhubi Fireclay & Silica Works Ltd.			INR	1,50,001	-	27.78	1	Dormant	-	-	-
12	Kumardhubi Metal Casting & Engineering Ltd.			INR	10,70,000	-	49.31	1	Dormant	-	-	-
13	Nicco Jubilee Park Limited		May 2001	INR	3,80,000	0.38	25.31	1	*	-	-	-
14	Strategic Energy Technology Systems Private Limited			INR	2,56,14,500	25.62	25.00	1	-	-	-	-
15	Tata Construction & Projects Ltd.			INR	12,30,025	-	27.19	1	Dormant	-	-	-

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
16	TRL Krosaki Refractories Ltd.		May 31, 2011	INR	55,63,864	42.38	26.62	1	-	88.75	13.55	-
17	TRF Ltd.	31st March	Oct 16, 1963	INR	37,53,275	5.79	34.11	1	-	(43.94)	-	(26.91)
18	YORK Transport Equipment India Pvt. Ltd	31st March	Apr 1, 2015	INR	5,01,80,267	55.67	100.00	5	-	52.18	9.64	-
19	YORK Transport Equipment (Asia) Pte Ltd	31st March	Apr 1, 2015	USD	2,52,37,139	191.09	100.00	5	-	122.80	(4.08)	-
20	YORK Transport Equipment Pty Ltd	31st March	Apr 1, 2015	AUD	3,31,00,000	0.00	100.00	5	-	(7.12)	0.06	-
21	YORK Sales (Thailand) Co. Ltd	31st March	Apr 1, 2015	BHT	19,600	0.83	100.00	5	-	16.72	0.34	-
22	YTE Transport Equipment (SA) (Pty) Limited	31st March	Apr 1, 2015	RAND	1,00,000	0.15	100.00	5	-	0.27	0.91	-
23	Rednet Pte Ltd.	31st March	Apr 1, 2015	USD	2	0.00	100.00	5	-	(5.88)	(0.03)	-
24	PT YORK Engineering	31st March	Apr 1, 2015	Rupiah	990	0.66	100.00	5	-	(2.21)	-	-
25	YTE Special Products Pte Ltd	31st March	Apr 1, 2015	USD	2	0.00	100.00	5	-	6.68	(0.97)	-
26	Qingdao YTE Special Products Co. Ltd	31st March	Apr 1, 2015	RMB	0	1.36	100.00	5	-	(17.07)	(4.85)	-
27	YORK Transport Equipment (Shanghai) Co. Ltd	31st March	Apr 1, 2015	RMB	0	19.45	100.00	5	-	16.52	(0.81)	-
28	Dutch Lanka Trailer Manufacturing Limited	31st March	Apr 1, 2015	USD	15,23,06,150	115.59	100.00	5	-	11.81	1.89	-
29	Dutch Lanka Engineering Private Limited	31st March	Apr 1, 2015	LKR	11,50,000	0.56	100.00	5	-	4.54	2.62	-
30	Dutch Lanka Trailer Manufacturers Limited	31st March	Apr 1, 2015	OMR	1,05,000	1.47	70.00	5	-	1.51	(0.01)	-
31	Hewit Robins International Limited	31st March	Apr 1, 2015	GBP	2,000	24.86	100.00	5	-	30.59	3.61	-
32	Hewit Robins International Holdings Limited	31st March	Apr 1, 2015	GBP	200	29.49	100.00	5	-	0.60	-	-
33	TRF Singapore Pte Limited	31st March	Apr 1, 2015	SGD	5,02,88,324	181.00	100.00	5	-	215.34	(0.78)	-
34	TRF Holding Pte Limited	31st March	Apr 1, 2015	USD	1	0.00	100.00	5	-	(35.93)	(5.31)	-
35	Malusha Travels Pvt Ltd.		Aug 5, 2014	INR	3,352	-	33.23	1	*	-	-	-
36	Metal Corporation of India			INR		-	42.05	1	*	-	-	-
37	Medica TS Hospital Pvt. Ltd.		Aug 5, 2014	INR	2,60,000	0.26	26.00	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 JV as for decision making unanimous decision of both the shareholders is required.
5 Under the Ind AS regime, subsidiary of an associate/ Joint venture is also an associate/ Joint Venture of the holding company.
* The operations of the companies are not significant and hence are immaterial for consolidation.
@ Closing rate as on March 31, 2017 has been considered for calculation

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 Corus Kalpinis Simos Cladding Industry SA
2 Appleby Frodingham Cottage Trust Limited
3 Redcar Bulk Terminal Limited
4 TM Harbour Services Private Limited

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
(DIN: 00121863)

sd/-
Ishaat Hussain
Director
(DIN: 00027891)

sd/-
Andrew Robb
Director
(DIN: 01911023)

sd/-
O. P. Bhatt
Director
(DIN: 00548091)

sd/-
Mallika Srinivasan
Director
(DIN: 00037022)

sd/-
Peter Blauwhoff
Director
(DIN: 07728872)

sd/-
Aman Mehta
Director
(DIN: 00009364)

sd/-
Deepak Kapoor
Director
(DIN: 00162957)

sd/-
D. K. Mehrotra
Director
(DIN: 00142711)

sd/-
Koushik Chatterjee
Group Executive Director
(Finance, Corporate & Europe)
(DIN: 00004989)

sd/-
T. V. Narendran
Managing Director
(DIN: 03083605)

sd/-
Parvatheesam K.
Company Secretary
(ACS: 15921)

Mumbai, May 16, 2017

ANNEXURE 7

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:

S. No.	Name of the Company
Subsidiary	
1.	Norsk Stal Tynplater AB
2.	Speciality Steels UK Limited
3.	Tata Steel Foundation (Section 8 company)
Associate	
1.	9336-0634 Québec Inc

The names of companies which have ceased to be subsidiaries, joint ventures or associate companies during the year:

S. No.	Name of the Company
Subsidiary	
1.	Bangla Steel & Mining Co. Ltd.
2.	Tata Metaliks DI Pipes Limited
3.	Almana Steel Dubai (Jersey) Limited
4.	British Steel Samson Limited
5.	Cladding & Decking (UK) Limited
6.	Corus Building Systems SAS
7.	Corus Properties (Germany) Limited
8.	Corus Republic Of Ireland Subsidiaries Pension Scheme Trustee Limited
9.	Firsteel Strip Mill Products Limited
10.	Hoogovens (UK) Limited
11.	Hoogovens Aluminium UK Limited
12.	Hoogovens Finance B.V.
13.	Kalzip Guangzhou Limited
14.	Longs Steel UK Limited
15.	Mistbury Investments Limited
16.	Stainless Velsen-Noord BV
17.	Tata Steel France Rail SAS
18.	Tata Steel UK Rail Consultancy Limited
19.	The Steel Company Of Ireland Limited
20.	Tuscaloosa Steel Corporation
21.	Howse Minerals Ltd.
22.	TM Harbour Services Private Limited
23.	TSIA Holdings (Thailand) Limited
24.	Tata Steel International (Thailand) Limited
Joint Venture	
1.	Corus Kalpinis Simos Cladding Industry SA
2.	Redcar Bulk Terminal Limited
Associate	
1.	Appleby Frodingham Cottage Trust Limited

On behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
DIN: 00121863

Mumbai
May 16, 2017

ANNEXURE 8

Form No. MR-3
Secretarial Audit Report for the Financial Year ended March 31, 2017
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, 2017, 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, 2017 according to the provisions of:

(i) The Companies Act, 2013 (**'the Act'**) and the rules made thereunder;

(ii) The Securities Contract (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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and 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.

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.

(i) The Company issued Unsecured Redeemable Non-Convertible Debentures aggregating to ₹1,000 crore.

(ii) The Company redeemed Non-Convertible Debentures aggregating to ₹416.67 crore.

For **Parikh & Associates**
Company Secretaries

sd/-
P. N. Parikh
Partner
FCS No: 327 CP No: 1228

Place: Mumbai
Date : May 16, 2017

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. Wherever 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, 2017

ANNEXURE 9

Form No. MGT 9
Extract of Annual Return as on March 31, 2017
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	:	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.

Sr. 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. 7 Red Cross Place, Kolkata-700 001 CIN: U27106WB1935PLC008447	95.01
5.	Jamshedpur Continuous Annealing & Processing Company Private Limited Tata Centre, 43, Jawaharlal Nehru Road, Kolkata-700 071 CIN: U27310WB2011PTC160845	51.00
6.	Jamshedpur Utilities & Services Company Limited Sakchi Boulevard Road, Northerntown, Bistupur, Jamshedpur-831 001 CIN: U45200JH2003PLC010315	100.00
7.	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
8.	Naba Diganta Water Management Limited Gn 11-19, Sector-V, Salt Lake, Kolkata-700 091 CIN: U93010WB2008PLC121573	74.00

Sl. No.	Name and address of the Company	Holding (%)
Subsidiary companies (Pursuant to Section 2 (87)(ii) of Companies Act, 2013)		
9.	SEZ Adityapur Limited Sakchi Boulevard Road, Northern Town, Jamshedpur-831 005 CIN: U45200JH2006PLC012633	51.00
10.	Mohar Export Services Pvt. Ltd Bank of Baroda Bldg, Bombay Samachar Marg, Mumbai-400 001 CIN: U51900MH1988PTC049518	66.46
11.	NatSteel Asia Pte. Ltd. 22 Tanjong Kling Road, Singapore 628048	100.00
12.	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
13.	Rujuvalika Investments Limited Bombay House 3rd Flr, 24 Homi Mody Street, Mumbai-400 001 CIN: U67120MH1988PLC049872	100.00
14.	T M Mining Company Limited Tata Centre, 43 Jawaharlal Nehru Road, Kolkata-700 071 CIN: U13100WB2010PLC156401	74.00
15.	T S Alloys Limited N-3/24, IRC Village, Nayapalli, Bhubaneswar-751 015 (Odisha) CIN: U27109OR2004PLC009683	100.00
16.	Tata Korf Engineering Services Ltd. Tandem Apartment, 3rd Floor, Flat No.14, 52E, Ballygunge, Circular Road, Kolkata-700 019 CIN: U74210WB1985PLC039675	100.00
17.	Tata Metaliks Ltd. Tata Centre, 10th Floor, 43, J L Nehru Road, Kolkata-700 071 CIN: L27310WB1990PLC050000	50.09
18.	Tata Sponge Iron Limited P.O. Joda, Dist- Keonjhar, Odisha-758 034 CIN: L27102OR1982PLC001091	54.50
19.	TSIL Energy Limited Tata Sponge Administrative Building, Bileipada, P.O. Baneikala, Odisha-758 038 CIN: U40109OR2012PLC016232	100.00
20.	Tata Steel (KZN) (Pty) Ltd. 22 Bronze Bar Road, Alton North, Richards Bay-3900, South Africa	90.00
21.	T Steel Holdings Pte. Ltd. 22 Tanjong Kling Road, Singapore 628048	100.00
22.	T S Global Holdings Pte. Ltd. 22 Tanjong Kling Road, Singapore 628048	100.00
23.	Orchid Netherlands (No.1) B.V. Wenckebachstraat 1, 1951 Jz, Velsen-Noord, Netherlands	100.00
24.	NatSteel Holdings Pte. Ltd. 22 Tanjong Kling Road, Singapore 628048	100.00
25.	Easteel Services (M) Sdn. Bhd. Suite 6.1A, Level 6, Menara Pelangi, Jalan Kuning, Taman Pelangi, 80400 Johor Bahru, Johor, Malaysia	100.00
26.	Eastern Steel Fabricators Philippines, Inc. 212 Barrio Bagbaguin, Meycauayan, Bulacan, Philippines	67.00
27.	NatSteel (Xiamen) Ltd. No. 19, Jiangang Road, Haicang South Industrial District, Xiamen, Fujian Province, People's Republic of China, Postcode 361026	100.00
28.	NatSteel Recycling Pte Ltd. 22 Tanjong Kling Road, Singapore 628048	100.00
29.	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
30.	NatSteel Trade International Pte. Ltd. 22, Tanjong Kling Road, Singapore 628048	100.00
31.	NatSteel Vina Co. Ltd. Luu Xa, Cam Gia Ward, Thai Nguyen City, Thai Nguyen Province, Vietnam	56.50

Sl. No.	Name and address of the Company	Holding (%)
Subsidiary companies (Pursuant to Section 2 (87)(ii) of Companies Act, 2013)		
32.	The Siam Industrial Wire Company Ltd. 14th Floor, Rasa Tower, 555 Phaholyothin Road, Kwaeng Chatuchak, Khet Chatuchak, Bangkok 10900 Thailand	100.00
33.	TSN Wires Co., Ltd. 14th Floor, Rasa Tower, 555 Phaholyothin Road, Kwaeng Chatuchak, Khet Chatuchak, Bangkok 10900 Thailand	60.00
34.	Tata Steel Europe Limited 30 Millbank, London, SW1P 4WY	100.00
35.	Apollo Metals Limited 14th Avenue, Bethlehem, 18018-0045, USA	100.00
36.	Augusta Grundstucks GmbH Am Trippelsberg 48, Dusseldorf 40589, Germany	100.00
37.	Automotive Laser Technologies Limited 30 Millbank, London, SW1P 4WY	100.00
38.	B S Pension Fund Trustee Limited 17th Floor, 125, Old Broad Street, London, EC2 N1AR	100.00
39.	Beheermaatschappij Industriele Produkten B.V. Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
40.	Bell & Harwood Limited 30 Millbank, London, SW1P 4WY	100.00
41.	Blastmega Limited 30 Millbank, London, SW1P 4WY	100.00
42.	Blume Stahlservice GmbH Umschlag 10, Mulheim 45478, Germany	100.00
43.	Blume Stahlservice Polska Sp. Z.O.O Ul.Grota Roweckiego, 41-214 Sosnowiec, Poland	100.00
44.	Bore Samson Group Limited 30 Millbank, London, SW1P 4WY	100.00
45.	Bore Steel Limited 30 Millbank, London, SW1P 4WY	100.00
46.	British Guide Rails Limited 30 Millbank, London, SW1P 4WY	100.00
47.	British Steel Corporation Limited 30 Millbank, London, SW1P 4WY	100.00
48.	British Steel Directors (Nominees) Limited 30 Millbank, London, SW1P 4WY	100.00
49.	British Steel Engineering Steels (Exports) Limited 30 Millbank, London, SW1P 4WY	100.00
50.	British Steel Nederland International B.V. Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
51.	British Steel Service Centres Limited 30 Millbank, London, SW1P 4WY	100.00
52.	British Tubes Stockholding Limited 30 Millbank, London, SW1P 4WY	100.00
53.	C V Benine Schenkkade 65, 2595 AS Den Haag, Netherlands	76.92
54.	C Walker & Sons Limited 30 Millbank, London, SW1P 4WY	100.00
55.	Catnic GmbH Am Leitzenbach 16, 74889 Sinsheim, Germany	100.00
56.	Catnic Limited 30 Millbank, London, SW1P 4WY	100.00
57.	CBS Investissements SAS Rue Geo Lufbery, Chauny 02300, France	100.00
58.	Cogent Power Inc. 845 Laurentian Drive, Burlington, Ontario, Canada L7N 3W7	100.00
59.	Tata Steel International Mexico SA de CV Era 102, Real de Anáhuac, 66600 Ciudad Apodaca, Nuevo León, Mexico	100.00

Sl. No.	Name and address of the Company	Holding (%)
Subsidiary companies (Pursuant to Section 2 (87)(ii) of Companies Act, 2013)		
60.	Cogent Power Inc. c/o The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, New Castle County, USA	100.00
61.	Cogent Power Limited Orb Works, Stephenson Street, Newport, Gwent, NP19 0RB	100.00
62.	Color Steels Limited 30 Millbank, London, SW1P 4WY	100.00
63.	Corbeil Les Rives SCI Rue Decauville, Corbeil Essonnes 91100, France	67.30
64.	Corby (Northants) & District Water Company Limited C/o TSUK, PO Box 101, Weldon Road, Corby, Northamptonshire, NN17 5UA	100.00
65.	Cordor (C& B) Limited 30 Millbank, London, SW1P 4WY	100.00
66.	Corus Aluminium Verwaltungsgesellschaft Mbh Am Trippelsberg 48, Dusseldorf 40589, Germany	100.00
67.	Corus Beteiligungs GmbH Am Trippelsberg 48, Dusseldorf 40589, Germany	100.00
68.	Corus Building Systems Bulgaria AD 1, Grivishkoshose, Pleven 5800, Bulgaria	65.00
69.	Corus CNBV Investments 30 Millbank, London, SW1P 4WY	100.00
70.	Corus Cold drawn Tubes Limited 30 Millbank, London, SW1P 4WY	100.00
71.	Corus Engineering Steels (UK) Limited 30 Millbank, London, SW1P 4WY	100.00
72.	Corus Engineering Steels Holdings Limited 30 Millbank, London, SW1P 4WY	100.00
73.	Corus Engineering Steels Limited 30 Millbank, London, SW1P 4WY	100.00
74.	Corus Engineering Steels Overseas Holdings Limited 30 Millbank, London, SW1P 4WY	100.00
75.	Corus Engineering Steels Pension Scheme Trustee Limited 30 Millbank, London, SW1P 4WY	100.00
76.	Corus Group Limited 30 Millbank, London, SW1P 4WY	100.00
77.	Corus Holdings Limited 15 Atholl Crescent, Edinburgh, EH3 8HA	100.00
78.	Corus International (Overseas Holdings) Limited 30 Millbank, London, SW1P 4WY	100.00
79.	Corus International Limited 30 Millbank, London, SW1P 4WY	100.00
80.	Corus International Romania SRL. Bucaresti, Sector 1, Calea Floreasca, Nr. 169A, Corp A, Etaj 4, Birou 2038, Romania	100.00
81.	Corus Investments Limited 30 Millbank, London, SW1P 4WY	100.00
82.	Corus Ireland Limited KPMG, 1 Stokes Place, St Stephens Green, Dublin 2, Ireland	100.00
83.	Corus Large Diameter Pipes Limited 30 Millbank, London, SW1P 4WY	100.00
84.	Corus Liaison Services (India) Limited 30 Millbank, London, SW1P 4WY	100.00
85.	Corus Management Limited 30 Millbank, London, SW1P 4WY	100.00
86.	Corus Primary Aluminium B.V. Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
87.	Corus Property 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)		
88.	Corus Service Centre Limited 30 Millbank, London, SW1P 4WY	100.00
89.	Corus Steel Service STP LLC 34, Letter A, 9-th line, V.O., Saint Petersburg, 199004, Business centre 'Magnus', Saint Petersburg	100.00
90.	Corus Tubes Poland Spolka Z.O.O Ul. Grabiszynska, Wroclaw 43-234, Poland	100.00
91.	Corus UK Healthcare Trustee Limited 30 Millbank, London, SW1P 4WY	100.00
92.	Corus Ukraine Limited Liability Company Office 16, Building 11/23B, Chekhivskiy Provulok/Vorovskogo Street, 01054 Kiev, Ukraine	100.00
93.	CPN (85) Limited 30 Millbank, London, SW1P 4WY	100.00
94.	Crucible Insurance Company Limited 35/37, Athol Street, Douglas, Isle of Man	100.00
95.	Degels GmbH Am Trippelsberg 48, Dusseldorf 40589, Germany	100.00
96.	Demka B.V. Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
97.	DSRM Group Plc. 30 Millbank, London, SW1P 4WY	100.00
98.	Eric Olsson & Soner Forvaltnings AB Sliparegatan 5, 302 60 Halmstad, Sweden	100.00
99.	Esmil B.V. Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
100.	Europressings Limited 30 Millbank, London, SW1P 4WY	100.00
101.	Firsteel Group Limited 30 Millbank, London, SW1P 4WY	100.00
102.	Firsteel Holdings Limited 30 Millbank, London, SW1P 4WY	100.00
103.	Fischer Profil GmbH Waldstrasse 67, 57250 Netphen, Germany	100.00
104.	Gamble Simms Metals Limited Tata Steel Service Centre, Steel House, Bluebell Industrial Estate, Bluebell Avenue, Dublin 12	100.00
105.	Grant Lyon Eagre Limited 30 Millbank, London, SW1P 4WY	100.00
106.	H E Samson Limited 30 Millbank, London, SW1P 4WY	100.00
107.	Hadfields Holdings Limited 30 Millbank, London, SW1P 4WY	62.50
108.	Halmstad Steel Service Centre AB Turbingatan 1, Halmstad, Sweden	100.00
109.	Hammermega Limited 30 Millbank, London, SW1P 4WY	100.00
110.	Harrowmills Properties Limited 30 Millbank, London, SW1P 4WY	100.00
111.	Hille & Muller GmbH Am Trippelsberg 48, Dusseldorf 40589, Germany	100.00
112.	Hille & Muller USA Inc. Delaware Avenue N.W., Warren, 44485 Ohio, USA	100.00
113.	Hoogovens USA Inc. 1209 Orange Street, Wilmington, New Castle, Delaware, 19801 USA	100.00
114.	Huizenbezit "Breesaap" B.V. Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
115.	Ickles Cottage Trust Limited Stocksbridge Works, Manchester Road, Sheffield, South Yorkshire, S36 2JA	100.00

Sl. No.	Name and address of the Company	Holding (%)
Subsidiary companies (Pursuant to Section 2 (87)(ii) of Companies Act, 2013)		
116.	Inter Metal Distribution SAS 3 Allee des Barbanniers, 92632 Gennevilliers Cedex, France	100.00
117.	Kalzip Asia Pte Limited 25 Pioneer Crescent, Singapore 628554	100.00
118.	Kalzip FZE PO Box 18294, Jebel Ali, Dubai, UAE	100.00
119.	Kalzip GmbH August Horchstrasse 20-22, Koblenz 56070, Germany	100.00
120.	Kalzip GmbH Gusshausstrasse 4, Wien 1040, Austria	100.00
121.	Kalzip Inc Wilmington Trust SP Services Inc. 1105 North Market Place, Wilmington, DE 19899, USA	100.00
122.	Kalzip India Private Limited Unit 310, 3rd Floor, Vipul Agora Building, M.G. Road, Gurgaon, Delhi-122002 CIN: U28920HR1960PTC043655	100.00
123.	Kalzip Italy SRL Via Santa Radegonda 11, Milan, 20121, Italy	100.00
124.	Kalzip Limited Haydock Lane, Haydock, St. Helens, Merseyside, WA11 9TY	100.00
125.	Kalzip Spain S.L.U. Rosario Pino, 14-16, Torre Rioja, 28020 Madrid, Spain	100.00
126.	Layde Steel S.L. Bº Eguzkitza, 11, Ctra. Durango-Elorrio Km 1, 48200 Durango, Bizkaia, Spain	100.00
127.	Lister Tubes Limited Tata Steel Service Centre, Steel House, Bluebell Industrial Estate, Bluebell Avenue, Dublin 12	100.00
128.	London Works Steel Company Limited 30 Millbank, London, SW1P 4WY	100.00
129.	Midland Steel Supplies Limited 30 Millbank, London, SW1P 4WY	100.00
130.	Montana Bausysteme AG Durisolstrasse 11, Villmergen 5612, Switzerland	100.00
131.	Naantali Steel Service Centre OY Ratakatu 5, Naantali, 21110, Finland	100.00
132.	Nationwide Steelstock Limited 30 Millbank, London, SW1P 4WY	100.00
133.	Norsk Stal Tynnplater AS Habornveien 60, PO Box 1403, N 1631 Gamle Fredrikstad, Norway	100.00
134.	Norsk Stal Tynnplater AB Őstra Rőnneholmsv, 11B, Malmő, 211-47, Sweden	100.00
135.	Orb Electrical Steels Limited Orb Works, Stephenson Street, Newport, NP19 0RB	100.00
136.	Ore Carriers Limited 30 Millbank, London, SW1P 4WY	100.00
137.	Oremco Inc. 60 E42 Street, New York 10165, USA	100.00
138.	Plated Strip (International) Limited 30 Millbank, London, SW1P 4WY	100.00
139.	Precoat International Limited 30 Millbank, London, SW1P 4WY	100.00
140.	Precoat Limited 30 Millbank, London, SW1P 4WY	100.00
141.	Rafferty-Brown Steel Co Inc Of Conn. 2711 Centerville Road, Ste 400 Wilmington, 19808 USA	100.00
142.	Round Oak Steelworks 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.	Runblast Limited 30 Millbank, London, SW1P 4WY	100.00
144.	Runmega Limited 30 Millbank, London, SW1P 4WY	100.00
145.	S A B Profiel B.V. Produktieweg 2, 3401 MG IJsselstein, Netherlands	100.00
146.	S A B Profil GmbH Industriestrasse 13, Niederaula, 36272 Germany	100.00
147.	Seamless Tubes Limited 30 Millbank, London, SW1P 4WY	100.00
148.	Service Center Gelsenkirchen GmbH Am Trippelsberg 48, Dusseldorf 40589, Germany	100.00
149.	Service Centre Maastricht B.V. Fregatweg 42, 6222 NZ Maastricht, Netherlands	100.00
150.	Skruv Erik AB Sliparegatan 5, 302 60 Halmstad, Sweden	100.00
151.	Societe Europeenne De Galvanisation (Segal) Sa Chassee de Ramioul 50, Flemalle, Ivoz Ramet, 4400 Belgium	100.00
152.	Speciality Steels UK Limited	100.00
153.	Staalverwerking en Handel B.V. Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
154.	Steel StockHoldings Limited 30 Millbank, London, SW1P 4WY	100.00
155.	Steelstock Limited 30 Millbank, London, SW1P 4WY	100.00
156.	Stewarts & Lloyds Of Ireland Limited 1 Stokes Place, St Stephen's Green, Dublin 2, Ireland	100.00
157.	Stewarts And Lloyds (Overseas) Limited 30 Millbank, London, SW1P 4WY	100.00
158.	Stocksbridge Works Cottage Trust Limited Tata Steel Speciality Steels, PO Box 50, Aldwarke Lane, Rotherham, England, S60 1DW	100.00
159.	Surahammar Bruks AB Box 201, SE-735 23, Surahammar, Sweden	100.00
160.	Swinden Housing Association Limited Swinden House, Moorgate, Rotherham, S60 3AR, UK	100.00
161.	Tata Steel Belgium Packaging Steels N.V. Walemstraat 38, Duffel 2570, Belgium	100.00
162.	Tata Steel Belgium Services N.V. Coremansstraat 34, Berchem 2600, Belgium	100.00
163.	Tata Steel Denmark Byggsystemer A/S Kaarsbergsvej 2, DK-8400 Ebeltoft, Denmark	100.00
164.	Tata Steel Europe Distribution BV Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
165.	Tata Steel Europe Metals Trading BV Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
166.	Tata Steel France Batiment et Systemes SAS Rue Geo Lufbery, BP 103, Chauny 02301, France	100.00
167.	Tata Steel France Holdings SAS 3, Allee des Barbanniers, Gennevilliers 92632, France	100.00
168.	Tata Steel Germany GmbH Am Trippelsberg 48, Dusseldorf 40589, Germany	100.00
169.	Tata Steel IJmuiden BV Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
170.	Tata Steel International (Americas) Holdings Inc Wilmington Trust SP Services Inc. 1105 North Market Place, Wilmington, DE 19899, USA	100.00
171.	Tata Steel International (Americas) Inc CT Corporation System 111 Eighth Avenue, New York, NY 10011, USA	100.00

Sl. No.	Name and address of the Company	Holding (%)
Subsidiary companies (Pursuant to Section 2 (87)(ii) of Companies Act, 2013)		
172.	Tata Steel International (Benelux) BV Ankerkade 71, 6222 NL Maastricht, Netherlands	100.00
173.	Tata Steel International (Canada) Holdings Inc c/o Fraser Milner Casgrain, 1 Place Villa-Marie, 39th Floor, Montreal, Quebec Canada H3B 4M7	100.00
174.	Tata Steel International (Czech Republic) S.R.O 1st Floor, Mala Stepanska 9, 120 00 Prague 2, Czech Republic	100.00
175.	Tata Steel International (Denmark) A/S Frederiksborgvej 23, 3520 Farum, Denmark	100.00
176.	Tata Steel International (Finland) OY Hitsaajankatu 22, 00810 Helsinki, Finland	100.00
177.	Tata Steel International (France) SAS 3, Allee des Barbanniers, Gennevilliers 92632, France	100.00
178.	Tata Steel International (Germany) GmbH Am Trippelsberg 48, Dusseldorf 40589, Germany	100.00
179.	Tata Steel International (South America) Representações LTDA CT Corporation System 111 Eighth Avenue, New York, NY 10011, USA	100.00
180.	Tata Steel International Hellas SA 5 Pigis Avenue, Melissia, Athens, Greece	100.00
181.	Tata Steel International (Italia) SRL Via G.G. Winckelmann 2, Milano 20146, Italy	100.00
182.	Tata Steel International (Middle East) FZE PO Box 18294, Jebel Ali, Dubai, UAE	100.00
183.	Tata Steel International (Nigeria) Ltd. Block 69A, Plot B, Admiralty Way, Lekki, Phase 1, Lagos, Nigeria	100.00
184.	Tata Steel International (Poland) sp Zoo Ul. Piastowska 7, 40-005 Katowice, Poland	100.00
185.	Tata Steel International (Schweiz) AG Wartenbergstrasse 40, Basel 4052, Switzerland	100.00
186.	Tata Steel International (Sweden) AB Barlastgatan 2, SE-414 63 Goteborg, Sweden	100.00
187.	Tata Steel International (India) Limited 3rd Floor, One Forbes, Dr. V.B. Gandhi Marg, Fort, Mumbai 400001 CIN: U74900MH2005PLC151710	100.00
188.	Tata Steel International Iberica SA Rosario Pino 14-16 Torre Rioja 28020 Madrid, Spain	100.00
189.	Tata Steel Istanbul Metal Sanayi ve Ticaret AS Ankara Asfalti Yan Yol No. 39, Yacacik, Istanbul 81450, Turkey	100.00
190.	Tata Steel Latvia Building Systems SIA Darzciema Iela 60, Riga LV1073, Latvia	100.00
191.	Tata Steel Maubeuge SAS 22, Avenue Abbe Jean de Beco, Louvroil 59720, France	100.00
192.	Tata Steel Nederland BV Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
193.	Tata Steel Nederland Consulting & Technical Services BV Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
194.	Tata Steel Nederland Services BV Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
195.	Tata Steel Nederland Star-Frame BV Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
196.	Tata Steel Nederland Technology BV Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
197.	Tata Steel Nederland Tubes BV Souvereinstraat 33, 4903 RH Oosterhout, Netherlands	100.00
198.	Tata Steel Netherlands Holdings B.V. Wenckebachstraat 1, 1970 CA Velsen-Noord, Netherlands	100.00
199.	Tata Steel Norway Byggsystemer A/S Roraskogen 2, N 3739 Skien, Norway	100.00

Sl. No.	Name and address of the Company	Holding (%)
Subsidiary companies (Pursuant to Section 2 (87)(ii) of Companies Act, 2013)		
200.	Tata Steel Speciality Service Centre Suzhou Co. Limited Unit A, Building No. 5, No. 1 Qiming Road, Free Trade Zone B, Suzhou Industrial Park, Suzhou, China	100.00
201.	Tata Steel Sweden Byggsystem AB Sliparegatan 5, 302 60 Halmstad, Sweden	100.00
202.	Tata Steel Speciality Service Centre Xian Co. Limited A2-1, Xian Bonded Logistics Centre, 88 Gangu Avenue, Xian'n International Trade & Logistics Park, Xi'an, Shaanxi, China	100.00
203.	Tata Steel UK Consulting Limited 30 Millbank, London, SW1P 4WY	100.00
204.	Tata Steel UK Holdings Limited 30 Millbank, London, SW1P 4WY	100.00
205.	Tata Steel UK Limited 30 Millbank, London, SW1P 4WY	100.00
206.	Tata Steel USA Inc. 475 N Martingale Road, Suite 400, Schaumburg 60173, USA	100.00
207.	The Newport And South Wales Tube Company Limited 30 Millbank, London, SW1P 4WY	100.00
208.	The Stanton Housing Company Limited 30 Millbank, London, SW1P 4WY	100.00
209.	The Templeborough Rolling Mills Limited 30 Millbank, London, SW1P 4WY	100.00
210.	Thomas Processing Company Delaware Avenue N.W., Warren, 44485 Ohio, USA	100.00
211.	Thomas Steel Strip Corp. Delaware Avenue N.W., Warren, 44485 Ohio, USA	100.00
212.	Toronto Industrial Fabrications Limited 30 Millbank, London, SW1P 4WY	100.00
213.	Trier Walzwerk Bruhlstrasse 14/15, Trier 54295, Germany	100.00
214.	TS South Africa Sales Office Proprietary Limited 1st Floor, Kamogelo Suites, 39 Lakefield Avenue, Benoni, Johannesburg 1501	100.00
215.	Tulip UK Holdings (No. 2) Limited 30 Millbank, London, SW1P 4WY	100.00
216.	Tulip UK Holdings (No. 3) Limited 30 Millbank, London, SW1P 4WY	100.00
217.	U.E.S. Bright Bar Limited 30 Millbank, London, SW1P 4WY	100.00
218.	UK Steel Enterprise Limited The Innovation Centre 217 Portobello, Sheffield S1 4DP	100.00
219.	UKSE Fund Managers Limited The Innovation Centre 217 Portobello, Sheffield S1 4DP	100.00
220.	Unitol SAS 1 Rue Fernand Raynaud, Corbeil Essonnes 91814, France	100.00
221.	Walker Manufacturing And Investments Limited 30 Millbank, London, SW1P 4WY	100.00
222.	Walkersteelstock Ireland Limited Tata Steel Service Centre, Steel House, Bluebell Industrial Estate, Bluebell Avenue, Dublin 12	100.00
223.	Walkersteelstock Limited 30 Millbank, London, SW1P 4WY	100.00
224.	Westwood Steel Services Limited 30 Millbank, London, SW1P 4WY	100.00
225.	Whitehead (Narrow Strip) Limited 30 Millbank, London, SW1P 4WY	100.00
226.	T S Global Minerals Holdings Pte Ltd. 22 Tanjong Kling Road Singapore 628048	100.00
227.	Al Rimal Mining LLC P O Box 54, Muscat, Sultanate of Oman, Postal Code 100	70.00

Sl. No.	Name and address of the Company	Holding (%)
Subsidiary companies (Pursuant to Section 2 (87)(ii) of Companies Act, 2013)		
228.	Black Ginger 461 (Proprietary) Ltd. 39, Ferguson Road, Illovo 2196, Johannesburg, South Africa	100.00
229.	Kalimati Coal Company Pty. Ltd. Level 1, 12 Creek Street, Brisbane Qld 4000	100.00
230.	Sedibeng Iron Ore Pty. Ltd. 39, Ferguson Road, Illovo 2196, Johannesburg, South Africa	64.00
231.	Tata Steel Cote D'ivoire S.A Lot 50, Ilot 4, Cocody Mermoz, 01 Po Box 5871 Abidjan 01	85.00
232.	TSMUK Limited 18 Grosvenor Place, London, SW1X 7HS	100.00
233.	Tata Steel Minerals Canada Limited Park Place, 666 Burrard Street, Suite 1700, Vancouver, BC V6C 2X8	77.68
234.	T S Canada Capital Limited Park Place, 666 Burrard Street, Suite 1700, Vancouver, BC V6C 2X8	100.00
235.	Tata Steel International (Singapore) Holdings Pte. Ltd. 22 Tanjong Kling Road, Singapore 628048	100.00
236.	Tata Steel International (Shanghai) Ltd. Room 2006, No. 568 Hengfeng Road, Zhabei District, 200070, Shanghai, China	100.00
237.	Tata Steel International (Singapore) Pte. Ltd. 22 Tanjong Kling Road, Singapore 628048	100.00
238.	Tata Steel International (Asia) Limited Unit 603B, Empire Centre, 68 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong	100.00
239.	Tata Steel (Thailand) Public Company Ltd. 555 Rasa Tower 2, 20th Floor, Phaholyothin Road, Chatuchak, Bangkok 10900, Thailand	67.90
240.	N.T.S Steel Group Plc. No. 351, Moo 6, 331 Highway, Hemaraj Chonburi Industrial Estate, Bowin, Sriracha, Chonburi 20230, Thailand	99.76
241.	The Siam Construction Steel Co. Ltd. Plot 1-23, Map Ta Phut Industrial Estate, Amphur Muang, Rayong 21150, Thailand	99.99
242.	The Siam Iron And Steel (2001) Co. Ltd. No. 49 Moo 11, Tambon Bang Khamode, Ampher Ban Mor, Saraburi 18270, Thailand	99.99
243.	T S Global Procurement Company Pte. Ltd. 22 Tanjong Kling Road Singapore 628048	100.00
244.	ProCo Issuer Pte. Ltd. 22 Tanjong Kling Road Singapore 628048	100.00
245.	Tata Steel Odisha Limited Bombay House, 24, Homi Mody Street, Fort, Mumbai-400 001 CIN: U27310MH2012PLC232512	100.00
246.	Tata Steel Processing and Distribution Limited Tata Centre, 43 Chowringhee Road, Kolkata-700 071 CIN: U27109WB1997PLC084005	100.00
247.	Tayo Rolls Limited Annex-2, General Office Premises, Tata Steel Limited, Bistupur, Jamshedpur-831 001 CIN: L27105JH1968PLC000818	54.91
248.	TM International Logistics Limited 43 J L Nehru Road, Tata Centre, Kolkata-700 071 CIN: U63090WB2002PLC094134	51.00
249.	International Shipping and Logistics FZE Office No. TPOFCA0140, P O Box : 18490, Jebel Ali, Dubai United Arab Emirates	100.00
250.	TKM Global China Ltd. Unit G, Floor 11, Hengji Mansion, No. 99 Huai Hai East Road, Shanghai - 200021, P.R. China	100.00
251.	TKM Global GmbH Spladingstrasse 210, 20097 Hanburg, Germany	100.00
252.	TKM Global Logistics Limited Tata Centre, 43, Jawaharlal Nehru Road, Kolkata-700 071 CIN: U51109WB1991PLC051941	100.00

Sl. No.	Name and address of the Company	Holding (%)
Subsidiary companies (Pursuant to Section 2 (87)(ii) of Companies Act, 2013)		
253.	Tata Pigments Limited Sakchi Boulevard, Jamshedpur-831 002 CIN: U24100JH1983PLC001836	100.00
254.	The Tinplate Company of India Ltd. 4, Bankshall Street, Kolkata-700 001 CIN: L2811WB1920PLC003606	74.96
255.	Tata Steel Foundation 6th Floor, One Forbes, No. 1, Dr. V. B. Gandhi Marg, Fort, Mumbai – 400 001 CIN: U85300MH2016NPL284815	100.00
Associate companies (Pursuant to Section 2(6) of Companies Act, 2013)		
1.	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
2.	Jamipol Limited Namdih Road, Burmamines, Jamshedpur-831007 CIN: U24111JH1995PLC009020	39.78
3.	Kalinga Aquatics Ltd. 259, Sipasurubali, Puri, Odisha CIN: U05004OR1989PLC002356	30.00
4.	Kumardhubi Fireclay & Silica Works Ltd. Chartered Bank Building, 4, Netaji Subhash Road, Kolkata, West Bengal-700 001 CIN: U45209WB1915PLC002601	27.78
5.	Kumardhubi Metal Casting & Engineering Limited Xlri Campus, Circuit House, Area, Jamshedpur, Jharkhand-831 001 CIN: U27100JH1983PLC001890	49.31
6.	Nicco Jubilee Park Limited Jheel Meel, Sector-IV, Salt Lake City, Kolkata, West Bengal-700 106 CIN: U45201WB2001PLC092842	25.31
7.	Strategic Energy Technology Systems Private Limited 24, Bombay House, First Floor, Homi Mody Street, Mumbai-400 001 CIN: U72900MH2006PTC163193	25.00
8.	Tata Construction & Projects Ltd. 6 A Middleton Street, Kolkata-700 071	27.19
9.	TRL Krosaki Refractories Limited PO: Belpahar, Dist. - Jharsuguda, Odisha-768 218, India CIN: U26921OR1958PLC000349	26.62
10.	TRF Limited 11, Station Road, Burmamines, Jamshedpur-831 007, Jharkhand CIN: L74210JH1962PLC000700	34.11
11.	Malusha Travels Pvt Ltd. Bank of Baroda Bldg, Bombay Samachar Marg, Mumbai-400 001, Maharashtra CIN: U63040MH1988PTC049514	33.23
12.	Medica TS Hospital Pvt. Ltd. S-125, Maitri Vihar, P. O. - Rail Vihar, P. S. – Chandrasekharpur, Bhubaneswar-751 023, Odisha CIN: U85110OR2014PTC018162	26.00
13.	European Profiles (M) Sdn. Bhd. C-19-3a, Dataran 32, No. 2, Jalan 19/1, 46300 Petaling Jaya, Selangor Darul Ehsan	20.00
14.	Albi Profils SRL Zone Industrielle D'albi-Jarlard, Rue Lebon, 8100 Albi, France	30.00
15.	GietWalsOnderhoudCombinatie B.V. Staalstraat 150, 1951 Jp Velsen-Noord, Netherlands	50.00
16.	Hoogovens Court Roll Service Technologies VOF Wenckebachstraat 1, 1951 Jz Velsen-Noord, Netherlands	50.00
17.	Hoogovens Gan Multimedia S.A. De C.V. Zaragoza 1300, Sur 6400, Monterrey, 82235, Mexico	50.00

Associate companies (Pursuant to Section 2(6) of Companies Act, 2013)		
18.	ISSB Limited Corinthian House, 17 Lansdowne Road, Croydon, Greater London, England, CR0 2BX	50.00
19.	Wupperman Staal Nederland B.V. Vlasweg 19, 4782 PW Moerdijk, Netherlands	30.00
20.	New Millennium Iron Corp. 1000 - 250 2nd Street SW, Calgary AB, Canada	26.18
21.	9336-0634 Québec Inc 720-900 BOUL. René-Lévesque Est, Québec, G1R2B5, Canada	33.33
22.	Metal Corporation of India Limited First Floor, Wallfort Ozone Fafadik Chowk, Raipur 492009 CIN: U27100CT2010PLC021760	42.05
23.	Bhubaneshwar Power Private Limited Golden Edifice, 1st Floor, Opp: Visweswaraya Statue, Khairatabad Circle, Hyderabad-500 004 CIN: U40109TG2006PTC050759	26.00
24.	Himalaya Steel Mills Services Private Limited Ground Floor, Rings & Agrico Building Armoury Road Northern Town, Jamshedpur, Jharkhand, 831001 CIN: U74900JH2009PTC000689	26.00
25.	mjunction services limited Tata Centre,43 J L Nehru Road, Kolkata - 700 071 CIN: U00000WB2001PLC115841	50.00
26.	S & T Mining Company Private Limited Tata Centre, 1st Floor, 43, J. L. Nehru Road, Kolkata - 700 071 (W.B.) CIN: U13100WB2008PTC129436	50.00
27.	Tata BlueScope Steel Limited Metrolpolitan, Survey No. 21, Final Plot No. 27, Wakdewadi, Shivaji Nagar, Pune 411005 CIN: U45209PN2005PLC020270	50.00
28.	Tata NYK Shipping Pte Ltd. 11, Keppel Road #10-03, ABI Plaza, Singapore 089057	50.00
29.	TVSC Construction Steel Solutions Limited Rooms 4903-7, 49/F, Hopewell Centre, No. 183 Queen's Road East,Wanchai, Hong Kong	50.00
30.	Afon Tinplate Company Limited Afon Works, Bryntywod, Swansea, West Glamorgan, SA5 7LN	64.00
31.	Air Products Llanwern Limited Hersham Place Technology Park, Molesey Road, Walton on Thames Surrey, KT12 4RZ	50.00
32.	BSR Pipeline Services Limited PO Box 101, Weldon Road, Corby, Northamptonshire, NN17 5UA	50.00
33.	Caparo Merchant Bar Plc Caparo House, 103 Baker Street, London, W1U6LN	25.00
34.	Fabsec Limited 1st floor, Unit 3 Calder Close, Calder Business Park, Wakefield, West Yorkshire, WF4 3BA	25.00
35.	Industrial Rail Services IJmond B.V. Wenckebachstraat 1, 1951 JZ Velsen-Noord, Netherlands	50.00
36.	Laura Metaal Holding B.V. Rimurgerweg 40, 6471 XX Eygelshoven, Netherlands	49.00
37.	Ravenscraig Limited 15 Atholl Crescent, Edinburgh, EH3 8HA	33.33
38.	Tata Elastron Steel Service Center SA Diilistirion Avenue, Stefani - PC 19300 Aspropirgos - Greece	50.00
39.	Tata Steel Ticaret AS Cumhuriyet Caddesi No:48 Pegasus Evi Kat:7 Harbiye 34367 Istanbul, Turkey	50.00
40.	Texturing Technology Limited PO Box 22, Texturing Technology Ltd, Central Road, Tata Steel Site, Margam, Port Talbot, West Glamorgan SA 132YJ	50.00
41.	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. 23 to 41 are joint venture companies

IV SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

	Category of Shareholders	Number of shares held (April 1, 2016)				Number of shares held (March 31, 2017)				% 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	30,34,70,316	565	30,34,70,881	31.25	0.00
(e)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(f)	Any Other (Trust)	10,31,460	-	10,31,460	0.10	10,31,460	-	10,31,460	0.10	0.00
	Sub-Total (A) (1)	**30,45,01,776**	**565**	**30,45,02,341**	**31.35**	**30,45,01,776**	**565**	**30,45,02,341**	**31.35**	**0.00**
(2)	Foreign									
(a)	Individuals Non-Resident Individuals	-	-	-	-	-	-	-	-	-
(b)	Other Individuals	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
(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**	**30,45,01,776**	**565**	**30,45,02,341**	**31.35**	**0.00**
(B)	**Public Shareholding**									
(1)	Institutions									
(a)	Mutual Funds	6,09,86,057	38,780	6,10,24,837	6.29	12,12,28,769	38,780	12,12,67,549	12.49	6.20
(b)	Financial Institutions / Banks	39,45,443	2,03,481	41,48,924	0.43	59,87,778	2,02,282	61,90,060	0.64	0.21
(c)	Central Government	4,23,766	-	4,23,766	0.05	-	-	-	-	(0.05)
(d)	State Governments(s)	9,616	1,11,277	1,20,893	0.01	2,000	1,11,277	1,13,277	0.01	0.00
(e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f)	Insurance Companies	19,38,89,963	1,455	19,38,91,418	19.96	16,98,54,554	1,455	16,98,56,009	17.49	(2.47)
(g)	Foreign Institutional Investors	12,74,51,059	27,282	12,74,78,341	13.12	13,58,95,156	27,282	13,59,22,438	14.00	0.88
(h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)									
(i -1)	Foreign Institutional Investors - DR	-	-	-	-	1,03,892	-	1,03,892	0.01	0.01
(i -2)	Foreign Bodies – DR	1,98,833	-	1,98,833	0.02	10,11,082	-	10,11,082	0.10	0.08
(i -3)	Foreign Portfolio Investments – Individual	892	-	892	-	892	-	892	-	-
(i -4)	Foreign National- DR	164	-	164	-	164	-	164	-	-
(i -5)	Alternate Investment Funds	-	-	0.00	-	18,116	-	18,116	-	-
(i -6)	UTI	15,191	20,262	35,453	-	15,191	20,262	35,453	-	-
	Sub-Total (B) (1)	**38,69,20,984**	**4,02,537**	**38,73,23,521**	**39.88**	**43,41,17,594**	**4,01,338**	**43,45,18,932**	**44.74**	**4.86**
(2)	Non-Institutions									
(a)	Bodies Corporate									
i	Indian	2,37,51,989	54,14,665	2,91,66,654	3.00	1,85,77,551	54,10,114	2,39,87,665	2.47	(0.53)
ii	Overseas	4,500	1,125	5,625	-	4,500	1,125	5,625	-	-
(b)	Individuals -									
i	Individual shareholders holding nominal share capital upto ₹ 1 lakh	17,53,72,095	2,21,98,691	19,75,70,786	20.34	14,22,97,673	2,15,96,379	16,38,94,052	16.88	(3.46)
ii	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,80,08,421	21,23,507	3,01,31,928	3.11	2,66,97,892	20,98,512	2,87,96,404	2.96	(0.15)
(c)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (B) (2)	**22,71,37,005**	**2,97,37,988**	**25,68,74,993**	**26.45**	**18,75,77,616**	**2,91,06,130**	**21,66,83,746**	**22.31**	**(4.14)**
	Total Public Shareholding (B) = (B)(1)+(B)(2)	**61,40,57,989**	**3,01,40,525**	**64,41,98,514**	**66.33**	**62,16,95,210**	**2,95,07,468**	**65,12,02,678**	**67.05**	**0.72**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued***	2,25,14,584	-	2,25,14,584	2.32	1,55,10,420	-	1,55,10,420	1.60	(0.72)
	GRAND TOTAL (A)+(B)+(C)	**94,10,74,349**	**3,01,41,090**	**97,12,15,439**	**100.00**	**94,17,07,406**	**2,95,08,033**	**97,12,15,439**	**100.00**	**-**

Note:

*This represents public non-institutional shareholding.

ii) Shareholding of Promoter (including Promoter Group)

Sl. No.	Shareholder's Name	Shareholding (April 1, 2016)			Shareholding (March 31, 2017)			% change in shareholding
		No. of Shares	% of total Shares	% of Shares Pledged/ encumbered	No. of Shares	% of total Shares	% of Shares Pledged/ encumbered	
1	Tata Sons Limited - Promoter	28,88,98,245	29.75	2.82	28,88,98,245	29.75	1.79	-
2	Tata Motors Limited	44,32,497	0.45	-	44,32,497	0.45	-	-
3	Tata Chemicals Ltd.	24,91,977	0.26	-	24,91,977	0.26	-	-
4	Tata Investment Corporation Limited	33,85,885	0.35	-	33,85,885	0.35	-	-
5	Ewart Investments Limited	17,95,142	0.18	-	17,95,142	0.18	-	-
6	Rujuvalika Investments Limited [2]	11,68,393	0.12	-	11,68,393	0.12	-	-
7	Sir Dorabji Tata Trust	8,42,460	0.09	-	8,42,460	0.09	-	-
8	Sheba Properties Limited	4,91,542	0.05	-	4,91,542	0.05	-	-
9	Tata Industries Limited	7,91,675	0.08	-	7,91,675	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	-	-	13,500	-	-	-
		30,45,02,341	**31.35**	**2.82**	**30,45,02,341**	**31.35**	**1.79**	**-**

Notes:

(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	Shareholding (April 1, 2016)		Cumulative Shareholding (April 1, 2016 to March 31, 2017)	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the year	30,45,02,341	31.35		
Change during the year Increase/(Decrease)			NIL	
At the end of the year			30,45,02,341	31.35

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	14,17,39,415	14.59	14,17,39,415	14.59
	Bought during the year	20,250	0.00	14,17,59,665	14.60
	Sold during the year	(1,97,08,669)	(2.03)	12,20,50,996	12.57
	At the end of the year	12,20,50,996	12.57	12,20,50,996	12.57
2	**HDFC Trustee Company Limited**				
	At the beginning of the year	3,93,31,965	4.05	3,93,31,965	4.05
	Bought during the year	1,31,43,803	1.35	5,24,75,768	5.40
	Sold during the year	(1,14,23,518)	(1.18)	4,10,52,250	4.23
	At the end of the year	4,10,52,250	4.23	4,10,52,250	4.23
3	**The New India Assurance Company Limited**				
	At the beginning of the year	1,18,26,058	1.22	1,18,26,058	1.22
	Bought during the year	-	-	1,18,26,058	1.22
	Sold during the year	(10,25,000)	(0.11)	1,08,01,058	1.11
	At the end of the year	1,08,01,058	1.11	1,08,01,058	1.11

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
4	**Government Pension Fund Global**				
	At the beginning of the year	1,11,64,741	1.15	1,11,64,741	1.15
	Bought during the year	52,61,827	0.54	1,64,26,568	1.69
	Sold during the year	(54,05,367)	(0.56)	1,10,21,201	1.13
	At the end of the year	1,10,21,201	1.13	1,10,21,201	1.13
5	**Reliance Capital Trustee Co. Ltd.**				
	At the beginning of the year	92,57,687	0.95	92,57,687	0.95
	Bought during the year	2,15,63,413	2.22	3,08,21,100	3.17
	Sold during the year	(72,82,071)	(0.75)	2,35,39,029	2.42
	At the end of the year	2,35,39,029	2.42	2,35,39,029	2.42
6	**National Insurance Company Ltd**				
	At the beginning of the year	89,18,072	0.92	89,18,072	0.92
	Bought during the year	-	-	89,18,072	0.92
	Sold during the year	(45,96,860)	(0.47)	43,21,212	0.44
	At the end of the year	43,21,212	0.44	43,21,212	0.44
7	**Abu Dhabi Investment Authority**				
	At the beginning of the year	83,87,326	0.86	83,87,326	0.86
	Bought during the year	98,27,288	1.01	1,82,14,614	1.88
	Sold during the year	(75,42,475)	(0.78)	1,06,72,139	1.10
	At the end of the year	1,06,72,139	1.10	1,06,72,139	1.10
8	**Dimensional Emerging Markets Value Fund**				
	At the beginning of the year	83,50,794	0.86	83,50,794	0.86
	Bought during the year	-	-	83,50,794	0.86
	Sold during the year	(25,54,447)	(0.26)	57,96,347	0.60
	At the end of the year	57,96,347	0.60	57,96,347	0.60
9	**Stichting Depositary Apg Emerging Markets Equity Pool**				
	At the beginning of the year	71,02,812	0.73	71,02,812	0.73
	Bought during the year	23,82,904	0.25	94,85,716	0.98
	Sold during the year	(73,81,577)	(0.76)	21,04,139	0.22
	At the end of the year	21,04,139	0.22	21,04,139	0.22
10	**United India Insurance Company Limited**				
	At the beginning of the year	62,36,477	0.64	62,36,477	0.64
	Bought during the year	-	-	62,36,477	0.64
	Sold during the year	(17,65,768)	(0.18)	44,70,709	0.46
	At the end of the year	44,70,709	0.46	44,70,709	0.46
11	**SBI Life Insurance Co. Ltd**				
	At the beginning of the year	17,68,122	0.18	17,68,122	0.18
	Bought during the year	86,30,304	0.89	1,03,98,426	1.07
	Sold during the year	(35,71,021)	(0.37)	68,27,405	0.70
	At the end of the year	68,27,405	0.70	68,27,405	0.70
12	**Birla Sun Life Trustee Company Private Limited**				
	At the beginning of the year	7,76,228	0.08	7,76,228	0.08
	Bought during the year	1,92,79,606	1.99	2,00,55,834	2.07
	Sold during the year	(1,13,41,011)	(1.17)	87,14,823	0.90
	At the end of the year	87,14,823	0.90	87,14,823	0.90
13	**HDFC Standard Life Insurance Company Limited**				
	At the beginning of the year	5,92,840	0.06	5,92,840	0.06
	Bought during the year	76,67,369	0.79	82,60,209	0.85
	Sold during the year	(11,32,585)	(0.12)	71,27,624	0.73
	At the end of the year	71,27,624	0.73	71,27,624	0.73
14	**ICICI Prudential Value Fund**				
	At the beginning of the year	2,15,805	0.02	2,15,805	0.02
	Bought during the year	2,90,05,680	2.99	2,92,21,485	3.01
	Sold during the year	(51,27,640)	(0.53)	2,40,93,845	2.48
	At the end of the year	2,40,93,845	2.48	2,40,93,845	2.48

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 shareholders	Shareholding (April 1, 2016)		Shareholding (March 31, 2017)	
		No. of shares	% of total shares	No. of shares	% of total shares
I	**Directors**				
1	Mr. Ishaat Hussain	2,216	-	2,216	-
2	Mr. Subodh Bhargava	506	-	NA	NA
3	Mr. Koushik Chatterjee	1,320	-	1,320	-
4	Mr. T. V. Narendran	1,753	-	1,753	-
II	**Key Managerial Personnel**				
5	Mr. Parvatheesam K	100	-	100	-

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	*2,360.37	28,483.14	-	30,843.51
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	459.32	-	459.32
Total (i+ii+iii)	**2,360.37**	**28,942.46**	**-**	**31,302.83**
Change in Indebtedness during the financial year				
• Addition	**198.48	#3,522.30	-	3,720.78
• Reduction	7.08	##6,272.58	-	6,279.66
Net Change	**191.40**	**(2,750.28)**	**-**	**(2,558.88)**
Indebtedness at the end of the financial year				
(i) Principal Amount	*2,551.77	25,732.86	-	28,284.63
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	-	545.05	-	545.05
Total (i+ii+iii)	**2,551.77**	**26,277.91**	**-**	**28,829.68**

* includes funded interest on SDF loan of ₹781.32 crore (31.03.2015: ₹699.58 crore).

** includes revaluation gain (net) of ₹5.20 crore on forex loans.

includes revaluation gain (net) of ₹119.64 crore on forex loans and amortization of loan issue and premium and discount expenses aggregating ₹204.07 crore under effective interest rate method.

includes realized exchange gain (net) of ₹2.86 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 MD	Mr. Koushik Chatterjee WTD & CFO	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax, Act 1961	168.62	153.35	321.97
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	85.09	127.89	212.98
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission	549.00	515.00	1,064.00
5	Others (retirement benefits)	14.60	13.67	28.27
	Total (A)	**817.31**	**809.91**	**1,627.22**
	Ceiling as per the Companies Act, 2013			48,101

B. Remuneration to other Directors

₹ lakh

Sl. No.	Name	Commission	Sitting Fees	Total Compensation
I	**Non-Executive Directors**			
1	Mr. N. Chandrasekaran-Chairman	-	0.80	0.80
2	Mr. Cyrus P. Mistry	-	4.80	4.80
3	Mr. Ishaat Hussain	120.00	10.20	130.20
4	Mr. D. K. Mehrotra	70.00	5.20	75.20
	Total (I)	**190.00**	**21.00**	**211.00**
II	**Independent Directors**			
1	Mr. Nusli N. Wadia	-	4.40	4.40
2	Mr. Subodh Bhargava	110.00	10.20	120.20
3	Mr. Jacobus Schraven	70.00	5.60	75.60
4	Mrs. Mallika Srinivasan	90.00	3.60	93.60
5	Mr. O. P. Bhatt	120.00	9.60	129.60
6	Mr. Andrew Robb	70.00	7.70	77.70
7	Dr. Peter (Petrus) Blauwhoff	25.00	0.40	25.40
	Total (II)	**485.00**	**41.50**	**526.50**
	Grand Total (I + II)	**675.00**	**62.50**	**737.50**
	Overall Ceiling as per the Companies Act, 2013			4,810

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	129.01
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	19.60
	(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)	4.86
	Total	**153.47**

VII. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES

There were no penalties/punishments/compounding of offences for the year ended March 31, 2017.

sd/-
T. V. Narendran
Managing Director
(DIN: 03083605)

sd/-
Parvatheesam K
Company Secretary
(ACS: 15921)

Mumbai
May 16, 2017

ANNEXURE 10

Particulars of Loans, Guarantees or Investments.
[Pursuant to Section 186 of the Companies Act, 2013]

Amount outstanding as on March 31, 2017

₹ crore

Particulars	Amount
Loans given	21.50
Guarantee given	11,344.47
Investments made	8,355.90

Loans, Guarantees given or Investments made during the Financial Year 2016-17

₹ crore

Name of the entity	Relation	Amount	Particulars of Loans, Guarantees given or Investments made	Purpose for which the loans, guarantees and investments are proposed to be utilized
Tayo Rolls Limited	Subsidiary	21.37	Loan	Business purpose
Tata Steel Special Economic Zone Limited		10.00		
Bhubaneshwar Power Private Limited	Joint Venture	10.96	Investments	
Adityapur Toll Bridge Company Limited	Subsidiary	26.40		
Tata Steel Special Economic Zone Limited		33.65		
Tata Steel Odisha Limited		0.02		
Tata Steel Foundation		1.00		
Tayo Rolls Limited		26.75		
Medica TS Hospital Pvt. Ltd.	Associate	15.79		
Subarnarekha Port Private Limited	-	7.00		

Advance against equity

₹ crore

Name of the entity	Relation	Amount
Tata Steel Special Economic Zone Limited	Subsidiary	10.00
Tayo Rolls Limited		2.30

As on March 31, 2017, Company's loan, investment and advance against equity in Tayo Rolls Limited has been fully impaired.

On behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
(DIN:00121863)

Mumbai
May 16, 2017

ANNEXURE 11

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:

- Lowest ever Plant specific energy consumption - 5.673 Gcal/tcs.
- Lowest ever fuel rate at Blast Furnaces - 542 kg/thm - Use of Pellets and higher coal injection (178 kg/thm) at Blast Furnaces.
- Plant Specific Overall Power Rate - 383Kwh/tss
- Higher LD Gas recovery – 57,687 Nm3/hr
- Lowest ever steam coal (middling) consumption at Power House # 4.- 14,939 t
- Efficient use of by-product gases for Power Generation – Highest ever Total power generation (including Power House # 6) through by-product gases.- 243.53 MW

Kalinganagar

- The plant's manufacturing units are designed with some of the largest capacity to exploit energy efficiency associated with large operating units.
- Ton/Km travel optimized for raw material and product inside the plant with layout design.
- Recovery system designed for all by-product gas generated in the Steel Plant.
- All major drive systems are designed with variable speed drive to conserve energy based on optimum load operation of Steel Plant.
- State-of-the-art integrated Energy Management System for Power & Utilities across Steel Plant.

ii. Steps taken by the Company for utilising alternate sources of energy

Jamshedpur

- Feasibility study of 15 MW Solar Power generations at Jamshedpur

Kalinganagar

- Power Plants designed to exploit by-product gas of the Steel Plant, top gas pressure recovery of Blast Furnace and waste heat of Dry Quenching in Coke Plant. It is estimated that 48% of the power for Steel Plant will be generated from these sources

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	225
Replacement of Boiler # 3 at Power House # 4	40
Pulverized coal injection at H Blast Furnace	4
Dual Fuel burner at Pellet Plant	3
LDO (Light Diesel Oil) firing in boilers of Power House # 4	6
Kalinganagar	
By-product gas based Captive Power plant through Joint Venture (IEL)	730
Top Recovery of Gas in Blast Furnace	58
Coke Dry Quenching at Coke Plant	363
CASOB (Composition Adjustment System with Oxygen Blowing) facility	125
Twin Strand Caster (including auxiliaries)	810
LD Gas recovery facility	81
BF Gas recovery facility	51
Larger heat size convertor in steel melt shop	1,138

B. TECHNOLOGY ABSORPTION

1. Efforts made towards technology absorption

(i) Projects under Research and Development

Project Title	Benefits
Jamshedpur	
Development of hot rolled DP(Dual Phase) 600 steel with low silicon content through TSCR (Thin slab casting and rolling)	New product with superior surface finish developed for wheel disc applications. More than 500 tonnes of material already supplied to customer.
Development of high Titanium (Ti) bearing Hot rolled 590 MPa steel with high stretch flangeability	New product for wheel rim applications developed. This product has superior stretch flangeability as compared to normal grade.
Steel Integrated Glassless Solar Module	New product has been developed for the solar industry. The Photovoltaic modules were fabricated using Steel back sheets. The system is under final set of consumer trials.
Development of T-coat on GA (Galvannealed) sheets for improving forming behavior	Use of in-house developed T-coat over GA sheet enhancing drawability and lowering the coefficient of friction. In addition, it exhibits good weldability and paintability. The development is in final trial stage at CGL(Continuous Galvanized Line)#2.
Development of DP600GA through CGL#2	New product developed for automotive customers. The indigenously designed material showed promising properties despite process constraints.
Anti-stick coating on LD (Lindz and Donawitz) lances	Reduced the lance jam cutting frequency and the related safety hazards to half.
Multi-layer coating on tube component	Improved corosion resistance and aesthetics
Hard coating on bearings	Lab tests indicate an improvement in bearing life by more than double
Thin organic coating on GI (Galvanised iron) tubes.	Thin organic coating is applied on galvanized tubes which gives better aesthetics and corosion resistance. This can also produce coloured coated tubes.
Novel Zn-Al-Mg (alloy coating on DI (Ductile Iron) pipes	This is a new alloy coating on Ductile Iron Pipes (Di) to Improve corosion resistance
EHS (Employee Health Safety Wearbles watch for crane operators	20 number of EHS safety watches are working on a trail basis in LD2 for crane operators health monitoring when they are in crane cabin. The crane operators are connected with their superiors online when they are in crane cabin. It is an important PPE for the crane operators. This project has been taken up by Tata Group companies like Tata Steel, Group technology innovation office, Titan, Tata Communications, Tata Elxsi and Tata Consultancy Services.
Online measurement of full body thickness of DI pipes	Reduction of internal and external rejection of Ductile Iron (Di) pipes by online thickness measurement system installed in the line improvement in supply of quality products.
VAVE and EVI (Early Vendor Involvement) with Major Auto Customers	A record number of 17 models from major auto OEMs (Original Equipment Manufacturer) were covered as part of the Value Analysis Value Engineering (VAVE) workshop for FY' 17. 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. These activities result in improved CSI (Customer Satisfaction Index) and opportunity for material supply in newer models. This also helps in customer engagement initiatives.
Addressing weld failure problem in propeller shaft tube	Root cause was identified to address weld failure problem in propeller shaft tube. Addressed a repetitive customer complaint and appropriate recommendations provided to Tubes.
Implementation of SmartLance technology at LD#3	The project has been implemented at LD#3 and the ownership has been transferred to the customer. The expected benefits include reduction in slopping and in future to be used as a feedback for improving the blowing operation.

Project Title	Benefits
Identification of peritectic grades of steel using high temperature phase transformation studies	A new high temperature technique has been developed to identify peritectic grades with 100% accuracy. The accurate peritectic range is incorporated in the new Ferrite Potential (FP) model and implemented in the plant at LD#2. Due to this many of the grades which are being cast as peritectic, will be cast as low carbon with higher casting speeds.
Failure analysis of BOF (Basic Oxygen Furnace) hood in LD vessels	Large amount of hot gases are generated in BOF during steelmaking process. These gases pass through BOF hood for further processing. The tube material of BOF hood failed earlier resulting in water leakages from pipes. The root cause of BOF hood failure in LD vessels has been identified. The recommendations has been accepted to change the tube material of hood and to look at the water quality and temperature.
Mold taper prediction model for LD2 slab caster	A mold taper prediction model for LD#2 slab caster for casting peritectic grades of steel at high speed has been developed. The customer has accepted the recommendations for implementation. The plant implementation with modified mold taper for casting at high speed is in progress.
Improvement and stabilisation of NCI (Nozzle Clogging Index) performance for SC234 and SF109 grades.(different grades of steel)	The de-oxidation practices have been modified to improve the Nozzle Clogging Index during continuous casting for few grades.
Performance enhancement of ammonia still in old BPP (By- product plant)	Reduction of steam and sodium hydroxide consumption with annual benefit of ₹ 3 crore
Utilization of spent wash oil as a replacement of LDO (Light Diesel Oil)	Third party dependency for discharge of spent wash oil has been eliminated with annual benefit of ₹ 1.4 crore
Improvement of chiller plant efficiency in LD#3	Power saving with annual benefit of ₹ 1.5 crore
Improvement in the performance of washing circuit and slime management at Joda through proper selection of reagents and optimizing their dosage.	New reagents at Thickener and Slime dam are more efficient by 25% and their dosage has been reduced by 20%. The reagent at slime dam helps to recover more water from the slimes instantly and increases the slime dam life by over 30%

(ii) Process Improvement:

Mining

- Identification of initiatives to improve 100T hauls truck tyre life in opencast mines.
- Identification of factors affecting fuel consumption of 100T haul trucks at Katamati mine.

Ore Beneficiation

- Explored opportunity to recover iron value from iron ore slimes by "selective flocculation technology" at Noamundi iron ore processing plant.
- To treat/utilize the low grade chromite ores for sustaining the similar chromite concentrate production, a novel method of operational philosophy was established in the chromite ore beneficiation plant at Sukinda.

Coal Beneficiation

- Significant increase in clean coal production from reflux classifier (a scavenging circuit installed to recover clean coal from flotation tailings) by changing the feed regime & rectifying machine related issues at West Bokaro washery#3.
- Improvement in flotation yield & separation efficiency by replacing the conventional rotor-stator mixing mechanism with a new generation mixing mechanism "Float Force" in one bank at West Bokaro washery#3.
- An initiative was taken to install critical measurement systems at West Bokaro washery#3 to enhance process visibility thereby improving the process efficiency. -0.5% yield improvement at Bhelatand washery by changing the washery feed top size from 20mm to 15mm.

Agglomeration:

- Successfully established BF(Blast Furnance) slag as flux in chromite pelletizing with improvement in pellet properties.
- Implementation of dynamic model for Phosphorus management in iron making for maximizing LD slag usage

Coal Coke:

- Development of a new method to ensure exact completion of carbonization in coke ovens through real time monitoring of Gooseneck temperature profiles (an operators tool for ensuring completion of carbonization process). This will facilitate improvement in coke quality.
- 5% usage of PCI coal in HMC blend to minimise blend cost.

Blast Furnace:

- Facilitating acceptance of Ferro shots by electric furnace customers through field trials. Solutions provided to mitigate adverse impact of high potassium oxide, entering into the blast furnace through raw materials at Tata Steel Kalinganagar.
- Crafted a roadmap for using higher amount of pellet as raw material in Tata Steel Kalinganagar blast furnace

Environment:

- 0.2 m3/tcs water saved in Jamshedpur works through increased reuse of water in high temperature processes.

Process visualization:

- Established seamless process data visibility across iron making plants and helped stabilize coke and sinter quality and BF operations.

(iii) Product Development

Jamshedpur

- High strength, high ductility rebars (10mm – 16mm) for sleek and future-ready structures.
- 6mm seismic resistant rebars for stirrups.
- 5.5 mm high ductility high carbon wire rods suitable for flattening operations.
- High carbon wire rods suitable for high strength motor tyre bead wire.
- Customized grade for thick Motor tyre bead wire for high speed draw (8 – 9 m/s).
- High carbon wire rods for shaped wires – Entry into new segment of shaped wires.
- High carbon wire rods for Grade II and Grade III - Improvement in wire drawing performance and wire properties.
- High carbon wire rods with improved ductility and draw ability for torsion springs and fine wires.
- Development and launch of colour coated barbed wire as differentiated product

Kalinganagar

- Development of High tensile Grade ASTM A572 Gr50 Type II/ EN 10025 S355 J2 for L&E and PEB segments - New product with superior flatness suitable for laser cutting and plasma cutting processes
- Development of high Ti bearing SPFH 590 steel with high stretch flangeability - New product for wheel rim applications, has superior stretch flangeability as compared to normal grade.
- Thinner High Strength Steel IS2062 E350 Gr. A - for Solar Panel Structural Members
- SAE 1018, SAE1020, SAE 1026 Grades for high end tube application - Because of advanced caster at TSK, we have successfully developed these grades
- HS800 for Chassis of Commercial Vehicles - for weight reduction and improving fuel efficiency
- API X70 PSL2 - for Sweet Gas Application

2. Benefits derived from key projects:

Project title	Benefits derived
Jamshedpur	
Technology development for in-situ billet mould temperature measurements	Data generation for incorporation into models towards solidification, shrinkage and taper studies
Reduce the total lime consumption at LD#1	Flux cost is ~12% of steelmaking costs. The steel melting shop has been able to reduce the flux consumption as well as improve consistency through slag path optimization and dynamic chemistry embedment in the static model
Study the erosion profile of BOF-basic oxygen furnance Converter	Initiatives such as bath height scanning and management, brick characterization, understanding of various blow regimes have led to reduce the pre-mature failure of BOF refractory erosion.
Improved torsion performance of 1.6 mm thick motor tyre bead [MTB] wires	MTB yield improved from 86% to 97% by improved wire rod rolling and aging practices

Project title	Benefits derived
Improvements in cooling practices during wire rod rolling.	Surface look-and-feel improvements and better scale characteristics in low carbon wire rods
Successful commissioning of wire drawing machine built in-house	State-of-the-art features of safety, quality and operational control with lower cost
Quality system improvement in LD1: On-line grading system	Complete control of quality decisions [including LF3 - CC3]-Ladle Furnace-3 –Continuous Caster-3
Development of Hi Al IF (High Aluminium Interstitial) steel with improved drawability for 2 wheeler fuel Tank	The customer would be able to draw the 2 wheeler fuel tank in a single piece instead of making it into 3 pieces and then welding it.
Kalinganagar	
Dynamic Soft reduction in Caster for internal soundness of Steel	DSR technology in caster ensures low center line segregation and looseness in steel, which is requirement for high end applications such as API, L&E, Automotive.
Online Surface Inspection System (SIS) and Material Property Prediction Model (MPPS) at HSM	Online Surface Inspection System at HSM helps in early detection of defect for better process control and generation of non-conforming product. Also, it is essential for ensuring defect free coils for surface critical applications such as Automotive and L&E. MPPS ensures Mechanical Property, Phases in Steel for process control and sharing of information with the customers. Both the systems are currently in initial stage of commissioning at HSM.
Pair Cross Technology	TSK is equipped with Pair Cross Technology in Mill to ensure better profile and flatness on strip.

3. Information regarding imported technology (last three years)

Sl No.	Technology imported	Year	Status
Jamshedpur			
1.	Installation of 0.75 mtpa Coke Oven Battery 11	2015	Commissioned
2.	Pulverised Coal Injection at existing F Blast Furnace		
3.	Installation of Sub-lance for LD Converter at LD Shop No 2 (Set 1)		
4.	Coal Handling Yard & Stacker Reclaimer #3		
5.	Up-gradation of Vessels at LD Shop No.1		
6.	Capacity Up-gradation of Track Hopper No 1 from 1,100 tph to 1,500 tph		
7.	Pulverised coal injection at existing H Blast Furnace	2016	
8.	CO gas holder		
9.	BF gas holder		
10.	Installation of 3rd blower & interconnecting piping for 'G' & 'H' BF's		
11.	Slab Deburring & Slab Marking Machine in Caster# 1 & 3	2017	
12.	Installation of Torch Cutting Machine in Caster# 1 & 3		
13.	Installation of Tension Leveller at CGL#1		
14.	Coil Box revamp at HSM (Hot Strip Mill)		
15.	Installation & Commissioning of Twin RH (RH Vacuum Degassing Technology) Facility		
16.	Installation of 4th Grinder		
17.	Installation of Surface Inspection System for TSCR		
18.	Installation of new Slab Scarfing machine		
19.	Power augmentation at BFRS (Blast furnace receiving sub-station)		
20.	Fire fighting system at LD gas holder		
21.	Hot Rolled Skin Pass & Oiled (HRSPO) coils at CRM (Cold Rolled Mill) Bara (Ph-II)		
22.	Barrel reclaimer		
Kalinganagar			
23.	Coke Oven Batteries	2016	Commissioned
24.	Sinter Plant – Sinter Cooler, Sinter machine, Screens, Granulator, Mixer, Nodulizer		
25.	Blast Furnace – 4330 CuM capacity – Furnace, Charging system, Pulverised Coal Injection system,		
26.	Steel Melt Shop – Convertor, Composition Adjustment System with Oxygen Blowing, Twin strand Caster		
27.	Hot Strip Mill – Roughing Mill, Finishing Mill and Downcoiler		

4. Expenditure on research and development (R&D)

		₹ crore
a.	Capital	12.32
b.	Recurring	132.26
c.	**Total**	**144.58**
d.	Total R&D expenditure as a % of Total Turnover	0.27

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

		₹ crore	
		FY 2016-17	FY 2015-16
a.	Foreign exchange earnings	3,996.55	1,089.60
b.	Value of direct imports (C.I.F. Value)	10,298.00	6,370.35
c.	Expenditure in foreign currency	447.38	544.25

On behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
(DIN:00121863)

Mumbai
May 16, 2017

FINANCIAL HIGHLIGHTS

(₹ crore)

	Tata Steel Standalone		Tata Steel Group	
	2016-17	2015-16	2016-17	2015-16
Revenue from operations	53,260.96	42,697.44	1,17,419.94	1,06,339.92
Profit/(loss) before tax	5,356.93	1,543.34	2,473.63	2,732.75
Profit/(loss) after tax	3,444.55	955.65	(4,168.57)	(497.09)
Dividends	776.97	776.97	776.97	776.97
Retained earnings	12,280.91	10,075.75	(11,447.01)	(2,415.49)
Capital Employed	86,329.91	85,366.59	1,32,465.59	1,35,921.30
Net worth	51,934.01	48,912.38	39,421.02	44,513.49
Borrowings	28,284.63	30,843.51	83,014.49	81,986.93
	Ratio		Ratio	
Net debt: Equity	0.44	0.50	1.72	1.54
	₹	₹	₹	₹
Net worth per Share as at year end	534.73	503.62	406.38	458.83
Earnings per Share:				
Basic	33.67	8.05	(44.77)	(6.92)
Diluted	33.67	8.05	(44.77)	(6.92)
Dividend declared per Ordinary Share	10.00	8.00	10.00	8.00
Employees (Numbers)	34,989	35,439	67,902	74,980
Shareholders (Numbers)	8,44,429	9,69,263		

FINANCIAL RATIOS

		Tata Steel Standalone		Tata Steel Group	
		2016-17	2015-16	2016-17	2015-16
1.	EBITDA/Turnover	22.44%	18.25%	14.50%	7.48%
2.	PBET/Turnover	11.38%	7.48%	5.79%	(1.18%)
3.	Return on average capital employed	9.80%	5.57%	7.89%	0.10%
4.	Return on average net worth	6.83%	1.89%	(9.93%)	(1.08%)
5.	Asset turnover	54.46%	45.75%	73.02%	63.80%
6.	Inventory turnover (in days)	62	68	71	78
7.	Debtors turnover (in days)	11	9	37	44
8.	Gross block to net block	1.12	1.07	1.38	1.40
9.	Net debt to equity	0.44	0.50	1.72	1.54
10.	Current ratio	0.76	0.77	1.44	1.33
11.	Interest service coverage ratio	4.21	3.62	2.66	0.64
12.	Net worth per share (₹)	534.73	503.62	406.38	458.83
13.	Basic earnings per share - continuing operations (₹)	33.67	8.05	(4.93)	19.26
	Basic earnings per share - continuing and discontinued (₹)	33.67	8.05	(44.77)	(6.92)
14.	Dividend payout	34%	97%	(22%)	(186%)
15.	P/E ratio	14.33	39.69	(97.87)	16.59

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/Average Number of Equity Shares

13. Basic Earnings per share: Profit attributable to Ordinary Shareholders/Weighted average number of Ordinary Shares

14. Dividend Payout: Dividend/Profit after tax

15. P/E Ratio: Market Price per share/Basic Earnings per share-continuing operations

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
1987-88	3,237	3,793	2,018	2,275	591	99	127	155	-	13	929	1,862
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**

FINANCIAL STATISTICS

(₹ crore)

Year	Capital Accounts						Revenue Accounts							
	Capital	Reserves and Surplus	Borrow-ings	Gross Block ❊	Net Block	Invest-ments	Income	Expen-diture ❋	Depre-ciation	Profit before Tax	Tax	Profit after Tax	Net Transfer to Reserves	Dividend#
2015-16	3,246.41	45,665.97	30,843.51	83,976.85	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**	**87,948.73**	**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**

\# Including tax on dividend.

❊ Gross block is net of impairment, if any.

❋ Expenditure includes excise duty recovered on sales.

The above statistics is as per Ind AS financial statements.

DIVIDEND STATISTICS

Year	First Preference (₹150)		Second Preference (₹100)			Ordinary (₹100 upto 1988-89 and ₹10 from 1989-90)[c]			Total ₹lakh
	Rate ₹	Dividend ₹ lakh	Rate₹	Dividend [@] ₹ lakh	Tax on dividend ₹ lakh	Rate ₹	Dividend [@] ₹ lakh	Tax on dividend ₹ lakh	
1987-88	–	–	–	–	–	25.00 [a]	2,934.29	–	2,934.29
1988-89	–	–	–	–	–	30.00 [b]	4,616.74	–	4,616.74
1989-90	–	–	–	–	–	3.00 [c,d]	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 [e]	6,482.21	–	6,482.21
1993-94	–	–	–	–	–	3.00 [f]	9,655.44	–	9,655.44
1994-95	–	–	–	–	–	3.50 [g]	11,823.94	–	11,823.94
1995-96	–	–	–	–	–	4.50 [h]	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	–	–	– [i,j]	1,496.58 [i,j]	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	2,596.11	377.12 [k]	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	1,07,246.15
2016-17	**–**	**–**	**–**	**–**	**–**	**10.00**	**1,16,893.21**	**19,771.66**	**1,36,664.87**

a Including on Bonus Shares issued during the year.

b On the Capital as increased by Rights Issue of Ordinary Shares during 1987-88.

c 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.

d On the Capital as increased by shares allotted on Conversion of Convertible Debentures.

e On the Capital as increased by Rights Issue of Ordinary Shares during 1992-93.

f On the Capital as increased by Ordinary Shares issued during 1993-94 against Detachable Warrants.

g On the Capital as increased by Ordinary Shares issued during 1994-95 against Detachable Warrants and Foreign Currency Convertible Bonds.

h On the Capital as increased by Ordinary Shares issued during 1995-96 against Detachable Warrants, Foreign Currency Convertible Bonds and Naked Warrants.

i Includes Dividend of ₹22.30 lakhs on 9.25% Cumulative Redeemable Preference Shares for the period 1st April, 2000 to 27th June, 2000.

j Includes Dividend of ₹1,198.40 lakhs on 8.42% Cumulative Redeemable Preference Shares for the period 1st June, 2000 to 31st March, 2001.

k Dividend paid for 74 days.

@ Includes tax on dividend.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TATA STEEL LIMITED

Report on the Standalone Ind AS Financial Statements

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, 2017, and 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

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 that 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 (Ind AS) prescribed 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, 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.

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. Those Standards 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.

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 auditor's 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.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

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, 2017, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

   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 Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

N. Venkatram
(Partner)
(Membership No. 71387)

Mumbai, May 16, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Tata Steel Limited ("the Company") as of March 31, 2017 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

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. 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 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 Companies Act, 2013.

Auditor's Responsibility

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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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.

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

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 financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

In our opinion and to the best of our information and according to the explanations given to us, 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, 2017, 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 **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

N. Venkatram
(Partner)
(Membership No. 71387)

Mumbai, May 16, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds, transfer deeds, mutation of title papers, property tax papers and conveyance deeds provided to us, we report that the title deeds, comprising all the immovable properties in respect of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except the following:

i. in respect to freehold land fair value at deemed cost amounting to ₹60.16 crore (purchase cost ₹0.34 crore) the title deeds of which are held in the name of erstwhile companies which have subsequently been amalgamated with the Company;

ii. title deeds to freehold land fair value at deemed cost amounting to ₹1.87 crore (purchase price ₹0.03 crore) which has not been executed.

iii. title deeds to freehold land fair value at deemed cost amounting to ₹117.68 crore (purchase cost ₹6.74 crore) were not readily available.

iv. title deeds to buildings with gross carrying amount and net carrying amount of ₹0.61 crore and ₹0.57 crore respectively were not readily available.

(ii) As explained to us, inventories of finished and semi-finished goods and raw materials at Works, Mines and Collieries were physically verified during the year by the Management. In respect of inventories of stores and spare parts and stocks at stockyards and with consignment/conversion agents, the Company has a programme of verification of stocks over a three year period. In case of materials lying with third parties, certificates for stocks held have been received. In our opinion and according to the information and explanations given to us, the inventories have been verified by the management at reasonable intervals in relation to size of the Company and nature of business and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest except an intercorporate deposit of ₹21.37 crore placed with a subsidiary company which is not a going concern.

(b) The schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and interest have been regular as per stipulations except for loans and interest amounting to ₹539.73 crore representing due from a subsidiary company and interest amounting to ₹13.11 crore representing due from three subsidiary companies.

(c) Amounts referred to (b) above have been overdue for more than 90 days and, as explained to us, the Management has taken reasonable steps for 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 Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and The Cost Accounting Records (Electricity Industry) Rules, 2011 prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. We are informed that the Company intends to obtain exemption from operations of Employees' State Insurance Act at some locations and necessary steps have been taken by the Company. 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 full payment has not been made of the contributions demanded.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable, except for the following:

Name of Statute	Nature of Dues	Amount (₹crore)	Period to which the Amount Relates	Due Date	Date of subsequent payment
MMDR	Contribution to District Mineral Foundation and interest thereon	295.81	Jan'15-Sep'16	Sept'16	Outstanding
JVAT	JVAT	2.18	2015-2017	Sept'16	Outstanding
Sales Tax Act	Sales Tax	2.07	2013-2014	Sept'16	Outstanding

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of the Statute (Nature of Dues)	Forum where Dispute is pending	Period to which the amount relates	Amount (net of payments) (₹crore)	Amounts paid under Protest (₹crore)
Income Tax	CIT(A)/ITAT	2004-05, 2006-07 to 2009-10	368.81	1,047.72
	Income Tax Officer	2010-11	0.67	-
Customs Act	High Court	2002-03	0.03	0.07
	Commissioner	1993-94 & 2006-2008	83.59	50.00
Central Excise Act	Supreme Court	2004-05	235.48	-
	High Court	1988-90, 2000-01 & 2003-06	14.54	0.10
	Tribunal	1990-91, 1992-94, 1996-97 & 1998-99 to 2015-16	1,008.70	43.36
	Commissioner	1988-90, 1994-2017	55.75	4.20
	Deputy Commissioner	1985-87 & 1998-99	0.18	-
	Assistant Commissioner	1982-2006, 2013-14	0.87	0.00
Sales Tax	High Court	1973-74, 1977-79, 1983-84, 1991-97, 2000-02, 2003-04, 2007-09, 2012-2017	280.04	16.13
	Tribunal	1980-81, 1983-85, 1987-99, 2001-2011 & 2012-2014	72.48	6.32
	Commissioner	1988-90, 1991- 92, 1993-94, 2000-01 to 2014-15 & 2016-2017	483.44	5.86
	Deputy Commissioner	1975-76, 1977-78, 1983-88 & 1993-94 to 2011-12 & 2013-14	32.27	3.01
	Assistant Commissioner	1973-74, 1980-81, 1983-84 to 1996-97, 2000-01 to 2005-06, 2008-09, 2013-2014, 2014-15 & 2016-2017	11.55	

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, term loans taken have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate Company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

N. Venkatram
(Partner)
(Membership No. 71387)

Mumbai, May 16, 2017

BALANCE SHEET as at March 31, 2017, 2016 and April 1, 2015

(₹ crore)

			Note	Page	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS							
I	**Non-current assets**						
	(a)	Property, plant and equipment	03	187	71,778.97	49,561.05	50,882.48
	(b)	Capital work-in-progress			6,125.35	28,174.01	24,153.78
	(c)	Intangible assets	05	191	788.18	527.34	177.14
	(d)	Intangible assets under development			38.61	31.87	16.46
	(e)	Investments in subsidiaries, associates and joint ventures	06	192	3,397.57	3,340.97	3,148.89
	(f)	Financial assets					
		(i) Investments	07	195	4,958.33	4,119.45	10,853.13
		(ii) Loans	08	199	211.97	205.96	141.83
		(iii) Derivative assets			0.12	0.80	40.91
		(iv) Other financial assets	09	200	79.49	36.92	60.70
	(g)	Income tax assets (net)			867.75	837.66	723.57
	(h)	Other assets	11	203	3,121.64	3,325.18	2,845.87
	Total non-current assets				**91,367.98**	**90,161.21**	**93,044.76**
II	**Current assets**						
	(a)	Inventories	12	205	10,236.85	7,137.38	8,023.35
	(b)	Financial assets					
		(i) Investments	07	195	5,309.81	4,325.00	1,001.15
		(ii) Trade receivables	13	205	2,006.52	1,133.17	1,057.02
		(iii) Cash and cash equivalents	14	207	905.21	974.68	495.16
		(iv) Other balances with bank	15	207	65.10	61.45	56.66
		(v) Loans	08	199	27.14	18.75	82.04
		(vi) Derivative assets			6.26	6.20	614.10
		(vii) Other financial assets	09	200	315.06	207.75	234.01
	(c)	Other assets	11	203	1,225.48	1,088.87	1,025.09
	Total current assets				**20,097.43**	**14,953.25**	**12,588.58**
TOTAL ASSETS					**1,11,465.41**	**1,05,114.46**	**1,05,633.34**
EQUITY AND LIABILITIES							
III	**Equity**						
	(a)	Equity Share Capital	16	208	971.41	971.41	971.41
	(b)	Hybrid Perpetual Securities	17	210	2,275.00	2,275.00	2,275.00
	(c)	Other equity	18	210	48,687.60	45,665.97	49,217.90
	Total equity				**51,934.01**	**48,912.38**	**52,464.31**
IV	**Non-current liabilities**						
	(a)	Financial liabilities					
		(i) Borrowings	19	213	24,694.37	23,926.76	24,316.10
		(ii) Derivative liabilities			179.33	116.01	171.97
		(iii) Other financial liabilities	20	216	18.22	396.51	841.89
	(b)	Provisions	21	216	2,024.74	1,862.05	1,320.99
	(c)	Retirement benefit obligations	22	217	1,484.21	1,252.45	1,623.23
	(d)	Deferred income	23	218	1,885.19	2,228.48	2,130.58
	(e)	Deferred tax liabilities (net)	10	201	6,111.27	5,610.70	6,231.55
	(f)	Other liabilities	24	218	77.74	76.79	19.67
	Total non-current liabilities				**36,475.07**	**35,469.75**	**36,655.98**
V	**Current liabilities**						
	(a)	Financial liabilities					
		(i) Borrowings	19	213	3,239.67	5,888.00	819.74
		(ii) Trade payables	25	218	10,717.44	6,196.88	4,935.96
		(iii) Derivative liabilities			270.17	78.23	129.17
		(iv) Other financial liabilities	20	216	4,062.35	4,633.35	7,738.90
	(b)	Provisions	21	216	700.60	280.64	182.99
	(c)	Retirement benefit obligations	22	217	56.58	56.67	51.53
	(d)	Income tax liabilities (net)			465.72	732.58	505.75
	(e)	Other liabilities	24	218	3,543.80	2,865.98	2,149.01
	Total current liabilities				**23,056.33**	**20,732.33**	**16,513.05**
TOTAL EQUITY AND LIABILITIES					**1,11,465.41**	**1,05,114.46**	**1,05,633.34**
NOTES FORMING PART OF THE FINANCIAL STATEMENTS			1-43				

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

sd/-
N. Venkatram
Partner

Mumbai, May 16, 2017

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
(DIN: 00121863)

sd/-
Ishaat Hussain
Director
(DIN: 00027891)

sd/-
Andrew Robb
Director
(DIN: 01911023)

sd/-
O. P. Bhatt
Director
(DIN: 00548091)

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(DIN: 00142711)

sd/-
Koushik Chatterjee
Group Executive Director
(Finance, Corporate & Europe)
(DIN: 00004989)

sd/-
T. V. Narendran
Managing Director
(DIN: 03083605)

sd/-
Parvatheesam K.
Company Secretary
(ACS: 15921)

STATEMENT OF PROFIT AND LOSS for the years ended March 31, 2017 and 2016

(₹ crore)

		Note	Page	Year ended March 31, 2017	Year ended March 31, 2016
I	Revenue from operations	26	219	53,260.96	42,697.44
II	Other income	27	219	414.46	391.16
III	**Total income**			**53,675.42**	**43,088.60**
IV	**Expenses:**				
	(a) Raw materials consumed			12,496.78	9,700.01
	(b) Purchases of finished, semi-finished and other products			881.18	991.54
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade	28	220	(1,329.65)	70.75
	(d) Employee benefits expenses	29	220	4,605.13	4,319.89
	(e) Finance costs	30	220	2,688.55	1,848.05
	(f) Depreciation and amortisation expense	31	221	3,541.55	2,962.28
	(g) Other expenses	32	221	24,949.09	20,602.35
				47,832.63	**40,494.87**
	Less: Expenditure (other than interest) transferred to capital and other accounts			217.52	598.89
	Total expenses			**47,615.11**	**39,895.98**
V	**Profit before exceptional items and tax (III-IV)**			**6,060.31**	**3,192.62**
VI	**Exceptional items:**	33	222		
	(a) Profit/(Loss) on sale of non-current investments			-	(0.85)
	(b) Provision for impairment of investments/doubtful advances			(170.87)	(160.62)
	(c) Provision for impairment of non-current assets			-	(51.51)
	(d) Provision for demands and claims			(218.25)	(880.05)
	(e) Employee separation compensation			(178.68)	(556.25)
	(f) Restructuring and other provisions			(135.58)	-
	Total exceptional items			**(703.38)**	**(1,649.28)**
VII	**Profit before tax (V+VI)**			**5,356.93**	**1,543.34**
VIII	**Tax expense:**				
	(a) Current Tax			1,400.54	1,193.28
	(b) Deferred Tax			511.84	(605.59)
	Total tax expense			**1,912.38**	**587.69**
IX	**Profit for the year (VII-VIII)**			**3,444.55**	**955.65**
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			(217.79)	(5.01)
	(b) Fair value changes of investments in equity shares			819.01	(3,163.52)
	(ii) Income tax on items that will not be reclassified subsequently to the statement of profit and loss			75.37	(239.78)
	B **(i)** **Items that will be reclassified subsequently to the statement of profit and loss**				
	(a) Fair value changes of cash flow hedges			(1.22)	1.80
	(ii) Income tax on items that will be reclassified subsequently to the statement of profit and loss			0.42	(0.62)
	Total other comprehensive income/(loss)			**675.79**	**(3,407.13)**
XI	**Total comprehensive income/(loss) for the year (IX+X)**			**4,120.34**	**(2,451.48)**
XII	**Earnings per share**	34	222		
	Basic and Diluted (₹)			33.67	8.05
XIII	**Notes forming part of the financial statements**	1-43			

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

sd/-
N. Venkatram
Partner

Mumbai, May 16, 2017

For and on behalf of the Board of Directors

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N. Chandrasekaran
Chairman
(DIN: 00121863)

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Group Executive Director
(Finance, Corporate & Europe)
(DIN: 00004989)

sd/-
T. V. Narendran
Managing Director
(DIN: 03083605)

sd/-
Parvatheesam K.
Company Secretary
(ACS: 15921)

STATEMENT OF CHANGES IN EQUITY for the years ended March 31, 2017 and 2016

A. EQUITY SHARE CAPITAL

(₹ crore)

Balance as at April 1, 2016	Changes during the year	Balance as at March 31, 2017
971.41	-	971.41

(₹ crore)

Balance as at April 1, 2015	Changes during the year	Balance as at March 31, 2016
971.41	-	971.41

B. HYBRID PERPETUAL SECURITIES

(₹ crore)

Balance as at April 1, 2016	Changes during the year	Balance as at March 31, 2017
2,275.00	-	2,275.00

(₹ crore)

Balance as at April 1, 2015	Changes during the year	Balance as at March 31, 2016
2,275.00	-	2,275.00

STATEMENT OF CHANGES IN EQUITY (CONTD.) for the years ended March 31, 2017 and 2016

C. OTHER EQUITY

(₹ crore)

	Retained Earnings	Other Comprehensive Income reserves (Refer Note 18, Page 210)	Other reserves (Refer Note 18, Page 211)	Share application money pending allotment	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	(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**

(₹ crore)

	Retained Earnings	Other Comprehensive Income reserves (Refer Note 18, Page 210)	Other reserves (Refer Note 18, Page 211)	Share application money pending allotment	Total Equity
Balance as at April 1, 2015	**6,852.56**	**9,711.37**	**32,653.97**	**-**	**49,217.90**
Profit for the year	955.65	-	-	-	955.65
Other comprehensive income	(3.28)	(3,403.85)	-	-	(3,407.13)
Total comprehensive income	**952.37**	**(3,403.85)**	**-**	**-**	**(2,451.48)**
Dividend	(776.97)	-	-	-	(776.97)
Tax on dividend	(149.30)				(149.30)
Distribution on Hybrid Perpetual Securities	(266.17)	-	-	-	(266.17)
Tax on distribution on Hybrid Perpetual Securities	92.11	-	-	-	92.11
Transfers within equity	3,371.15	(3,371.15)	-	-	-
Transfer to statement of profit and loss	-	-	(0.12)	-	(0.12)
Balance as at March 31, 2016	**10,075.75**	**2,936.37**	**32,653.85**	**-**	**45,665.97**

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

sd/-
N. Venkatram
Partner

Mumbai, May 16, 2017

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
(DIN: 00121863)

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Group Executive Director
(Finance, Corporate & Europe)
(DIN: 00004989)

sd/-
T. V. Narendran
Managing Director
(DIN: 03083605)

sd/-
Parvatheesam K.
Company Secretary
(ACS: 15921)

STATEMENT OF CASH FLOWS for the years ended March 31, 2017 and 2016

(₹ crore)

		Year ended March 31, 2017		Year ended March 31, 2016	
(A)	**CASH FLOWS FROM OPERATING ACTIVITIES:**				
	Profit before taxes		**5,356.93**		**1,543.34**
	Adjustments for:				
	Depreciation and amortisation expense	3,541.55		2,962.28	
	(Profit)/loss on sale of non-current investments	(0.97)		-	
	Income from non-current investments	(96.01)		(107.08)	
	(Profit)/loss on assets sold/discarded/written off	6.91		(2.12)	
	Exceptional (income)/expenses	703.38		1,649.28	
	(Gain)/loss on cancellation of forwards, swaps and options	66.95		1.21	
	Interest and income from current investments and guarantees	(389.36)		(270.26)	
	Finance costs	2,688.55		1,848.05	
	Exchange (gain)/loss on revaluation of foreign currency loans and swaps	15.47		(2.82)	
	Other non cash items	(332.72)		(0.01)	
			6,203.75		6,078.53
	Operating profit before working capital changes		**11,560.68**		**7,621.87**
	Adjustments for:				
	Non-Current/Current financial and other assets	(1,071.92)		(678.69)	
	Inventories	(3,093.05)		887.48	
	Non-Current/Current financial and other liabilities/provisions	5,276.42		785.24	
			1,111.45		994.03
	Cash generated from operations		12,672.13		8,615.90
	Direct taxes paid		(1,540.87)		(1,244.10)
	Net cash from/(used in) operating activities		**11,131.26**		**7,371.80**
(B)	**CASH FLOWS FROM INVESTING ACTIVITIES:**				
	Purchase of fixed assets	(3,172.87)		(4,777.91)	
	Sale of fixed assets	6.80		32.13	
	Purchase of investments in subsidiaries	(100.12)		(171.28)	
	Sale of investments in subsidiaries	-		0.06	
	Purchase of other non-current investments	(177.73)		(423.38)	
	Sale of other non-current investments	3.90		3,980.35	
	(Purchase)/sale of current investments (net)	(668.19)		(3,139.69)	
	Loans given	(31.37)		(44.69)	
	Repayment of loans given	20.43		62.92	
	Fixed deposits with banks (placed)/realised	(6.72)		(1.98)	
	Interest and guarantee commission received	117.34		24.67	
	Dividend received from subsidiaries	38.14		41.27	
	Dividend received from associates and joint ventures	40.89		22.87	
	Dividend received from others	8.48		42.94	
	Net cash from/(used in) investing activities		**(3,921.02)**		**(4,351.72)**

STATEMENT OF CASH FLOWS (CONTD.) for the years ended March 31, 2017 and 2016

(₹ crore)

		Year ended March 31, 2017		Year ended March 31, 2016	
(C)	**CASH FLOWS FROM FINANCING ACTIVITIES:**				
	Proceeds from issue of equity shares	0.01		-	
	Proceeds from borrowings	2,906.18		8,893.35	
	Repayment of borrowings	(6,162.07)		(7,912.44)	
	Repayment of finance lease obligations	(111.63)		(82.82)	
	Amount received/(paid) on utilisation/cancellation of derivatives	(97.22)		625.29	
	Distribution on Hybrid Perpetual Securities	(265.76)		(266.49)	
	Interest paid	(2,624.51)		(2,871.06)	
	Dividend paid	(776.97)		(776.97)	
	Tax on dividend paid	(147.74)		(149.30)	
	Net cash from/(used in) financing activities		**(7,279.71)**		**(2,540.44)**
	Net increase/(decrease) in cash and cash equivalents		**(69.47)**		**479.64**
	Opening cash and cash equivalents (ReferNote 14, Page 207)		**974.68**		**495.16**
	Effect of exchange rate on translation of foreign currency cash and cash equivalents		**-**		**(0.12)**
	Closing cash and cash equivalents (ReferNote 14, Page 207)		**905.21**		**974.68**

(i) The Company has acquired property, plant and equipment of ₹ **730.00** crore (2015-16: Nil) on finance lease.

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

sd/-
N. Venkatram
Partner

Mumbai, May 16, 2017

For and on behalf of the Board of Directors

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N. Chandrasekaran
Chairman
(DIN: 00121863)

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T. V. Narendran
Managing Director
(DIN: 03083605)

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 financial statements as at March 31, 2017 present the financial position of the Company.

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, 2017, Tata Sons Limited (or Tata Sons) owns 29.75% 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, 2017 were approved by the Board of Directors and authorised for issue on May 16, 2017.

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 and in preparing the opening Ind AS Balance Sheet as at April 1, 2015 for the purpose of transition to Ind AS, unless otherwise indicated.

(a) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016.

The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with April 1, 2015 being the transition date.

In accordance with Ind As 101 "First time adoption of Indian Accounting Standard", the Company has presented a reconciliation from the presentation of financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of total equity as at April 1, 2015 and March 31, 2016, total comprehensive income and cash flow for the year ended March 31, 2016.

(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 preparation of the 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 the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

(d) Property, plant and equipment

An item of property, plant and equipment is recognised as an asset if it is probable that the 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 the 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.

NOTES forming part of the financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

Property, plant and equipment are stated at 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 the qualifying assets.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, 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 tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

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

(f) Development expenditure for mineral reserves

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

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

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

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

(g) Provision for restoration and environmental costs

The Company has liabilities related to restoration of soil and other related works, which are due upon the closure of certain of its production 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 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 the time value of money on the restoration and environmental costs liability is recognised in the statement of profit and loss.

(h) Intangible assets (excluding goodwill)

Patents, trademarks and software costs are included in the balance sheet as intangible assets where they are clearly

NOTES forming part of the financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

linked to long term economic benefits for 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 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 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 of property, plant and equipment and other 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)
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 represent the period over which 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

NOTES forming part of the financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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 fulfillment 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 operating lease.

Leases are classified as finance leases where the terms of the lease transfers 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.

(ii) **Finance lease** – Finance leases are capitalised at the commencement of lease, at the lower of the 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 the minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the 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

NOTES forming part of the financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

- 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, 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 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 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.

(m) Financial Instruments

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

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 date of such deposits. 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 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.

NOTES forming part of the financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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.

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 instruments 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 collateralised 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 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 Company adopts hedge accounting for forward and interest rate 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 or transaction and the 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.

NOTES forming part of the financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

When hedge accounting is applied:

- for fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognised in the statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives
- for cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in equity and the ineffective portion is taken to 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.

(n) 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 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 treated as a net 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 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.

(o) Inventories

Inventories are stated at the lower of cost and net realisable value. 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.

(p) Provisions

Provisions are recognised in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event, which is expected to result in an outflow of resources embodying economic benefits which can be reliably estimated. 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 those responsibilities.

(q) Onerous contracts

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

(r) Government grants

Government grants 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 the amounts credited to the statement of profit and loss at the balance sheet date are included in the balance sheet as deferred income.

(s) 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.

(t) Income taxes

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

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying 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 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 there are legally enforceable rights to set off current tax assets and current tax liabilities within that jurisdiction.

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

NOTES forming part of the financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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.

(u) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

Interest income

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

Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

Rental income

Rental income from investment properties and subletting of properties is recognised on a straight line basis over the term of the relevant leases.

Commission income

Commission income is recognised when the services are rendered.

(v) 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 retranslated 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 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 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 statement of profit and loss for the period.

(w) 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 the temporary investment of specific borrowings pending their expenditure on qualifying assets is recognised in the statement of profit and loss.

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

NOTES forming part of the financial statements

3. PROPERTY, PLANT AND EQUIPMENT

[Item No. I(a), Page 172]

(₹ 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**

(₹ crore)

	Land including roads	Buildings	Plant and Machinery	Furniture, fixtures and office equipments	Vehicles	Railway Sidings	Total
Cost/Deemed cost as at April 1, 2015	13,614.02	4,582.69	33,710.66	215.91	284.93	413.38	52,821.59
Additions	163.60	342.37	1,010.06	22.53	31.67	1.34	1,571.57
Disposals	(0.45)	(4.15)	(3.63)	(0.15)	(7.60)	-	(15.98)
Cost /Deemed cost as at March 31, 2016	**13,777.17**	**4,920.91**	**34,717.09**	**238.29**	**309.00**	**414.72**	**54,377.18**
Accumulated impairment as at April 1, 2015	-	1.25	-	-	-	-	1.25
Charge for the period	0.13	0.11	0.09	-	-	-	0.33
Other re-classifications	-	(0.04)	-	-	-	-	(0.04)
Accumulated impairment as at March 31, 2016	**0.13**	**1.32**	**0.09**	**-**	**-**	**-**	**1.54**
Accumulated depreciation as at April 1, 2015	234.08	0.59	1,409.42	176.90	116.87	-	1,937.86
Charge for the period	51.20	239.37	2,516.58	22.14	25.98	28.34	2,883.61
Disposals	-	(0.25)	(0.33)	(0.11)	(6.23)	-	(6.92)
Other re-classifications	-	0.04	-	-	-	-	0.04
Accumulated depreciation as at March 31, 2016	**285.28**	**239.75**	**3,925.67**	**198.93**	**136.62**	**28.34**	**4,814.59**
Total accumulated depreciation and impairment as at March 31, 2016	**285.41**	**241.07**	**3,925.76**	**198.93**	**136.62**	**28.34**	**4,816.13**
Net carrying value as at April 1, 2015	13,379.94	4,580.85	32,301.24	39.01	168.06	413.38	50,882.48
Net carrying value as at March 31, 2016	**13,491.76**	**4,679.84**	**30,791.33**	**39.36**	**172.38**	**386.38**	**49,561.05**

(i) Buildings include ₹**2.32** crore (March 31, 2016: ₹2.32 crore; April 1, 2015: ₹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 172]

(ii) The net carrying value of plant and machinery comprises of:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Assets held under finance leases			
Cost/ Deemed cost	3,522.09	2,792.09	2,792.09
Accumulated depreciation and impairment losses	1,486.69	1,393.74	1,325.13
	2,035.40	**1,398.35**	**1,466.96**
Owned assets	**49,578.21**	**29,392.98**	**30,834.28**
	51,613.61	**30,791.33**	**32,301.24**

(iii) The net carrying value of furniture, fixtures and office equipments comprises of:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Furniture and fixtures:			
Cost/Deemed cost	84.02	59.51	52.56
Accumulated depreciation and impairment losses	71.47	52.97	48.94
	12.55	**6.54**	**3.62**
Office equipments:			
Cost/Deemed cost	268.16	178.78	163.35
Accumulated depreciation and impairment losses	174.99	145.96	127.96
	93.17	**32.82**	**35.39**
	105.72	**39.36**	**39.01**

(iv) ₹**221.25** crore (2015-16: ₹1,069.58 crore) of borrowing costs has been capitalised during the year on qualifying assets using a capitalisation rate of **9.50%** (2015-16: 9.50%).

(v) Rupee liability has increased by ₹**137.11** crore (2015-16: ₹107.84 crore) arising out of realignment 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 cost of assets and has been depreciated over their remaining useful life. The depreciation for the current year is higher by ₹**3.16** crore (2015-16: ₹6.48 crore) on account of this adjustment.

(vi) With effect from April 1, 2016, the Company has revised the useful life of certain items of property, plant and equipment based on technical evaluation on assessment of the physical condition of the underlying assets and benchmarking with peers across the industry. Had there been no change in the useful life of assets, depreciation for the year would have been higher by ₹**653.44** crore.

(vii) Property, plant and equipment (including capital work-in-progress) were tested for impairment during the year where indicators of impairment existed. Based on an assessment of external market conditions relating to input costs and final product realisation and evaluation of physical working conditions for items of property, plant and equipment, no indicators of impairment were identified during the current year.

During the year ended March 31, 2016, the Company recognised an impairment charge of ₹10.43 crore which primarily relates to expenses incurred on a project which the Company has decided to discontinue.

NOTES forming part of the financial statements

3. PROPERTY, PLANT AND EQUIPMENT (CONTD.)

[Item No. I(a), Page 172]

(viii) 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, 2016	**0.26**	**60.00**	**5.01**	**0.09**	**65.36**
	0.08	*41.21*	*4.62*	*0.09*	*46.00*
Additions	**5.78**	**6.56**	**1.07**	**-**	**13.41**
	0.18	*18.79*	*0.38*	*-*	*19.35*
Cost as at March 31, 2017	**6.04**	**66.56**	**6.08**	**0.09**	**78.77**
	0.26	*60.00*	*5.00*	*0.09*	*65.35*
Capital work-in-progress					**4.74**
					5.89

Figures in italics represents comparative figures of previous years.

(ix) The details of property, plant and equipment pledged against borrowings are presented in Note 19, Page 213.

4. LEASES

The Company has taken land, buildings and plant and machinery under operating and finance leases. The following is the 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 with renewal option, lease of office spaces 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 the 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, 2017	As at March 31, 2016	As at April 1, 2015
Not later than one year	139.98	166.03	135.61
Later than one year but not later than five years	375.79	411.74	341.29
Later than five years	1,273.85	952.38	224.46
	1,789.62	**1,530.15**	**701.36**

During the year ended March 31, 2017, total operating lease rental recognised in the statement of profit and loss was ₹**255.27** crore, (2015-16: ₹231.30 crore) including contingent rent of ₹**37.07** crore (2015-16: ₹37.24 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 covers a substantial part of the economic life of the underlying asset and 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 the present value of minimum lease payments in respect of arrangements classified as finance leases are as below:

(₹ crore)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Minimum Lease payments	Present value of minimum lease payments	Minimum Lease payments	Present value of minimum lease payments	Minimum Lease payments	Present value of minimum lease payments
Not later than one year	437.55	112.69	352.08	99.98	358.92	94.25
Later than one year but not later than five years	1,525.25	409.81	1,091.15	259.39	1,147.42	278.65
Later than five years	4,246.92	1,728.72	3,283.17	1,273.48	3,547.63	1,342.77
Total future minimum lease commitments	**6,209.72**	**2,251.22**	**4,726.40**	**1,632.85**	**5,053.97**	**1,715.67**
Less: future finance charges	3,958.50		3,093.55		3,338.30	
Present value of minimum lease payments	**2,251.22**		**1,632.85**		**1,715.67**	
Disclosed as:						
Non-current borrowings (Refer Note 19, Page 213)	2,138.53		1,532.87		1,621.42	
Other financial liabilities - Current (Refer Note 20, Page 216)	112.69		99.98		94.25	
	2,251.22		**1,632.85**		**1,715.67**	

NOTES forming part of the financial statements

5. INTANGIBLE ASSETS

[Item No. I(c), Page 172]

(₹ 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**

(₹ crore)

	Software costs	Mining assets	Total
Cost/Deemed cost as at April 1, 2015	142.40	826.60	969.00
Additions	5.36	462.36	467.72
Disposals	-	(5.47)	(5.47)
Cost/Deemed cost as at March 31, 2016	**147.76**	**1,283.49**	**1,431.25**
Accumulated impairment as at April 1, 2015	-	-	-
Charge for the period	-	35.92	35.92
Accumulated impairment as at March 31, 2016	**-**	**35.92**	**35.92**
Accumulated amortisation as at April 1, 2015	108.01	683.85	791.86
Charge for the period	14.71	63.96	78.67
Disposals	-	(2.54)	(2.54)
Accumulated amortisation as at March 31, 2016	**122.72**	**745.27**	**867.99**
Total accumulated amortisation and impairment as at March 31, 2016	**122.72**	**781.19**	**903.91**
Net carrying value as at April 1, 2015	**34.39**	**142.75**	**177.14**
Net carrying value as at March 31, 2016	**25.04**	**502.30**	**527.34**

(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, the Company recognised an impairment charge of ₹**1.13** crore (2015-16: ₹35.92 crore) which represents expenditure incurred in connection with mines which are not currently being operated by the Company.

(iii) Software costs include software related to in-house research and development ₹**0.27** crore (March 31, 2016: ₹0.27 crore; April 1, 2015: ₹0.27 crore).

NOTES forming part of the financial statements

6. INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

[Item No. I(e), Page 172]

(₹ crore)

				No. of shares of face value of ₹10 each fully paid-up unless otherwise specified	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
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	26.30
		(2)	Tayo Rolls Limited	55,87,372	-	-	-
		(3)	Tata Sponge Iron Limited	83,93,554	86.54	86.54	86.54
		(4)	The Tinplate Company of India Ltd.	7,84,57,640	395.02	395.02	395.02
					507.86	**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	1.08
		(2)	Adityapur Toll Bridge Company Limited (2,64,00,000 shares acquired during the current year)	4,14,00,000	26.40	-	-
		(3)	Bangla Steel & Mining Co. Ltd. (liquidated during the current year)	-	-	-	-
		(4)	Indian Steel & Wire Products Ltd.	56,92,651	3.08	3.08	3.08
		(5)	Jamshedpur Utilities & Services Company Limited	2,03,50,000	20.35	20.35	20.35
		(6)	Mohar Exports Services Pvt. Ltd.	3,352	-	-	-
		(7)	NatSteel Asia Pte. Ltd. (Face value of SGD 1 each)	28,14,37,128	773.86	773.86	773.86
		(8)	Rujuvalika Investments Limited	13,28,800	60.40	60.40	-
		(9)	Tata Steel Special Economic Zone Limited (3,36,50,000 shares acquired during the current year)	12,57,42,631	100.82	67.17	7.50
		(10)	Tata Incorporated	-	-	-	1.64
		(11)	Tata Korf Engineering Services Ltd.*	3,99,986	-	-	-
		(12)	Tata Steel (KZN) (Pty) Ltd. (Face value of ZAR 1 each)	12,96,00,000	-	-	-
		(13)	Tata Steel Holdings Pte Ltd. (Face value of GBP 1 each)	5,93,17,67,688	-	-	-
		(14)	Tata Steel Processing and Distribution Limited	6,82,50,000	274.45	274.45	274.45
		(15)	Tata Steel Odisha Limited (17,000 shares acquired during the current year)	25,67,000	2.57	2.55	2.55
		(16)	Tata Pigments Limited (Face value of ₹100 each)	75,000	0.70	0.70	0.70
		(17)	TS Alloys Limited	6,57,07,544	78.64	78.64	72.41
		(18)	Tata Steel Foundation (wholly owned subsidiary incorporated during the current year)	10,00,000	1.00	-	-
					1,343.35	**1,282.28**	**1,157.62**
			Aggregate provision for impairment in value of investments		(15.43)	-	-
					1,327.92	**1,282.28**	**1,157.62**
					1,835.78	**1,790.14**	**1,665.48**

NOTES forming part of the financial statements

6. INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONTD.)

[Item No. I(e), Page 172]

(₹ crore)

				No. of shares of face value of ₹10 each fully paid-up unless otherwise specified	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(b)	**Investments in Associate Companies**						
	(i)	**Quoted**					
		(1)	TRF Limited	37,53,275	5.79	5.79	5.82
					5.79	**5.79**	**5.82**
	(ii)	**Unquoted**					
		(1)	Kalinga Aquatics Limited*	10,49,920	-	-	-
		(2)	Kumardhubi Metal Casting and Engineering Ltd.*	10,70,000	-	-	-
		(3)	Nicco Jubilee Park Limited*	3,40,000	-	-	-
		(4)	Kumardhubi Fireclay and Silica Works Ltd.*	1,50,001	-	-	-
		(5)	Rujuvalika Investments Limited	-	-	-	0.60
		(6)	Strategic Energy Technology Systems Private Limited	2,56,14,500	0.91	0.91	-
		(7)	Tata Construction and Projects Ltd.*	11,97,699	-	-	-
		(8)	TRL Krosaki Refractories Limited	55,63,864	42.38	42.38	42.38
		(9)	Others ₹**33,520** (March 31, 2016 : ₹33,520; April 1, 2015 : ₹67,040)		-	-	0.01
					43.29	**43.29**	**42.99**
			Aggregate provision for impairment in value of investments		0.91	0.91	-
					42.38	**42.38**	**42.99**
					48.17	**48.17**	**48.81**
(c)	**Investments in Joint Ventures**						
	(i)	**Unquoted**					
		(1)	Bhubaneshwar Power Private Limited (1,08,42,989 shares acquired during the current year)	4,36,00,825	43.72	32.76	25.23
		(2)	Himalaya Steel Mills Services Private Limited	36,19,945	3.61	3.61	3.61
		(3)	mjunction services limited	40,00,000	4.00	4.00	4.00
		(4)	S & T Mining Company Private Limited	1,29,41,400	12.94	12.94	12.94
		(5)	Tata BlueScope Steel Limited	43,30,00,000	433.00	433.00	433.00
		(6)	Tata NYK Shipping Pte Ltd. (Face value of USD 1 each)	6,51,67,500	350.14	350.14	328.86
		(7)	T M Mining Company Limited	1,62,800	0.16	0.16	0.16
		(8)	T M International Logistics Limited	91,80,000	9.18	9.18	9.18
		(9)	Jamshedpur Continuous Annealing and Processing Company Private Limited	47,53,20,000	475.32	475.32	445.74
		(10)	Industrial Energy Limited	17,31,60,000	173.16	173.16	163.49
		(11)	Jamipol Limited	36,75,000	8.39	8.39	8.39
					1,513.62	**1,502.66**	**1,434.60**
Total investment in subsidiaries, associates and joint ventures					**3,397.57**	**3,340.97**	**3,148.89**

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

NOTES forming part of the financial statements

6. INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES (CONTD.)

[Item No. I(e), Page 172]

(i) The Company holds 51% of total equity share capital and voting rights 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 certain activities which significantly affect the risks and rewards of the respective businesses require unanimous consent of all the shareholders. These entities have therefore been considered as joint ventures.

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

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	**Subsidiaries:**			
	Aggregate carrying value of quoted investments	507.86	507.86	507.86
	Aggregate market value of quoted investments	1,967.70	1,057.49	1,219.48
	Aggregate carrying value of unquoted investments	1,327.92	1,282.28	1,157.62
(b)	**Associates:**			
	Aggregate carrying value of quoted investments	5.79	5.79	5.82
	Aggregate market value of quoted investments	85.35	110.87	123.26
	Aggregate carrying value of unquoted investments	42.38	42.38	42.99
(c)	**Joint ventures:**			
	Aggregate carrying value of unquoted investments	1,513.62	1,502.66	1,434.60

(iii) Other unquoted investments in associate companies include:

		No. of shares of face value of ₹ 10 each fully paid-up unless otherwise specified	As at March 31, 2017 (₹)	As at March 31, 2016 (₹)	As at April 1, 2015 (₹)
(a)	Malusha Travels Pvt. Ltd.	3,352	33,520.00	33,520.00	33,520.00
(b)	Mohar Exports Services Pvt. Limited	-	-	-	33,520.00
			33,520.00	**33,520.00**	**67,040.00**

NOTES forming part of the financial statements

7. INVESTMENTS

[Item No. I(f)(i) and II(b)(i), Page 172]

A. NON-CURRENT

(₹ crore)

		No. of shares of face value of ₹10 each fully paid-up unless otherwise specified	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(I)	**Investments carried at amortised cost:**				
	Investments in Bonds and Debentures				
(a)	**Associate Companies**				
	(i) Unquoted				
	(1) Tata Construction & Projects Ltd. 10% Convertible debentures of ₹100 each (97,000 debentures redeemed at face value on liquidation during the current year)	-	-	-	-
(b)	**Other Companies**				
	(i) Unquoted				
	(1) Medica TS Hospital Pvt. Ltd. Secured optionally convertible redeemable debentures (Face value of ₹1,000 each) (1,57,900 debentures acquired during the current year)	4,97,400	49.74	33.95	-
			49.74	**33.95**	**-**
(II)	**Investments carried at fair value through other comprehensive income:**				
	Investments in Equity shares				
	(i) Quoted				
	(1) Credit Analysis & Research Limited	3,54,000	59.92	33.16	52.38
	(2) Housing Development Finance Corporation Ltd. (Face value of ₹2 each)	7,900	1.19	0.87	1.04
	(3) Tata Consultancy Services Limited (Face Value of ₹1 each)	24,400	5.93	6.15	6.23
	(4) Tata Motors Ltd. (Face value of ₹2 each)	8,36,37,697	3,896.26	3,233.43	8,345.85
	(5) The Tata Power Company Ltd. (Face value of ₹1 each)	3,91,22,725	353.48	252.93	301.64
	(6) Tata Investment Corporation Limited	2,46,018	15.64	11.62	14.09
	(7) Titan Company Limited (Face value of ₹1 each)	-	-	-	1,518.46
	(8) Steel Strips Wheels Limited (68,884 shares disposed during the current year)	10,86,972	89.75	39.27	35.18
	(9) Timken India Ltd. - ₹**645.05** (March 31, 2016: ₹436.95; April 1, 2015: ₹611.10)	1	-	-	-
			4,422.17	**3,577.43**	**10,274.87**

NOTES forming part of the financial statements

7. INVESTMENTS (CONTD.)

[Item No. I(f)(i) and II(b)(i), Page 172]

(₹ crore)

			No. of shares of face value of ₹10 each fully paid-up unless otherwise specified	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(ii)	Unquoted					
(1)	IFCI Venture Capital Funds Ltd.		1,00,000	0.10	0.10	0.10
(2)	Medica TS Hospital Pvt Ltd.		2,60,000	0.26	0.26	0.26
(3)	Panatone Finvest Ltd.		45,000	0.05	0.05	0.05
(4)	Steelscape Consultancy Pvt. Ltd.		50,000	-	-	-
(5)	Tarapur Environment Protection Society		82,776	0.89	0.89	0.31
(6)	Tata Industries Ltd. (Face value of ₹100 each)		99,80,436	202.19	202.19	202.19
(7)	Tata International Ltd. (Face value of ₹1,000 each)		28,616	31.19	31.19	31.19
(8)	Tata Projects Ltd.		-	-	-	32.36
(9)	Tata Services Ltd. (Face value of ₹1,000 each)		1,621	0.16	0.16	0.16
(10)	Tata Teleservices Ltd.		6,46,92,310	75.82	100.27	138.68
(11)	Tata Sons Limited (Face value of ₹1,000 each)		12,375	68.75	68.75	68.75
(12)	Taj Air Limited		42,00,000	-	4.20	4.20
(13)	Subarnarekha Port Private Limited (1,72,517 shares acquired during the current year)		1,72,517	7.00	-	-
(14)	Others **₹1,20,225** (March 31, 2016: ₹1,20,225; April 1, 2015: ₹1,20,225)			0.01	0.01	0.01
				386.42	**408.07**	**478.26**
				4,808.59	**3,985.50**	**10,753.13**
(III)	**Investments carried at fair value through statement of profit and loss:**					
	Investments in preference shares					
(a)	**Subsidiary Companies**					
(i)	Unquoted					
(1)	Tata Metaliks Ltd. 8.50% non-cumulative redeemable preference shares (Face value of ₹100 each)		1,00,00,000	100.00	100.00	100.00
(2)	Tayo Rolls Limited 8.50% non-cumulative redeemable preference shares (Face value of ₹100 each)		2,31,00,000	-	-	-
(3)	Tayo Rolls Limited 7.00% non-cumulative redeemable preference shares (Face value of ₹100 each) (26,75,000 shares subscribed during the current year)		26,75,000	-	-	-
				100.00	**100.00**	**100.00**
				4,958.33	**4,119.45**	**10,853.13**

NOTES forming part of the financial statements

7. INVESTMENTS (CONTD.)

[Item No. I(f)(i) and II(b)(i), Page 172]

B. CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investments carried at fair value through the statement of profit and loss:				
Investments in Mutual funds – Unquoted				
(a)	Axis Liquid Fund - Growth	571.11	380.30	-
(b)	DSP BlackRock Liquidity Fund - IP - Growth	125.03	-	-
(c)	Goldman Sachs Mutual Fund - Liquid Bees	0.08	0.08	0.07
(d)	HDFC Liquid Fund - Growth	500.33	500.70	-
(e)	ICICI Prudential Money Market Fund - Reg - Growth	604.05	700.76	-
(f)	ICICI Prudential Liquid - Reg - Growth	-	-	100.05
(g)	IDFC Cash Fund - Reg - Growth	231.34	-	-
(h)	Invesco India Liquid Fund - Growth	353.60	-	-
(i)	JM High Liquidity - Growth	25.08	-	-
(j)	Kotak Liquid Scheme - Plan A - Growth	-	300.32	-
(k)	Kotak Liquid Scheme - Reg - Growth	339.61	-	-
(l)	Reliance Liquidity Fund - Growth	1,006.74	630.67	100.06
(m)	Religare Invesco Liquid Fund - Growth	-	100.07	-
(n)	SBI Premier Liquid Fund - Reg - Growth	300.25	350.46	50.07
(o)	Tata Money Market Fund - Plan A - Growth	-	-	750.90
(p)	Tata Money Market Fund - Reg - Growth	659.59	901.01	-
(q)	UTI Liquid Fund - Cash Plan - IP - Growth	593.00	460.63	-
		5,309.81	**4,325.00**	**1,001.15**

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

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	**Quoted**			
	Carrying value	4,422.17	3,577.43	10,274.87
	Market value	4,422.17	3,577.43	10,274.87
(b)	**Unquoted#**			
	Carrying value	5,845.97	4,867.02	1,579.41

Costs 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) and II(b)(i), Page 172]

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

		No. of shares of face value of ₹10 each fully paid-up unless otherwise specified	As at March 31, 2017 (₹)	As at March 31, 2016 (₹)	As at April 1, 2015 (₹)
(a)	Barajamda Iron Ore Mine Workers' Central Co-operative Stores Ltd. (Face value of ₹25 each)	200	5,000.00	5,000.00	5,000.00
(b)	Bokaro and Ramgarh Ltd.	100	16,225.00	16,225.00	16,225.00
(c)	Eastern Synpacks Limited (Face value of ₹25 each)	1,50,000	1.00	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	2,500.00
(e)	Investech Advisory Services (India) Limited (Face value of ₹100 each)	1,680	1.00	1.00	1.00
(f)	Jamshedpur Co-operative House Building Society Ltd. (Face value of ₹100 each)	10	1,000.00	1,000.00	1,000.00
(g)	Jamshedpur Co-operative Stores Ltd. (Face value of ₹5 each)	50	250.00	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	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	2,500.00
(j)	Namtech Electronic Devices Limited	48,026	1.00	1.00	1.00
(k)	Reliance Firebrick and Pottery Company Ltd. (Partly paid-up)	16,800	1.00	1.00	1.00
(l)	Reliance Firebrick and Pottery Company Ltd.	2,400	1.00	1.00	1.00
(m)	Sanderson Industries Ltd.	3,33,876	2.00	2.00	2.00
(n)	Standard Chrome Ltd.	11,16,000	2.00	2.00	2.00
(o)	Sijua (Jherriah) Electric Supply Co. Ltd.	4,144	40,260.00	40,260.00	40,260.00
(p)	TBW Publishing and Media Pvt. Limited	100	1.00	1.00	1.00
(q)	Wellman Incandescent India Ltd.	15,21,234	2.00	2.00	2.00
(r)	Woodland Multispeciality Hospital Ltd.	1,25,000	1.00	1.00	1.00
(s)	Unit Trust of India - Mastershares	2,229	47,477.00	47,477.00	47,477.00
			1,20,225.00	**1,20,225.00**	**1,20,225.00**

NOTES forming part of the financial statements

8. LOANS

[Item No. I(f)(ii) and II(b)(v), Page 172]

A. NON-CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	**Security deposits**			
	Unsecured, considered good	190.04	181.17	114.10
	Unsecured, considered doubtful	1.26	1.40	1.72
	Less: Allowance for credit losses	1.26	1.40	1.72
		190.04	**181.17**	**114.10**
(b)	**Loans to related parties**			
	Unsecured, considered doubtful	539.73	540.51	530.57
	Less: Allowance for credit losses	539.73	540.51	530.57
		-	-	-
(c)	**Other loans**			
	Unsecured, considered good	21.93	24.79	27.73
	Unsecured, considered doubtful	0.62	0.42	0.43
	Less: Allowance for credit losses	0.62	0.42	0.43
		21.93	**24.79**	**27.73**
		211.97	**205.96**	**141.83**

B. CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	**Loans to related parties**			
	Unsecured, considered good	21.51	11.50	73.79
	Unsecured, considered doubtful	60.63	59.69	15.00
	Less: Allowance for credit losses	60.63	59.69	15.00
		21.51	**11.50**	**73.79**
(b)	**Other loans**			
	Unsecured, considered good	5.63	7.25	8.25
	Unsecured, considered doubtful	2.00	2.00	2.00
	Less: Allowance for credit losses	2.00	2.00	2.00
		5.63	**7.25**	**8.25**
		27.14	**18.75**	**82.04**

(i) Security deposits include deposit with a subsidiary ₹**14.00 crore** (March 31, 2016: ₹14.00 crore; April 1, 2015: ₹14.00 crore) and Tata Sons ₹**1.25** crore (March 31, 2016: ₹1.25 crore; April 1, 2015: ₹1.25 crore).

(ii) Non-current loans to related parties represent loans given to subsidiaries ₹**539.73** crore (March 31, 2016: ₹540.51 crore; April 1, 2015: ₹530.57 crore).

(iii) Current loans to related parties represent inter-corporate deposits given to subsidiaries ₹**82.14** crore (March 31, 2016: ₹71.19 crore; April 1, 2015: ₹26.50 crore) and joint venture **Nil** (March 31, 2016: Nil; April 1, 2015: ₹62.29 crore).

(iv) Current other loans include inter-corporate deposits ₹**2.00** crore (March 31, 2016: ₹2.00 crore; April 1, 2015: ₹2.00 crore) and loans given to employees.

NOTES forming part of the financial statements

8. LOANS (CONTD.)

[Item No. I(f)(ii) and II(b)(v), Page 172]

(v) Disclosure as per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of the Company	Relationship	As at March 31, 2017 ₹ crore	Maximum balance outstanding during the year ₹ crore	Investment by the loanee in shares of parent Company No. of Shares
Tata Steel Special Economic Zone Limited	Subsidiary	**10.00**	**10.00**	**-**
		-	-	-
		-	-	-
Tayo Rolls Limited	Subsidiary	**60.00**	**65.00**	**-**
		43.63	*43.63*	-
		-	-	-
Industrial Energy Limited	Joint venture	**-**	**-**	-
		-	*62.29*	-
		62.29	*139.20*	-
Tata Steel (KZN) (Pty) Ltd.	Subsidiary	**539.73**	**561.77**	**-**
		540.51	*541.66*	-
		530.57	*541.86*	-
Jamshedpur Utilities & Services Company Limited	Subsidiary	**11.50**	**11.50**	**-**
		11.50	*11.50*	-
		11.50	*11.50*	-
Adityapur Toll Bridge Company Limited	Subsidiary	**-**	**15.43**	**-**
		15.43	*15.43*	-
		15.00	*15.00*	-

Figures in italics represents comparative figures of previous years.

The above loans and inter-corporate deposits have been given for business purpose.

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

9. OTHER FINANCIAL ASSETS

[Item No. I(f)(iv) and II(b)(vii), Page 172]

A. NON-CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	**Interest accrued on deposits and loans**			
	Unsecured, considered good	**2.27**	**1.91**	**1.62**
(b)	**Earmarked bank balances**	**37.74**	**35.01**	**37.81**
(c)	**Other financial assets**			
	Unsecured, considered good	39.48	-	21.27
	Unsecured, considered doubtful	119.72	-	-
	Less: Allowance for credit losses	119.72	-	-
		39.48	**-**	**21.27**
		79.49	**36.92**	**60.70**

NOTES forming part of the financial statements

9. OTHER FINANCIAL ASSETS (CONTD.)

[Item No. I(f)(iv) and II(b)(vii), Page 172]

B. CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	**Interest accrued on deposits and loans**			
	Unsecured, considered good	9.98	11.84	6.63
	Unsecured, considered doubtful	7.81	172.43	162.26
	Less: Allowance for credit losses	7.81	172.43	162.26
		9.98	**11.84**	**6.63**
(b)	**Other financial assets**	**305.08**	**195.91**	**227.38**
		315.06	**207.75**	**234.01**

(i) Earmarked bank balances represent deposits not due for realisation within 12 months from the balance sheet date. These are primarily placed as security with government bodies and margin money against issue of bank guarantees.

(ii) Non-current other financial assets include:

(a) advance against equity for purchase of shares in subsidiaries and joint ventures ₹**12.30** crore (March 31, 2016: Nil; April 1, 2015: ₹21.27 crore)

(b) advance for repurchase of equity shares in Tata Teleservices Limited (TTSL) from NTT Docomo Inc, ₹**144.07** crore (March 31, 2016: Nil; April 1, 2015: Nil).

(iii) Current other financial assets include amount receivable from post-employment benefit fund ₹**247.04** crore (March 31, 2016: ₹97.61 crore; April 1, 2015: ₹154.34 crore) on account of retirement benefit obligations paid by the Company directly.

10. INCOME TAX

[Item No. IV(e), Page 172]

A. INCOME TAX EXPENSES/(BENEFITS)

The Company is subject to income tax in India on the basis of standalone financial statements. As per the Income Tax Act, the Company is liable to pay income tax which is 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 15 years and can be offset against future tax liabilities.

Companies can claim for tax exemptions/deductions under specific section subject to fulfilment of prescribed conditions as may be applicable. The effective tax rate of the Company was lower as a result of tax deduction claimed by the Company on account of investment allowance on capital expenditure, expenditure on research and development etc.

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

NOTES forming part of the financial statements

10. INCOME TAX (CONTD.)

[Item No. IV(e), Page 172]

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

(₹ crore)

	Year ended March 31, 2017	Year ended March 31, 2016
Profit/(loss)before tax	**5,356.93**	**1,543.34**
Expected income tax expense at statutory income tax rate	1,853.93	534.12
(i) Income exempt from tax/Items not deductible	188.06	133.86
(ii) Tax on income at different rates	-	(13.54)
(iii) Additional tax benefit for capital investment including research and development expenditures	(129.61)	(66.75)
Tax expense as reported	**1,912.38**	**587.69**

B. DEFERRED TAX ASSETS/(LIABILITIES)

(i) 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	Recognised in other comprehensive income	Recognised in equity	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
Provisions	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)**

NOTES forming part of the financial statements

10. INCOME TAX (CONTD.)

[Item No. IV(e), Page 172]

Components of deferred tax assets and liabilities as at March 31, 2016 is as below:

(₹ crore)

	Balance as at April 1, 2015	Recognised/ (reversed) in statement of profit and loss	Recognised in other comprehensive income	Recognised in equity	Balance as at March 31, 2016
Deferred tax assets:					
Investments	3,011.56	-	-	-	3,011.56
Retirement benefit assets	184.21	-	-	-	184.21
Provisions	1,122.93	377.96	-	-	1,500.89
MAT credit entitlement	117.21	152.17	-	-	269.38
Others	206.32	(13.38)	(0.62)	-	192.32
	4,642.23	**516.75**	**(0.62)**	**-**	**5,158.36**
Deferred tax liabilities:					
Property, plant and equipment and intangible assets	10,791.90	(80.36)	-	(15.88)	10,695.66
Others	81.88	(8.48)	-	-	73.40
	10,873.78	**(88.84)**	**-**	**(15.88)**	**10,769.06**
Net deferred tax assets/(liabilities)	**(6,231.55)**	**605.59**	**(0.62)**	**15.88**	**(5,610.70)**
Disclosed as:					
Deferred tax assets	-				**-**
Deferred tax liabilities	**(6,231.55)**				**(5,610.70)**
	(6,231.55)				**(5,610.70)**

(ii) The Company has not recognised deferred tax assets amounting to ₹**8,034.23** crore as on March 31, 2017 (March 31, 2016: ₹8,034.23 crore; April 1, 2015: ₹8,034.23 crore) on fair value adjustment recognised in respect of investments held in a subsidiary on transition to Ind AS due to uncertainty surrounding availability of future taxable income against which such losses can be offset.

11. OTHER ASSETS

[Item No. I(h) and II(c), Page 172]

A. NON-CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	**Capital advances**			
	Unsecured, considered good	359.62	598.17	781.29
	Unsecured, considered doubtful	86.15	73.43	-
	Less: Provision for doubtful advances	86.15	73.43	-
		359.62	**598.17**	**781.29**
(b)	**Advance with public bodies**			
	Unsecured, considered good	1,765.85	1,851.83	1,332.05
	Unsecured, considered doubtful	12.76	12.73	13.30
	Less: Provision for doubtful advances	12.76	12.73	13.30
		1,765.85	**1,851.83**	**1,332.05**

NOTES forming part of the financial statements

11. OTHER ASSETS (CONTD.)

[Item No. I(h) and II(c), Page 172]

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(c)	**Prepaid lease payments**	**890.15**	**821.50**	**681.95**
(d)	**Capital advances to related parties**	**95.46**	**35.20**	**47.53**
(e)	**Other assets**			
	Unsecured, considered good	10.56	18.48	3.05
	Unsecured, considered doubtful	-	-	2.99
	Less: Provision for doubtful advances	-	-	2.99
		10.56	**18.48**	**3.05**
		3,121.64	**3,325.18**	**2,845.87**

B. CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	**Advance with public bodies**			
	Unsecured, considered good	1,023.97	917.13	807.56
	Unsecured, considered doubtful	2.43	2.69	1.85
	Less: Provision for doubtful advances	2.43	2.69	1.85
		1,023.97	**917.13**	**807.56**
(b)	**Advances to related parties**			
	Unsecured, considered good	28.02	39.41	66.14
	Unsecured, considered doubtful	-	23.97	-
	Less: Provision for doubtful advances	-	23.97	-
		28.02	**39.41**	**66.14**
(c)	**Other assets**			
	Unsecured, considered good	173.49	132.33	151.39
	Unsecured, considered doubtful	60.46	39.74	34.22
	Less: Provision for doubtful advances	60.46	39.74	34.22
		173.49	**132.33**	**151.39**
		1,225.48	**1,088.87**	**1,025.09**

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

(ii) Prepaid lease payment relate to land leases classified as operating in nature as the title is not expected to transfer at the end of the lease term and considering that land has an indefinite economic life.

(iii) Other assets include advances against supply of goods and services and advances paid to employees.

NOTES forming part of the financial statements

12. INVENTORIES

[Item No. II(a), Page 172]

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Raw materials	3,898.99	2,368.61	3,265.19
(b)	Work-in-progress	5.88	18.30	44.32
(c)	Finished and semi-finished goods	4,096.56	2,792.69	2,869.82
(d)	Stock-in-trade	107.95	69.75	37.35
(e)	Stores and spares	2,127.47	1,888.03	1,806.67
		10,236.85	**7,137.38**	**8,023.35**
Included above, goods-in-transit:				
(i)	Raw materials	644.38	382.42	598.63
(ii)	Finished and semi-finished goods	-	0.04	19.62
(iii)	Stock-in-trade	97.09	65.31	23.85
(iv)	Stores and spares	136.30	160.70	160.77
		877.77	**608.47**	**802.87**

(i) The value of inventories above is stated after impairment of ₹**60.81** crore (March 31, 2016: ₹68.99 crore; April 1, 2015: ₹48.08 crore) for write-downs to net realisable value and provision for slow moving and obsolete item.

(ii) Cost of inventory recognised as expense during the year amounted to ₹**38,704.78** crore (2015-16: ₹ 32,796.55 crore).

13. TRADE RECEIVABLES

[Item No. II(b)(ii), Page 172]

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Unsecured, considered good	2,006.52	1,133.17	1,057.02
(b)	Unsecured, considered doubtful	18.10	13.96	16.67
		2,024.62	**1,147.13**	**1,073.69**
Less: Allowance for credit losses		18.10	13.96	16.67
		2,006.52	**1,133.17**	**1,057.02**

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

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

(₹ crore)

	Year ended March 31, 2017	Year ended March 31, 2016
Balance at the beginning of the year	13.96	16.67
Charge in statement of profit and loss	7.64	5.29
Release to statement of profit and loss	(2.03)	(3.97)
Utilised during the year	(1.47)	(4.03)
Balance at the end of the year	**18.10**	**13.96**

NOTES forming part of the financial statements

13. TRADE RECEIVABLES (CONTD.)

[Item No. II(b)(ii), Page 172]

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

(₹ 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**

(₹ crore)

	As at March 31, 2016		
	Gross credit risk	Allowance for credit losses	Net credit risk
Amounts not yet due	999.16	1.55	997.61
One month overdue	44.95	0.27	44.68
Two months overdue	18.30	0.06	18.24
Three months overdue	8.69	0.06	8.63
Between three to six months overdue	51.59	0.06	51.53
Greater than six months overdue	24.44	11.96	12.48
	1,147.13	**13.96**	**1,133.17**

(₹ crore)

	As at April 1, 2015		
	Gross credit risk	Allowance for credit losses	Net credit risk
Amounts not yet due	974.16	0.02	974.14
One month overdue	52.39	0.05	52.34
Two months overdue	9.81	0.09	9.72
Three months overdue	5.69	-	5.69
Between three to six months overdue	7.36	0.44	6.92
Greater than six months overdue	24.28	16.07	8.21
	1,073.69	**16.67**	**1,057.02**

(iii) The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2017 to be **₹2,006.52** crore (March 31, 2016: ₹1,133.17 crore; April 1, 2015: ₹1,057.02 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, 2017, March 31, 2016 and April 1, 2015.

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

NOTES forming part of the financial statements

14. CASH AND CASH EQUIVALENTS

[Item No. II(b)(iii), Page 172]

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Cash in hand	0.44	0.41	0.46
(b)	Cheques, drafts on hand	19.19	24.53	42.21
(c)	Remittances-in-transit	52.55	0.27	0.13
(d)	Unrestricted balances with banks	833.03	949.47	452.36
		905.21	**974.68**	**495.16**

(i) The cash and bank balances are denominated and held in Indian rupees.

15. OTHER BALANCES WITH BANK

[Item No. II(b)(iv), Page 172]

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Earmarked balances with banks	**65.10**	**61.45**	**56.66**

(i) Earmarked balances with bank represents balances held for unpaid dividends and margin money against issue of bank guarantees.

(ii) 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.

(iii) The earmarked bank balances are denominated and held in Indian rupees.

NOTES forming part of the financial statements

16. EQUITY SHARE CAPITAL

[Item No. III(a), Page 172]

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorised:				
1,75,00,00,000	Ordinary Shares of ₹10 each	1,750.00	1,750.00	1,750.00
	(March 31, 2016: 1,75,00,00,000 Ordinary Shares of ₹10 each)			
	(April 1, 2015: 1,75,00,00,000 Ordinary Shares of ₹10 each)			
35,00,00,000	"A" Ordinary Shares of ₹10 each	350.00	350.00	350.00
	(March 31, 2016: 35,00,00,000 "A" Ordinary Shares of ₹10 each)			
	(April 1, 2015: 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	250.00
	(March 31, 2016: 2,50,00,000 Shares of ₹100 each)			
	(April 1, 2015: 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	6,000.00
	(March 31, 2016: 60,00,00,000 Shares of ₹100 each)			
	(April 1, 2015: 60,00,00,000 Shares of ₹100 each)			
		8,350.00	**8,350.00**	**8,350.00**
Issued:				
97,21,26,020	Ordinary Shares of ₹10 each	**972.13**	**972.13**	**972.13**
	(March 31, 2016: 97,21,26,020 Ordinary Shares of ₹10 each)			
	(April 1, 2015: 97,21,26,020 Ordinary Shares of ₹10 each)			
Subscribed and Paid up:				
97,12,15,439	Ordinary Shares of ₹10 each fully paid up	971.21	971.21	971.21
	(March 31, 2016: 97,12,15,439 Ordinary Shares of ₹10 each)			
	(April 1, 2015: 97,12,15,439 Ordinary Shares of ₹10 each)			
	Amount paid up on 3,89,516 Ordinary Shares forfeited	0.20	0.20	0.20
	(March 31, 2016: 3,89,516 Shares of ₹10 each)			
	(April 1, 2015: 3,89,516 Shares of ₹10 each)			
		971.41	**971.41**	**971.41**

(i) Subscribed and paid up capital excludes **11,68,393** Ordinary shares (March 31, 2016: 11,68,393 shares and April 1, 2015: Nil) were held by a wholly owned subsidiary.

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

(₹ crore)

	As at March 31, 2017		As at March 31, 2016	
	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
Balance at the end of the year	**97,12,15,439**	**971.21**	**97,12,15,439**	**971.21**

NOTES forming part of the financial statements

16. EQUITY SHARE CAPITAL (CONTD.)

[Item No. III(a), Page 172]

(iii) As at March 31, 2017: **3,01,183** Ordinary Shares (March 31, 2016: 3,01,183 Ordinary Shares; April 1, 2015: 3,01,183 Ordinary Shares) are kept in abeyance in respect of rights issue of 2007.

(iv) Details of shareholders holding more than 5 percent shares in the Company is as below:

(₹ crore)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of ordinary shares	%	No. of ordinary shares	%	No. of ordinary shares	%
Name of shareholders						
(a) Tata Sons Limited	28,88,98,245	29.75	28,88,98,245	29.75	28,88,98,245	29.75
(b) Life Insurance Corporation of India	12,20,50,996	12.57	14,17,39,415	14.59	14,17,39,185	14.59

(v) **1,55,10,420** shares (March 31, 2016: 2,25,14,584 shares; April 1, 2015: 1,79,07,847 shares) of face value of ₹10 per share represent the shares underlying GDRs which were issued during 1994 and 2009. Each GDR represents one underlying Ordinary share.

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

A. Ordinary Shares of ₹10 each

(a) 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.

(b) 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.

(c) 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.

(a) 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.

(b) Such shares shall rank for capital and dividend (including all dividend undeclared upto the commencement of winding

NOTES forming part of the financial statements

16. EQUITY SHARE CAPITAL (CONTD.)

[Item No. III(a), Page 172]

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.

(c) 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.

(d) 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 172]

The detail of movement in Hybrid Perpetual Securities is as below:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balance at the beginning of the year	2,275.00	2,275.00	2,275.00
Balance at the end of the year	**2,275.00**	**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 172]

A. OTHER COMPREHENSIVE INCOME RESERVES

(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.

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

The detail of movement in Cash flow hedge reserve are as below:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	(0.55)	(1.73)
Other comprehensive income recognised during the year	(0.80)	1.18
Transfers within equity	-	-
Balance at the end of the year	**(1.35)**	**(0.55)**

NOTES forming part of the financial statements

18. OTHER EQUITY (CONTD.)

[Item No. III(c), Page 172]

The detail of Other Comprehensive income recognised is as below:

(₹ crore)

	Year ended March 31, 2017	Year ended March 31, 2016
Fair value changes recognised during the year	(7.63)	(4.87)
Fair value changes reclassified to the statement of profit and loss/cost of underlying items	6.41	6.67
Tax impact on above (net)	0.42	(0.62)
	(0.80)	**1.18**

During the year, ineffective portion of cash flow hedges recognised in the statement of profit and loss amounted to **Nil** (2015-16: ₹0.05 crore)

The amount recognised in the cash flow hedge reserve is expected to impact the statement of profit and loss within the next one year.

(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 are as below:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	2,936.92	9,713.10
Other comprehensive income recognised during the year	819.01	(3,405.03)
Transfers within equity	(1.75)	(3,371.15)
Balance at the end of the year	**3,754.18**	**(2,936.92)**

B. 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").

There is no movement in securities premium during the current and previous year.

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	18,873.68	18,873.68
Balance at the end of the year	**18,873.68**	**18,873.68**

(b) Debenture redemption reserve

The Companies Act 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.

NOTES forming part of the financial statements

18. OTHER EQUITY (CONTD.)

[Item No. III(c), Page 172]

There is no movement in debenture redemption reserve during the current and previous year.

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
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, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

There is no movement in general reserve during the current and previous year.

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
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**

(d) Capital redemption reserve

The Companies Act 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 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.

There is no movement in capital redemption reserve during the current and previous year.

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
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 include:

(i) the balance of foreign currency monetary item translation difference account ("FCMITDA") created for recognising exchange differences on revaluation of long term foreign currency monetary items as per the Previous GAAP. Such exchange differences recognised are transferred to the statement of profit and loss on a systematic basis.

(ii) amounts appropriated out of profit or loss for unforeseen contingencies. Such appropriations are free in nature.

The details of movement in others are as below:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	117.04	117.16
Release to the statement of profit and loss	-	(0.12)
Balance at the end of the year	**117.04**	**117.04**

NOTES forming part of the financial statements

19. BORROWINGS

[Item No. IV(a)(i) and V(a)(i), Page 172]

A. NON-CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	**Secured**			
	(i) Loans from Joint Plant Committee - Steel Development Fund	2,420.65	2,338.91	2,232.36
(b)	**Unsecured**			
	(i) Non-convertible debentures	10,175.70	9,023.03	9,298.09
	(ii) Term loans from banks and financial institutions	9,959.49	11,031.95	11,164.23
	(iii) Finance lease obligations	2,138.53	1,532.87	1,621.42
		24,694.37	**23,926.76**	**24,316.10**

B. CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	**Secured**			
	(i) Repayable on demand from banks and financial institutions	131.12	21.46	73.51
(b)	**Unsecured**			
	(i) Loans from banks and financial institutions	834.19	2,631.69	746.23
	(ii) Commercial papers	2,274.36	3,234.85	-
		3,239.67	**5,888.00**	**819.74**

(i) As at March 31, 2017, ₹**2,551.77** crore (March 31, 2016: ₹2,360.37 crore, April 1, 2015: ₹2,305.87 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 of the Company 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 installments 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 ₹**781.32** crore (March 31, 2016: ₹699.58 crore and April 1, 2015: ₹593.03 crore).

It includes ₹**1,639.33** crore (March 31, 2016: ₹1,639.33 crore; April 1, 2015: ₹1,639.33 crore) representing repayments and interest on earlier loans for which applications of funding are awaiting sanction is not secured by charge on movable assets of the Company.

(ii) The details of major unsecured borrowings taken by the Company are given 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 installments commencing from January 6, 2029.

NOTES forming part of the financial statements

19. BORROWINGS (CONTD.)

[Item No. IV(a)(i) and V(a)(i), Page 172]

(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 installments 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) Indian rupee loan amounting ₹**4,450.00** crore (March 31, 2016: ₹7,000.00 crore; April 1, 2015: ₹7,000.00 crore) is repayable in 17 quarterly installments. The next instalment is due on March 31, 2021.

(ii) USD **7.86** million equivalent to ₹**50.98** crore (March 31, 2016: 7.86 million equivalent to ₹52.08 crore) (April 1, 2015: Nil) is repayable on March1, 2021.

(iii) USD **200.00** million equivalent to ₹**1,297.10** crore (March 31, 2016: USD 200.00 million equivalent to ₹1,325.05 crore; April 1, 2015: USD 200.00 million equivalent to ₹1,250.00 crore) loan is repayable in 3 equal annual installments commencing from February 18, 2020.

(iv) Indian rupee loan amounting ₹**2,000.00** crore (March 31, 2016: ₹2,000 crore; April 1, 2015: Nil) is repayable in 10 semi-annual installments commencing from 30th April, 2019.

(v) Indian rupee loan amounting ₹**650.00** crore (March 31, 2016: Nil; April 1, 2015: Nil) is repayable in 20 semi-annual installments commencing from August 15, 2017.

(vi) Euro **27.02** million equivalent to ₹**187.18** crore (March 31, 2016: Euro 32.42 million equivalent to ₹244.69 crore; April 1, 2015: Euro 37.83 million equivalent to ₹254.17 crore) loan is repayable in 10 equal semi-annual installments; the next instalment is due on July 6, 2017.

(vii) Euro **9.39** million equivalent to ₹**65.02** crore (March 31, 2016: Euro 14.08 million equivalent to ₹106.25 crore; April 1, 2015: Euro 18.77 million equivalent to ₹126.13 crore) loan is repayable in 4 equal semi-annual installments; the next instalment is due on July 3, 2017.

(viii) Indian rupee loan amounting ₹**850.00** crore (March 31, 2016: Nil; April 1, 2015: Nil) is repayable in 16 semi-annual installments commencing from June 15, 2017.

(ix) Euro **0.97** million equivalent to ₹**6.72** crore (March 31, 2016: Euro 1.94 million equivalent to ₹14.64 crore; April 1, 2015: Euro 2.91 million equivalent to ₹19.55 crore) loan is repayable in 2 equal semi-annual installments; the next instalment is due on May 2, 2017.

(x) Euro **105.08** million equivalent to ₹**727.98** crore (March 31, 2016: Euro 124.19 million equivalent to ₹937.22 crore; April 1, 2015: Euro 143.29 million equivalent to ₹962.84 crore) loan is repayable in 11 equal semi-annual installments; the next instalment is due on April 28, 2017.

(c) Commercial papers

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

NOTES forming part of the financial statements

19. BORROWINGS (CONTD.)

[Item No. IV(a)(i) and V(a)(i), Page 172]

(iii) The currency and interest exposure of borrowings at the end of the reporting period are as below:

(₹ crore)

	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
INR	15,535.48	10,344.92	25,880.40	14,939.19	13,294.71	28,233.90	12,796.51	11,073.13	23,869.64
EURO	588.99	375.40	964.39	752.84	511.97	1,264.81	771.01	547.05	1,318.06
USD	-	1,439.84	1,439.84	-	1,344.80	1,344.80	-	3,323.58	3,323.58
Others	-	-	-	-	-	-	50.92	924.05	974.97
Total	**16,124.47**	**12,160.16**	**28,284.63**	**15,692.03**	**15,151.48**	**30,843.51**	**13,618.44**	**15,867.81**	**29,486.25**

INR-Indian rupees, USD-United states dollars.

Others primarily include borrowings in GBP-Great Britain Pound

(iv) The 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, 2017: ₹**972.83** crore (March 31, 2016: ₹2,000.00 crore; April 1, 2015: ₹2,093.75 crore) has been hedged using interest rate swaps and collars, with contracts covering a period of more than one year.

(v) The maturity profile of Company's borrowings is as below:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Not later than one year or on demand	3,916.24	7,164.45	5,441.85
Later than one year but not two years	1,142.12	862.31	2,091.52
Later than two years but not three years	3,596.29	1,345.09	1,593.06
Later than three years but not four years	2,119.20	4,144.94	1,743.31
Later than four years but not five years	2,433.35	2,753.19	4,355.36
More than five years	19,894.48	18,726.56	18,812.17
	33,101.68	**34,996.54**	**34,037.27**
Less: Future finance charges on finance leases	3,958.50	3,093.55	3,338.30
Less: Capitalisation of transaction costs	858.55	1,059.48	1,212.72
	28,284.63	**30,843.51**	**29,486.25**

(vi) Some of the Company's major financing arrangements include financial covenants, which require compliance to certain debt-equity ratios 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 forming part of the financial statements

20. OTHER FINANCIAL LIABILITIES

[Item No. IV(a)(iii) and V(a)(iv), Page 172]

A. NON-CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Creditors for other liabilities	**18.22**	**396.51**	**841.89**

B. CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Current maturities of long-term borrowings	237.90	928.77	4,256.16
(b)	Current maturities of finance lease obligations	112.69	99.98	94.25
(c)	Interest accrued but not due	545.05	459.32	587.86
(d)	Unclaimed dividends	51.76	51.64	51.49
(e)	Creditors for other liabilities	3,114.95	3,093.64	2,749.14
		4,062.35	**4,633.35**	**7,738.90**

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

(a) Creditors for capital supplies and services amounting to ₹**2,056.80** crore (March 31, 2016: ₹2,592.32 crore; April 1, 2015: ₹2,712.94 crore).

(b) Liability for employee family benefit scheme ₹**115.60** crore (March 31, 2016: ₹108.39 crore; April 1, 2015: ₹95.72 crore).

21. PROVISIONS

[Item No. IV(b) and V(b), Page 172]

A. NON-CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Employee benefits	1,749.44	1,635.74	1,252.69
(b)	Others	275.30	226.31	68.30
		2,024.74	**1,862.05**	**1,320.99**

B. CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Employee benefits	311.19	280.64	182.99
(b)	Others	389.41	-	-
		700.60	**280.64**	**182.99**

(i) Non-current and current provision for employee benefits include leave salaries ₹**1,016.95** crore (March 31, 2016: ₹918.81 crore; April 1, 2015: ₹854.37 crore) and provision for early separation scheme ₹**1,036.89** crore (March 31, 2016 ₹990.59 crore; April 1, 2015: ₹573.64 crore).

NOTES forming part of the financial statements

21. PROVISIONS (CONTD.)

[Item No. IV(b) and V(b), Page 172]

(ii) Others include:

(a) provision for compensatory afforestation, mine closure and rehabilitation obligations **₹529.13** crore (March 31, 2016: ₹226.31 crore; April 1, 2015: ₹68.30 crore). These amounts become payable upon closure of the mines and are expected to be incurred over a period of 1 to 35 years.

(b) provision for legal and constructive commitments provided by the Company in respect of a loss making subsidiary **₹135.58** crore (March 31, 2016: Nil; April 1, 2015: Nil). The same is expected to be settled in the next financial year.

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

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	226.31	68.30
Charged to the statement of profit and loss	135.58	-
Additions during the year	302.82	158.01
Balance at the end of the year	**664.71**	**226.31**

22. RETIREMENT BENEFIT OBLIGATIONS

[Item No. IV(c) and V(c), Page 172]

A. NON-CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Retiring gratuities	217.03	160.81	561.38
(b)	Post retirement medical benefits	1,170.51	1,012.69	988.11
(c)	Other defined benefit obligations	96.67	78.95	73.74
		1,484.21	**1,252.45**	**1,623.23**

B. CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Post retirement medical benefits	50.67	51.24	46.07
(b)	Other defined benefit obligations	5.91	5.43	5.46
		56.58	**56.67**	**51.53**

(i) Detailed disclosure in respect post retirement defined benefit schemes is provided in Note 35, Page 223.

NOTES forming part of the financial statements

23. DEFERRED INCOME

[Item No. IV(d), Page 172]

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Grants relating to property, plant and equipment	**1,885.19**	**2,228.48**	**2,130.58**

(i) Grants relating to property, plant and equipment relate to duty saved on import of capital goods and spares under the EPCG scheme. Under such 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.

(ii) During the year an amount of ₹**342.90** crore (2015-2016: ₹Nil) was released to statement of profit and loss on fulfillment of export obligations.

24. OTHER LIABILITIES

[Item No. IV(f) and V(e), Page 172]

A. NON-CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Statutory dues	55.31	64.06	-
(b)	Other credit balances	22.43	12.73	19.67
		77.74	**76.79**	**19.67**

B. CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Advances received from customers	380.01	265.01	229.10
(b)	Employee recoveries and employer contributions	39.39	41.73	40.31
(c)	Statutory dues	3,124.40	2,559.24	1,879.60
		3,543.80	**2,865.98**	**2,149.01**

(i) Statutory dues primarily include payables in respect of excise duties, service tax, sales tax, VAT, tax deducted at source and royalties.

25. TRADE PAYABLES

[Item No. V(a)(ii), Page 172]

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Creditors for supplies and services	9,342.83	5,125.61	4,018.63
(b)	Creditors for accrued wages and salaries	1,374.61	1,071.27	917.33
		10,717.44	**6,196.88**	**4,935.96**

NOTES forming part of the financial statements

25. TRADE PAYABLES (CONTD.)

[Item No. V(a)(ii), Page 173]

(i) The 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 are as below:

(₹ crore)

		Year ended March 31, 2017	Year ended March 31, 2016	Year ended April 1, 2015
(i)	The principal amount remaining unpaid to supplier as at the end of the year	14.28	14.90	16.51
(ii)	The interest due thereon remaining unpaid to supplier as at the end of the year	0.95	0.72	0.56
(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	4.88	4.36	4.33
(iv)	The amount of interest accrued during the year and remaining unpaid at the end of the year	5.84	5.08	4.89

26. REVENUE FROM OPERATIONS

[Item No. I, Page 173]

(₹ crore)

		Year ended March 31, 2017	Year ended March 31, 2016
(a)	Sale of products	51,010.53	40,689.22
(b)	Sale of power and water	1,418.43	1,468.37
(c)	Income from town, medical and other services	135.97	133.05
(d)	Other operating income	696.03	406.80
		53,260.96	**42,697.44**

27. OTHER INCOME

[Item No. II, Page 173]

(₹ crore)

		Year ended March 31, 2017	Year ended March 31, 2016
(a)	Dividend income	87.51	107.08
(b)	Finance income	35.89	42.76
(c)	Net gain/(loss) on sale of non-current investments	0.97	-
(d)	Net gain/(loss) on investments carried at fair value through statement of profit and loss	316.63	184.16
(e)	Gain/(loss) on sale of capital assets (net of loss on assets sold/scrapped/written off)	(6.91)	2.12
(f)	Gain/(loss) on cancellation of forwards, swaps and options	(66.95)	(1.21)
(g)	Other miscellaneous income	47.32	56.25
		414.46	**391.16**

(i) Finance income includes:

(a) income on financial assets carried at amortised cost ₹**27.39** crore (2015-2016: ₹42.76 crore).

(b) income on financial assets carried at fair value through profit and loss ₹**8.50** crore (2015-2016: Nil).

NOTES forming part of the financial statements

28. CHANGES IN STOCK OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

[Item No. IV(c), Page 173]

(₹ crore)

		Year ended March 31, 2017	Year ended March 31, 2016
Inventories at the end 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**
Inventories at the beginning of the year			
(a)	Work-in-progress	18.30	44.32
(b)	Finished and semi-finished goods	2,792.69	2,869.82
(c)	Stock-in-trade	69.75	37.35
		2,880.74	**2,951.49**
		1,329.65	**(70.75)**

29. EMPLOYEE BENEFIT EXPENSES

[Item No. IV(d), Page 173]

(₹ crore)

		Year ended March 31, 2017	Year ended March 31, 2016
(a)	Salaries and wages	3,934.58	3,608.28
(b)	Contribution to provident and other funds	434.30	442.13
(c)	Staff welfare expenses	236.25	269.48
		4,605.13	**4,319.89**

During the year, the Company recognised an amount of ₹**18.13** crore (2015-16: ₹17.94 crore) as remuneration to key managerial personnel. The details of such remuneration is as below:

(₹ crore)

		Year ended March 31, 2017	Year ended March 31, 2016
(a)	Short term employee benefits	17.13	17.24
(b)	Post employment benefits	0.71	0.42
(c)	Other long term employee benefits	0.29	0.28
		18.13	**17.94**

30. FINANCE COSTS

[Item No. IV(e), Page 173]

(₹ crore)

		Year ended March 31, 2017	Year ended March 31, 2016
Interest expense on:			
(a)	Bonds, debentures, bank borrowings and others	2,597.04	2,665.45
(b)	Finance leases	312.76	252.18
		2,909.80	**2,917.63**
Less: Interest capitalised		221.25	1,069.58
		2,688.55	**1,848.05**

(i) Other interest expense include interest on income tax ₹**16.22** crore (2015-16: Nil).

NOTES forming part of the financial statements

31. DEPRECIATION AND AMORTISATION EXPENSE

[Item No. IV(f), Page 173]

(₹ crore)

		Year ended March 31, 2017	Year ended March 31, 2016
(a)	Depreciation on tangible assets	3,351.49	2,883.61
(b)	Amortisation of intangible assets	190.06	78.67
		3,541.55	**2,962.28**

32. OTHER EXPENSES

[Item No. IV(g), Page 173]

(₹ crore)

		Year ended March 31, 2017	Year ended March 31, 2016
(a)	Consumption of stores and spares	2,751.81	2,445.77
(b)	Repairs to buildings	70.80	57.41
(c)	Repairs to machinery	2,281.82	2,025.30
(d)	Relining expenses	55.44	43.10
(e)	Fuel oil consumed	111.17	138.07
(f)	Purchase of power	2,769.75	2,407.75
(g)	Conversion charges	2,701.03	2,204.43
(h)	Freight and handling charges	3,783.56	2,994.88
(i)	Rent	75.60	73.53
(j)	Royalty	1,145.51	938.62
(k)	Rates and taxes	1,298.41	752.83
(l)	Insurance charges	79.61	56.82
(m)	Commission, discounts and rebates	207.14	182.78
(n)	Allowance for credit losses/provision for advances	16.09	22.49
(o)	Excise duty (including recovered on sales)	5,267.94	4,428.77
(p)	Others	2,333.41	1,829.80
		24,949.09	**20,602.35**

(i) Others include foreign exchange (gain)/loss of ₹**2.16** crore (2015-16: ₹59.73 crore)

(ii) Details of auditors' remuneration and out-of-pocket expenses are as below:

(₹ crore)

			Year ended March 31, 2017	Year ended March 31, 2016
(a)	Auditors remuneration and out-of-pocket expenses			
	(i)	As auditors	6.30	6.53
	(ii)	For taxation matters	0.46	0.47
	(iii)	For other services	0.33	2.64
	(iv)	Out-of-pocket expenses	0.18	0.17
(b)	Cost audit fees [Including expenses ₹**25,084** (2015-16: ₹22,388), (2014-15: ₹25,064)]		0.12	0.12

(iii) (a) Amount required to be spent by the Company on Corporate Social Responsibility (CSR) activities during the year was ₹**115.80** crore (2015-16 : ₹150.36 crore).

(b) Revenue expenditure charged to statement of profit and loss in respect of Corporate Social Responsibility (CSR) activities undertaken during the year is ₹**191.21** crore [₹190.29 crore has been paid in cash and ₹0.93 crore is yet to be paid] as compared to ₹195.64 crore for the year ended March 31, 2016 [₹192.39 crore was paid in cash and ₹3.25 crore was unpaid].

NOTES forming part of the financial statements

32. OTHER EXPENSES (CONTD.)

[Item No. IV(g), Page 173]

Capital expenditure incurred during the year in construction of capital assets under CSR projects is ₹**2.40** crore [₹1.66 crore paid in cash and ₹0.74 crore is yet to be paid] as compared to ₹8.82 crore for the year ended March 31, 2016 [₹8.49 crore was paid in cash and ₹0.33 crore was unpaid].

(iv) Revenue expenditure charged to Statement of Profit and Loss in respect of research and development activities undertaken during the year is ₹**132.26** crore (2015-16: ₹116.25 crore) including depreciation of ₹**7.87** crore (2015-16: ₹6.75 crore). Capital expenditure in respect of research and development activities undertaken during the year is ₹12.32 crore (2015-16: ₹13.06 crore).

33. EXCEPTIONAL ITEMS

[Item No. VI, Page 173]

(a) Loss (net) on sale of investment in a subsidiary and an associate **Nil** (2015-16: ₹0.85 crore).

(b) Provision for dimunition in value of investments held in subsidiaries ₹**45.42** crore (2015-16: ₹87.63 crore), in respect of advances paid for repurchase of equity shares in Tata Teleservices Limited from NTT Docomo Inc ₹**125.45** crore (2015-16: Nil). During 2015-16, the Company has recognised provision of ₹72.99 crore relating to advances paid for a project which the Company has decided to discontinue.

(c) Impairment loss recognised in respect of property, plant and equipment (including capital work in progress) and intangible assets of **Nil** (2015-16: ₹51.51 crore).

(d) Provision of ₹**218.25** crore (2015-16: ₹880.05 crore) in respect of certain statutory demands and claims.

(e) Provision of ₹**178.68** crore (2015-16: ₹556.25 crore) on account of employee seperation scheme.

(f) Provision towards legal and constructive commitments provided by the Company in respect of a loss making subsidiary ₹**135.58** crore (2015-16: Nil).

34. EARNINGS PER SHARE

[Item No. XII, Page 173]

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, 2017	Year ended March 31, 2016
(a)	Profit after tax	3,444.55	955.65
	Less: Distribution on Hybrid Perpetual Securities (net of tax)	174.01	174.06
	Profit attributable to ordinary shareholders - for Basic and Diluted EPS	3,270.54	781.59
		Nos.	Nos.
(b)	Weighted average number of Ordinary Shares for Basic EPS	97,12,15,439	97,12,15,439
	Weighted average number of Ordinary Shares for Diluted - EPS	97,12,15,493	97,12,15,439
(c)	Nominal value of Ordinary Shares (₹)	10.00	10.00
(d)	Basic and Diluted Earnings per Ordinary Share (₹)	33.67	8.05

NOTES forming part of the financial statements

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

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 and The Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.

The contributions, as specified under the law, are made to the provident fund set up as an irrevocable trust by the Company, post contribution of amount specified under the law to Employee Provident Fund Organisation on account of employee pension scheme.

(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.

The total expenses recognised in the statement of profit and loss during the year on account of defined contribution plans amounted to ₹**310.09** crore (2016: ₹303.65 crore).

B. Defined benefit plans

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

(a) 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 actuarial valuation.

(b) 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 actuarial valuation.

(c) 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/high quality 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.

NOTES forming part of the financial statements

35. EMPLOYEE BENEFITS (CONTD.)

(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 the 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 both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

C. Details of defined benefit obligation 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, 2017	Year ended March 31, 2016
Change in defined benefit obligations:		
Obligation at the beginning of the year	2,640.22	2,572.91
Current service costs	118.00	116.71
Interest costs	192.44	187.65
Remeasurement (gains)/losses	143.44	66.21
Benefits paid	(314.15)	(303.26)
Obligation at the end of the year	**2,779.95**	**2,640.22**

(₹ crore)

	Year ended March 31, 2017	Year ended March 31, 2016
Change in plan assets:		
Fair value of plan assets at the beginning of the year	2,479.53	2,011.53
Interest income	186.23	165.91
Remeasurement gains/(losses)	50.31	43.71
Employers' contributions	161.00	561.64
Benefits paid	(314.15)	(303.26)
Fair value of plan assets at the end of the year	**2,562.92**	**2,479.53**

Amounts recognised in the balance sheet consists of:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fair value of plan assets at beginning/end of the year	2,562.92	2,479.53	2,011.53
Present value of obligation at the beginning/end of the year	(2,779.95)	(2,640.22)	(2,572.91)
	(217.03)	**(160.69)**	**(561.38)**
Recognised as:			
Retirement benefit liability - Non-current	(217.03)	(160.69)	**(561.38)**

NOTES forming part of the financial statements

35. EMPLOYEE BENEFITS (CONTD.)

Expenses recognised in the statement of profit and loss consists of:

(₹ crore)

	Year ended March 31, 2017	Year ended March 31, 2016
Employee benefits expenses:		
Current service costs	118.00	116.71
Net interest expenses	6.21	21.74
	124.21	**138.45**
Other comprehensive income:		
(Gain)/loss on plan assets	(50.31)	(43.71)
Actuarial (gain)/loss arising from changes in financial assumption	149.26	-
Actuarial (gain)/loss arising from changes in experience adjustments	(5.82)	66.21
	93.13	**22.50**
Expenses recognised in the statement of profit and loss	**217.34**	**160.95**

(ii) The fair value of plan assets as at March 31, 2017, March 31, 2016 and April 1, 2015 by category are as below:

(%)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Assets category (%)			
Equity instruments (quoted)	0.21	-	-
Debt instruments (quoted)	28.91	30.73	39.10
Insurance products (unquoted)	70.88	69.27	60.90
	100.00	**100.00**	**100.00**

The Company's 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 asset performance, the Company compares actual returns for each asset category with published benchmarks.

(iii) The key assumptions used in accounting for retiring gratuity is as below:

(%)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Discount rate	7.00	7.75	7.75
Rate of escalation in salary	7.50 to 10.00	7.50 to 10.00	7.50 to 10.00

(iv) The weighted average duration of the obligations as at March 31, 2017 is **9** years (March 31, 2016: 10 Years; April 1, 2015: 10 Years).

(v) The Company expects to contribute **₹217.03** crore to the plan during financial year 2017-18.

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

NOTES forming part of the financial statements

35. EMPLOYEE BENEFITS (CONTD.)

As at March 31, 2017

Assumption	Change in assumption	Impact on scheme liabilities
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

As at March 31, 2016

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹179.73 crore, increase by ₹192.91crore
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹197.27 crore, decrease by ₹174.58 crore

As at April 1, 2015

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹172.68 crore, increase by ₹198.54 crore
Salary rate	Increase by 1%, decrease by 1%	Increase by ₹195.76 crore, decrease by ₹173.59 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)

	April- March 2017		April- March 2016	
	Medical	Others	Medical	Others
Change in defined benefit obligation:				
Obligation as at the beginning of the year	1,063.93	84.38	1034.18	79.20
Current service cost	19.04	5.77	17.27	5.44
Interest cost	80.34	6.30	78.24	5.93
Remeasurement (gains)/losses				
(i) Actuarial gains and losses arising from changes in financial assumptions	126.17	7.84	-	-
(ii) Actuarial gains and losses arising from changes in experience adjustments	(13.69)	4.34	(16.51)	(0.98)
Benefits paid	(54.61)	(6.05)	(49.25)	(5.21)
Obligation as at the end of the year	**1,221.18**	**102.58**	**1063.93**	**84.38**

Amount recognised in balance sheet consists of:

(₹ crore)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Medical	Others	Medical	Others	Medical	Others
Present value of obligation as at the beginning/end of the year	(1,221.18)	(102.58)	(1,063.93)	(84.38)	(1,034.18)	(79.20)
Recognised as:						
Retirement benefit liability - Current	(50.67)	(5.91)	(51.24)	(5.43)	(46.07)	(5.46)
Retirement benefit liability - Non-current	(1,170.51)	(96.67)	(1,012.69)	(78.95)	(988.11)	(73.74)

NOTES forming part of the financial statements

35. EMPLOYEE BENEFITS (CONTD.)

Expenses recognised in the statement of profit and loss consists of:

(₹ crore)

	April- March 2017		April- March 2016	
	Medical	Others	Medical	Others
Employee benefits expenses:				
Current service costs	19.04	5.77	17.27	5.44
Net interest expenses	80.34	6.30	78.24	5.94
	99.38	**12.07**	**95.51**	**11.38**
Other comprehensive income:				
Actuarial (gain)/loss arising from changes in financial assumption	126.17	7.84	-	-
Actuarial (gain)/loss arising from changes in experience adjustments	(13.69)	4.34	(16.51)	(0.98)
	112.48	**12.18**	**(16.51)**	**(0.98)**
	211.86	**24.25**	**79.00**	**10.40**

(ii) The key assumptions used in accounting for the post-retirement medical benefits and other employee benefit plans are as below:

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Medical	Others	Medical	Others	Medical	Others
Discount rate (per annum)	7.00%	7.00%	7.75%	7.75%	7.75%	7.75%
Rate of escalation in salary (per annum)	N.A.	10.00% - 15.00%	N.A.	10.00% - 15.00%	N.A.	10.00% - 15.00%
Inflation rate (per annum)	8.00%	4.00%	8.00%	4.00%	8.00%	4.00%

(iii) The weighted average duration of post-retirement medical benefit obligations as at March 31, 2017 is **9** years (March 31, 2016: 10 Years; April 1, 2015: 10 Years)

The weighted average duration of other defined benefit obligations as at March 31, 2017 ranges from **9 to 12** years (March 31, 2016: 10 Years; April 1, 2015: 10 Years)

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

As at March 31, 2017

Assumption	Change in assumption	Impact on scheme liabilities
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

As at March 31, 2016

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹136.45 crore, increase by ₹166.49 crore
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹164.29 crore, decrease by ₹137.28 crore

As at April 1, 2015

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹132.63 crore, increase by ₹161.84 crore
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹159.70 crore, decrease by ₹133.44 crore

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

NOTES forming part of the financial statements

35. EMPLOYEE BENEFITS (CONTD.)

As at March 31, 2017

Assumption	Change in assumption	Impact on scheme liabilities
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

As at March 31, 2016

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹7.93 crore, increase by ₹9.14 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹4.75 crore, decrease by ₹4.14 crore
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹4.00 crore, decrease by ₹3.55 crore

As at April 1, 2015

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹7.13 crore, increase by ₹8.16 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹4.71 crore, decrease by ₹4.12 crore
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹4.80 crore, decrease by ₹4.10 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 deductions 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, 2017, there are matters and/or disputes pending in appeal amounting to ₹**1,417.54** crore (March 31, 2016: ₹1,312.63 crore; April 1, 2015: ₹1,016.12 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 ₹**1,217.79** crore (inclusive of interest) (March 31, 2016: ₹1,124.48 crore; April 1, 2015: ₹870.36 crore). The Company has deposited ₹**515.00** crore (March 31, 2016: ₹415 crore; April 1, 2015: ₹340.00 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.

NOTES forming part of the financial statements

36. CONTINGENCIES AND COMMITMENTS (CONTD.)

Customs, Excise Duty and Service Tax

As at March 31, 2017, there were pending litigations for various matters relating to customs, excise duty and service taxes involving demands of ₹**482.72** crore (March 31, 2016: ₹483.86 crore; April 1, 2015: ₹465.04 crore).

Sales Tax /VAT

The total sales tax demands that are being contested by the Company amounted to ₹**349.58** crore (March 31, 2016: ₹567.88 crore; April 1, 2015: ₹432.33 crore).

Other Taxes, Dues and Claims

Other amounts for which the Company may contingently be liable aggregate to ₹**8,571.00** crore (March 31, 2016: ₹6,979.48 crore; April 1, 2015: ₹6,143.31 crore).

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

(a) Claim by a party arising out of conversion arrangement- ₹**195.82** crore (March 31, 2016: ₹195.82 crore; April 1, 2015: ₹195.82 crore). The Company has not acknowledged this claim and has instead filed a claim of ₹**139.65** crore (March 31, 2016: ₹139.65 crore; April 1, 2015: ₹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 November 2005 that State does not have authority to levy tax on minerals. The State Government of Odisha moved to the Supreme Court against the order of Orissa High Court and the case is pending with Supreme Court. The potential liability, as at March 31, 2017 would be approximately ₹**5,880.83** crore (March 31, 2016: ₹5,501.98 crore; April 1, 2015: ₹4,805.18 crore).

(c) For the purpose of payment of royalty, there are two salient provisions viz; Section 9 in Mines and Minerals (Development and Regulation) Act (MMDR) 1957, related to the incidence of royalty and Rules 64B and 64C of Mineral Concession Rules (MC Rules), 1960. The Company has been paying royalty on coal extracted from its coal mines pursuant to the judgement and order dated July 23, 2002 passed by the Jharkhand High Court. However, the State Government demanded royalty at rates applicable to processed coal. Though the Company contested the above demand, it started paying, under protest, royalty on processed coal from November 2008. The demand of the state mining authority was confirmed by the High Court vide its judgement dated March 12, 2014. The Court concluded that the State cannot claim interest till the Hon'ble Supreme Court decides the pending Special Leave Petitions (SLP) filed by State and Company in the year 2004.

In the appeals filed by the Company in respect of the issues related to coal royalty, the Hon'ble Supreme Court has pronounced the judgement on March 17, 2015 in which it has interpreted Section 9 and approved the law that removal of coal from the seam in the mine and extracting it through the pithead to the surface satisfies the requirement of Section 9 (charging section) of the MMDR Act in order to give rise to a liability for royalty. In regard to the interpretation of Rules 64B and 64C of MC Rules, the Supreme Court has clarified that the constitutional validity or the vires of the Rules has not been adjudicated upon. Therefore it is open to the Company either to revive the appeals limited to this question or to separately challenge the constitutionality and vires of these Rules. Accordingly, the Company has filed writ petitions challenging the constitutionality and vires of Rules 64B and 64C of MC Rules on May 19, 2015 at Hon'ble High Court of Jharkhand. Vide it's judgement dated June 26, 2015, High Court has held that, the writ petitions are maintainable. It is also pertinent to mention that the Union of India in its counter affidavit has stated that the provisions of Rules 64B and 64C may not be applicable to the mineral coal.

All demands are solely based on application of Rules 64B and 64C. In view of (i) the clear interpretation of charging Section 9 by Supreme Court by three judges Bench following two earlier three Judge Bench orders (ii) the affidavit of Union of India and (iii) the liberty given by Supreme Court, the Company is of the opinion that any related present/ probable demands are not payable. Out of the principal demand of ₹190.25 crore, an amount of ₹163.80 crore has been paid till FY' 2015 and balance has been provided for. As the Hon'ble High Court of Jharkhand refused to grant stay on demand raised in case of West Bokaro division, the Company started providing for differential royalty in the books. Interest amount of ₹**1,043.79** crore (March 31, 2016: ₹324.06 crore; April 1, 2015: ₹318.45 crore) being interest raised on all the demands, which are disputed in several cases has been considered as a contingent liability. The interest demand has been raised after several years for the entire past period and is being contested. ₹12.92 crore, being interest on District Mineral Fund (DMF) and National Mineral Foundation Trust contribution on differential royalty is also considered as a contingent liability.

NOTES forming part of the financial statements

36. CONTINGENCIES AND COMMITMENTS (CONTD.)

(d) The Company pays royalty on 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 excess paid by the Company. Mines tribunal vide its order dated November 13, 2014 has stayed the demand of royalty on iron ore for Joda east of ₹314.28 crore upto the period ending March 31, 2014. For the demand of ₹96.80 crore for April, 2014 to September, 2014, a separate revision application was filed before Mines Tribunal. The matter was heard by Mines Tribunal on July 14, 2015 and stay was granted on the total demand with directive to Government of Odisha not to take any coercive action for realisation of this demanded amount. Likely demand of royalty on fines at sized ore rates as on March 31, 2017: ₹**847.96** crore (March 31, 2016: ₹411.08 crore: April 1, 2015: ₹411.08 crore.

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 a capital nature amounting to ₹**3,825.85** crore, (2016: ₹5416.16 crore, 2015: ₹6,466.63 crore).

Other commitments as at March 31, 2017 amounts to ₹**0.01** crore (March 31, 2016: ₹0.01 crore, March 15: ₹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) The Company has furnished a security bond in respect of its immovable property to the extent of ₹20 crore in favour of the Registrar of the Delhi High Court and has given an undertaking not to sell or otherwise dispose of the said property.

(d) The Promoters of Tata BlueScope Steel Limited (TBSL) (i.e. BlueScope Steel Asia Holdings Pty Limited, Australia and Tata Steel Limited) have given an undertaking to IDBI Trusteeship Services Ltd., Debenture Trustees, and State Bank of India not to reduce collective shareholding in 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%.

(e) The Company, as a promoter, has pledged 4,41,55,800 equity shares of Industrial Energy Limited with Infrastructure Development Finance Corporation Limited.

(f) 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 of 26% of total equity in Bhubaneshwar Power Private Limited (BPPL) till the repayment of entire loan by BPPL to the lenders without prior written approval of lenders. Such shareholding of promoters may be transferred to the Company or its affiliates subject to compliance of applicable laws. The Company along with TS Alloys Limited has pledged 60% of their equity contribution in BPPL to PFC, PFC being the security agent.

(g) 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.

(h) The Company has given guarantees aggregating ₹**11,344.47** crore (2016: ₹11,741.71 crore, 2015: ₹13,761.45 crore) details of which are as below:

(i) in favour of Timken India Limited for **Nil,** (March 31, 2016: ₹80.00 crore; April 1, 2015: ₹80.00 crore) against renewal of lease of land pending with State Government and ₹**1.07** crore (March 31, 2016: ₹1.07 crore; April 1, 2015: ₹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 ₹**45.38** crore (March 31, 2016: ₹65.04 crore; April 1, 2015: ₹78.89 crore) against the loan granted to a joint venture Tata NYK Shipping Pte. Limited.

NOTES forming part of the financial statements

36. CONTINGENCIES AND COMMITMENTS (CONTD.)

(iii) in favour of The President of India for ₹**177.18** crore (March 31, 2016: ₹177.18 crore; April 1, 2015: ₹177.18 crore) against performance of export obligation under the various bonds executed by a joint venture Jamshedpur Continuous Annealing & Processing Company Private Limited.

(iv) in favour of the note holders against due and punctual repayment of the 100% amounts outstanding as on March 31, 2017 towards issued Guaranteed Notes by a subsidiary, ABJA Investment Co. Pte. Limited for ₹**9,728.25** crore (March 31, 2016: ₹9,937.88 crore; April 1, 2015: ₹11,718.75 crore) and ₹**1,392.44** crore (March 31, 2016: ₹1,480.39 crore; April 1, 2015: ₹1,705.41 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, 2016: ₹0.15 crore; April 1, 2015: ₹0.15 crore) against advance license.

37. OTHER SIGNIFICANT LITIGATIONS

(a) Odisha legislative assembly issued an amendment to Indian Stamp Act on May 9, 2013 and inserted a new provision (Section 3a) in respect of stamp duty payable on grant/ renewal of mining leases. As per the amended provision, stamp duty is levied equal to 15% of the average royalty that would accrue out of the highest annual extraction of minerals under the approved mining plan multiplied by the period of such mining lease. The Company had filed a writ petition challenging the constitutionality of the Act on July 5, 2013. The Hon'ble High Court, Cuttack passed an order on July 9, 2013 granting interim stay on the operation of the Amendment Act, 2013. 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. On the basis of external legal opinion, 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 within 3 months from the date of the intimation. Liability has been provided in the books of accounts as on March 31, 2017 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 for supplementary deed execution in respect of eight mines out of the above mines.

(b) Demand notices have been raised by Deputy Director of Mines, Odisha amounting to ₹**3,828** crore for the excess production over the quantity permitted under the mining plan scheme, environment clearance or consent to operate, during the period 2000-01 to 2009-10. The demand notices have been raised under Section 21(5) of the Mines & Minerals (Development and Regulations) Act (MMDR). However, the Act specifies that demand can be raised only when the land is occupied without lawful authority. The Company is of the view that Section 21(5) of the MMDR Act is not applicable as the mining is done within the sanctioned mining lease area and accordingly the Company has filed revision petitions before the Mines Tribunal against all such demand notices. Consequent to it stay has been granted by the Mines Tribunal against the entire demand of ₹3,828 crore and directed the State that no coercive action should be taken for recovery of demand.

Based on the judgement of Hon'ble High court of Jharkhand on December 11, 2014 in the matter of the writ petition filed by the Company for renewal of lease and continuation of operation at Noamundi iron mine, the Government of Jharkhand approved the renewal of lease of Noamundi Mines by an express order on December 31, 2014. Express Order also held mining operation carried out between January 1, 2012 to August 31, 2014 to be unlawful and computed an amount of ₹3,568 crore on account of such alleged unlawful mining.

The Mines and Minerals Development and Regulation (MMDR) Amendment Ordinance 2015 promulgated on January 12, 2015 provides for renewal of the above mines. Based on the new Ordinance, Jharkhand Government revised the Express Order on February 12, 2015 for lease renewal 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 writ petition filed before Hon'ble High Court of Jharkhand.

NOTES forming part of the financial statements

37. OTHER SIGNIFICANT LITIGATIONS (CONTD.)

- 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 crore to be paid immediately.

The Company paid ₹152 crore under protest. 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 till March 31, 2030, the above demand is not tenable. The Company paid ₹50 crore under protest on July 27, 2015.

A writ petition was 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 pay outstanding amount of ₹371.83 crore in 3 equal installments, first instalment by October 15, 2015, second instalment by November 15, 2015 and third instalment by December 15, 2015.

In view of the order of Hon'ble High Court of Jharkhand ₹124 crore was paid on September 28, 2015, ₹124 crore was paid on November 12, 2015 and ₹123.83 crore on December 14, 2015 under protest.

(c) During Financial Year 2014-15, the Income Tax department had reopened assessments of earlier years on account of excess mining and raised cumulative demand for ₹1,086 crore. During 2015-16, the Commissioner of Income Tax (Appeals) has adjudicated the matter in favour of the Company and quashed the entire demand on account of reopened assessments. The demand outstanding as on March 31, 2017 is **Nil** (March 31, 2016: Nil; April 1, 2015: ₹1,086 crore).

(d) During the current year, NTT Docomo Inc. had filed a petition with the Delhi High Court for implementation of the arbitration award (damages along with cost and interest) by the London Court of International Arbitration. The Delhi High Court directed Tata Sons to deposit the damages including costs and interest in an escrow account. During the year, the Company has accordingly remitted its share of ₹ **152** crore to Tata Sons and recognised a provision of ₹125.44 crore being the difference between the fair value of equity shares to be repurchased and the consideration payable to NTT Docomo Inc.

NOTES forming part of the financial statements

38. CAPITAL MANAGEMENT

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

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

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

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

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

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equity share capital	971.41	971.41	971.41
Hybrid Perpetual Securities	2,275.00	2,275.00	2,275.00
Other equity	48,687.60	45,665.97	49,217.90
Total Equity (A)	**51,934.01**	**48,912.38**	**52,464.31**
Non-current borrowings	24,694.37	23,926.76	24,316.10
Short term borrowings	3,239.67	5,888.00	819.74
Current maturities of long term borrowings and finance lease obligations	350.59	1,028.75	4,350.41
Gross Debt (B)	**28,284.63**	**30,843.51**	**29,486.25**
Total Capital (A+B)	**80,218.64**	**79,755.89**	**81,950.56**
Gross Debt as above	28,284.63	30,843.51	29,486.25
Less: Current investments	(5,309.81)	(4,325.00)	(1,001.15)
Less: Cash and cash equivalents	(905.21)	(974.68)	(495.16)
Less: Other balances with bank (including non-current earmarked balances)	(102.84)	(96.46)	(94.47)
Net Debt (C)	**21,966.77**	**25,447.37**	**27,895.47**
Net debt to equity	**0.44**	**0.50**	**0.53**

Net debt to equity as at March 31, 2017 and March 31, 2016 has been computed based on average equity and as on April 1, 2015, it is based on closing equity.

NOTES forming part of the financial statements

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, 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(m), Page 182 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, 2017, March 31, 2016 and April 1, 2015.

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	49.74	4,808.59	-	-	5,409.81	10,268.14	10,268.14
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
	3,660.23	**4,808.59**	**0.16**	**6.22**	**5,409.81**	**13,885.01**	**13,885.01**
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**

As at March 31, 2016

(₹ 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	1,071.14	-	-	-	-	1,071.14	1,071.14
Trade receivables	1,133.17	-	-	-	-	1,133.17	1,133.17
Investments	33.95	3,985.50	-	-	4,425.00	8,444.45	8,444.45
Derivatives	-	-	-	7.00	-	7.00	7.00
Loans	224.71	-	-	-	-	224.71	224.71
Other financial assets	209.66	-	-	-	-	209.66	209.66
	2,672.63	**3,985.50**	**-**	**7.00**	**4,425.00**	**11,090.13**	**11,090.13**

NOTES forming part of the financial statements

39. DISCLOSURES ON FINANCIAL INSTRUMENTS (CONTD.)

As at March 31, 2016

(₹ 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 liabilities:							
Trade and other payables	6,196.88	-	-	-	-	6,196.88	6,196.88
Borrowings	30,843.51	-	-	-	-	30,843.51	31,640.64
Derivatives	-	-	0.85	193.39	-	194.24	194.24
Other financial liabilities	4,001.11	-	-	-	-	4,001.11	4,001.11
	41,041.50	**-**	**0.85**	**193.39**	**-**	**41,235.74**	**42,032.87**

As at April 1, 2015

(₹ 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	589.63	-	-	-	-	589.63	589.63
Trade receivables	1,057.02	-	-	-	-	1,057.02	1,057.02
Investments	-	10,753.13	-	-	1,101.15	11,854.28	11,854.28
Derivatives	-	-	0.20	654.81	-	655.01	655.01
Loans	223.87	-	-	-	-	223.87	223.87
Other financial assets	256.90	-	-	-	-	256.90	256.90
	2,127.42	**10,753.13**	**0.20**	**654.81**	**1,101.15**	**14,636.71**	**14,636.71**
Financial liabilities:							
Trade and other payables	4,935.96	-	-	-	-	4,935.96	4,935.96
Borrowings	29,486.25	-	-	-	-	29,486.25	30,221.71
Derivatives	-	-	2.99	298.15	-	301.14	301.14
Other financial liabilities	4,230.38	-	-	-	-	4,230.38	4,230.38
	38,652.59	**-**	**2.99**	**298.15**	**-**	**38,953.73**	**39,689.19**

(i) Investments in mutual funds and derivative instruments are mandatorily classified as fair value through 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 fund investments.

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 Company's over-the-counter (OTC) derivative contracts.

NOTES forming part of the financial statements

39. DISCLOSURES ON FINANCIAL INSTRUMENTS (CONTD.)

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.

(₹ 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	-	386.42	4,808.59
Investment in preference shares	-	100.00	-	100.00
Derivative financial assets	-	6.38	-	6.38
	9,731.98	**106.38**	**386.42**	**10,224.78**
Financial liabilities:				
Derivative financial liabilities	-	449.50	-	449.50
	-	**449.50**	**-**	**449.50**

(₹ crore)

	As at March 31, 2016			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investment in mutual funds	4,325.00	-	-	4,325.00
Investment in equity shares	3,577.43	-	408.07	3,985.50
Investment in preference shares	-	100.00	-	100.00
Derivative financial assets	-	7.00	-	7.00
	7,902.43	**107.00**	**408.07**	**8,417.50**
Financial liabilities:				
Derivative financial liabilities	-	194.24	-	194.24
	-	**194.24**	**-**	**194.24**

(₹ crore)

	As at April 1, 2015			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investment in mutual funds	1,001.15	-	-	1,001.15
Investment in equity shares	10,274.87	-	478.26	10,753.13
Investment in preference shares	-	100.00	-	100.00
Derivative financial assets	-	655.01	-	655.01
	11,276.02	**755.01**	**478.26**	**12,509.29**
Financial liabilities:				
Derivative financial liabilities	-	301.14	-	301.14
	-	**301.14**	**-**	**301.14**

(i) Short-term 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.

NOTES forming part of the financial statements

39. DISCLOSURES ON FINANCIAL INSTRUMENTS (CONTD.)

(iii) Investments carried at fair value are generally based on market price quotations. Costs 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, 2017, March 31, 2016 and April 1, 2015.

(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, 2017		As at March 31, 2016		As at April 1, 2015	
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
(i)	Foreign currency forwards, swaps and options	6.23	446.93	6.95	194.15	655.01	301.14
(ii)	Interest rate swaps and collars	0.15	2.57	0.05	0.09	-	-
		6.38	**449.50**	**7.00**	**194.24**	**655.01**	**301.14**
Classified as:							
Non-current		0.12	179.33	0.80	116.01	40.91	171.97
Current		6.26	270.17	6.20	78.23	614.10	129.17

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

(USD million)

		As at March 31, 2017	As at March 31, 2016	As at April1, 2015
(i)	Foreign currency forwards, swaps and options	1,337.69	735.46	1,278.74
(ii)	Interest rate swaps and collars	150.00	301.87	335.00
		1,487.69	**1,037.33**	**1,613.74**

NOTES forming part of the financial statements

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, 2017		As at March 31, 2016		As at April 1, 2015	
	Carrying value of asset transferred	Carrying value of associated liabilities	Carrying value of asset transferred	Carrying value of associated liabilities	Carrying value of asset transferred	Carrying value of associated liabilities
Trade receivables	**651.36**	**651.36**	512.87	512.87	551.47	551.47

(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 the foreign currencies with respect to functional currency of the Company would result in an increase/decrease in the Company's net profit before tax by approximately ₹**9.46** crore for the year ended March 31, 2017 (March 31, 2016: ₹24.45 crore) and increase/decrease in carrying value of property, plant and equipment (before considering depreciation) by approximately ₹**185.49** crore as at March 31, 2017 (March 31, 2016: ₹215.55 crore; April 1, 2015: ₹255.82 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 at March 31, 2017, March 31, 2016 and April 1, 2015 excluding trade payables, trade receivables, other non-derivative and derivative financial instruments not forming part of debt and which do not present a material exposure. The period end balances are not necessarily representative of the average debt outstanding during the period.

(b) Market risk - Interest rate risk:

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

NOTES forming part of the financial statements

39. DISCLOSURES ON FINANCIAL INSTRUMENTS (CONTD.)

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, 2017 and March 31, 2016 a 100 basis points increase in interest rates would increase the Company's finance costs (before interest capitalised) and thereby consequently reduce net profit before tax by approximately ₹**122.34** crore for the year ended March 31, 2017 (2015-16: ₹152.64 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, 2017, March 31, 2016 and April 1, 2015, was ₹**4,422.17** crore and ₹3,577.43 crore and ₹10,274.87 crore respectively.

A 10% change in equity prices of such securities held as at March 31, 2017, March 31, 2016 and April 1, 2015, would result in an impact of ₹**442.22** crore, ₹357.74 crore and ₹1,027.49 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 ₹**8,913.94** crore, ₹6,970.27 crore, ₹3,761.85 crore, as at March 31, 2017, March 31, 2016 and April 1, 2015 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments in debt securities and other financial assets.

The risk relating to trade receivables is presented in Note 13, Page 205.

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, 2017, March 31, 2016 and April 1, 2015.

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 deposit and in mutual funds, which carry no or low market risk.

NOTES forming part of the financial statements

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, 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	44,333.15	4,816.98	15,921.64	23,594.53
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	**58,780.57**	**19,246.18**	**15,926.90**	**23,607.49**
Derivative financial liabilities	**449.50**	**449.50**	**270.17**	**96.11**	**83.22**

(₹ crore)

	As at March 31, 2016				
	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	30,843.51	47,225.29	8,265.39	16,198.46	22,761.44
Trade payables	6,196.88	6,196.88	6,196.88	-	-
Other financial liabilities	4,001.11	4,001.11	3,604.60	389.09	7.42
	41,041.50	**57,423.28**	**18,066.87**	**16,587.55**	**22,768.86**
Derivative financial liabilities	**194.24**	**194.24**	**78.23**	**87.28**	**28.73**

(₹ crore)

	As at April 1, 2015				
	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	29,486.25	48,191.81	6,732.28	17,659.38	23,800.15
Trade payables	4,935.96	4,935.96	4,935.96	-	-
Other financial liabilities	4,230.38	4,230.38	3,388.49	841.89	-
	38,652.59	**57,358.15**	**15,056.73**	**18,501.27**	**23,800.15**
Derivative financial liabilities	**301.14**	**301.14**	**129.17**	**114.89**	**57.08**

40. SEGMENT REPORTING

The Company is engaged in the business of manufacturing 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 consolidated financial statements which form 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, 2017, March 31, 2016 and April 1, 2015:

(₹ crore)

	Subsidiaries	Associates	Joint Ventures	Tata Sons and its subsidiaries and joint ventures	Total
Purchase of goods	**8,382.81**	**254.56**	**141.22**	**170.91**	**8,949.50**
	4,111.28	*246.29*	*117.27*	*131.15*	*4,605.99*
Sale of goods	**4,233.84**	**27.23**	**1,522.49**	**114.89**	**5,898.45**
	2,627.40	*26.70*	*1,038.34*	*11.38*	*3,703.82*
Services received	**1,601.30**	**7.73**	**1,305.59**	**88.88**	**3,003.50**
	1,629.17	*24.25*	*859.21*	*113.13*	*2,625.76*
Services rendered	**335.53**	**4.94**	**96.39**	**0.85**	**437.71**
	413.83	*7.42*	*108.07*	*0.23*	*529.56*
Interest income recognised	**9.70**	**-**	**-**	**-**	**9.70**
	18.16	*-*	*1.79*	*-*	*19.95*
Interest expenses recognised	**-**	**-**	**-**	**16.16**	**16.16**
	-	*-*	*-*	*19.23*	*19.23*
Dividend paid	**0.93**	**-**	**-**	**236.48**	**237.41**
	0.93	*-*	*-*	*236.61*	*237.54*
Dividend received	**46.64**	**1.11**	**39.78**	**0.54**	**88.07**
	41.27	*0.56*	*22.32*	*40.94*	*105.08*
Provision for receivables recognised during the year	**4.98**	**-**	**-**	**-**	**4.98**
	90.77	*0.03*	*-*	*-*	*90.80*
Management contracts	**-**	**-**	**-**	**100.00**	**100.00**
	-	*-*	*-*	*75.00*	*75.00*
Purchase of investments	**10.96**	**-**	**-**	**-**	**10.96**
	8.15	*8.15*	*-*	*-*	*16.30*
Sale of investments	**-**	**-**	**-**	**-**	**-**
	-	*-*	*-*	*2,592.01*	*2,592.01*
Finance provided during the year	**470.78**	**-**	**-**	**-**	**470.78**
	126.59	*0.91*	*46.78*	*-*	*174.28*

NOTES forming part of the financial statements

41. RELATED PARTY TRANSACTIONS (CONTD.)

(₹ crore)

	Subsidiaries	Associates	Joint Ventures	Tata Sons and its subsidiaries and joint ventures	Total
Outstanding loans and receivables	**1,138.30**	**26.68**	**46.38**	**80.38**	**1,291.74**
	1,037.69	*9.46*	*22.68*	*36.03*	*1,105.86*
	933.75	*20.51*	*94.56*	*32.65*	*1,081.47*
Provision for outstanding loans and receivables	**636.98**	**0.03**	**-**	**-**	**637.01**
	796.62	*0.03*	*-*	*-*	*796.65*
	707.83	*-*	*-*	*-*	*707.83*
Outstanding payables	**5,520.66**	**28.44**	**388.39**	**162.88**	**6,100.37**
	1,897.36	*37.41*	*165.86*	*134.08*	*2,234.71*
	1,637.11	*48.32*	*141.92*	*130.29*	*1,957.64*
Guarantees provided outstanding	**11,120.69**	**-**	**222.56**	**-**	**11,343.25**
	11,418.27	*-*	*242.22*	*-*	*11,660.49*
	13,424.16	*-*	*256.07*	*-*	*13,680.23*

Figures in italics represents comparative figures of previous years.

(i) The details of remuneration paid to key managerial personnel is provided in Note 29, Page 220.

In addition, during the year the Company has paid dividend of ₹**21,936.00** (2015-16: ₹21,936.00) to key managerial personnel and ₹**2,648.00** (2015-16: ₹2,648.00) to relatives of key managerial personnel.

(ii) During the year, the Company has contributed ₹**471.09** crore (2015-16: ₹865.30 crore) to post employment benefit plans.

(iii) Transaction with joint ventures have been disclosed at full value and not at their proportionate share.

42. ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS)

A. Mandatory exceptions to retrospective application

The Company has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101 "First Time Adoption of Indian Accounting Standards".

(i) Estimates

On assessment of estimates made under the Previous GAAP financial statements, the Company has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates.

(ii) Classification and measurement of financial assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of facts and circumstances that existed on the date of transition to Ind AS.

B. Optional exemptions from retrospective application

Ind AS 101 "First time Adoption of Indian Accounting Standards" permits Companies adopting Ind AS for the first time to take certain exemptions from the full retrospective application of Ind AS during the transition. The Company has accordingly on transition to Ind AS availed the following key exemptions:

NOTES forming part of the financial statements

42. ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS) (CONTD.)

i. Fair value as deemed cost for items of property, plant and equipment

The Company has elected to treat fair value as deemed cost for certain items of its property, plant and equipment.

The aggregate fair value of property, plant and equipment where the exemption was availed amounted to ₹ 47,580.78 crore with an aggregate adjustment of ₹24,345.24 crore being recognised to the carrying value reported under the Previous GAAP.

ii. Fair value as deemed cost for investments in subsidiaries, associates and joint ventures

On transition, Ind AS 101 allows an entity to treat fair value as deemed cost for investments held in subsidiaries, associates and joint ventures.

Accordingly, the Company has elected to treat fair value as deemed cost for its investments held in a subsidiary. The fair value of such investments was considered as Nil with an adjustment of ₹47,875.33 crore being recognised to the carrying value reported under the Previous GAAP.

iii. Designation of previously recognised financial instruments

Under Ind AS 109 "Financial Instruments", at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in fair value of an investment in equity instrument in other comprehensive income.

Ind AS 101 "First time Adoption of Indian Accounting Standards" allows such designation of previously recognised financial assets as "fair value through other comprehensive income" on the basis of facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Company has designated its investments in equity instruments at fair value through other comprehensive income on the basis of facts and circumstances that existed at the date of transition to Ind AS.

iv. Effect of changes in exchange rate

In respect of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period, the Company has elected to recognise exchange differences on translation of such long term foreign currency monetary items in line with its Previous GAAP accounting policy.

In respect of long term foreign currency monetary items recognised in the financial statements beginning with the first Ind AS financial reporting period, exchange differences are recognised in the statement of profit and loss.

C. Transition to Ind AS - Reconciliations

The following reconciliations provide the explanation and qualification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards".

(i) Reconciliation of total equity as at April 1, 2015 and March 31, 2016.

(ii) Reconciliation of total comprehensive income for the year ended March 31, 2016.

(iii) Reconciliation of statement of cash flows for the year ended March 31, 2016.

Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with the financial statements prepared under Ind AS.

NOTES forming part of the financial statements

42. ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS) (CONTD.)

(1) Reconciliation of total equity

(₹ crore)

	Note	As at March 31, 2016	As at April 1, 2015
Equity as per Previous GAAP		**70,476.72**	**66,663.89**
Re-measurements on transition to Ind AS			
(1) Property, plant and equipment	(ii)	23,293.17	24,260.63
(2) Financial Instruments	(i)	3,929.62	10,791.14
(3) Re-classification of Hybrid Perpetual Securities	(v)	2,275.00	2,275.00
(4) Reversal of proposed dividend and tax thereon	(vii)	935.15	935.15
(5) Leases	(iii)	(223.07)	(237.62)
(6) Government grants	(vi)	(231.54)	(231.54)
(7) Fair valuation as deemed cost for investments in subsidiaries	(iv)	(47,875.33)	(47,875.33)
(8) Others	(x)	32.91	(18.66)
(9) Tax impact on above adjustments	(ix)	(3,700.25)	(4,098.35)
Equity as per Ind AS		**48,912.38**	**52,464.31**

(2) Reconciliation of total comprehensive income

(₹ crore)

	Note	Year Ended March 31, 2016
Net Profit as per Previous GAAP		**4,900.95**
Re-measurements on transition to Ind AS		
(1) Leases	(iii)	14.55
(2) Employee benefits	(viii)	5.01
(3) Property, plant and equipment	(ii)	(967.46)
(4) Financial instruments	(i)	(3,698.00)
(5) Others	(x)	62.72
(6) Tax impact on above adjustments	(ix)	637.88
Net Profit as per Ind AS		**955.65**
Other comprehensive income/(loss)	(xi)	(3,407.13)
Total comprehensive income/(loss) as per Ind AS		**(2,451.48)**

(3) Reconciliation of statement of cash flows

(₹ crore)

	Note	Amount as per Previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Net cash generated from/(used in) operating activities	(xii), (xiii)	6,939.43	432.37	7,371.80
Net cash generated from/(used in) investing activities		(4,369.30)	17.58	(4,351.72)
Net cash generated from/(used in) financing activities	(xii), (xiii)	(2,038.71)	(501.73)	(2,540.44)
Net increase/(decrease) in cash and cash equivalents		**531.42**	**(51.78)**	**479.64**
Cash and cash equivalents as at April 1, 2015		421.93	73.23	495.16
Effect of exchange rate on translation of foreign currency cash and cash equivalents		(0.12)	-	(0.12)
Cash and cash equivalents as at March 31, 2016		953.23	21.45	974.68

NOTES forming part of the financial statements

42. ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS) (CONTD.)

Notes to reconciliation of total equity and total comprehensive income

(i) Financial Instruments

(a) In accordance with Ind AS 109 "Financial Instruments", investments in quoted equity instruments (other than in subsidiaries, associates and joint ventures) have been recognised at fair value at each reporting date through other comprehensive income.

Consequently, on eventual sale of such investments, profit or loss recognised in the statement of profit and loss under the Previous GAAP have been reversed as the fair value changes are recognised through other comprehensive income.

(b) In accordance with Ind AS 109 "Financial Instruments", premium payable on redemption, discount on issue, transaction costs on issue of bonds and debentures are required to be considered as effective finance costs and recognised in the statement of profit and loss using the effective interest rate.

Consequently, premium on redemption/discounts on issue and transaction costs recognised directly in equity or amortised using a different approach under the Previous GAAP has been reversed and are now recognised through the statement of profit and loss using the effective interest rate.

(c) In accordance with Ind AS 109 "Financial Instruments", investments in mutual funds are recognised at fair value through the statement of profit and loss at each reporting period.

(d) In accordance with Ind AS 109 "Financial Instruments", all derivative financial instruments are recognised at fair value as at each reporting date through the statement of profit and loss except where designated in a hedging relationship.

(ii) Property, plant and equipment

On transition to Ind AS, the Company has treated fair value as deemed cost for certain items of property, plant and equipment resulting in an uplift in carrying value as compared to the Previous GAAP.

The consequential impact of additional depreciation on fair value uplift is recognised in the statement of profit and loss.

(iii) Leases

As per Ind AS 17, "Leases", the Company has assessed certain long term arrangements, fulfilment of which is dependant on use of specified assets and where the Company has the right to control the use of such assets for being in the nature of a lease.

This resulted in certain arrangements being treated as a lease and classified as finance lease. The impact on total equity and profit and loss is on account of timing difference in recognition of expenses under the lease accounting model as compared to those recognised under the Previous GAAP.

(iv) Fair value as deemed cost for investments in subsidiaries

The Company has treated fair value as deemed cost for its investment held in a subsidiary. The difference between fair value and carrying value as per Previous GAAP has accordingly been adjusted against reserves on transition to Ind AS.

(v) Re-classification of Hybrid perpetual securities

In accordance with Ind AS 109 "Financial Instruments", Hybrid Perpetual Securities have been re-classified as equity based on its substance and the fact that the Company has an unconditional right to avoid making payments on the instrument as per the contractual terms.

(vi) Governments Grants

In accordance with Ind AS 20 "Government Grants", duty saved on import of capital goods and spares under the EPCG scheme has been treated as a Government grant.

The benefit has been grossed up with the cost of the related asset and has been recognised as a deferred income. Such deferred income is released to the statement of profit and loss based on fulfilment of related export obligations. The duty benefit grossed up to the cost of the asset is depreciated based on its useful economic life or as and when the spares are consumed.

(vii) Reversal of proposed dividend

In accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", dividend recommended by the Board of Directors is recognised only once approved by the shareholders as compared to the Previous GAAP where it was considered as an adjusting event.

(viii) Employee benefits

(a) In accordance with Ind AS 19, "Employee Benefits" re-measurement gains and losses on post employment defined benefit plans are recognised in other comprehensive income as compared to the statement of profit and loss under the Previous GAAP.

NOTES forming part of the financial statements

42. ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS) (CONTD.)

(b) Interest expense/income on the net defined benefit liability/ asset is recognised in the statement of profit and loss using the discount rate used for defined benefit obligation as compared to the expected rate used for recognising income from plan assets under the Previous GAAP.

(ix) Deferred Taxes

In accordance with Ind AS 12, "Income Taxes", the Company on transition to Ind AS has recognised deferred tax on temporary differences, i.e. based on balance sheet approach as compared to the earlier approach of recognising deferred taxes on timing differences , i.e. profit and loss approach.

The tax impacts as above primarily represent deferred tax consequences arising out of Ind AS re-measurement changes.

(x) Other adjustments

Other adjustments primarily relate to consequential impact on inventory valuation due to Ind AS transition.

(xi) Other comprehensive Income

Under Ind AS, all items of income and expense recognised during the year are included in the profit or loss for the year, unless Ind AS requires or permits otherwise. Items that are not recognised in profit or loss but are shown in the statement of profit and loss and other comprehensive income include re-measurement gains or losses on defined benefit plans, effective portion of gains or losses on cash flow hedges and fair value changes of equity investments.

The concept of other comprehensive Income did not exist under the Previous GAAP.

Notes to reconciliation of statement of cash flows

(xii) The Company transfers trade receivables under discounting arrangements with banks and financial institutions. Some of the arrangements do not meet the de-recognition criteria due to re-course arrangements being in place. Consequently, proceeds received from such transactions are recorded as short term borrowings and trade receivables continue to be recognised in the financial statements. Under the Previous GAAP, such transactions were de-recognised and recorded as a sale.

As a result, cash flow from operating activities under Ind AS is lower and cash flow from financing activities is higher.

(xiii) On transition to Ind AS, long term arrangements have been assessed as being in the nature of a lease and classified as finance leases, where applicable. Under the Previous GAAP, such long term contracts were treated as a normal contract for purchase of output. Payments made under such contracts have therefore been re-classified as part of financing activities under Ind AS as compared to operating activities under the Previous GAAP.

As a result, cash flow from operating activities under Ind AS is higher and cash flow from financing activities is lower.

43. DIVIDENDS

The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company. On May 16, 2017, the Board of Directors of the Company have proposed a dividend of ₹10 per share in respect of the year ended March 31, 2017 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹ 1,168.93 crore inclusive of a dividend distribution tax of ₹197.72 crore.

For and on behalf of the Board of Directors

sd/- **N. Chandrasekaran** Chairman (DIN: 00121863)	sd/- **Ishaat Hussain** Director (DIN: 00027891)	sd/- **Andrew Robb** Director (DIN: 01911023)	sd/- **O. P. Bhatt** Director (DIN: 00548091)	sd/- **Mallika Srinivasan** Director (DIN: 00037022)	sd/- **Peter Blauwhoff** Director (DIN: 07728872)
sd/- **Aman Mehta** Director (DIN: 00009364)	sd/- **Deepak Kapoor** Director (DIN: 00162957)	sd/- **D. K. Mehrotra** Director (DIN: 00142711)	sd/- **Koushik Chatterjee** Group Executive Director (Finance, Corporate & Europe) (DIN: 00004989)	sd/- **T. V. Narendran** Managing Director (DIN: 03083605)	sd/- **Parvatheesam K.** Company Secretary (ACS: 15921)

Mumbai, May 16, 2017

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF TATA STEEL LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of TATA STEEL LIMITED (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") its associates and its joint ventures, comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent'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 including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its Associates and Joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures 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 its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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 have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, 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.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, 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 Parent'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 Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in sub-paragraph (a) 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

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries, associates and joint ventures referred to below in the Other Matters paragraph, 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 joint ventures as at March 31, 2017, and their consolidated loss, consolidated total comprehensive loss, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of eight subsidiaries, whose financial statements reflect total assets of ₹60,514.49 crore as at March 31, 2017, total revenues of ₹62,237.62 crore and net cash outflows amounting to ₹ 568.42 crore 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 net profit of ₹ 24.10 crore for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of an associate and two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint ventures and associate, 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, joint ventures and associate is based solely on the reports of the other auditors.

(b) We did not audit the financial statements of thirteen subsidiaries, whose financial statements reflect total assets of ₹ 647.51 crore as at March 31, 2017, total revenues of ₹ 650.20 crore and net cash inflows amounting to ₹ 40.74 crore 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 net loss of ₹ 10.64 crore for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of a joint venture, whose financial statements have not been audited by us. These financial statements 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 and joint venture, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

(c) In the case of one subsidiary and eight associates the financial statements as at March 31, 2017 are not available. The investment in these companies are carried at Re. 1 each as at March 31, 2017, the total assets, the total revenue, and net cash flows of the subsidiary and the Group's share of profit/(loss) of these associates have not been included in the consolidated Ind AS financial statements.

Our opinion on the consolidated Ind AS financial statements above, 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 certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and the other financial information of subsidiaries, associates and joint venture companies incorporated in India, referred in the Other Matters paragraph above 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 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, returns and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of 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 prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies incorporated in India, none of the directors of the Group companies, its associate companies and joint venture companies incorporated in India is disqualified as on March 31, 2017 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 over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's/ subsidiary company's / associate company's / joint venture company's incorporated in India internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, 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 of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies, associate companies and joint venture companies incorporated in India.

iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us (and the other auditors) by the Management of the respective Group entities.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

N. Venkatram
(Partner)
(Membership No. 071387)

Mumbai, May 16, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of Tata Steel Limited (hereinafter referred to as "Parent") and its subsidiary companies, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its associate companies and joint ventures, 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 respective Companies 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, 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 Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, associate companies and joint ventures, which are companies incorporated in India, 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 internal financial controls system over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls over Financial Reporting

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 financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its associate companies and joint ventures, 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, 2017, based on "the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 10 subsidiary companies and 9 joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

N. Venkatram
(Partner)
(Membership No. 071387)

Mumbai, May 16, 2017

CONSOLIDATED BALANCE SHEET as at March 31, 2017, 2016 and April 1, 2015

(₹ crore)

			Note	Page	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS							
I	**Non-current assets**						
	(a)	Property, plant and equipment	3	271	86,880.59	66,569.24	67,149.55
	(b)	Capital work-in-progress			15,514.37	35,793.32	28,099.43
	(c)	Goodwill on consolidation	5	276	3,494.73	4,067.56	3,960.85
	(d)	Other Intangible assets	6	277	1,631.23	1,562.96	2,987.16
	(e)	Intangible assets under development			269.76	202.77	81.98
	(f)	Equity accounted investments	7	279	1,593.68	1,620.41	1,719.61
	(g)	Financial assets					
		(i) Investments	8	281	5,190.31	4,429.75	11,158.77
		(ii) Loans	9	282	373.06	412.23	290.09
		(iii) Derivative assets			83.17	32.82	88.17
		(iv) Other financial assets	10	283	85.58	41.04	70.51
	(h)	Retirement benefit assets	11	284	1,752.64	11,477.44	1,330.63
	(i)	Income tax assets			981.23	1,040.26	849.02
	(j)	Deferred tax assets	12	285	885.87	627.45	812.20
	(k)	Other assets	13	288	3,674.96	3,842.23	3,354.43
	Total non-current assets				**1,22,411.18**	**1,31,719.48**	**1,21,952.40**
II	**Current assets**						
	(a)	Inventories	14	289	24,803.82	20,013.33	24,593.36
	(b)	Financial assets					
		(i) Investments	8	281	5,673.13	4,663.55	1,214.60
		(ii) Trade receivables	15	290	11,586.82	12,066.22	13,579.77
		(iii) Cash and cash equivalents	16	291	4,832.29	6,109.05	8,177.13
		(iv) Other balances with bank	17	292	88.76	77.29	71.34
		(v) Loans	9	282	224.50	207.42	215.52
		(vi) Derivative assets			104.04	309.62	1,497.34
		(vii) Other financial assets	10	283	387.82	241.30	351.67
	(c)	Income tax assets			35.08	50.20	44.69
	(d)	Other assets	13	288	2,194.38	2,027.87	1,958.06
	Total current assets				**49,930.64**	**45,765.85**	**51,703.48**
III	**Assets held for sale**		18	293	**991.42**	**26.11**	**145.42**
TOTAL ASSETS					**1,73,333.24**	**1,77,511.44**	**1,73,801.30**

CONSOLIDATED BALANCE SHEET (CONTD.) as at March 31, 2017, 2016 and April 1, 2015

(₹ crore)

		Note	Page	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
EQUITY AND LIABILITIES						
IV	**Equity**					
(a)	Equity share capital	19	294	970.24	970.24	971.41
(b)	Hybrid Perpetual Securities	20	296	2,275.00	2,275.00	2,275.00
(c)	Other equity	21	296	34,574.08	40,487.31	43,867.22
	Equity attributable to shareholders of the Company			**37,819.32**	**43,732.55**	**47,113.63**
	Non controlling interest			1,601.70	780.94	854.18
	Total equity			**39,421.02**	**44,513.49**	**47,967.81**
V	**Non-current liabilities**					
(a)	Financial liabilities					
(i)	Borrowings	22	300	64,022.27	64,872.78	62,251.56
(ii)	Derivative liabilities			179.98	165.47	174.91
(iii)	Other financial liabilities	23	303	108.78	454.42	900.55
(b)	Provisions	24	303	4,279.69	4,440.48	2,973.49
(c)	Retirement benefit obligations	11	284	2,666.27	2,929.48	3,353.37
(d)	Deferred income	25	305	2,057.59	2,431.41	2,335.19
(e)	Deferred tax liabilities	12	285	10,030.08	9,420.89	9,937.71
(f)	Other liabilities	26	305	226.51	329.05	320.49
	Total non-current liabilities			**83,571.17**	**85,043.98**	**82,247.27**
VI	**Current liabilities**					
(a)	Financial liabilities					
(i)	Borrowings	22	300	18,328.10	15,722.12	9,693.25
(ii)	Trade payables	27	306	18,574.46	18,556.70	18,066.66
(iii)	Derivative liabilities			673.67	498.28	736.63
(iv)	Other financial liabilities	23	303	6,315.51	6,901.12	10,528.56
(b)	Provisions	24	303	987.38	1,521.86	816.48
(c)	Retirement benefit obligations	11	284	95.20	111.08	110.31
(d)	Deferred income	25	305	22.52	3.70	3.08
(e)	Income tax liabilities			739.18	1,001.10	794.49
(f)	Other liabilities	26	305	4,315.27	3,638.01	2,836.76
	Total current liabilities			**50,051.29**	**47,953.97**	**43,586.22**
VII	**Liabilities held for sale**	18	293	**289.76**	**-**	**-**
TOTAL EQUITY AND LIABILITIES				**1,73,333.24**	**1,77,511.44**	**1,73,801.30**
NOTES FORMING PART OF THE FINANCIAL STATEMENTS		1-48				

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

sd/-
N. Venkatram
Partner

Mumbai, May 16, 2017

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
(DIN: 00121863)

sd/-
Ishaat Hussain
Director
(DIN: 00027891)

sd/-
Andrew Robb
Director
(DIN: 01911023)

sd/-
O. P. Bhatt
Director
(DIN: 00548091)

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Mallika Srinivasan
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Deepak Kapoor
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(DIN: 00162957)

sd/-
D. K. Mehrotra
Director
(DIN: 00142711)

sd/-
Koushik Chatterjee
Group Executive Director
(Finance, Corporate & Europe)
(DIN: 00004989)

sd/-
T. V. Narendran
Managing Director
(DIN: 03083605)

sd/-
Parvatheesam K.
Company Secretary
(ACS: 15921)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the years ended March 31, 2017 and 2016

(₹ crore)

		Note	Page	Year ended March 31, 2017	Year ended March 31, 2016
I	Revenue from Operations	28	306	1,17,419.94	1,06,339.92
II	Other income	29	306	527.47	412.22
III	**Total Income**			**1,17,947.41**	**1,06,752.14**
IV	**Expenses**				
	(a) Raw materials consumed			32,418.09	28,114.90
	(b) Purchases of finished, semi-finished and other products			11,424.94	10,581.37
	(c) Changes in stock of finished goods, work-in-progress and stock-in-trade			(4,538.13)	1,925.19
	(d) Employee benefit expenses	30	307	17,252.22	17,587.63
	(e) Finance costs	31	307	5,072.20	4,221.41
	(f) Depreciation and amortisation expense	32	307	5,672.88	5,306.35
	(g) Other expenses	33	308	44,619.71	41,255.47
				1,11,921.91	1,08,992.32
	(h) Less: Expenditure (other than interest) transferred to capital and other accounts			764.71	1,092.97
	Total Expenses			**1,11,157.20**	**1,07,899.35**
V	**Share of profit/(loss) of joint ventures and associates**			7.65	(110.42)
VI	**Profit before exceptional items and tax (III-IV+V)**			**6,797.86**	**(1,257.63)**
VII	**Exceptional Items**	34	308		
	(a) Profit on sale of non-current investments			22.70	47.17
	(b) Profit on sale of non-current asset			85.87	-
	(c) Provision for diminution in value of investments/doubtful advances			(125.45)	(72.99)
	(d) Provision for impairment of non-current assets			(267.93)	(1,530.17)
	(e) Provision for demands and claims			(218.25)	(880.05)
	(f) Employee separation compensation			(207.37)	(556.25)
	(g) Restructuring and other provisions			(3,613.80)	6,982.67
	Total exceptional items			(4,324.23)	3,990.38
VIII	**Profit/(loss) before tax (VI+VII)**			**2,473.63**	**2,732.75**
IX	**Tax expense:**				
	(a) Current tax			1,741.70	1,321.02
	(b) Deferred tax			1,036.31	(631.06)
	Total tax expense			**2,778.01**	**689.96**
X	**Profit/(loss) after tax from continuing operations**			**(304.38)**	**2,042.79**
XI	**Profit/(loss) after tax from discontinued operations**	35	309		
	(a) Profit/(loss) after tax from discontinued operations			(778.87)	(2,539.88)
	(b) Profit/(loss) on disposal of discontinued operations			(3,085.32)	-
	Profit/(loss) after tax from discontinued operations			**(3,864.19)**	**(2,539.88)**
XII	**Profit/(loss) for the year (A)**			**(4,168.57)**	**(497.09)**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS (CONTD.) for the years ended March 31, 2017 and 2016

(₹ crore)

				Note	Page	Year ended March 31, 2017	Year ended March 31, 2016
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			(4,334.54)	1,979.30
			b) Fair value changes of investments in equity shares			836.92	(3,167.27)
			c) Share of equity accounted investees			3.37	(0.27)
		(ii)	**Income tax on Items that will not be reclassified subsequently to the consolidated statement of profit and loss**			782.34	(576.02)
	B)	**(i)**	**Items that will be reclassified subsequently to the consolidated statement of profit and loss**				
			a) Foreign currency translation differences			2,045.14	(263.59)
			b) Fair value changes of cash flow hedges			145.33	116.91
			c) Share of equity accounted investees			(2.17)	27.69
		(ii)	**Income tax on items that will be reclassified subsequently to the consolidated statement of profit and loss**			(39.45)	(14.92)
	Total Other Comprehensive Income/(loss) (B)					(563.06)	(1,898.17)
XIV	**Profit/(loss) from continuing operations for the year:**						
	Shareholders of the Company					(376.61)	2,157.10
	Non controlling interests					72.23	(114.31)
						(304.38)	2,042.79
XV	**Profit/(loss) from discontinued operations for the year:**						
	Shareholders of the Company					(3,864.19)	(2,539.88)
	Non controlling interests					-	-
						(3,864.19)	(2,539.88)
XVI	**Total Comprehensive Income for the year: (A+B)**						
	(i) Shareholders of the Company					(4,800.32)	(2,283.21)
	(ii) Non controlling interests					68.69	(112.05)
						(4,731.63)	**(2,395.26)**
XVII	**Earnings per equity share (from continuing operations)**						
	Basic & Diluted (₹)			37	311	(4.93)	19.26
XVIII	**Earnings per equity share (from discontinued operations)**						
	Basic & Diluted (₹)			37	311	(39.84)	(26.18)
XIX	**Earnings per equity share (from continuing and discontinued operations)**						
	Basic & Diluted (₹)			37	311	(44.77)	(6.92)
XX	**Notes forming part of the financial statements**			1-48			

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

sd/-
N. Venkatram
Partner

Mumbai, May 16, 2017

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
(DIN: 00121863)

sd/-
Ishaat Hussain
Director
(DIN: 00027891)

sd/-
Andrew Robb
Director
(DIN: 01911023)

sd/-
O. P. Bhatt
Director
(DIN: 00548091)

sd/-
Mallika Srinivasan
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Peter Blauwhoff
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(DIN: 07728872)

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Aman Mehta
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(DIN: 00009364)

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Deepak Kapoor
Director
(DIN: 00162957)

sd/-
D. K. Mehrotra
Director
(DIN: 00142711)

sd/-
Koushik Chatterjee
Group Executive Director
(Finance, Corporate & Europe)
(DIN: 00004989)

sd/-
T. V. Narendran
Managing Director
(DIN: 03083605)

sd/-
Parvatheesam K.
Company Secretary
(ACS: 15921)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the years ended March 31, 2017 and 2016

A. EQUITY SHARE CAPITAL

(₹ crore)

Balance as at April 1, 2016	Changes during the year	Balance as at March 31, 2017
970.24	-	**970.24**

(₹ crore)

Balance as at April 1, 2015	Changes during the year	Balance as at March 31, 2016
971.41	(1.17)	**970.24**

(i) Changes in equity share capital during the year 2015-16 represents adjustment on account of shares held by a subsidiary in the Company.

B. HYBRID PERPETUAL SECURITIES

(₹ crore)

Balance as at April 1, 2016	Changes during the year	Balance as at March 31, 2017
2,275.00	-	**2,275.00**

(₹ crore)

Balance as at April 1, 2015	Changes during the year	Balance as at March 31, 2016
2,275.00	-	**2,275.00**

C. OTHER EQUITY

(₹ crore)

	Retained earnings	Other comprehensive income reserves (Refer Note 21A, Page 296)	Other consolidated reserves (Refer Note 21B, Page 298)	Share application money pending allotment	Equity attributable to share holders of the Group	Non-controlling interest	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	(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	0.01	**(131.25)**	783.15	**651.90**
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**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTD.) for the years ended March 31, 2017 and 2016

(₹ crore)

	Retained earnings	Other comprehensive income reserves (Refer Note 21A, Page 296)	Other consolidated reserves (Refer Note 21B, Page 298)	Share application money pending allotment	Equity attributable to share holders of the Group	Non-controlling interest	Total Equity
Balance as at April 1, 2015	(5,925.75)	16,346.19	33,446.78	-	**43,867.22**	854.18	**44,721.40**
Profit /(loss) for the year	(382.78)	-	-	-	**(382.78)**	(114.31)	**(497.09)**
Other comprehensive income	1,644.93	(3,545.37)	-	-	**(1,900.44)**	2.27	**(1,898.17)**
Total comprehensive income	**1,262.15**	**(3,545.37)**	**-**	**-**	**(2,283.22)**	**(112.04)**	**(2,395.26)**
Dividend	(776.97)	-	-	-	**(776.97)**	(11.19)	**(788.16)**
Tax on dividend	(149.30)	-	-	-	**(149.30)**	-	**(149.30)**
Additions during the year	-	-	42.04	-	**42.04**	-	**42.04**
Transfer to consolidated statement of profit and loss	-	-	(8.18)	-	**(8.18)**	-	**(8.18)**
Distribution on Hybrid Perpetual Securities	(266.17)	-	-	-	**(266.17)**	-	**(266.17)**
Tax on distribution on Hybrid Perpetual Securities	92.11	-	-	-	**92.11**	-	**92.11**
Transfers within equity	3,348.44	(3,371.15)	18.75	-	**(3.96)**	3.96	**-**
Capital contributions received	-	-	-	-	**-**	42.60	**42.60**
Adjustments for cross holdings	-	-	(37.29)	-	**(37.29)**	-	**(37.29)**
Other movements	-	11.03	-	-	**11.03**	3.43	**14.46**
Balance as at March 31, 2016	**(2,415.49)**	**9,440.70**	**33,462.10**	**-**	**40,487.31**	**780.94**	**41,268.25**

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

sd/-
N. Venkatram
Partner

Mumbai, May 16, 2017

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
(DIN: 00121863)

sd/-
Ishaat Hussain
Director
(DIN: 00027891)

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(DIN: 00142711)

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Koushik Chatterjee
Group Executive Director
(Finance, Corporate & Europe)
(DIN: 00004989)

sd/-
T. V. Narendran
Managing Director
(DIN: 03083605)

sd/-
Parvatheesam K.
Company Secretary
(ACS: 15921)

CONSOLIDATED STATEMENT OF CASH FLOWS for the years ended March 31, 2017 and 2016

(₹ crore)

		Year ended March 31, 2017		Year ended March 31, 2016	
(A)	**CASH FLOWS FROM OPERATING ACTIVITIES:**				
	Profit before taxes		**(1,382.55)**		**247.30**
	Adjustments for:				
	Depreciation and amortisation expense	5,690.44		5,384.07	
	(Profit)/loss on sale of non-current investments	(0.97)		-	
	Income from non-current investments	(57.17)		(49.95)	
	(Profit)/loss on assets sold/discarded/written off	(0.15)		(31.42)	
	Exceptional Income/(Expenses)	4,324.21		(3,094.39)	
	(Gain)/loss on cancellation of forwards, swaps and options	67.95		1.23	
	Interest and income from current investments and guarantees	(517.62)		(319.54)	
	Finance costs	5,072.20		4,221.41	
	Exchange (gain) /loss on revaluation of foreign currency loans and swaps	1,422.50		164.61	
	Share of profit or loss of joint ventures and associates	(7.65)		110.42	
	(Profit)/loss on disposal of discontinued operation	3,085.32		-	
	Other non cash items	(115.07)		190.27	
			18,963.99		**6,576.71**
	Operating profit before working capital changes		**17,581.44**		**6,824.01**
	Adjustments for:				
	Non-current/current financial and other assets	(524.29)		2,640.88	
	Inventories	(8,243.17)		5,617.85	
	Non-current/current financial and other liabilities/provisions	3,876.75		(2,093.11)	
			(4,890.71)		**6,165.62**
	Cash generated from operations		**12,690.73**		**12,989.63**
	Direct taxes paid		**(1,842.66)**		**(1,534.28)**
	Net cash from/(used in) operating activities		**10,848.07**		**11,455.35**
(B)	**CASH FLOWS FROM INVESTING ACTIVITIES:**				
	Purchase of fixed assets	(7,715.64)		(10,163.44)	
	Sale of fixed assets	288.72		230.63	
	Purchase of non-current investments	(24.74)		(553.58)	
	Sale of non-current investments	91.24		4,275.07	
	(Purchase)/sale of current investments (net)	(692.63)		(3,241.94)	
	Loans given (net of repayments)	(150.14)		37.32	
	Fixed/Restricted deposits with banks (placed)/realised	(27.22)		(1.29)	
	Interest received	140.12		133.06	
	Dividend received from associates and joint ventures	53.29		40.71	
	Dividend received from others	32.14		67.09	
	Acquisition of subsidiaries/undertakings	-		(77.51)	
	Sale of subsidiaries/undertakings	(1,081.36)		0.06	
	Net cash from/(used in) investing activities		**(9,086.22)**		**(9,253.82)**

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTD.) for the years ended March 31, 2017 and 2016

(₹ crore)

		Year ended March 31, 2017		Year ended March 31, 2016	
(C)	**CASH FLOWS FROM FINANCING ACTIVITIES:**				
	Capital contributions received	651.89		-	
	Proceeds from borrowings	19,484.55		14,047.70	
	Repayment of borrowings	(16,394.07)		(12,709.39)	
	Repayment of finance lease obligations	(208.23)		(200.48)	
	Amount received/(paid) on utilisation/cancellation of derivatives	(178.18)		829.12	
	Distribution on Hybrid Perpetual Securities	(266.10)		(266.49)	
	Interest paid	(4,732.46)		(5,483.31)	
	Dividend paid	(791.32)		(788.17)	
	Tax on dividend paid	(158.52)		(158.10)	
	Net cash from/(used in) financing activities		**(2,592.44)**		**(4,729.12)**
	Net increase /(decrease) in cash or cash equivalents		**(830.59)**		**(2,527.59)**
	Opening cash and cash Equivalents (1)		**6,076.94**		**8,177.13**
	Effect of exchange rate on translation of foreign currency cash and cash equivalents		(414.06)		459.51
	Closing cash and cash Equivalents (Refer Note 16, Page 291)		**4,832.29**		**6,109.05**

(1) Excludes ₹**32.11** crore in respect of subsidiaries disposed off/ held for sale during the year (2015-16: Includes ₹0.07 crore in respect of subsidiaries acquired off during the year)

(2) The Group has acquired property, plant and equipment of ₹ **790.21** crore (2015-16: ₹ 221.97 crore) on finance lease.

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

sd/-
N. Venkatram
Partner

Mumbai, May 16, 2017

For and on behalf of the Board of Directors

sd/-
N. Chandrasekaran
Chairman
(DIN: 00121863)

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T. V. Narendran
Managing Director
(DIN: 03083605)

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 a 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, 2017 present the financial position of the Group as well as its interests in associate companies and joint arrangements.

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

As on March 31, 2017, Tata Sons Limited (or Tata Sons), together with its subsidiaries, owns 29.75% 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, 2017 were approved by the Board of Directors and authorised for issue on May 16, 2017.

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 and in preparing the opening Ind AS Consolidated balance sheet as at April 1, 2015 for the purpose of transition to Ind AS, unless otherwise indicated.

(a) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016.

The transition from Previous GAAP to Ind AS has been accounted for in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards", with April 1, 2015 being the transition date.

In accordance with Ind AS 101 "First time adoption of Indian Accounting Standard", the Group has presented a reconciliation from the presentation of financial statements under accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of total equity as at April 1, 2015 and March 31, 2016, total comprehensive income and cash flow for the year ended March 31, 2016.

(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 preparation of the 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 the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Significant judgements and estimates relating to the carrying value of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets, investments and goodwill, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

(d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. It also includes the Group's share of profits, net assets and retained post acquisition reserves of joint arrangements and associates that are consolidated using the equity or proportionate method of consolidation, as applicable.

Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to

NOTES forming part of the consolidated financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

affect those returns through its power 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 (excluding goodwill) 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.

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. The amount of non-controlling interests in the acquiree is measured either at the non-controlling interests proportion of the net fair value of the assets, liabilities and contingent liabilities recognised or at fair value.

Business combinations arising from transfers of interests in entities that are under the 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 the acquisition of a subsidiary represents 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 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 in which the Group has significant influence, but does not have control.

NOTES forming part of the consolidated financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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 directly, the Group's share of jointly controlled assets and any liabilities incurred jointly with other parties are recognised in its financial statements and classified according to their nature. Liabilities and expenses incurred directly in respect of interests in jointly controlled assets are accounted for on the accrual basis. Income from the sale or use of the Group's share of the output of jointly controlled assets, and its share of joint arrangements expenses, are recognised when it is probable that the economic benefits associated with 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.

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 the 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 are stated at 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 the qualifying asset.

The gain or loss arising on disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, 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

NOTES forming part of the consolidated financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

- 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 tangible asset is consumed in developing an intangible asset, the amount reflecting that consumption is capitalised as a part of the cost of the intangible asset.

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

(k) Development expenditure for mineral reserves

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

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

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

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

(l) Provision for restoration and environmental costs

The Group has liabilities related to restoration of soil and other related works, which are due upon the closure of certain of its production 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 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 the time value of money on the restoration and environmental costs liability is recognised in the consolidated statement of profit and loss.

(m) Intangible assets (excluding goodwill)

Patents, trademarks and software costs are included in the consolidated balance sheet as intangible assets where they are clearly linked to long term economic benefits for 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 no longer applicable.

NOTES forming part of the consolidated financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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 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 of property, plant and equipment and other 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
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.

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 and some of its subsidiaries believes that the useful lives as given above best represent the period over which Group 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

NOTES forming part of the consolidated financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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 finance or 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 property 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 charged directly against 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 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 the minimum lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the 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.

NOTES forming part of the consolidated financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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 less accumulated amortisation and impairment. The expected useful life of the identified component of the ore body is used to depreciate or amortise the stripping asset.

(r) Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit 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 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 date of such deposits. 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 equity investments (other than associates and joint arrangements) 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.

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.

NOTES forming part of the consolidated 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 on the financial instruments 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 collateralised 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.

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 consolidated 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 or transaction and the 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 compensated 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 equity and the ineffective portion is taken to 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

NOTES forming part of the consolidated financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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 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 treated as a net 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 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. 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

NOTES forming part of the consolidated financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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 the amounts credited to the consolidated statement of profit and loss at the reporting date are included in the consolidated balance sheet as deferred income.

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

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

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

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

(y) Income taxes

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

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

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, joint ventures and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no 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 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

NOTES forming part of the consolidated financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

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 recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured either at the fair value of the consideration received or receivable net of discounts, taking into account contractually defined terms and excluding taxes or duties collected on behalf of the government.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there are significant uncertainties regarding recovery of the amount due, associated costs or the possible return of goods.

Interest income

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

Dividend income

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

Rental income

Rental income from investment properties and subletting of properties is recognised on a straight line basis over the term of the relevant leases.

Commission income

Commission income is recognised when the services are 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 financial statements, the assets and liabilities of the Company's foreign operations 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

NOTES forming part of the consolidated financial statements

2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)

(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 the 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.

3. PROPERTY, PLANT AND EQUIPMENT

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(₹ 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**

NOTES forming part of the consolidated financial statements

3. PROPERTY, PLANT & EQUIPMENT (CONTD.)

[Item No. I(a), Page 252]

(₹ 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, 2015	16,151.73	10,247.30	68,583.15	387.39	307.02	0.17	699.66	96,376.42
Additions	163.61	451.56	3,077.50	44.45	34.04	0.15	38.35	3,809.66
Disposals	(15.04)	(80.75)	(913.26)	(13.38)	(10.00)	-	-	(1,032.43)
Re-classified as held for sale	-	-	21.77	-	-	-	-	21.77
Other re-classifications	(17.45)	(26.87)	111.35	9.37	3.20	-	1.79	81.39
Exchange differences on consolidation	216.27	466.49	2,984.52	(13.48)	1.09	0.01	17.04	3,671.94
Cost/Deemed cost as at March 31, 2016	**16,499.12**	**11,057.73**	**73,865.03**	**414.35**	**335.35**	**0.33**	**756.84**	**1,02,928.75**
Accumulated Impairment as at April 1, 2015	285.85	222.10	1,861.65	0.87	0.23	-	17.61	2,388.31
Charge for the year	4.50	8.44	314.01	3.66	1.18	-	-	331.79
Disposals	-	(0.32)	(0.94)	(0.30)	(1.02)	-	-	(2.58)
Other re-classifications	-	(0.04)	117.67	(0.53)	-	-	-	117.10
Exchange differences on consolidation	12.01	20.49	31.03	0.21	0.01	-	0.52	64.27
Accumulated impairment as at March 31, 2016	**302.36**	**250.67**	**2,323.42**	**3.91**	**0.40**	**-**	**18.13**	**2,898.89**
Accumulated Depreciation as at April 1, 2015	234.10	3,089.31	23,119.42	230.39	118.29	-	47.05	26,838.56
Charge for the year	55.18	491.57	4,540.02	65.20	31.35	0.05	51.07	5,234.44
Disposals	-	(41.42)	(809.10)	(10.52)	(6.88)	-	-	(867.92)
Re-classified as held for sale	-	-	0.72	-	-	-	-	0.72
Other re-classifications	-	1.09	1.04	0.48	0.06	-	-	2.67
Exchange differences on consolidation	0.06	287.93	1,979.72	(19.26)	0.43	-	3.27	2,257.15
Accumulated depreciation as at March 31, 2016	**289.34**	**3,828.48**	**28,831.82**	**266.29**	**143.25**	**0.05**	**101.39**	**33,460.62**
Net carrying value as at April 1, 2015	15,631.78	6,935.89	43,602.08	156.13	188.50	0.17	635.00	67,149.55
Net carrying value as at March 31, 2016	**15,907.42**	**6,978.58**	**42,709.79**	**144.15**	**191.70**	**0.28**	**637.32**	**66,569.24**

(i) The net carrying value of land comprises of:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Leasehold land			
Cost/Deemed cost	26.84	46.49	43.30
Accumulated depreciation and impairment losses	1.22	1.02	0.07
	25.62	**45.47**	**43.23**
Freehold land	15,848.82	15,861.95	15,588.55
	15,874.44	**15,907.42**	**15,631.78**

NOTES forming part of the consolidated financial statements

3. PROPERTY, PLANT & EQUIPMENT (CONTD.)

[Item No. I(a), Page 252]

(ii) The net carrying value of building comprises of:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Leasehold building			
Cost/Deemed cost	359.11	445.68	381.90
Accumulated depreciation and impairment losses	175.92	167.69	124.99
	183.19	**277.99**	**256.91**
Freehold building	7,010.01	6,700.59	6,678.98
	7,193.20	**6,978.58**	**6,935.89**

(iii) The net carrying value of plant and machinery comprises of:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April1, 2015
Assets held under finance leases			
Cost/Deemed cost	4,286.06	3,619.98	3,399.17
Accumulated depreciation and impairment losses	2,066.55	2,025.94	1,895.58
	2,219.51	**1,594.04**	**1,503.59**
Owned assets	**60,015.87**	**41,115.75**	**42,098.49**
	62,235.38	**42,709.79**	**43,602.08**

(iv) The net carrying value of furniture, fixtures and office equipments comprises of:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Furniture and fixtures			
Cost/Deemed cost	142.38	140.72	154.93
Accumulated depreciation and impairment losses	101.88	90.39	95.56
	40.50	**50.33**	**59.37**
Office equipments			
Cost/Deemed cost	401.05	273.63	232.46
Accumulated depreciation and impairment losses	234.37	179.81	135.70
	166.68	**93.82**	**96.76**
	207.18	**144.15**	**156.13**

(v) ₹**284.22** crore (2015-16: ₹1,283.35 crore) of borrowing costs has been capitalised during the year on qualifying assets. The capitalisation rate ranges between **0.34% to 9.50%** (2015-16: 0.18% to 9.50%).

(vi) Rupee liability has increased by ₹**136.22** crore (2015-16: ₹110.63 crore) arising out of realignment 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 cost of assets and has been depreciated over their remaining useful life. The depreciation for the current year is higher by ₹**3.60** crore (2015-16: ₹6.90 crore) on account of this adjustment.

NOTES forming part of the consolidated financial statements

3. PROPERTY, PLANT & EQUIPMENT (CONTD.)

[Item No. I(a), Page 252]

(vii) With effect from April 1, 2016, the Company and some of its subsidiaries have revised the useful life of certain items of property, plant and equipment based on technical evaluation on assessment of the physical condition of the underlying assets and benchmarking with peers across the industry. Had there been no change in the useful life of assets, depreciation for the year would have been higher by ₹**653.44** crore.

(viii) During the year, the Group recognised an impairment charge of ₹**503.46** crore (2015-16:1,909.74 crore) against property, plant and equipment (including CWIP). The impairments were primarily contained in the European, South-east Asian and mining businesses.

Within the European business, consistent with annual test for impairment of goodwill as at March 31, 2017, property, plant and equipment (including CWIP) 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 CGU's within the European business against which the property, plant and equipment (including CWIP) is included, using a discount rate of **7.80%** (2015-16: 7.40%) was lower than its carrying value due to a significant detoriation of trading conditions, which are expected to remain weak over the medium term. Accordingly, an impairment charge of ₹**410.87** crore (2015-16: ₹ 438.55 crore) was recognised which was contained in the following units : Strip Products MLE ₹**79.04** crore (2015-16: ₹ Nil crore), Longs UK ₹**35.13** crore (2015-16: ₹ 323.57 crore), Speciality and bar business ₹**122.95** crore (2015-16: ₹ 24.02 crore), Packaging ₹ **79.04** crore (2015-16: ₹ 17.65 crore), tubes ₹**17.56** (2015-16: ₹11.77 crore) and other smaller UK downstream business ₹**77.15** crore (2015-16: ₹ 61.54 crore).

Out of the total impairment recognised during the year, ₹**148.37** crore has been included within exceptional items with the balance being primarily included in profit and loss from discontinued operations.

Within the South East Asian business, impairment charge of ₹**90.52** crore (2015-16: Nil) was recognised during the year which primarily relates to the Thailand operations. The impairment relates to assets, which are not under operations and where the carrying value exceeded the recoverable value based on fair of such assets. The fair value is based on interests expressed by potential unrelated buyer for such assets. The impairment recognised has been included within exceptional items in the consolidated statement of profit and loss.

During the year ended March 31, 2016, significant volatility in commodity prices triggered an impairment assessment for mining operations carried out by the Group. This resulted in an impairment of ₹1,306.54 crore being recognised for mining operations carried out by the Group in Canada. The recoverable value was based on value in use using cash flow projections for 16 years and a discount rate of 8.30%. The impairment recognised has been included within exceptional items in the consolidated statement of profit and loss.

The balance impairment charge for the year ended March 31, 2017 amounting to ₹**2.07** crore (2015-16: ₹164.65 crore) relates to other small businesses within the Group.

The Group has conducted sensitivity analysis on the impairment tests of the carrying value of the Group's CGUs and property, plant and equipment. The directors believe 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.

(ix) The details of property, plant and equipment pledged against borrowings are presented in Note 22, Page 300.

NOTES forming part of the consolidated financial statements

4. LEASES

The Group has taken land, buildings, plant and machinery under operating and finance leases. The following is the summary of 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 with renewal option, 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 rentals payable under non-cancellable operating leases are as below:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Not later than one year	673.50	920.36	954.25
Later than one year but not later than five years	1,479.80	2,980.52	3,052.59
Later than five years	2,589.76	2,424.88	2,798.17
	4,743.06	**6,325.76**	**6,805.01**

During the year ended March 31, 2017, total operating lease rental recognised in the consolidated statement of profit and loss was ₹**949.62**crore, (2015-16: ₹964.69 crore) including contingent rent of ₹**37.07** crore (2015-16: ₹37.24 crore).

NOTES forming part of the consolidated financial statements

4. LEASES (CONTD.)

B. Finance leases:

Significant leasing arrangements include assets dedicated for use under long term arrangements. The arrangements covers a substantial part of the economic life of the underlying asset and 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 the present value of minimum lease payments in respect of arrangements classified as finance leases are as below:

(₹ crore)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Minimum Lease payments	Present value of minimum lease payments	Minimum Lease payments	Present value of minimum lease payments	Minimum Lease payments	Present value of minimum lease payments
Not later than one year	592.56	218.27	555.42	242.54	515.00	203.26
Later than one year but not later than five years	2,019.93	758.36	1,788.86	754.79	1,704.83	660.60
Later than five years	4,739.86	2,068.83	3,945.33	1,742.87	4,148.49	1,769.86
Total future minimum lease commitments	**7,352.35**	**3,045.46**	**6,289.61**	**2,740.20**	**6,368.32**	**2,633.72**
Less: future finance charges	4,306.89		3,549.41		3,734.60	
Present value of minimum lease payments	**3,045.46**		**2,740.20**		**2,633.72**	
Disclosed as:						
Non-current borrowings (Refer Note 22, Page 300)	2,826.83		2,513.62		2,438.62	
Other financial liabilities - Current (Refer Note 23, Page 303)	218.63		226.58		195.10	
	3,045.46		**2,740.20**		**2,633.72**	

5. GOODWILL ON CONSOLIDATION

[Item No. I(c) Page 252]

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
Cost as at beginning of the year	5,529.07	5,380.28
Exchange differences on consolidation	(788.77)	148.79
Cost as at end of the year	**4,740.30**	**5,529.07**
Impairment as at beginning of year	1,461.51	1,419.43
Exchange differences on consolidation	(215.94)	42.08
Impairment as at end of the year	**1,245.57**	**1,461.51**
Net carrying value as at beginning of the year	**4,067.56**	**3,960.85**
Net carrying value as at end of the year	**3,494.73**	**4,067.56**

NOTES forming part of the consolidated financial statements

5. GOODWILL ON CONSOLIDATION (CONTD.)

[Item No. I(c) Page 252]

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 Tata Steel 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 **7.8%** (March 31, 2016: 7.4%, April 1, 2015: 8.0%). 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, 2017 for the Strip Products Mainland Europe CGU resulted in no impairment of goodwill (March 31, 2016: Nil).

The directors believe 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 252]

(₹ 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**

NOTES forming part of the consolidated financial statements

6. OTHER INTANGIBLE ASSETS (CONTD.)

[Item No. I(d), Page 252]

(₹ crore)

	Patents and Trademarks	Development costs	Software costs	Mining assets	Other intangible assets	Total
Cost/Deemed cost as at April 1, 2015	4.99	397.03	275.70	3,440.28	2,558.80	6,676.80
Additions	0.06	42.60	35.27	1,482.37	0.03	1,560.33
Disposals	(0.19)	-	(8.75)	(6.46)	-	(15.40)
Other re-classifications	-	-	0.48	(2,779.02)	2.74	(2,775.80)
Exchange differences on consolidation	4.41	48.45	12.15	67.11	72.66	204.78
Cost/Deemed cost as at March 31, 2016	**9.27**	**488.08**	**314.85**	**2,204.28**	**2,634.23**	**5,650.71**
Accumulated impairment as at April 1, 2015	-	-	0.02	-	1,364.38	1,364.40
Charge for the year	-	-	0.50	126.07	-	126.57
Reversals during the year	-	-	(0.01)	-	(1.79)	(1.80)
Exchange differences on consolidation	-	-	(0.01)	(1.62)	39.20	37.57
Accumulated impairment as at March 31, 2016	**-**	**-**	**0.50**	**124.45**	**1,401.79**	**1,526.74**
Accumulated amortisation as at April 1, 2015	1.45	307.25	179.91	683.85	1,152.78	2,325.24
Additions through business combinations	-	-	-	-	-	-
Charge for the period	0.49	45.37	34.09	78.31	6.29	164.55
Disposals	-	-	(8.68)	(2.68)	-	(11.36)
Exchange differences on consolidation	4.03	38.11	7.92	(0.93)	33.45	82.58
Accumulated amortisation as at March 31, 2016	**5.97**	**390.73**	**213.24**	**758.55**	**1,192.52**	**2,561.01**
Net carrying value as at April 1, 2015	3.54	89.78	95.77	2,756.43	41.64	2,987.16
Net carrying value as at March 31, 2016	**3.30**	**97.35**	**101.11**	**1,321.28**	**39.92**	**1,562.96**

(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, the Group recognised an impairment charge of ₹ **1.13** crore (2015-16: ₹ 35.92 crore) which was contained within India operations and related to expenditures incurred in connection with mines which are not being currently operated by the Group.

During the year ended March 31, 2016 significant volatility in commodity prices triggered an impairment assessment for mining operations carried out by the Group. This resulted in an impairment of ₹ **90.15** crore being recognised for mining operations carried out by the Group in Canada. The details of key assumptions used for impairment assessment are included in Note 3, Page 271.

NOTES forming part of the consolidated financial statements

7. EQUITY ACCOUNTED INVESTMENTS

[Item No. I(f), Page 252]

(a) Associates:

(i) The Group has no material associates as at March 31, 2017. The aggregate summarised financial information in respect of the Group's immaterial associates that are accounted for using the equity method is as below:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Carrying value of the Group's interest in associates*	**231.62**	**220.74**	**225.48**

	Year ended March 31, 2017	Year ended March 31, 2016
Group's share of profit/(loss) in associates*	44.00	11.49
Group's share of other comprehensive income in associates	(5.02)	(0.30)
Group's share of total comprehensive income in associates	**38.98**	**11.19**

(ii) Fair value of investments in equity accounted associates for which published price quotation is available, which is a level 1 input, was ₹**130.35** crore (March 31, 2016: ₹136.30 crore and April 1, 2015: ₹167.23 crore). The carrying value of such investments is **Nil** (March 31, 2016: Nil; April 1, 2015: ₹22.71 crore) as the Group's share in net assets of such associates exceeds the cost of investments made.

(iii) Share of unrecognised loss in respect of equity accounted associates amounted to ₹**105.17** crore for the year ended March 31, 2017 (2015-16: ₹59.53 crore). Cumulative shares of unrecognised losses in respect of equity accounted associates as at March 31, 2017 amounted to ₹**209.08** crore. (March 31, 2016: ₹108.84 crore; April 1, 2015: ₹45.96 crore)

(iv) The Group did not recognise any impairment in respect of its equity accounted associates during the current year as well as in previous year.

(b) Joint ventures:

(i) The Company holds 51% of the total equity share capital and voting rights in T M International Logistics Limited, Jamshedpur Continuous Annealing and Processing Company Private Limited and T M Mining Company Limited. The decisions in respect of activities which significantly affect the risks and rewards of these respective entities, however require an unanimous consent of all the shareholders. These entities have therefore been accounted for as joint ventures.

(ii) The Group has no material joint ventures as at March 31, 2017. 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, 2017	As at March 31, 2016	As at April 1, 2015
Carrying value of the Group's interest in joint ventures*	**1,362.06**	**1,399.67**	**1,494.13**

(₹ crore)

	Year ended March 31, 2017	Year ended March 31, 2016
Group's share of profit/(loss) in joint ventures*	(36.35)	(121.91)
Group's share of other comprehensive income in joint ventures	6.22	27.71
Group's share of total comprehensive income in joint ventures	**(30.13)**	**(94.20)**

(iii) Share of unrecognised losses in respect of equity accounted joint ventures amounted to ₹**26.12** crore for the year ended March 31, 2017 (2015-16: ₹288.63 crore). Cumulative shares of unrecognised losses in respect of equity accounted joint ventures as at March 31, 2017 amounted to ₹**974.32** crore. (March 31, 2016: ₹1,309.89 crore; April 1, 2015: ₹962.65 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 previous year.

NOTES forming part of the consolidated financial statements

7. EQUITY ACCOUNTED INVESTMENTS (CONTD.)

[Item No. I(f), Page 252]

(c) Summary of carrying value of the Group's interest in equity accounted investees:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Carrying value in immaterial associates	231.62	220.74	225.48
Carrying value in immaterial joint ventures	1,362.06	1,399.67	1,494.13
	1,593.68	**1,620.41**	**1,719.61**

(d) Summary of Group's share of profit/(loss) in equity accounted investees:

(₹ crore)

	Year ended March 31, 2017	Year ended March 31, 2016
Share of profit/(loss) in immaterial associates	44.00	11.49
Share of profit/(loss) in immaterial joint ventures	(36.35)	(121.91)
	7.65	**(110.42)**

(e) Summary of Group's share of other comprehensive income in equity accounted investees:

(₹ crore)

	Year ended March 31, 2017	Year ended March 31, 2016
Share of other comprehensive income in immaterial associates	(5.02)	(0.30)
Share of other comprehensive income of immaterial joint venture	6.22	27.72
	1.20	**27.42**

* Group's share of 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 investee as at the date of acquisition and other adjustments (e.g. unrealised profits on inventories), arising under the equity method of accounting.

NOTES forming part of the consolidated financial statements

8. INVESTMENTS

[Item No. I(g)(i) and II(b)(i), Page 252]

(A) NON-CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	**Investment carried at amortised cost:**			
	Investments in Government or Trust securities	0.02	0.02	0.02
	Investments in Bonds and Debentures	49.91	34.16	0.20
		49.93	**34.18**	**0.22**
(b)	**Investments carried at fair value through other comprehensive income:**			
	Investments in Equity shares	4,858.82	4,015.45	10,770.14
		4,858.82	**4,015.45**	**10,770.14**
(c)	**Investments carried at fair value through the consolidated statement of profit and loss:**			
	Investments in Bonds and Debentures	244.72	345.43	361.41
	Investments in Equity shares	36.84	34.69	27.00
		281.56	**380.12**	**388.41**
		5,190.31	**4,429.75**	**11,158.77**

(B) CURRENT

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investments carried at fair value through the consolidated statement of profit and loss:			
Investments in mutual funds	5,673.13	4,663.55	1,214.60
	5,673.13	**4,663.55**	**1,214.60**

(i) The carrying value and market value of quoted and unquoted investments is as follows:

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	**Quoted**			
	Carrying value	4,735.28	3,989.50	10,692.48
	Market value	4,735.28	3,989.50	10,692.48
(b)	**Unquoted#**			
	Carrying value	6,128.16	5,103.80	1,680.89

Costs 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 consolidated financial statements

9. LOANS

[Item No. I(g)(ii) and II(b)(v), Page 252]

A. NON-CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	**Security deposits**			
	Unsecured, considered good	197.25	188.51	124.16
	Unsecured, considered doubtful	1.31	1.42	1.75
	Less: Allowance for credit losses	1.31	1.42	1.75
		197.25	**188.51**	**124.16**
(b)	**Loans to related parties**			
	Unsecured, considered good	13.53	15.29	8.78
	Unsecured, considered doubtful	168.78	198.28	190.76
	Less: Allowance for credit losses	168.78	198.28	190.76
		13.53	**15.29**	**8.78**
(c)	**Other loans**			
	Unsecured, considered good	162.28	208.43	157.15
	Unsecured, considered doubtful	1,201.47	83.72	80.53
	Less: Allowance for credit losses	1,201.47	83.72	80.53
		162.28	**208.43**	**157.15**
		373.06	**412.23**	**290.09**

B. CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	**Security deposits**			
	Unsecured, considered good	34.77	27.84	33.59
	Unsecured, considered doubtful	0.23	-	-
	Less: Allowance for credit losses	0.23	-	-
		34.77	**27.84**	**33.59**
(b)	**Loans to related parties**			
	Unsecured, considered good	-	-	62.29
	Unsecured, considered doubtful	778.83	795.62	711.61
	Less: Allowance for credit losses	778.83	795.62	711.61
		-	**-**	**62.29**
(c)	**Other loans**			
	Unsecured, considered good	189.73	179.58	119.64
	Unsecured, considered doubtful	2.07	2.00	2.00
	Less: Allowance for credit losses	2.07	2.00	2.00
		189.73	**179.58**	**119.64**
		224.50	**207.42**	**215.52**

(i) Non-current security deposits include deposit with Tata Sons ₹**1.25** crore (March 31, 2016: ₹1.25 crore; April 1, 2015: ₹1.25 crore).

(ii) Non-current loans to related parties represent loans given to joint ventures ₹**172.76** crore (March 31, 2016: ₹202.35; April 1, 2015: ₹194.14 crore) and associates ₹**9.55** crore (March 31, 2016: ₹11.22; April 1, 2015: ₹5.40 crore).

(iii) Current loans to related parties represent loans given to joint ventures ₹**778.83** crore (March 31, 2016: ₹795.62; April 1, 2015: ₹ 711.61 crore) and associates **Nil** (March 31, 2016: Nil; April 1, 2015: ₹62.29 crore).

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

NOTES forming part of the consolidated financial statements

10. OTHER FINANCIAL ASSETS

[Item No. I(g)(iv) and II(b)(vii), Page 252]

A. NON-CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	**Interest accrued on deposits, loans and advances**			
	Unsecured, considered good	2.43	2.79	6.74
	Unsecured, considered doubtful	0.27	0.27	-
	Less: Allowance for credit losses	0.27	0.27	-
		2.43	**2.79**	**6.74**
(b)	**Earmarked balances with bank**	**40.87**	**36.14**	**41.46**
(c)	**Other balances with banks**	**12.67**	**2.11**	**1.04**
(d)	**Other financial assets**			
	Unsecured, considered good	29.61	-	21.27
	Unsecured, considered doubtful	117.42	-	37.50
	Less: Allowance for credit losses	117.42	-	37.50
		29.61	**-**	**21.27**
		85.58	**41.04**	**70.51**

B. CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	**Interest accrued on deposits and loans**			
	Unsecured, considered good	60.57	18.05	26.53
	Unsecured, considered doubtful	107.70	75.54	26.74
	Less: Allowance for credit losses	107.70	75.54	26.74
		60.57	**18.05**	**26.53**
(b)	**Other financial assets**			
	Unsecured, considered good	327.25	223.25	325.14
		327.25	**223.25**	**325.14**
		387.82	**241.30**	**351.67**

(i) Earmarked balances with bank represent fixed deposits placed as security with government bodies and margin money against issue of bank guarantees.

(ii) Other balances with banks, represent bank deposits not due for realisation within 12 months from the balance sheet date.

(iii) Non-current other financial assets include:

(a) advance against equity for purchase of shares in joint ventures **Nil** (March 31, 2016: Nil; April 1, 2015: ₹21.27 crore).

(b) advance for repurchase of equity shares in Tata Teleservices Limited (TTSL) from NTT Docomo Inc, ₹**144.07** crore (March 31, 2016: Nil; April 1, 2015: Nil).

(iv) Current other financial assets include amount receivable from post-employment benefit fund ₹**247.04** crore (March 31, 2016: ₹97.61 crore; April 1, 2015: ₹154.34 crore) on account of retirement benefit obligations paid by the Group.

NOTES forming part of the consolidated financial statements

11. RETIREMENT BENEFIT ASSETS AND OBLIGATIONS

[Item No. I(h), V(c) and VI(c) Pages 252 and 253]

(I) RETIREMENT BENEFIT ASSETS

A. NON-CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Pension	1,752.14	11,476.77	1,330.50
(b)	Retiring gratuities	0.50	0.67	0.13
		1,752.64	**11,477.44**	**1,330.63**

(II) RETIREMENT BENEFIT OBLIGATIONS

A. NON-CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Pension	1,005.03	1,500.29	1,562.91
(b)	Retiring gratuities	233.05	179.50	575.84
(c)	Post-retirement medical benefits	1,201.83	1,043.51	1,018.59
(d)	Other defined benefits	226.36	206.18	196.03
		2,666.27	**2,929.48**	**3,353.37**

B. CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Pension	26.43	40.95	47.74
(b)	Retiring gratuities	3.29	-	-
(c)	Post-retirement medical benefits	54.80	53.98	48.59
(d)	Other defined benefits	10.68	16.15	13.98
		95.20	**111.08**	**110.31**

(i) Detailed disclosure in respect post retirement defined benefit schemes is provided in Note 38, Page 312.

NOTES forming part of the consolidated financial statements

12. INCOME TAXES

[Item No. I(j) and V(e), Pages 252 and 253]

A. INCOME TAX EXPENSES/(BENEFITS)

The Company is subject to income tax in India on the basis of standalone financial statements. As per the Income Tax Act, the Company is liable to pay income tax which is 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 15 years and can be offset against future tax liabilities.

Companies can claim for tax exemptions/deductions under specific section subject to fulfilment of prescribed conditions as may be applicable. The effective tax rate of the Company was lower as a result of tax deduction claimed by the Company on account of investment allowance on capital expenditure, expenditure on research and development etc.

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.

Apart from India, the major tax jurisdiction of the Group include Singapore, Thailand, United Kingdom and Netherlands. The number of years that are subject to tax assessments varies depending on tax jurisdiction.

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

(₹ crore)

		Year ended March 31, 2017	Year ended March 31, 2016
Profit/(loss) before tax		**2,473.63**	**2,732.75**
Income tax expense at applicable tax rates applicable to individual entities		**469.36**	**(1,518.60)**
(a)	Tax on income at different rates	(32.01)	(2.29)
(b)	Additional tax benefit for capital investment including research & development expenditures	(131.65)	(66.75)
(c)	Items not deductible/income exempt from tax	1,292.55	2,686.45
(d)	Undistributed earning of subsidiaries, joint ventures and equity accounted investees	8.26	5.35
(e)	Deferred tax assets not recognised because realisation is not probable	1,774.16	884.18
(f)	Adjustments to current tax in respect of prior periods	(11.86)	(29.07)
(g)	Utilisation/credit of unrecognised tax losses unabsorbed depreciation and other tax benefits	(590.80)	(1,269.31)
Tax expense as reported		**2,778.01**	**689.96**

NOTES forming part of the consolidated financial statements

12. INCOME TAXES (CONTD.)

[Item No. I(j) and V(e), Pages 252 and 253]

B. DEFERRED TAX ASSETS/(LIABILITIES)

(a) 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 profit or loss	Recognised in Other comprehensive Income	Recognised in equity	Disposal of group undertakings	Other reclassifications	Exchange differences on consolidation	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
Provisions	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 liabilities / (assets)								
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)**

NOTES forming part of the consolidated financial statements

12. INCOME TAXES (CONTD.)

[Item No. I(j) and V(e), Pages 252 and 253]

Components of deferred tax assets and liabilities as at March 31, 2016 is as below:

(₹ crore)

	Balance as at April 1, 2015	Recognised/ (reversed in profit or loss	Recognised in Other comprehensive Income	Recognised in equity	Disposal of group undertakings	Other reclassifications	Exchange differences on consolidation	Balance as at March 31, 2016
Deferred tax assets / (liabilities)								
Tax-loss carry forwards	1,618.94	772.01	-	-	-	(32.94)	119.62	2,477.63
Retirement benefit assets/ liabilities	6.29	(1,530.90)	(337.71)	-	-	-	53.71	(1,808.61)
Provisions	1,317.24	406.17	-	-	-	(56.78)	3.84	1,670.47
MAT credit entitlement	117.21	152.17	-	-	-	6.43	-	275.81
Others	22.10	(6.62)	(0.32)	-	-	-	-	15.16
	3,081.78	**(207.17)**	**(338.03)**	**-**	**-**	**(83.29)**	**177.17**	**2,630.46**
Deferred tax liabilities / (assets)								
Property plant and equipment	11,504.33	(795.92)	-	(15.89)	-	(0.47)	79.62	10,771.67
Intangible assets	81.67	(55.95)	-	-	3.13	-	(0.73)	28.12
Trade and other receivables	364.05	128.34	-	-	-	-	8.90	501.29
Others	257.24	(114.70)	(77.01)	-	(3.13)	25.59	34.83	122.82
	12,207.29	**(838.23)**	**(77.01)**	**(15.89)**	**-**	**25.12**	**122.62**	**11,423.90**
Net Deferred tax assets/ (liabilities)	**(9,125.51)**	**631.06**	**(261.02)**	**15.89**	**-**	**(108.41)**	**54.55**	**(8,793.44)**
Disclosed as :								
Deferred tax assets	**812.20**							**627.45**
Deferred tax liabilities	**9,937.71**							**9,420.89**
	(9,125.51)							**(8,793.44)**

(b) Deferred tax assets have not been recognised in respect of tax losses of ₹**48,041.91** crore (March 31, 2016: ₹56,541.95 crore; April 1, 2015: ₹50,811.34 crore) as its recovery is not considered probable in the foreseable future. These losses primarily relate to the Group's European operations.

(c) Unrecognised tax losses in respect of which deferred tax asset have not been recognised expire unutilised based on the year of origination as below:

(₹ crore)

	As at March 31, 2017
Not later than one year	66.21
Later than one year but less than five years	5,424.09
Later than five years but less than ten years	2,837.78
Later than ten years but less than twenty years	30.61
No expiry	39,683.22
	48,041.91

(d) Deferred tax assets have also not been recognised in respect of deductible temporary differences and unused tax credits of ₹**6,867.53** crore (March 31,2016: ₹2,660.87 crore; April 1, 2015: ₹2,532.38 crore) which do not carry an expiry date.

(e) At the end of the reporting period, the aggregate amount of temporary differences associated with undistributed earnings of subsidiaries, joint ventures and associates for which deferred tax liabilities have not been recognised is ₹**10,228.02** crore (March 31, 2016: ₹9,883.61crore and April 1, 2015: ₹8,691.82 crore). No liability has been recognised in respect of these differences because the Group is in a position to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future.

NOTES forming part of the consolidated financial statements

13. OTHER ASSETS

[Item No. I(k) and II(d), Page 252]

A. NON-CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Capital advances			
	Unsecured, considered good	618.16	835.18	1,052.50
	Unsecured, considered doubtful	88.61	75.88	2.45
	Less: Provision for doubtful advances	88.61	75.88	2.45
		618.16	**835.18**	**1,052.50**
(b)	Advance with public bodies			
	Unsecured, considered good	1,804.44	1,880.84	1,353.79
	Unsecured, considered doubtful	12.76	17.26	17.83
	Less: Provision for doubtful advances	12.76	17.26	17.83
		1,804.44	**1,880.84**	**1,353.79**
(c)	Prepaid lease payments	**925.67**	**854.40**	**699.87**
(d)	Capital advances to related parties			
	Unsecured, considered good	**32.54**	**7.30**	**19.57**
(e)	Other assets			
	Unsecured, considered good	294.15	264.51	228.70
	Unsecured, considered doubtful	19.34	11.90	13.08
	Less: Provision for doubtful advances	19.34	11.90	13.08
		294.15	**264.51**	**228.70**
		3,674.96	**3,842.23**	**3,354.43**

NOTES forming part of the consolidated financial statements

13. OTHER ASSETS (CONTD.)

[Item No. I(k) and II(d), Page 252]

B. CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Capital advances			
	Unsecured, considered good	**0.55**	**0.34**	**-**
(b)	Advance with public bodies			
	Unsecured, considered good	1,394.09	1,316.66	1,198.29
	Unsecured, considered doubtful	2.85	3.08	1.85
	Less: Provision for doubtful advances	2.85	3.08	1.85
		1,394.09	**1,316.66**	**1,198.29**
(c)	Prepaid lease payments	**0.59**	**0.57**	**0.56**
(d)	Advances to related parties			
	Unsecured, considered good	**5.14**	**5.38**	**1.00**
(e)	Other assets			
	Unsecured, considered good	794.01	704.92	758.21
	Unsecured, considered doubtful	139.13	151.75	288.40
	Less: Provision for doubtful advances	139.13	151.75	288.40
		794.01	**704.92**	**758.21**
		2,194.38	**2,027.87**	**1,958.06**

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

(ii) Prepaid lease payments relate to land leases classified as operating in nature as the title is not expected to transfer at the end of the lease term and considering that land has an indefinite economic life.

(iii) Other assets include advances against supply of goods and services and advances paid to employees.

14. INVENTORIES

[Item No. II(a), Page 252]

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Raw materials	8,020.23	5,152.94	7,901.33
(b)	Work-in-progress	4,378.75	4,301.09	4,652.24
(c)	Finished and semi-finished goods	9,045.31	7,252.49	8,440.88
(d)	Stock-in-trade	139.91	100.32	391.31
(e)	Stores and spares	3,219.62	3,206.49	3,207.60
		24,803.82	**20,013.33**	**24,593.36**
Included above, goods-in-transit:				
(i)	Raw materials	650.30	382.42	1,418.68
(ii)	Finished and semi-finished goods	138.55	30.29	210.56
(iii)	Stock-in-trade	97.09	65.31	23.85
(iv)	Stores and spares	142.85	160.70	151.31
		1,028.79	**638.72**	**1,804.40**

(i) The value of inventories above is stated after impairment of ₹**565.11** crore (March 31, 2016: ₹1,164.56 crore; April 1, 2015: ₹1,037.84 crore) for write-down to net realisable value and provision for slow moving and obsolete item.

NOTES forming part of the consolidated financial statements

15. TRADE RECEIVABLES

[Item No. II(b)(ii), Page 252]

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Unsecured considered good	11,586.82	12,066.22	13,579.77
(b) Unsecured considered doubtful	226.86	319.95	249.17
	11,813.68	**12,386.17**	**13,828.94**
Less: Allowance for credit losses	226.86	319.95	249.17
	11,586.82	**12,066.22**	**13,579.77**

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

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

(₹ crore)

	Year ended March 31, 2017	Year ended March 31, 2016
Balance at the beginning of the year	319.95	249.17
Change in consolidated statement of profit and loss	26.60	83.01
Utilised during the period	(42.44)	(7.44)
Disposal of group undertakings	(38.58)	-
Reclassified to assets held for sale	(1.09)	-
Exchange differences in consolidation	(37.58)	(4.79)
Balance at the end of the year	**226.86**	**319.95**

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

(₹ crore)

	As at March 31, 2017			
	Gross credit risk	Subject to credit insurance cover	Impairment provision	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**

(₹ crore)

	As at March 31, 2016			
	Gross credit risk	Subject to credit insurance cover	Impairment provision	Net credit risk
Amounts not yet due	10,235.58	6,889.99	12.68	3,332.91
One month overdue	1,100.36	806.33	0.79	293.24
Two months overdue	121.22	68.65	0.20	52.37
Three months overdue	116.78	19.77	3.12	93.89
Between three to six months overdue	203.90	57.61	21.06	125.23
Greater than six months overdue	608.33	254.63	282.10	71.60
	12,386.17	**8,096.98**	**319.95**	**3,969.24**

NOTES forming part of the consolidated financial statements

15. TRADE RECEIVABLES (CONTD.)

[Item No. II(b)(ii), Page 252]

(₹ crore)

	As at April 1, 2015			
	Gross credit risk	Subject to credit insurance cover	Impairment provision	Net credit risk
Amounts not yet due	12,169.01	8,268.81	26.48	3,873.72
One month overdue	796.91	544.05	1.91	250.95
Two months overdue	205.68	150.43	0.63	54.62
Three months overdue	167.99	99.27	24.46	44.26
Between three to six months overdue	181.08	122.28	24.78	34.02
Greater than six months overdue	308.27	61.59	170.91	75.77
	13,828.94	**9,246.43**	**249.17**	**4,333.34**

(iii) The Group considers its maximum exposure to credit risk with respect to customers as at March 31, 2017 to be **₹4,416.69** crore (March 31, 2016: ₹3,969.24 crore; April 1, 2015: ₹4,333.34 crore), which is the fair value of trade receivables (after allowance for credit losses). 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 252]

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Cash in hand	0.80	0.75	1.38
(b)	Cheques, drafts on hand	29.44	34.29	54.10
(c)	Remittance in-transits	59.27	4.49	4.45
(d)	Unrestricted balances with banks	4,742.78	6,069.52	8,117.20
		4,832.29	**6,109.05**	**8,177.13**

Currency profile of cash and cash equivalents is as below:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
INR	1,444.16	1,284.70	792.95
GBP	614.63	(144.85)	1,435.60
EURO	(70.44)	2,002.92	1,300.29
USD	2,037.50	2,546.22	4,209.67
Others	806.44	420.06	438.62
Total	**4,832.29**	**6,109.05**	**8,177.13**

INR-Indian rupees, GBP- Great Britain Pound, USD-United states dollars.

(i) Others primarily include SGD-Singapore dollars, CAD- Canadian dollars and THB-Thai Baht.

NOTES forming part of the consolidated financial statements

17. OTHER BALANCES WITH BANK

[Item No. II(b)(iv), Page 252]

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Earmarked balances with bank	88.76	77.29	71.34
	88.76	**77.29**	**71.34**

(a) Currency profile of Earmarked balances is as below:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
INR	74.16	70.43	64.36
USD	14.60	-	-
Others	-	6.86	6.98
Total	**88.76**	**77.29**	**71.34**

INR-Indian rupees, GBP- Great Britain Pound, USD-United States dollars.

(i) Others primarily include SGD-Singapore dollars, CAD-Canadian dollars and THB-Thai Baht.

(b) Earmarked balances with bank represents balances held for unpaid dividends, margin money against issue of bank guarantees and deposits made against contract performance.

(c) 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, are given 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**

(i) 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.

(ii) Unpermitted payments represents amount collected by Company's employees and exchanged for new notes against their individual Permanent Account Number.

NOTES forming part of the consolidated financial statements

18. ASSETS AND LIABILITIES HELD FOR SALE

[Item No. III and VII, Pages 252 and 253]

(a) On May 1, 2017, the Group's wholly owned subsidiary Tata Steel UK Limited completed the sale of its speciality steels business. As at March 31, 2017, the Speciality Steels business has been classified as a disposal group held for sale. Following this classification, a write down of **₹ 181.32** crore was recognised to reduce the carrying value of the assets in the disposal group to their fair value less costs to sell. The impairment charge has been included within profit/loss of discontinued operations in the consolidated statement of profit and loss.

The major classes of assets and liabilities held for sale as on the respective reporting dates is as below:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Assets classified as held for sale:			
Property, Plant and Equipment	-	21.05	-
Equity accounted investments	-	5.06	145.42
Inventories	778.12	-	-
Trade receivables	292.50	-	-
Cash and bank balances	1.03	-	-
Other financial assets	2.78	-	-
	1,074.43	26.11	145.42
Less: Write down to fair value less costs to sell	(181.32)	-	-
	893.11	**26.11**	**145.42**
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	**-**	**-**

(b) As at March 31, 2017, the Group has also reclassified certain assets with carrying value of **₹ 98.31** crore pertaining to the South East Asian operations as held for sale since it expects to recover the carrying value principally through sale and is in the process of identifying a prospective buyer. The Group expects to complete the sale within a period of one year from the reporting date. The Group has recognised an impairment loss of **₹ 90.48** crore on reclassification of such items as held for sale which is included within the exceptional items in the consolidated statement of profit and loss.

(c) As at March 31, 2016, assets classified as held for sale relates to certain items of plant and machinery relating to European operations.

(d) On May 6, 2015, the Group's wholly owned subsidiary Tata Steel Nederland Consulting and Technical Services B.V. completed the sale of its 50% interest in Danieli Corus Technical Services B.V. to Industrielle Beteiligung S.A. (the other 50% shareholder) for proceeds of ₹ 167.47 crore, of which ₹ 49.26 crore is related to deferred consideration. Prior to the classification as held for sale, the Group's interest in Danieli Corus Technical Services B.V. was accounted for as an equity investment with a carrying value of ₹ 174.97 crore. On classification as held for sale at March 31, 2015, the Group has recognised an impairment charge of ₹ 29.55 crore to write down the carrying value of the equity investment to the fair value less costs to sell. On completion the Group has recognised a profit on disposal of ₹ 25.01 crore, including foreign exchange recycled to the consolidated statement of profit and loss. This has been included within exceptional items in the consolidated statement of profit and loss for the year ended March 31, 2016.

NOTES forming part of the consolidated financial statements

19. EQUITY SHARE CAPITAL

[Item No. IV(a), Page 253]

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Authorised:				
1,75,00,00,000	Ordinary Shares of ₹10 each	1,750.00	1,750.00	1,750.00
	(March 31, 2016: 1,75,00,00,000 Ordinary Shares of ₹10 each)			
	(April 1, 2015: 1,75,00,00,000 Ordinary Shares of ₹10 each)			
35,00,00,000	"A" Ordinary Shares of ₹10 each	350.00	350.00	350.00
	(March 31, 2016: 35,00,00,000 "A" Ordinary Shares of ₹10 each)			
	(April 1, 2015: 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	250.00
	(March 31, 2016: 2,50,00,000 Shares of ₹100 each)			
	(April 1, 2015: 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	6,000.00
	(March 31, 2016: 60,00,00,000 Shares of ₹100 each)			
	(April 1, 2015: 60,00,00,000 Shares of ₹100 each)			
		8,350.00	**8,350.00**	**8,350.00**
Issued:				
97,21,26,020	Ordinary Shares of ₹10 each	972.13	972.13	972.13
	(March 31, 2016: 97,21,26,020 Ordinary Shares of ₹10 each)			
	(April 1, 2015: 97,21,26,020 Ordinary Shares of ₹10 each)			
Subscribed and Paid up:				
97,00,47,046	Ordinary Shares of ₹10 each fully paid up	970.04	970.04	971.21
	(March 31, 2016: 97,00,47,046 Ordinary Shares of ₹10 each)			
	(April 1, 2015: 97,12,15,439 Ordinary Shares of ₹10 each)			
	Amount paid up on 3,89,516 Ordinary Shares forfeited	0.20	0.20	0.20
	(March 31, 2016: 3,89,516 Shares of ₹10 each)			
	(April 1, 2015: 3,89,516 Shares of ₹10 each)			
		970.24	**970.24**	**971.41**

(a) Subscribed and paid up capital excludes **11,68,393** Ordinary shares (March 31, 2016: 11,68,393 ordinary shares and April 1, 2015: Nil) held by a wholly owned subsidiary.

(b) The movement in subscribed and paid up share capital is as below:

	As at March 31, 2017		As at March 31, 2016	
	No. of shares	₹ crore	No. of shares	₹ crore
Ordinary shares of ₹10 each				
Balance at the beginning of the year	**97,00,47,046**	970.24	97,12,15,439	971.41
Adjustment for cross holdings	-	-	11,68,393	1.17
Balance at the end of the year	**97,00,47,046**	**970.24**	**97,00,47,046**	**970.24**

(c) As at March 31, 2017, **3,01,183** Ordinary Shares (March 31, 2016: 3,01,183 ordinary shares and April 1, 2015: 3,01,183 ordinary shares) are kept in abeyance in respect of right issue of 2007.

NOTES forming part of the consolidated financial statements

19. EQUITY SHARE CAPITAL (CONTD.)

[Item No. IV(a), Page 253]

(d) Details of shareholders holding more than 5 percent shares in the Company is as below:

(₹ crore)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of ordinary shares	%	No. of ordinary shares	%	No. of ordinary shares	%
Name of shareholders						
(a) Tata Sons Limited	28,88,98,245	29.75	28,88,98,245	29.75	28,88,98,245	29.75
(b) Life Insurance Corporation of India	12,20,50,996	12.57	14,17,39,415	14.59	14,17,39,185	14.59

(e) **1,55,10,420** shares (March 31, 2016: 2,25,14,584 shares; April 1, 2015: 1,79,07,847 shares) of face value of ₹10 per share represent the shares underlying Global Depositary Receipts (GDRs) which were issued during 1994 and 2009. Each GDR represents one underlying Ordinary Share.

(f) 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

(a) 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.

(b) 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.

(c) 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.

(a) 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.

NOTES forming part of the consolidated financial statements

19. EQUITY SHARE CAPITAL (CONTD.)

[Item No. IV(a), Page 253]

(b) 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.

(c) 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.

(d) 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 253]

The detail of movement in Hybrid Perpetual Securities is as below:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balance at the beginning of the year	2,275.00	2,275.00	2,275.00
Balance at the end of the year	**2,275.00**	**2,275.00**	**2,275.00**

The Group 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 Group. 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 Group if in the six months preceding the relevant distribution payment date, the Group 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 Group does not have any redemption obligation, these have been classified as equity.

21. OTHER EQUITY

[Item No. IV(c), Page 253]

A. OTHER COMPREHENSIVE INCOME RESERVES

(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.

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

The details of movement in Cash flow hedge reserve are as below:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	(10.34)	(127.35)
Other comprehensive income recognised during the year	116.33	117.01
Balance at the end of the year	**105.99**	**(10.34)**

NOTES forming part of the consolidated financial statements

21. OTHER EQUITY (CONTD.)

[Item No. IV(c), Page 253]

The details of Other Comprehensive income recognised is as below:

(₹ crore)

	Year ended March 31, 2017	Year ended March 31, 2016
Fair value changes recognised during the year	344.74	204.15
Fair value changes reclassified to the statement of profit and loss/cost of underlying items	(188.96)	(72.22)
Tax impact on above (net)	(39.45)	(14.92)
	116.33	**117.01**

During the year, ineffective portion of cash flow hedges recognised in the consolidated statement of profit and loss amounted to Nil (2015-16: ₹0.05 crore).

The amount recognised in the cash flow hedge reserve is expected to impact the consolidated statement of profit and loss within the next one year.

(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 are as below:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	2,955.52	9,734.97
Other comprehensive income recognised during the year	834.63	(3,408.30)
Transfers within equity	(1.75)	(3,371.15)
Balance at the end of the year	**3,788.40**	**2,955.52**

(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 are as below:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	6,495.52	6,738.57
Other comprehensive income recognised during the year	2,038.95	(254.08)
Transfers within equity	-	11.03
Balance at the end of the year	**8,534.47**	**6,495.52**

NOTES forming part of the consolidated financial statements

21. OTHER EQUITY (CONTD.)

[Item No. IV(c), Page 253]

B. OTHER CONSOLIDATED 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").

There is no movement in securities premium during the current and previous year.

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	18,871.66	18,871.66
Balance at the end of the year	**18,871.66**	**18,871.66**

(b) Debenture redemption reserve

The Companies Act 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.

There is no movement in debenture redemption reserve during the current and previous year.

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
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, the requirement to mandatorily transfer a specified percentage of net profit to general reserve has been withdrawn.

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	12,181.97	12,197.48
Adjustments for cross holding	-	21.78
Transfers within equity	-	(37.29)
Balance at the end of the year	**12,181.97**	**12,181.97**

NOTES forming part of the consolidated financial statements

21. OTHER EQUITY (CONTD.)

[Item No. IV(c), Page 253]

(d) Capital redemption reserve

The Companies Act 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 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 Group established this reserve pursuant to the redemption of preference shares issued in earlier years.

There is no movement in capital redemption reserve during the current and previous year.

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
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

The special reserve represents the reserve created by two subsidiaries of the Company pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act") and related regulations applicable to those companies. 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.

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	6.19	5.77
Transfers within equity	0.47	0.42
Balance at the end of the year	**6.66**	**6.19**

(f) Others

Others primarily include:

(i) the balance of foreign currency monetary item translation difference account ("FCMITDA") created for recognising exchange differences on revaluation of long term foreign currency monetary items as per the Previous GAAP. Such exchange differences recognised are transferred to the consolidated statement of profit and loss on a systematic basis.

(ii) amounts appropriated out of profit or loss for unforeseen contingencies. Such appropriations are free in nature.

The details of movement in others are as below:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the year	223.17	192.76
Additions during the year	191.39	42.04
Transfer to consolidated statement of profit and loss	(40.22)	(8.18)
Transfers within equity	(7.99)	(3.45)
Changes in ownership interests	1.75	-
Other movements	(15.28)	-
Balance at the end of the year	**352.82**	**223.17**

NOTES forming part of the consolidated financial statements

22. BORROWINGS

[Item No. V(a)(i) and VI(a)(i), Page 253]

A. NON-CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	**Secured**			
(i)	Loans from Joint Plant Committee - Steel Development Fund	2,420.66	2,338.91	2,232.35
(ii)	Term loans from banks and financial institutions	14,864.84	18,862.19	16,891.52
(iii)	Finance leases obligations	440.08	541.08	425.09
		17,725.58	**21,742.18**	**19,548.96**
(b)	**Unsecured**			
(i)	Bonds and debentures	21,219.30	20,343.25	19,938.02
(ii)	Non-convertible preference shares	19.97	19.97	19.97
(iii)	Term loans from banks and financial institutions	22,613.77	20,745.14	20,655.00
(iv)	Finance leases obligations	2,386.75	1,972.54	2,013.53
(v)	Deferred payment liabilities	9.61	5.58	2.53
(vi)	Other loans	47.29	44.12	73.55
		46,296.69	**43,130.60**	**42,702.60**
		64,022.27	**64,872.78**	**62,251.56**

B. CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	**Secured**			
(i)	Loans from banks and financial institutions	4,848.96	6,691.71	6,005.49
(ii)	Repayable on demand from banks and financial institutions	244.66	147.04	392.46
(iii)	Other Loans	19.41	4.59	2.08
		5,113.03	**6,843.34**	**6,400.03**
(b)	**Unsecured**			
(i)	Loans from banks and financial institutions	9,918.07	4,906.70	2,509.96
(ii)	Commercial papers	2,323.54	3,234.85	-
(iii)	Other loans	973.46	737.23	783.26
		13,215.07	**8,878.78**	**3,293.22**
		18,328.10	**15,722.12**	**9,693.25**

(a) As at March 31, 2017, ₹**22,838.61** crore (March 31, 2016: ₹28,585.52 crore; April 1, 2015: ₹25,949.00 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 of the Group are as below:

(i) Loans from Joint Plant Committee - Steel Development Fund

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

NOTES forming part of the consolidated financial statements

22. BORROWINGS (CONTD.)

[Item No. V(a)(i) and VI(a)(i), Page 253]

It is repayable in 16 equal semi-annual installments 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 ₹**781.32** crore (March 31, 2016: ₹699.58 crore and April 1, 2015: ₹593.03 crore).

It includes ₹**1,639.33** crore (March 31, 2016: ₹1,639.33 crore and April 1, 2015: ₹1,639.33 crore) representing repayments and interest on earlier loans for which applications of funding are awaiting sanction is not secured by charge on movable assets of the Company.

(ii) Term loans from banks/financial institution

The majority of the secured borrowings from banks and financial institutions relates to the senior facility arrangement of Tata Steel Europe, a wholly owned subsidiary of the Company. The 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) Commercial papers

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

(iv) Finance lease obligations

The Group has taken certain items of plant and machinery as lease for business purpose. In addition the Company 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 finance leases.

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.

(b) Bonds and debentures

The details of major unsecured borrowings taken by the Group are given below:

(i) The debentures issued by the Group 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 year are as follows:

Issued on	Currency	Initial principal due (in millions)	Outstanding principal (in millions)			Interest rate	Redeemable on
			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015		
July 2014	USD	1000	1000	1000	1000	5.95%	July 2024
July 2014	USD	500	500	500	500	4.85%	January 2020
May 2013	SGD	300	300	300	300	4.95%	May 2023

The above figures do not include current maturities of long term debt and finance lease obligations of ₹**664.12** crore (March 31, 2016: ₹1,392.03 crore; April 1, 2015: ₹4,848.48 crore).

NOTES forming part of the consolidated financial statements

22. BORROWINGS (CONTD.)

[Item No. V(a)(i) and VI(a)(i), Page 253]

(c) The currency and interest exposure of borrowings (including current maturities of long term debt and finance lease obligations) at the end of the reporting period is as below:

(₹ crore)

	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
INR	15,862.80	10,819.76	26,682.56	15,050.46	13,731.89	28,782.35	12,878.24	11,588.73	24,466.97
GBP	172.69	4,643.07	4,815.76	479.95	5,663.89	6,143.84	527.14	5,554.88	6,082.02
EURO	957.11	14,270.14	15,227.25	1,182.61	15,527.78	16,710.39	983.88	13,312.05	14,295.93
USD	14,348.92	19,089.66	33,438.58	11,090.90	16,669.79	27,760.69	10,235.30	18,149.17	28,384.47
Others	1,722.96	1,127.38	2,850.34	1,837.86	751.80	2,589.66	1,963.81	1,600.09	3,563.90
Total	**33,064.48**	**49,950.01**	**83,014.49**	**29,641.78**	**52,345.15**	**81,986.93**	**26,588.37**	**50,204.92**	**76,793.29**

INR-Indian rupees, GBP- Great Britain Pound, USD-United states dollars.

(i) Others primarily include SGD-Singapore dollars, CAD- Canadian dollars and THB-Thai Baht.

(ii) The 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, 2017, ₹**10,881.83** crore (March 31, 2016, ₹12,785.67; April 1, 2015, ₹14,782.33) has been hedged using interest rate swaps and collars, with contracts covering a period of more than one year.

(d) The maturity profile of Group's borrowings is as below:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Not later than one year or on demand	19,392.30	17,468.24	14,898.80
Later than one year but not two years	2,415.91	1,735.75	2,755.03
Later than two years but not three years	13,407.73	3,254.24	4,635.79
Later than three years but not four years	12,316.42	14,834.81	4,725.90
Later than four years but not five years	12,126.29	13,465.81	14,483.98
More than five years	29,031.25	36,553.17	40,916.15
	88,689.90	**87,312.02**	**82,415.65**
Less: Future finance charges on financial leases	4,306.89	3,549.41	3,734.60
Less: Capitalisation of transaction costs	1,368.52	1,775.68	1,887.76
	83,014.49	**81,986.93**	**76,793.29**

(e) Some of the Group's major financing arrangements include financial covenants, which require compliance to certain debt-equity ratios and debt coverage ratios in the various entities in the Group which have such covenants. 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.

NOTES forming part of the consolidated financial statements

23. OTHER FINANCIAL LIABILITIES

[Item No. V(a)(iii) and VI(a)(iv), Page 253]

A. NON-CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Interest accrued but not due	12.37	-	-
(b)	Creditors for other liabilities	96.41	454.42	900.55
		108.78	**454.42**	**900.55**

B. CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Current maturities of long-term borrowings	445.49	1,165.45	4,653.38
(b)	Current maturities of finance lease obligations	218.63	226.58	195.10
(c)	Interest accrued but not due	752.02	616.60	814.25
(d)	Unclaimed dividends	62.81	63.62	63.39
(e)	Creditors for other liabilities	4,836.56	4,828.87	4,802.44
		6,315.51	**6,901.12**	**10,528.56**

(i) Non-current and current creditors for other liabilities includes creditors for capital supplies and services of ₹**3,076.96** crore (March 31, 2016: ₹3,550.13 crore; April 1, 2015: ₹3,890.16 crore).

24. PROVISIONS

[Item No. V(b) and VI(b), Page 253]

A. NON-CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Employee benefits	2,583.23	2,733.97	1,911.80
(b)	Insurance provisions	882.46	957.51	287.88
(c)	Others	814.00	749.00	773.81
		4,279.69	**4,440.48**	**2,973.49**

B. CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Employee benefits	398.94	829.39	324.80
(b)	Insurance provisions	-	3.00	1.49
(c)	Others	588.44	689.47	490.19
		987.38	**1,521.86**	**816.48**

NOTES forming part of the consolidated financial statements

24. PROVISIONS (CONTD.)

[Item No. V(b) and VI(b), Page 253]

(i) Non current and current provision for employee benefits include provision for leave salaries of ₹**1,094.03** crore (March 31, 2016: ₹986.28 crore; April 1, 2015: ₹913.55 crore). It also includes provision for early separation and disability scheme amounting to ₹**1,789.59** crore (March 31, 2016 : ₹1,968.94 crore; April 1, 2015: ₹1,131.54 crore).

(ii) The Insurance provisions relate to Crucible Insurance Company which underwrites marine cargo, public liability and retrospective hearing impairment policies of Tata Steel Europe. 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.

(iii) Others primarily include:

a. Provision for compensatory afforestation mine closure and rehabilitation obligations of ₹**529.31** crore (March 31, 2016: ₹226.13 crore; April 1, 2015: ₹68.30 crore). These amounts become payable upon closure of the mines and are expected to be incurred over a period of 1 to 35 years.

b. Provision in respect of onerous leases. The outstanding term of these leases ranges between 1 to 16 years.

(iv) The detail of movement in provision balances is as below:

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
Recognised 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**

As at March 31, 2016

(₹ crore)

	Insurance Provisions	Others	Total
Balance at the beginning of the year	289.37	1,264.00	1,553.37
Recognised during the year	715.23	300.93	1,016.16
Utilised during the year	(32.45)	(185.80)	(218.25)
Exchange differences on consolidation	(11.64)	59.34	47.70
Balance at the end of the year	**960.51**	**1,438.47**	**2,398.98**

NOTES forming part of the consolidated financial statements

25. DEFERRED INCOME

[Item No. V(d) and VI(d), Page 253]

A. NON-CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Grants relating to property, plant and equipment	1,979.19	2,339.12	2,229.81
(b)	Others	78.40	92.29	105.38
		2,057.59	**2,431.41**	**2,335.19**

B. CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Grants relating to property, plant and equipment	0.22	0.21	0.01
(b)	Others	22.30	3.49	3.07
		22.52	**3.70**	**3.08**

(i) Grants relating to property, plant and equipment relates to duty saved on import of capital goods and spares under the EPCG scheme. Under such scheme the Group 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 Group 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 export obligations.

(ii) During the year, an amount of **₹351.73** crore (2015-16: ₹5.24 crore) was released to consolidated statement of profit and loss on fulfillment of export obligations.

26. OTHER LIABILITIES

[Item No. V(f) and VI(f), Page 253]

A. NON-CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Statutory dues	55.31	64.06	-
(b)	Other credit balances	171.20	264.99	320.49
		226.51	**329.05**	**320.49**

B. CURRENT

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Advances received from customers	548.42	421.16	297.55
(b)	Employee recoveries and employer contributions	65.89	77.62	75.17
(c)	Statutory dues	3,683.41	3,104.33	2,442.32
(d)	Other credit balances	17.55	34.90	21.72
		4,315.27	**3,638.01**	**2,836.76**

(i) Statutory dues primarily include payables in respect of excise duties, service tax, sales tax, VAT, tax deducted at source and royalties.

NOTES forming part of the consolidated financial statements

27. TRADE PAYABLES

[Item No. VI(a)(ii), Page 253]

(₹ crore)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Creditors for supplies and services	14,543.26	14,918.59	14,581.81
(b)	Creditors for accrued wages and salaries	4,031.20	3,638.11	3,484.85
		18,574.46	**18,556.70**	**18,066.66**

28. REVENUE FROM OPERATIONS

[Item No. I, Page 254]

(₹ crore)

		Year ended March 31, 2017	Year ended March 31, 2016
(a)	Sale of products	1,15,055.90	1,04,062.82
(b)	Sale of power and water	1,418.87	1,399.87
(c)	Income from town, medical and other services	207.80	220.49
(d)	Other operating income	737.37	656.74
		1,17,419.94	**1,06,339.92**

29. OTHER INCOME

[Item No. II, Page 254]

(₹ crore)

		Year ended March 31, 2017	Year ended March 31, 2016
(a)	Dividend income	73.03	67.09
(b)	Finance income	184.76	117.98
(c)	Net gain/(loss) on investments carried at fair value through consolidated statement of profit and loss	316.95	184.22
(d)	Net gain/(loss) on sale of non-current investments	0.97	-
(e)	Profit/(loss) on sale of capital assets (net of loss on assets sold/scrapped/written off)	0.15	33.56
(f)	Gain/(loss) on cancellation of forwards, swaps and options	(67.95)	(1.23)
(g)	Other miscellaneous income	19.56	10.60
		527.47	**412.22**

(i) Finance income includes:

(a) Income from financial assets carried at amortised cost of ₹**172.25** crore (2015-16: ₹109.76 crore).

(b) Income from financial assets carried at fair value through consolidated profit and loss of ₹**12.51** crore (2015-16: ₹8.22 crore).

NOTES forming part of the consolidated financial statements

30. EMPLOYEE BENEFIT EXPENSES

[Item No. IV(d), Page 254]

(₹ crore)

		Year ended March 31, 2017	Year ended March 31, 2016
(a)	Salaries and wages	14,011.31	13,784.22
(b)	Contribution to provident and other funds	2,735.44	3,226.55
(c)	Staff welfare expenses	505.47	576.86
		17,252.22	**17,587.63**

During the year, the Group recognised an amount of ₹**18.13** crore (2015-16: ₹17.94 crore) as remuneration to key managerial personnel. The details of such remuneration is as below:

(₹ crore)

		Year ended March 31, 2017	Year ended March 31, 2016
(a)	Short term employee benefits	17.13	17.24
(b)	Post employment benefits	0.71	0.42
(c)	Other long term employee benefits	0.29	0.28
		18.13	**17.94**

31. FINANCE COSTS

[Item No. IV(e), Page 254]

(₹ crore)

		Year ended March 31, 2017	Year ended March 31, 2016
Interest expense on:			
(a)	Bonds, debentures, bank borrowings and others	4,978.26	5,190.81
(b)	Finance leases	378.16	313.95
		5,356.42	**5,504.76**
Less: Interest capitalised		284.22	1,283.35
		5,072.20	**4,221.41**

32. DEPRECIATION AND AMORTISATION EXPENSE

[Item No. IV(f), Page 254]

(₹ crore)

	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation of tangible and amortisation of intangible assets	5,685.67	5,319.76
Less : Amount released from specific grants	12.79	13.41
	5,672.88	**5,306.35**

NOTES forming part of the consolidated financial statements

33. OTHER EXPENSES

[Item No. IV(g), Page 254]

(₹ crore)

		Year ended March 31, 2017	Year ended March 31, 2017
(a)	Consumption of stores and spares	7,881.07	8,287.91
(b)	Repairs to buildings	100.95	113.69
(c)	Repairs to machinery	5,332.98	5,534.34
(d)	Relining expenses	141.00	117.95
(e)	Fuel oil consumed	467.12	486.27
(f)	Purchase of power	4,753.71	4,507.62
(g)	Conversion charges	2,343.14	1,980.39
(h)	Freight and handling charges	7,268.08	6,832.11
(i)	Rent	2,364.10	2,729.55
(j)	Royalty	1,188.46	997.72
(k)	Rates and taxes	1,644.30	1,157.33
(l)	Insurance charges	426.13	295.76
(m)	Commission, discounts and rebates	235.01	258.40
(n)	Allowance for credit loss/provision for advances	45.95	101.08
(o)	Excise duty (including recovered on sales)	5,120.52	4,375.20
(p)	Others	5,307.19	3,480.15
		44,619.71	**41,255.47**

(i) Other expenses include foreign exchange gain/(loss) of ₹**576.57** crore [2015-16: ₹(110.65) crore]

(ii) Revenue expenditure charged to consolidated statement of profit and loss in respect of research and development activities undertaken during the year is ₹**646.24** crore (2015-16: ₹637.55 crore)

34. EXCEPTIONAL ITEMS

[Item No. VII, Page 254]

(a) Profit on sale of investments in subsidiaries, associates and joint ventures of ₹**22.70** crore (2015-16: ₹47.17 crore)

(b) Profit on sale of assets amounting to ₹**85.87** crore (2015-16: Nil) of a subsidiary in South East Asia on liquidation.

(c) Provision for advances paid for repurchase of equity shares in Tata Teleservices Limited from NTT Docomo Inc. of ₹**125.45** crore (2015-16: Provision of ₹72.99 crore relating to advances paid for a project which the Company has decided to discontinue).

(d) Impairment loss recognised in respect of property, plant and equipment (including capital work-in-progress) and intangible assets of ₹**267.93** crore (2015-16: ₹1,530.17 crore)

The impairment loss relates to the reportable segments as below. The same however has been shown as an exceptional item and does not form part of segment result in the segment report:

(₹ crore)

	Year ended March 31, 2017	Year ended March 31, 2016
Tata Steel India	-	51.51
Other Indian Operations	1.44	-
Tata Steel Europe	148.37	81.97
South East Asian Operations	118.12	-
Rest of the World	-	1,396.69
	267.93	**1,530.17**

NOTES forming part of the consolidated financial statements

34. EXCEPTIONAL ITEMS(CONTD.)

[Item No. VII, Page 254]

(e) Provision of ₹**218.25** crore for demands and claims in relation to the Indian operations (2015-16: ₹880.05 crore)

(f) Provision of ₹**207.37** crore on account of employee separation scheme in relation to the Indian operations (2015-16: ₹556.25 crore)

(g) Restructuring and other provisions of ₹**3,613.80** crore primarily include curtailment charge relating to closure of Tata Steel Europe's British Steel Pension Scheme (BSPS) to future accrual (2015-16: Represents a gain of ₹6,982.67 crore primarily on account of changes to BSPS and Stichting Pensioenfonds Hoogovens (SPH) scheme and other restructuring exercise relating to the European operations).

35. DISCONTINUED OPERATIONS

[Item No. XI, Page 254]

The recognition of non-current assets (or disposal group) as held for sale is dependent upon whether its carrying value will be recovered principally through a sale transaction rather than through continuing use. Significant judgement is required to assess whether the sale of the assets (or disposal group) is highly probable. A discontinued operation is a component of an entity that either has been disposed of or is classified as held for sale. Judgement is required to assess whether the component represents a separate major line of business or geographical area of operation, and is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operation.

These businesses have been classified as discontinued operations during the current year following a coordinated plan to dispose of these businesses which do not form part of the Group's core Strip Products. The previous year figures have also been restated accordingly.

On May 31, 2016, the Group disposed of the trade and other assets of its Long Products Europe business to Greybull Capital LLP.

On February 9, 2017, the Group announced a definitive sales agreement to dispose of the trade and other assets of its Speciality Steels business. The disposal was completed on May 1, 2017.

The results of the discontinued operations in each of the reporting periods are as below:

(₹ crore)

	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	3,123.77	12,751.73
Other income	0.05	(2.27)
	3,123.82	**12,749.46**
Expenses		
Raw materials consumed	738.97	3,423.61
Purchases of finished, semi-finished and other products	257.81	418.15
Employee benefit expense	981.05	3,711.82
Finance costs	39.34	(18.39)
Depreciation and amortisation expense	16.89	86.73
Other expenses	1,860.62	7,612.99
	3,894.68	**15,234.91**
Profit/(loss) before tax from discontinued operations	**(770.86)**	**(2,485.45)**
Tax expenses:	**8.01**	**54.43**
(a) Current tax	10.31	47.28
(b) Deferred tax	(2.30)	7.15
Profit/(loss) after tax from discontinued operations	**(778.87)**	**(2,539.88)**
Profit/(loss) on disposal of discontinued operations	(3,085.32)	-
Total Profit/(loss) from discontinued operations	**(3,864.19)**	**(2,539.88)**

An impairment charge of ₹ **196.63** crore was recognised during the year being the write down to fair value less costs to sell for assets classified as held for sale.

During the year, discontinued operations resulted in an outflow of ₹ **500.59** crore (March 31, 2016: ₹ 1,255.08 crore) to the Group's net operating cash flows, an outflow of ₹ **105.39** crore (March 31, 2016: ₹ 529.49 crore) in respect of investing activities and an outflow of **Nil** (March 31, 2016: ₹ 19.61 crore) in respect of financing activities.

NOTES forming part of the consolidated financial statements

36. DISPOSAL OF SUBSIDIARIES

On May 31,2016 the Group completed the sale of its long products Europe business to Greybull Capital LLP. On March 29, 2017, the Group also completed the sale of its subsidiary Kalzip (Guangzhou) Limited to Shangai Qinheng International Trade Co. Ltd

(a) The details of net assets disposed off and profit/(loss) on disposal is as below:

(₹ crore)

	Year ended March 31, 2017
Property,plant and equipment	608.17
Other Intangible assets	3.56
Deferred tax Assets	20.82
Inventories	1,421.22
Trade receivables	1,887.12
Cash and bank balances	30.99
Long term borrowings	(193.07)
Long term provisions	(49.43)
Non-Current retirement benefit obligations	(318.38)
Trade payables	(1,973.29)
Short term borrowings	(18.07)
Short term provisions	(314.52)
Current tax liabilities	(7.81)
Carrying value of net assets disposed off	**1,097.31**

(₹ crore)

	Year ended March 31, 2017
Sale consideration	(1,169.18)
Exchange differences recycled to consolidated statement of profit and loss	42.01
Transaction costs	48.87
Pension curtailment	(887.01)
Net consideration	(1,965.31)
Carrying value of net assets disposed off	1,097.31
Profit/(Loss) on disposal	**(3,062.62)**

(b) The net cash flow arising on disposal is as below:

(₹ crore)

	Year ended March 31, 2017
Consideration paid in cash and cash equivalents	(1,169.18)
Deferred consideration	87.82
Less: Cash and cash equivalents disposed off	30.99
Net cash flow arising on disposal	**(1,112.35)**

NOTES forming part of the consolidated financial statements

37. EARNINGS PER SHARE

[Item No. XVII, XVIII and XIX, Page 255]

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, 2017	Year ended March 31, 2016
(a)	Profit after tax from continuing operations	(304.38)	2,042.79
	Less: Distribution on Hybrid Perpetual Securities (net of tax)	174.01	174.06
	Profit after tax from continuing operations attributable to Ordinary Shareholders - for Basic and Diluted EPS (A)	(478.39)	1,868.73
	Profit after tax from discontinued operations attributable to Ordinary Shareholders - for Basic and Diluted EPS (B)	(3,864.19)	(2,539.88)
	Profit after tax from continuing and discontinued operations attributable to Ordinary Shareholders - for Basic and Diluted EPS (A+B)	(4,342.58)	(671.15)
		Nos.	Nos.
(b)	Weighted average number of Ordinary Shares for Basic EPS	97,00,47,046	97,01,42,816
	Weighted average number of Ordinary Shares for Diluted EPS	97,00,47,100	97,01,42,816
(c)	Nominal value of Ordinary Shares (₹)	10.00	10.00
(d)	Basic and Diluted Earnings per Ordinary Share (₹) - continuing operations	(4.93)	19.26
	Basic and Diluted Earnings per Ordinary Share (₹) - discontinued operations	(39.84)	(26.18)
	Basic and Diluted Earnings per Ordinary Share (₹) - continuing and discontinued operations	(44.77)	(6.92)

NOTES 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

In accordance with the Employee's Provident Fund and Miscellaneous Provisions Act, 1952 and the Coal Mines Provident Fund and Miscellaneous Provisions Act, 1948, eligible employees of the Company and its Indian subsidiaries are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company and its Indian subsidiaries make monthly contributions at a specified percentage of the covered employees' salary.

The contributions, as specified under the law, are made to the provident fund set up as an irrevocable trust by the Company and its Indian subsidiaries, post contribution of amount specified under the law to Employee Provident Fund Organisation on account of employee pension scheme.

(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 maintained for employees covered and entitled to benefits. The Company and its Indian subsidiaries 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 and its Indian subsidiaries does not have any further obligations beyond this contribution.

The total expenses recognised in the consolidated statement of profit and loss during the year on account of defined contribution plans amounted to ₹**1,014.56** crore (2016: ₹841.10 crore).

B. Defined Benefit Plans

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

(a) 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 Group makes 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.

(b) 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 accounts for the liability for post-retirement medical scheme based on an actuarial valuation.

(c) Pension Plan

Tata Steel Europe operates a number of defined benefit pension and post-retirement schemes covering the majority of 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

NOTES forming part of the consolidated financial statements

38. EMPLOYEE BENEFITS (CONTD.)

in relation to these schemes. The present value of the defined benefit obligation, the current service cost and past service costs are calculated by these actuaries using the Projected unit credit method. However, the ongoing funding arrangements of each scheme, in place to meet their long term pension liabilities, are governed by the individual scheme documentation and national legislation. The accounting and disclosure requirements of Ind AS 19 do not affect these funding arrangements.

The principal defined benefit pension scheme of the Group 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.

(d) 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 the 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 the 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).

C. Details of defined benefit obligation 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 plan:

(₹ crore)

	Year ended March 31, 2017	Year ended March 31, 2016
Change in defined benefit obligation:		
Obligation at the beginning of the year	2,824.78	2,735.84
Current service costs	131.24	128.13
Interest costs	205.11	199.78
Remeasurement (gains)/losses	156.62	77.27
Benefits paid	(336.57)	(316.24)
Obligation at the end of the year	**2,981.18**	**2,824.78**

NOTES forming part of the consolidated financial statements

38. EMPLOYEE BENEFITS (CONTD.)

(₹ crore)

	Year ended March 31, 2017	Year ended March 31, 2016
Change in plan assets:		
Fair value of plan assets at the beginning of the year	2,646.07	2,160.13
Interest income	198.90	177.57
Remeasurement gains/(losses)	56.93	46.22
Employers' contributions	179.94	578.39
Benefits paid	(336.50)	(316.24)
Fair value of plan assets at the end of the year	**2,745.34**	**2,646.07**

Amounts recognised in the consolidated balance sheet consists of:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fair value of plan assets at the beginning/end of the year	2,745.34	2,646.07	2,160.13
Present value of obligation at the beginning/end of the year	2,981.18	2,824.78	2,735.84
	(235.84)	**(178.71)**	**(575.71)**
Recognised as:			
Retirement benefit assets - Non-current	0.50	0.67	0.13
Retirement benefit liability - Current	(3.29)	-	-
Retirement benefit liability - Non-current	(233.05)	(179.38)	(575.84)
	(235.84)	**(178.71)**	**(575.71)**

Expenses recognised in the consolidated statement of profit and loss consists of:

(₹ crore)

	Year ended March 31, 2017	Year ended March 31, 2016
Employee benefits expenses:		
Current service costs	131.24	128.13
Net interest expenses/(income)	6.21	22.21
	137.45	**150.34**
Other comprehensive income:		
(Gain)/loss on plan assets	(56.93)	(46.22)
Actuarial (gain)/loss arising from changes in financial assumption	160.54	2.27
Actuarial (gain)/loss arising from changes in experience adjustments	(3.92)	75.00
	99.69	**31.05**
Expenses recognised in the consolidated statement of profit and loss	**237.14**	**181.39**

NOTES forming part of the consolidated financial statements

38. EMPLOYEE BENEFITS (CONTD.)

(ii) The fair value of plan assets as at March 31, 2017, March 31, 2016 and April 1, 2015 by category are as below:

(%)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Assets category (%)			
Quoted			
Equity instruments	0.21	-	-
Debt instruments	29.53	31.40	39.58
Other assets	0.04	-	0.05
	29.78	**31.40**	**39.63**
Unquoted			
Debt instruments	0.42	0.42	0.45
Insurance products	69.32	67.35	59.14
Other assets	0.48	0.83	0.78
	70.22	**68.60**	**60.37**
	100.00	**100.00**	**100.00**

The Group's 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 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) The key assumptions used in accounting for retiring gratuity is as below:

(%)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Discount rate	7.00-7.50%	7.50-7.80%	7.50-7.80%
(b)	Rate of escalation in salary	5.00-10.00%	5.00-10.00%	6.00-10.00%

(iv) The weighted average duration of the obligation as at March 31, 2017 ranges between **6 to 22** years (March 31, 2016: 6 to 15 years and April 1, 2015: 6 to 16 years).

(v) The Group expects to contribute ₹**234.17** crore to the plan during the financial year 2017-18.

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

As at March 31, 2017

Assumption	Change in assumption	Impact on scheme liabilities
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

As at March 31, 2016

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹193.37 crore, increase by ₹208.56 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹212.36 crore, decrease by ₹188.39 crore

As at April 1, 2015

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹184.99 crore, increase by ₹212.29 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹209.55 crore, decrease by ₹185.03 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.

NOTES forming part of the consolidated financial statements

38. EMPLOYEE BENEFITS (CONTD.)

(b) Tata Steel Europe Pension Plan

(i) The following table sets out the amounts recognised in the consolidated financial statements for Tata Steel Europe's pension plans.

(₹ crore)

	Year ended March 31, 2017	Year ended March 31, 2016
Change in defined benefit obligations:		
Obligation at the beginning of the year	1,21,336.52	1,86,236.91
Current service costs	834.31	1,500.21
Interest costs	3,583.16	4,481.02
Past service costs	3,627.07	(7,697.15)
Remeasurement (gains)/losses	18,662.81	(7,811.38)
Employees' contributions	105.39	274.55
Curtailment	895.79	-
Settlements	-	(56,743.21)
Benefits paid	(6,832.59)	(7,020.59)
Obligations of companies disposed off	(878.23)	-
Exchange differences on consolidation	(19,388.02)	8,116.16
Obligation at the end of the year	**1,21,946.21**	**1,21,336.52**

(₹ crore)

	Year ended March 31, 2017	Year ended March 31, 2016
Change in plan assets:		
Fair value of plan assets at beginning of the year	1,31,204.14	1,85,888.76
Interest income	3,890.54	4,726.15
Remeasurement gains/(losses)	14,560.97	(5,814.54)
Employers' contributions	526.94	1,588.46
Employees' contributions	105.39	274.55
Settlements	-	(56,184.31)
Benefits paid	(6,797.46)	(6,981.37)
Assets of companies disposed off	(562.06)	-
Exchange differences on consolidation	(20,317.32)	7,706.44
Fair value of plan assets at end of the year	**1,22,611.14**	**1,31,204.14**

Amount recognised in the consolidated balance sheet consist of:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fair value of plan assets at the beginning/end of the year	1,22,611.14	1,31,204.14	1,85,888.76
Present value of obligation at the beginning/end of the year	1,21,946.21	1,21,336.52	1,86,236.91
	664.93	**9,867.62**	**(348.15)**
Recognised as:			
Retirement benefit assets - Non-current	1,752.14	11,476.77	1,330.50
Retirement benefit liability - Current	(27.07)	(46.21)	(52.83)
Retirement benefit liability - Non-current	(1,060.14)	(1,562.94)	(1,625.82)
	664.93	**9,867.62**	**(348.15)**

NOTES forming part of the consolidated financial statements

38. EMPLOYEE BENEFITS (CONTD.)

Expenses recognised in the consolidated statement of profit and loss consist of:

(₹ crore)

	Year ended March 31, 2017	Year ended March 31, 2016
Employee benefit expenses:		
Current service costs	834.31	1,500.21
Past service costs	3,627.07	(7,697.15)
Net interest expenses/(income)	(307.38)	(245.13)
Settlements	-	(558.90)
Curtailments	895.79	-
	5,049.79	**(7,000.97)**
Other comprehensive income:		
Return on plan assets	(14,560.97)	5,814.54
Actuarial (gain)/loss arising from changes in demographic assumptions	(702.58)	-
Actuarial (gain)/loss arising from changes in financial assumption	20,199.17	(6,373.43)
Actuarial (gain)/loss arising from changes in experience adjustments	(833.78)	(1,437.95)
	4,101.84	**(1,996.84)**
Expenses recognised in the consolidated statement of profit and loss	**9,151.63**	**(8,997.81)**

(ii) The fair value of plan assets as at March 31, 2017, March 31, 2016 and April 1, 2015 by category is as below:

(%)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Assets category (%)			
Quoted			
(a) Equity - UK Entities	0.79	8.02	5.96
(b) Equity - Non-UK Entities	8.79	19.08	22.28
(c) Bonds - Fixed rate	39.71	17.69	24.84
(d) Bonds - indexed linked	42.20	44.13	30.75
(e) Others	0.23	0.05	0.17
	91.72	**88.97**	**84.00**
Unquoted			
(a) Property	8.49	9.42	7.84
(b) Others	(0.21)	1.61	8.16
	8.28	**11.03**	**16.00**
	100.00	**100.00**	**100.00**

(iii) The key assumptions used in accounting for the pension plans is as below:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Discount rate	0.5-4.1%	0.4-4.1%	0.8-4.5%
(b) Rate of escalation in salary	1.0-3.0%	1.0-2.5%	1.0-3.0%
(c) Inflation rate	1.0-2.0%	1.0-3.0%	1.0-3.0%

(iv) The weighted average duration of the obligation as at March 31, 2017 is **16** years (March 31, 2016: 16 years and April 1, 2015: 16 years).

(v) The Group expects to contribute ₹**1,194.39** crore to the plan during the financial year 2017-18.

NOTES forming part of the consolidated financial statements

38. EMPLOYEE BENEFITS (CONTD.)

(vi) The table below outlines the effect on obligation in the event of a decrease/ increase of 10 bps in the assumptions used.

As at March 31, 2017

Assumption	Change in assumption	Impact on scheme liabilities
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%

As at March 31, 2016

Assumption	Change in assumption	Impact on scheme liabilities
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%

As at April 1, 2015

Assumption	Change in assumption	Impact on scheme liabilities
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 1.4%, decrease by 1.4%

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

(c) Post retirement medical and other defined benefit plans

(i) The following table sets out the amounts recognised in the consolidated financial statements for post retirement medical and other defined benefit plans.

(₹ crore)

	As at March 31, 2017		As at March 31, 2016	
	Medical	Others	Medical	Others
Change in defined benefit obligations:				
Obligations at the beginning of the year	1,097.49	154.42	1,067.18	142.01
Current service cost	19.89	11.83	18.22	12.27
Interest cost	82.41	9.04	80.69	8.69
Remeasurement (gain)/loss:				
(i) Actuarial (gain)/loss arising from changes in financial assumptions	128.33	8.98	0.28	3.22
(ii) Actuarial (gain)/loss arising from changes in experience adjustments	(10.23)	5.95	(16.54)	(0.44)
(iii) Actuarial (gain)/loss arising from changes in demographic assumptions	(0.02)	-	(0.02)	-
Exchange differences on consolidation	-	(0.20)	-	(0.35)
Benefits paid	(61.50)	(14.49)	(52.32)	(10.98)
Past service costs	0.26	5.76	-	-
Obligations at the end of the year	**1,256.63**	**181.29**	**1,097.49**	**154.42**

NOTES forming part of the consolidated financial statements

38. EMPLOYEE BENEFITS (CONTD.)

Amounts recognised in the consolidated balance sheet consist of:

(₹ crore)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Medical	Others	Medical	Others	Medical	Others
Present value of obligations at the beginning/end of the year	1,256.63	181.29	1,097.49	154.42	1,067.18	142.01
Recognised as:						
(a) Retirement benefit liability - Current	54.80	10.04	53.98	10.89	48.59	8.89
(b) Retirement benefit liability - Non-current	1,201.83	171.25	1,043.51	143.53	1,018.59	133.12

Expenses recognised in the consolidated statement of profit and loss consist of:

(₹ crore)

	As at March 31, 2017		As at March 31, 2016	
	Medical	Others	Medical	Others
Employee benefit expenses:				
Current service costs	19.89	11.83	18.22	12.27
Past service costs	0.26	5.76	-	-
Interest costs	82.41	9.04	80.69	8.69
	102.56	**26.63**	**98.91**	**20.96**
Other comprehensive income consist of:				
Actuarial (gain)/loss arising from changes in demographic assumption	(0.02)	-	(0.02)	-
Actuarial (gain)/loss arising from changes in financial assumption	128.33	8.98	0.28	3.22
Actuarial (gain)/loss arising from changes in experience adjustments	(10.23)	5.95	(16.54)	(0.44)
	118.08	**14.93**	**(16.28)**	**2.78**
Expenses recognised in the consolidated statement of profit and loss	**220.64**	**41.56**	**82.63**	**23.74**

(ii) The key assumptions used in accounting for the post-retirement medical benefits and other defined benefits is as below:

		As at March 31, 2017		As at March 2016		As at April 1, 2015	
		Medical	Others	Medical	Others	Medical	Others
(a)	Discount rate	7.00-7.50%	0.51-7.75%	7.50-7.75%	0.51-7.75%	7.75-7.90%	3.02-7.90%
(b)	Rate of escalation in salary	N.A.	4.95-15.00%	N.A.	5.00-15.00%	N.A.	4.00-15.00%
(c)	Inflation rate	6.00-8.00%	4.00-8.00%	6.00-8.00%	4.00-8.00%	6.00-8.00%	4.00-8.00%

(iii) The weighted average duration of the post-retirement medical benefit obligations as at March 31, 2017 ranges between **4-10** years (March 31, 2016: 6-10 years and April 1, 2015: 6-10.5 years).

The weighted average duration of the other defined benefit obligations as at March 31, 2017 ranges between **6-12** years (March 31, 2016: 6-11 years and April 1, 2015: 6-10.5 years).

NOTES forming part of the consolidated financial statements

38. EMPLOYEE BENEFITS (CONTD.)

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

As at March 31, 2017

Assumption	Change in assumption	Impact on scheme liabilities
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

As at March 31, 2016

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹140.03 crore, increase by ₹170.96 crore
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹168.46 crore, decrease by ₹140.65 crore

As at April 1, 2015

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹135.83 crore, increase by ₹165.58 crore
Medical cost inflation rate	Increase by 1%, decrease by 1%	Increase by ₹163.34 crore, decrease by ₹136.77 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, 2017

Assumption	Change in assumption	Impact on scheme liabilities
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

As at March 31, 2016

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹13.13 crore, increase by ₹15.11 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹9.47 crore, decrease by ₹8.31 crore
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹7.87 crore, decrease by ₹6.96 crore

As at April 1, 2015

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase by 1%, decrease by 1%	Decrease by ₹9.90 crore, increase by ₹11.36 crore
Rate of escalation in salary	Increase by 1%, decrease by 1%	Increase by ₹5.10 crore, decrease by ₹4.46 crore
Inflation rate	Increase by 1%, decrease by 1%	Increase by ₹9.12 crore, decrease by ₹7.82 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.

NOTES 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 expenses, tax treatment of certain expenses claimed by the Group as deductions and the computation of, or eligibility of the Group's use of certain tax incentives or allowances.

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

As at March 31, 2017, there are matters and/or disputes pending in appeal amounting to ₹**1,442.95** crore (March 31, 2016: ₹1,334.73 crore; April 1, 2015: ₹1,070.66 crore) which includes ₹**7.71** crore (March 31, 2016: ₹7.24 crore, April 1, 2015: ₹5.52 crore) in respect of equity accounted investees.

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 ₹**1,217.79** crore (inclusive of interest) (March 31, 2016: ₹1,124.48 crore, April 1, 2015: ₹870.36 crore). The Company has deposited ₹**515.00** crore (March 31, 2016: ₹415 crore; April 1, 2015: ₹340.00 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, 2017, there were pending litigation for various matters relating to customs, excise duty and service taxes involving demands of ₹**804.84** crore (March 31, 2016: ₹741.96 crore, April 1, 2015: ₹691.76 crore), which includes ₹**43.35** crore (March 31, 2016: ₹41.42 crore, April 1, 2015: ₹42.17 crore) in respect of equity accounted investees.

Sales Tax /VAT

The total sales tax demands that are being contested by the Group amounted to ₹**438.06** crore (March 31, 2016: ₹622.74 crore, April 1, 2015: ₹477.97 crore), which includes ₹**28.10** crore (March 31, 2016: ₹9.12 crore, April 1, 2015: ₹7.04 crore) in respect of equity accounted investees.

Other Taxes, Dues and Claims

Other amounts for which the Group may contingently be liable aggregate to ₹**9,421.13** crore (March 31, 2016: ₹7,969.49 crore, April 1, 2015: ₹7,158.85 crore), which includes ₹**68.54** crore (March 31, 2016: ₹67.49 crore, April 1, 2015: ₹68.26) in respect of equity accounted investees.

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

(a) Claim by a party arising out of conversion arrangement- ₹**195.82** crore (March 31, 2016: ₹195.82 crore; April 1, 2015: ₹195.82 crore). The Company has not acknowledged this claim and has instead filed a claim of ₹**139.65** crore (March 31, 2016: ₹139.65 crore; April 1, 2015: ₹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 November 2005 that State does not have authority to levy tax on minerals. The State Government of Odisha moved to the Supreme Court against the order of Orissa High Court and the case is pending with Supreme Court. The potential liability, as at March 31, 2017 would be approximately ₹**5,880.83** crore (March 31, 2016: ₹5,501.98 crore; April 1, 2015: ₹4,805.18 crore).

(c) For the purpose of payment of royalty, there are two salient provisions viz. Section 9 in Mines and Minerals (Development and Regulation) Act (MMDR) 1957, related to the incidence of royalty and Rules 64B and 64C of Mineral Concession Rules (MC Rules), 1960. The Company has been paying royalty on coal extracted from its coal mines pursuant to the judgement and order dated July 23, 2002 passed by the Jharkhand High

NOTES forming part of the consolidated financial statements

39. CONTINGENCIES AND COMMITMENTS (CONTD.)

Court. However, the State Government demanded royalty at rates applicable to processed coal. Though the Company contested the above demand, it started paying, under protest, royalty on processed coal from November 2008. The demand of the state mining authority was confirmed by the High Court vide its judgement dated March 12, 2014. The Court concluded that the State cannot claim interest till the Hon'ble Supreme Court decides the pending Special Leave Petitions (SLP) filed by State and Company in the year 2004.

In the appeals filed by the Company in respect of the issues related to Coal royalty, the Hon'ble Supreme Court has pronounced the judgement on March 17, 2015 in which it has interpreted Section 9 and approved the law that removal of coal from the seam in the mine and extracting it through the pithead to the surface satisfies the requirement of Section 9 (charging section) of the MMDR Act in order to give rise to a liability for royalty. In regard to the interpretation of Rules 64B and 64C of MC Rules, the Supreme Court has clarified that the constitutional validity or the vires of the Rules has not been adjudicated upon. Therefore it is open to the Company either to revive the appeals limited to this question or to separately challenge the constitutionality and vires of these Rules. Accordingly, the Company has filed writ petitions challenging the constitutionality and vires of Rules 64B and 64C of MC Rules on May 19, 2015 at Hon'ble High Court of Jharkhand. Vide it's judgement dated 26.06.2015, High Court has held that, the writ petitions are maintainable. It is also pertinent to mention that the Union of India in its counter affidavit has stated that the provisions of Rules 64B and 64C may not be applicable to the mineral coal.

All demands are solely based on application of Rules 64B and 64C. In view of (i) the clear interpretation of charging Section 9 by Supreme Court by three judges Bench following two earlier three Judge Bench orders (ii) the affidavit of Union of India and (iii) the liberty given by Supreme Court, the Company is of the opinion that any related present/probable demands are not payable. Out of the principal demand of ₹190.25 crore an amount of ₹163.80 crore has been paid till FY 15 and balance has been provided for. As the Hon'ble High Court of Jharkhand refused to grant stay on demand raised in case of West Bokaro division, the Company started providing for differential royalty in the books. Interest amount of ₹**1,043.79** crore (March 31, 2016: ₹324.06 crore; April 1, 2015: ₹318.45 crore) being interest raised on all the demands, which are disputed in several cases has been considered as a contingent liability. The interest demand has been raised after several years for the entire past period and is being contested. ₹12.92 crore, being interest on District Mineral Fund (DMF) and National Mineral Foundation Trust contribution on differential royalty is also considered as a contingent liability.

(d) The Company pays royalty on 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 excess paid by the Company. Mines tribunal vide its order dated November 13, 2014 has stayed the demand of royalty on iron ore for Joda east of ₹314.28 crore upto the period ending March 31, 2014. For the demand of ₹96.80 crore for April, 2014 to September, 2014, a separate revision application was filed before Mines Tribunal. The matter was heard by Mines Tribunal on July 14, 2015 and stay was granted on the total demand with directive to Government of Odisha not to take any coercive action for realisation of this demanded amount. Likely demand of Royalty on fines at sized ore rate as on March 31, 2017: ₹**847.96** crore (March 31, 2016: ₹411.08 crore: April 1, 2015: ₹411.08 crore.

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 ₹**6,737.88** crore, which includes ₹**21.80** crore in respect of equity accounted investees as at March, 2017 (₹9,173.79 crore, which includes ₹10.77 crore in respect of equity accounted investees as at March 31, 2016 and ₹9,739.60 crore which includes ₹5.15 crore in respect of equity accounted investees as at April 1, 2015), which are yet to be executed.

Other commitments amounts to ₹**0.01** crore which includes Nil in respect of equity accounted investees as at March 31, 2017 (₹0.01 crore which includes Nil in respect of equity accounted investees as at March 31, 2016, ₹0.01 crore which includes Nil in respect of equity accounted investees as at April 1, 2015.

(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, (minimal stake required to be able to provide a

NOTES forming part of the consolidated financial statements

39. CONTINGENCIES AND COMMITMENTS (CONTD.)

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) The Company has furnished a security bond in respect of its immovable property to the extent of ₹20 crore in favour of the Registrar of the Delhi High Court and has given an undertaking not to sell or otherwise dispose of the said property.

(d) The Promoters of Tata BlueScope Steel Limited (TBSL) (i.e. Bluescope Steel Asia Holdings Pty Limited, Australia and Tata Steel. Limited) have given an undertaking to IDBI Trusteeship Services Ltd., Debenture Trustees, and State Bank of India not to reduce collective shareholding in 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%.

(e) The Company, as a promoter, has pledged 4,41,55,800 equity shares of Industrial Energy Limited with Infrastructure Development Finance Corporation Limited.

(f) 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 of 26% of total equity in Bhubaneshwar Power Private Limited (BPPL) without prior written approval of lenders. Such shareholding of promoters may be transferred to the Company or its affiliates subject to compliance of applicable laws. The Company along with TS Alloys Limited has pledged 60% of their equity contribution in BPPL to PFC and REC.

(g) 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.

(h) The Group has given guarantees aggregating **₹223.78** crore (March 31, 2016: ₹323.44 crore, April 1, 2015: ₹337.29 crore) details of which are as below:

(i) in favour of Timken India Limited for **Nil,** (March 31, 2016: ₹80.00 crore; April 1, 2015: ₹80.00 crore) against renewal of lease of land pending with State Government and **₹1.07** crore (March 31, 2016: ₹1.07 crore; April 1, 2015: ₹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 **₹45.38** crore (March 31, 2016: ₹65.04 crore; April 1, 2015: ₹78.89 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, 2016: ₹177.18 crore; April 1, 2015: ₹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, 2016: ₹0.15 crore; April 1, 2015: ₹0.15 crore) against advance license.

40. OTHER SIGNIFICANT LITIGATIONS

(a) Odisha legislative assembly issued an amendment to Indian Stamp Act on May 9, 2013 and inserted a new provision (Section 3a) in respect of stamp duty payable on grant/ renewal of mining leases. As per the amended provision, stamp duty is levied equal to 15% of the average royalty that would accrue out of the highest annual extraction of minerals under the approved mining plan multiplied by the period of such mining lease. The Company had filed a writ petition challenging the constitutionality of the Act on July 5, 2013. The Hon'ble High Court, Cuttack passed an order on July 9, 2013 granting interim stay on the operation of the Amendment Act, 2013. 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. On the basis of external legal opinion, 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 within 3 months from the date of the intimation. Liability has been provided in the books of accounts as on March 31, 2017 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 for supplementary deed execution in respect of eight mines out of the above mines.

NOTES forming part of the consolidated financial statements

40. OTHER SIGNIFICANT LITIGATIONS (CONTD.)

(b) Demand notices have been raised by Deputy Director of Mines, Odisha amounting to ₹3,828 crore for the excess production over the quantity permitted under the mining plan scheme, environment clearance or consent to operate, during the period 2000-01 to 2009-10. The demand notices have been raised under Section 21(5) of the Mines & Minerals (Development and Regulations) Act (MMDR). However, the Act specifies that demand can be raised only when the land is occupied without lawful authority. The Company is of the view that Section 21(5) of the MMDR Act is not applicable as the mining is done within the sanctioned mining lease area and accordingly the Company has filed revision petitions before the Mines Tribunal against all such demand notices. Consequent to it stay has been granted by the Mines Tribunal against the entire demand of ₹3,828 crore and directed the State that no coercive action should be taken for recovery of demand.

Based on the judgement of Hon'ble High court of Jharkhand on December 11, 2014 in the matter of writ petition filed by the Company for renewal of lease and continuation of operation at Noamundi iron mine, the Government of Jharkhand approved the renewal of lease of Noamundi Mines by an express order on December 31, 2014. Express Order also held mining operation carried out between January 1, 2012 to August 31, 2014 to be unlawful and computed an amount of ₹3,568 crore on account of such alleged unlawful mining.

The Mines and Minerals Development and Regulation (MMDR) Amendment Ordinance 2015 promulgated on January 12, 2015 provides for renewal of the above mines. Based on the new Ordinance, Jharkhand Government revised the Express Order on February 12, 2015 for lease renewal 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 writ petition filed 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 crore to be paid immediately.

The Company paid ₹152 crore under protest. 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 till March 31, 2030, the above demand is not tenable. The Company paid ₹50 crore under protest on July 27, 2015.

A writ petition was 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 pay outstanding 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 order of Hon'ble High Court of Jharkhand, ₹124 crore was paid on September 28, 2015, ₹124 crore was paid on November 12, 2015 and ₹123.83 crore on December 14, 2015 under protest.

(c) During Financial Year 2014-15, the Income Tax department had reopened assessments of earlier years on account of excess mining and raised cumulative demand for ₹1,086 crore. During 2015-16, the Commissioner of Income Tax (Appeals) has adjudicated the matter in favour of the Company and quashed the entire demand on account of reopened assessments. The demand outstanding as on March 31, 2017 is **Nil** (March 31, 2016: Nil; April 1, 2015: ₹1,086 crore).

(d) During the current year, NTT Docomo Inc. had filed a petition with the Delhi High Court for implementation of the arbitration award (damages along with cost and interest) by the London Court of International Arbitration. The Delhi High Court directed Tata Sons to deposit the damages including costs and interest in an escrow account. During the year, the Company has accordingly remitted its share of **₹152** crore to Tata Sons and recognised a provision of **₹125.44** crore being the difference between the fair value of equity shares to be repurchased and the consideration payable to NTT Docomo Inc.

NOTES forming part of the consolidated financial statements

41. CAPITAL MANAGEMENT

The Group's capital management is intended to create value for shareholders by facilitating the meeting 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 the 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, 2017	As at March 31, 2016	As at April 1, 2015
Equity share capital	970.24	970.24	971.41
Hybrid Perpetual Securities	2,275.00	2,275.00	2,275.00
Other equity	34,574.08	40,487.31	43,867.22
Equity attributable to shareholders of the Company	**37,819.32**	**43,732.55**	**47,113.63**
Non controlling interests	1,601.70	780.94	854.18
Total Equity (A)	**39,421.02**	**44,513.49**	**47,967.81**
Non-current borrowings	64,022.27	64,872.78	62,251.56
Current borrowings	18,328.10	15,722.12	9,693.25
Current maturities of non-current borrowings and finance lease obligations	664.12	1,392.03	4,848.48
Gross Debt (B)	**83,014.49**	**81,986.93**	**76,793.29**
Total Capital (A+B)	**1,22,435.51**	**1,26,500.42**	**1,24,761.10**
Gross Debt as above	83,014.49	81,986.93	76,793.29
Less: Current investments	5,673.13	4,663.55	1,214.60
Less: Cash and cash equivalents	4,832.29	6,109.05	8,177.13
Less: Other balances with bank (including non-current and earmarked balances)	142.30	115.54	113.84
Net Debt (C)	**72,366.77**	**71,098.79**	**67,287.72**
Net debt to equity	**1.72**	**1.54**	**1.40**

Net debt to equity as at March 31, 2017 and March 31, 2016 has been computed based on average equity and as on April 1, 2015, it is based on closing equity.

NOTES forming part of the consolidated financial statements

42. 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 266 to the consolidated financial statements.

(a) Financial assets and liabilities

The following table presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2017, 2016 and April 1, 2015.

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 consolidated statement profit and loss	Total Carrying Value	Total Fair Value
Financial assets							
Cash and bank balances	4,921.05	-	-	-	-	4,921.05	4,921.05
Trade receivables	11,586.82	-	-	-	-	11,586.82	11,586.82
Investments	49.93	4,858.82	-	-	5,954.69	10,863.44	10,863.44
Derivatives	-	-	90.42	96.79	-	187.21	187.21
Loans	373.06					373.06	373.06
Other financial assets	697.90	-	-	-	-	697.90	697.90
	17,628.76	**4,858.82**	**90.42**	**96.79**	**5,954.69**	**28,629.48**	**28,629.48**
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**

As at March 31, 2016 (₹ crore)

	Amortised cost	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through consolidated statement profit and loss	Total Carrying Value	Total Fair Value
Financial assets							
Cash and bank balances	6,186.34	-	-	-	-	6,186.34	6,186.34
Trade receivables	12,066.22	-	-	-	-	12,066.22	12,066.22
Investments	34.18	4,015.45	-	-	5,043.67	9,093.30	9,093.30
Derivatives	-	-	296.67	45.77	-	342.44	342.44
Loans	412.23					412.23	412.23
Other financial assets	489.76	-	-	-	-	489.76	489.76
	19,188.73	**4,015.45**	**296.67**	**45.77**	**5,043.67**	**28,590.29**	**28,590.29**
Financial liabilities							
Trade and other payables	18,556.70	-	-	-	-	18,556.70	18,556.70
Borrowings	81,986.93	-	-	-	-	81,986.93	82,321.20
Derivatives			430.06	233.69	-	663.75	663.75
Other financial liabilities	5,963.51	-	-	-	-	5,963.51	5,963.51
	1,06,507.14	**-**	**430.06**	**233.69**	**-**	**1,07,170.89**	**1,07,505.16**

NOTES forming part of the consolidated financial statements

42. DISCLOSURES ON FINANCIAL INSTRUMENTS (CONTD.)

As at April 1, 2015 (₹ crore)

	Amortised cost	Fair value through other comprehensive income	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Fair value through consolidated statement profit and loss	Total Carrying Value	Total Fair Value
Financial assets							
Cash and bank balances	8,248.47					8,248.47	8,248.47
Trade receivables	13,579.77					13,579.77	13,579.77
Investments	0.22	10,770.14			1,603.01	12,373.37	12,373.37
Derivatives			615.77	969.74		1,585.51	1,585.51
Loans	290.09					290.09	290.09
Other financial assets	637.70					637.70	637.70
	22,756.25	**10,770.14**	**615.77**	**969.74**	**1,603.01**	**36,714.91**	**36,714.91**
Financial liabilities							
Trade and other payables	18,066.66					18,066.66	18,066.66
Borrowings	76,793.29					76,793.29	78,123.41
Derivatives			603.63	307.91		911.54	911.54
Other financial liabilities	6,580.63					6,580.63	6,580.64
	1,01,440.58	**-**	**603.63**	**307.91**	**-**	**1,02,352.12**	**1,03,682.23**

(i) Investments in mutual funds and derivative instruments are mandatorily classified as fair value through the consolidated 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 quoted equity shares and mutual fund investments.

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 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.

(₹ 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	-	405.28	4,895.66
Investments in bonds and debentures	244.72	-	-	244.72
Derivative financial assets	-	187.21	-	187.21
	10,408.23	**187.21**	**405.28**	**11,000.72**
Financial liabilities:				
Derivative financial liabilities	-	853.65	-	853.65
	-	**853.65**	**-**	**853.65**

NOTES forming part of the consolidated financial statements

42. DISCLOSURES ON FINANCIAL INSTRUMENTS (CONTD.)

(₹ crore)

	As at March 31, 2016			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in mutual funds	4,663.55	-	-	4,663.55
Investments in equity shares	3,643.86	-	406.28	4,050.14
Investments in bonds and debentures	345.43	-	-	345.43
Derivative financial assets	-	342.44	-	342.44
	8,652.84	**342.44**	**406.28**	**9,401.56**
Financial liabilities:				
Derivative financial liabilities	-	663.75	-	663.75
	-	**663.75**	**-**	**663.75**

(₹ crore)

	As at April 1, 2015			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Investments in mutual funds	1,214.60	-	-	1,214.60
Investments in equity shares	10,330.86	-	466.28	10,797.14
Investments in bonds and debentures	361.41	-	-	361.41
Derivative financial assets	-	1,585.51	-	1,585.51
	11,906.87	**1,585.51**	**466.28**	**13,958.66**
Financial liabilities:				
Derivative financial liabilities	-	911.54	-	911.54
	-	**911.54**	**-**	**911.54**

Notes:

(i) Short-term 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. 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, 2017, March 31, 2016 and April 1, 2015.

NOTES forming part of the consolidated financial statements

42. DISCLOSURES ON FINANCIAL INSTRUMENTS (CONTD.)

(c) Derivative financial instruments

Derivative instruments used by the Group include forward exchange contracts, interest rate swaps, currency swaps, options, commodity futures and interest rate caps/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, 2017		As at March 31, 2016		As at April 1, 2015	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
(i) Foreign currency forwards, futures and options	165.07	823.57	279.05	607.78	1,560.80	622.04
(ii) Commodity futures and options	0.66	11.46	45.65	10.82	0.11	85.33
(iii) Interest rate swaps and collars	21.48	18.62	17.74	45.15	24.60	204.17
	187.21	**853.65**	**342.44**	**663.75**	**1,585.51**	**911.54**
Classified as :						
Non-current	83.17	179.98	32.82	165.47	88.17	174.91
Current	104.04	673.67	309.62	498.28	1,497.34	736.63

At the end of the reporting period, the total notional amount of outstanding foreign currency contracts, commodity futures, options and interest rate swap/collars that the Group has committed to are as follows:

(USD million)

	As at March 31, 2017	As at March 31, 2016	As at April1, 2015
(i) Foreign currency forwards, futures and options	7,282.80	6,186.69	5,994.55
(ii) Commodity futures and options	142.37	84.74	113.87
(iii) Interest rate swaps and collars	1,872.57	2,132.08	2,560.49
	9,297.74	**8,403.51**	**8,668.91**

(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, 2017		As at March 31, 2016		As at April 1, 2015	
	Carrying value of asset transferred	Carrying value of associated liabilities	Carrying value of asset transferred	Carrying value of associated liabilities	Carrying value of asset transferred	Carrying value of associated liabilities
Trade receivables	654.88	654.88	517.46	517.46	558.98	558.98

NOTES forming part of the consolidated financial statements

42. DISCLOSURES ON FINANCIAL INSTRUMENTS (CONTD.)

(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.

The Group has 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.

The Group, as per its risk management policy, uses 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 the foreign currencies with respect to functional currency of the entities within the Group would result in a decrease/increase in the Group's net profit before tax by approximately **₹885.74** crore for the year ended March 31, 2017, (₹804.18 crore for the year ended March 31, 2016; ₹960.64 crore as on April 1, 2015) and increase/decrease in carrying value of property, plant and equipment (before considering depreciation impact) by approximately **₹185.49** crore as at March 31, 2017 (March 31, 2016: ₹215.55 crore).

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

The sensitivity analysis has been based on the composition of the Group's financial assets and liabilities at March 31, 2017, March 31, 2016 and April 1, 2015 excluding trade payables, trade receivables, other non-derivative and derivative financial instruments not forming part of debt and which do not present a material exposure. The period end balances are not necessarily representative of the average debt outstanding during the period.

(b) Market risk - Interest rate risk:

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Group's cash flows as well as costs.

The Group is subject to variable interest rates on some of its interest bearing liabilities. The Group's interest rate exposure is mainly related to debt obligations.

Based on the composition of debt as at March 31, 2017 and March 31, 2016 a 100 basis points increase in interest rates would increase the Group's finance costs and thereby consequently reduce net profit before tax by approximately **₹421.73** crore for the year ended March 31, 2017 (2015-16: ₹424.73 crore and ₹389.12 crore as on April 1, 2015).

NOTES forming part of the consolidated financial statements

42. DISCLOSURES ON FINANCIAL INSTRUMENTS (CONTD.)

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

(c) Market risk - Equity price risk:

Equity price risk is related to 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 equity investments as at March 31, 2017, March 31, 2016 and April 1, 2015, was **₹4,490.38** crore, ₹3,643.86 crore and ₹10,330.86 crore respectively.

A 10% change in equity prices of investments held as at March 31, 2017, March 31, 2016 and April 1, 2015, would result in an impact of **₹449.03** crore, ₹364.38 crore and ₹1,033.08 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 income statement 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 income statement would depend on the point at which the underline hedged transactions were also 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.

The 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 **₹16,188.63** crore, ₹15,953.78 crore, ₹16,218.92 crore, as at March 31, 2017, March 31, 2016 and April 1, 2015 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, investments in debt securities and other financial assets.

The risk relating to trade receivables is presented in Note 15, Page 290.

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, 2017, March 31, 2016 and April 1, 2015.

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.

NOTES forming part of the consolidated financial statements

42. DISCLOSURES ON FINANCIAL INSTRUMENTS (CONTD.)

(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 deposit 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 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, 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	5,651.40	36.29	72.48
	1,07,349.12	**1,29,798.95**	**45,409.35**	**50,610.89**	**33,778.71**
Derivative financial liabilities	**853.65**	**853.65**	**673.67**	**96.76**	**83.22**

(₹crore)

	As at March 31, 2016				
	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	81,986.93	1,07,085.79	19,476.33	45,441.00	42,168.46
Trade payables	18,556.70	18,556.70	18,556.70	-	-
Other financial liabilities	5,963.51	5,963.51	5,509.11	405.87	48.53
	1,06,507.14	**1,31,606.00**	**43,542.14**	**45,846.87**	**42,216.99**
Derivative financial liabilities	**663.75**	**663.75**	**498.28**	**136.74**	**28.73**

(₹crore)

	As at April 1, 2015				
	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	76,793.29	1,08,896.16	17,565.67	41,505.35	49,825.14
Trade payables	18,066.66	18,066.66	18,066.66	-	-
Other financial liabilities	6,580.63	6,580.63	5,680.07	848.34	52.22
	1,01,440.58	**1,33,543.45**	**41,312.40**	**42,353.69**	**49,877.36**
Derivative financial liabilities	**911.54**	**911.54**	**736.64**	**117.82**	**57.08**

NOTES forming part of the consolidated financial statements

43. SEGMENT REPORTING

(I) The Group is engaged in the business of manufacturing steel products across the globe. The operating segments have been identified based on the different geographical areas where major entities within the Group operate and which is also the basis on which the Chief Operating Decision Maker (CODM) reviews and assess the Group's performances.

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	**48,741.51**	**5,142.09**	**52,017.48**	**3,258.07**	**7,653.25**	**607.54**	**-**	**1,17,419.94**
	39,718.65	*4,595.53*	*53,225.87*	*840.44*	*7,558.92*	*400.51*	*-*	*1,06,339.92*
Intersegment revenue	**4,519.45**	**1,557.75**	**67.48**	**20,493.30**	**482.65**	**22.41**	**(27,143.04)**	**-**
	2,978.79	*1,631.10*	*329.49*	*14,196.83*	*508.05*	*140.55*	*(19,784.81)*	*-*
Total Revenue	**53,260.96**	**6,699.84**	**52,084.96**	**23,751.37**	**8,135.90**	**629.95**	**(27,143.04)**	**1,17,419.94**
	42,697.44	*6,226.63*	*53,555.36*	*15,037.27*	*8,066.97*	*541.06*	*(19,784.81)*	*1,06,339.92*
Segment results before exceptional items, interest, tax and depreciation :	**11,952.75**	**580.08**	**4,704.91**	**261.62**	**531.27**	**(19.56)**	**(985.70)**	**17,025.37**
	7,792.31	*606.91*	*(513.20)*	*1,278.10*	*197.41*	*(152.63)*	*(1,258.11)*	*7,950.79*
Segment results include:								
Share of profit/(loss) of joint ventures and associates	**(30.01)**	**2.53**	**48.29**	**-**	**(13.16)**	**-**	**-**	**7.65**
	(89.69)	*1.65*	*(14.05)*	*-*	*(8.33)*	*-*	*-*	*(110.42)*
Reconciliation to profit/ (loss) for the year:								
Finance income								**517.57**
								319.34
Finance cost								**5,072.20**
								4,221.41
Depreciation and Amortisation								**5,672.88**
								5,306.35
Profit before exceptional items and tax								**6,797.86**
								(1,257.63)
Exceptional items								**(4,324.23)**
								3,990.38
Profit before tax								**2,473.63**
								2,732.75
Tax								**2,778.01**
								689.96
Profit after tax from continuing operations								**(304.38)**
								2,042.79
Profit after tax from discontinued operations								**(3,864.19)**
								(2,539.88)
Net profit/(loss) for the period								**(4,168.57)**
								(497.09)
Segment assets	**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**
	1,02,929.47	*4,910.99*	*55,585.99*	*42,616.15*	*4,936.98*	*7,347.91*	*(40,816.05)*	*1,77,511.44*
Segment assets include:								
Equity accounted investments	**1,281.05**	**25.62**	**275.26**	**-**	**11.75**	**-**	**-**	**1,593.68**
	1,295.14	*33.93*	*275.66*	*-*	*15.68*	*-*	*-*	*1,620.41*
Segment liabilities	**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**
	59,213.64	*2,894.21*	*78,656.38*	*25,471.36*	*2,797.20*	*6,213.81*	*(42,248.65)*	*1,32,997.95*
Additions to non-current assets	**3,846.73**	**419.81**	**3,665.80**	**3.17**	**5.38**	**216.67**	**-**	**8,157.56**
	6,074.92	*367.67*	*3,539.24*	*0.57*	*32.03*	*1,582.09*	*-*	*11,596.52*

Figures in italics represents comparative figures of previous year.

NOTES forming part of the consolidated financial statements

43. SEGMENT REPORTING (CONTD.)

Details of revenue by nature of business is as below:

(₹ crore)

	Year ended March 31, 2017	Year ended March 31, 2016
Steel	1,05,611.52	96,321.74
Others	11,808.42	10,018.18
	1,17,419.94	**1,06,339.92**

Revenue from other business primarily relate to from ferro alloys, power, town and medical services.

Details of revenue based on geographical location of customers is as below:

(₹ crore)

	Year ended March 31, 2017	Year ended March 31, 2016
India	50,982.81	43,603.61
Outside India	66,437.13	62,736.31
	1,17,419.94	**1,06,339.92**

Revenue outside India primarily relates to the United Kingdom and other European countries.

Details of non-current assets (property, plant and equipment, intangibles and goodwill on consolidation) based on geographical area is as below:

(₹ crore)

	As at March 31, 2017	As at March 31, 2016
India	81,097.26	80,455.74
Outside India	26,693.42	27,740.11
	1,07,790.68	**1,08,195.85**

Notes:

(i) Segment performance is reviewed by the CODM on the basis of profit or loss from continuing operations before finance income and finance 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.

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, 2017 and March 31, 2016

(iii) The accounting policies of the reportable segments are the same as of the Group's accounting policies.

NOTES forming part of the consolidated financial statements

44. 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 related-party transactions and balances included in the consolidated financial statements for the year ended/as at March 31, 2017, March 31, 2016 and April 1, 2015.

(₹ crore)

	Associates	Joint Arrangements	Tata Sons and its subsidiaries and joint ventures	Total
Purchase of goods	**591.96**	**261.68**	**1,055.02**	**1,908.66**
	537.74	*411.83*	*580.93*	*1,530.50*
Sale of goods	**814.09**	**1,942.58**	**190.15**	**2,946.82**
	657.35	*1,923.24*	*63.48*	*2,644.07*
Services received	**13.88**	**1,894.82**	**111.40**	**2,020.10**
	29.90	*1,212.42*	*118.95*	*1,361.27*
Services rendered	**14.57**	**102.17**	**0.85**	**117.59**
	9.15	*110.54*	*0.23*	*119.92*
Interest income recognised	**-**	**0.39**	**-**	**0.39**
	-	*1.79*	*-*	*1.79*
Interest expenses recognised	**-**	**-**	**16.16**	**16.16**
	0.94	*0.37*	*0.83*	*2.14*
Dividend paid	**-**	**-**	**236.48**	**236.48**
	-	*-*	*236.61*	*236.61*
Dividend received	**23.83**	**48.36**	**0.54**	**72.73**
	9.50	*43.32*	*40.94*	*93.76*
Provision for receivables recognised during the year	*-*	*-*	*-*	*-*
	0.03	*-*	*-*	*0.03*
Management contracts	**0.86**	**1.89**	**131.22**	**133.97**
	0.71	*0.88*	*145.41*	*147.00*
Purchase of Investments	*-*	*-*	*-*	*-*
	8.15	*-*	*-*	*8.15*
Sale of Investments	**-**	**-**	**-**	**-**
	-	*-*	*2,603.63*	*2,603.63*
Finance provided during the year	**-**	**7.00**	**-**	**7.00**
	0.91	*60.61*	*7.69*	*69.21*
	-	*207.47*	*-*	*207.47*

NOTES forming part of the consolidated financial statements

44. RELATED PARTY TRANSACTIONS (CONTD.)

(₹ crore)

	Associates	Joint Arrangements	Tata Sons and its subsidiaries and joint ventures	Total
Outstanding loans and receivables	**95.19**	**1,056.44**	**82.03**	**1,233.66**
	80.34	*1,269.78*	*38.56*	*1,388.68*
	87.37	*1,319.97*	*37.04*	*1,444.38*
Provision for outstanding loans and receivables	**2.98**	**944.66**	**-**	**947.64**
	3.50	*990.43*	*-*	*993.93*
	3.37	*899.00*	*-*	*902.37*
Outstanding Payables	**56.52**	**435.89**	**288.21**	**780.62**
	75.87	*339.23*	*229.01*	*644.11*
	91.56	*316.20*	*233.77*	*641.53*
Guarantees provided outstanding	**-**	**222.56**	**-**	**222.56**
	-	*242.22*	*-*	*242.22*
	-	256.07	*-*	256.07

Figures in italics represents comparative figures of previous years.

(i) The details of remuneration paid to the managerial personnel is provided in Note 30, Page 307.

In addition, during the year the Group has paid dividend of ₹**21,936.00** (2015-16: ₹21,936.00) to key managerial personnel and ₹**2,648.00** (2015-16: ₹2,648.00) to relatives of key managerial personnel.

(ii) During the year, the Group has contributed ₹**471.09** crore (2015-16: ₹865.30 crore) to post employment benefit plans.

(iii) Transactions with joint ventures have been disclosed at full value and not at their proportionate share.

NOTES forming part of the consolidated financial statements

45. ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS)

A. Mandatory exceptions to retrospective application

The Group has applied the following exceptions to the retrospective application of Ind AS as mandatorily required under Ind AS 101 "First Time Adoption of Indian Accounting Standards".

(i) Estimates

On assessment of estimates made under the Previous GAAP financial statements, the Group has concluded that there is no necessity to revise such estimates under Ind AS, as there is no objective evidence of an error in those estimates.

(ii) Classification and measurement of financial assets

The classification of financial assets to be measured at amortised cost or fair value through other comprehensive income is made on the basis of facts and circumstances that existed on the date of transition to Ind AS.

B. Optional exemptions from retrospective application

Ind AS 101 "First time adoption of Indian Accounting Standards" permits Companies adopting Ind AS for the first time to take certain exemptions from the full retrospective application of Ind AS during transition. The Group has accordingly on transition to Ind AS availed the following key exemptions:

i. Fair value as deemed cost for items of property, plant and equipment

The Company and some of its subsidiaries has elected to treat fair value as deemed cost for certain items of its property, plant and equipment.

The aggregate fair value of property, plant and equipment where the exemption was availed amounted to ₹47,580.78 crore with an aggregate adjustment of ₹14,129.68 crore being recognised to the carrying value reported under the Previous GAAP.

ii. Business combination

The Group has elected to apply the principles of Ind AS 103, 'Business Combinations' retrospectively to acquisitions made on or after April 2, 2007. The assets acquired and liabilities assumed in such business combinations have thus been accounted for at their respective fair values as on the acquisition date adjusted till the date of transition and for subsequent reporting periods.

iii. Designation of previously recognised financial instruments

As per Ind AS 109, "Financial Instruments" at initial recognition of a financial asset, an entity may make an irrevocable election to present subsequent changes in fair value of an investment in equity instrument in other comprehensive income.

Ind AS 101 "First time Adoption of Indian Accounting Standards" allows such designation of previously recognised financial assets as "fair value through other comprehensive income" on the basis of facts and circumstances that existed at the date of transition to Ind AS.

Accordingly, the Group has designated its investments in equity instruments at fair value through other comprehensive income on the basis of facts and circumstances that existed at the date of transition to Ind AS.

iv. Effects of changes in exchange rates

In respect of long term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period, the Company and some of its subsidiaries have elected to recognise exchange differences on translation of such long term foreign currency monetary items in line with their Previous GAAP accounting policy.

In respect of long term foreign currency monetary items recognised in the financial statements beginning with the first Ind AS financial reporting period, exchange differences are recognised in the consolidated statement of profit and loss

NOTES forming part of the consolidated financial statements

46. EXPLANATION OF TRANSITION TO IND AS

C. Transition to Ind AS - Reconciliations

The following reconciliations provide the explanation and qualification of the differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101 "First Time Adoption of Indian Accounting Standards".

(a) Reconciliation of total equity as at April 1, 2015 and March 31, 2016.

(b) Reconciliation of total comprehensive income for the year ended March 31, 2016.

(c) Reconciliation of consolidated statement of cash flows for the year ended March 31, 2016.

Previous GAAP figures have been reclassified/regrouped wherever necessary to confirm with the financial statements prepared under Ind AS.

(a) Reconciliation of total equity

(₹ crore)

		Note	As at March 31, 2016	As at April 1, 2015
Equity as per Previous GAAP			28,478.86	31,349.41
Re-measurements on transition to Ind AS:				
(1)	Property, plant and equipment	(ii)	21,012.12	14,041.01
(2)	Financial instruments	(i)	3,904.78	10,458.08
(3)	Re-classification of Hybrid Perpetual Securities	(v)	2,275.00	2,275.00
(4)	Reversal of proposed dividend and tax thereon	(vii)	946.37	943.15
(5)	Leases	(iii)	(153.69)	(164.92)
(6)	Employee benefits	(viii)	531.82	1,414.91
(7)	Change in method/scope of consolidation	(vi)	902.68	610.52
(8)	Re-classification of non-controlling interests	(x)	935.89	1,016.58
(9)	Business combinations	(iv)	(7,677.03)	(7,229.09)
(10)	Others	(xi)	(380.35)	(346.84)
(11)	Tax impact on above adjustments	(ix)	(6,262.96)	(6,400.00)
Equity as per Ind AS			**44,513.49**	**47,967.81**

(b) Reconciliation of total comprehensive income

(₹ crore)

		Note	Year ended March 31, 2016
Profit/(loss) after tax as per Previous GAAP			(3,049.32)
Re-measurements on transition to Ind AS:			
(1)	Financial instruments	(i)	(3,761.81)
(2)	Property, plant and equipment	(ii)	7,207.40
(3)	Employee benefits	(viii)	(1,707.18)
(4)	Others	(xi)	81.40
(5)	Tax impact on above adjustments	(ix)	732.42
Profit/(loss) after tax as per Ind AS			**(497.09)**
Other Comprehensive Income/(loss)		(xii)	(1,898.17)
Total Comprehensive Income/(loss) as per Ind AS			**(2,395.26)**

NOTES forming part of the consolidated financial statements

46. EXPLANATION OF TRANSITION TO IND AS (CONTD.)

(c) Reconciliation of consolidated statement of cash flows

(₹ crore)

	Note	Amount as per Previous GAAP	Effect of transition to Ind AS	Amount as per Ind AS
Net cash generated from/(used in) operating activities	(xiii-xv)	11,116.96	338.39	11,455.35
Net cash generated from/(used in) investing activities	(xiii-xv)	(9,192.46)	(61.36)	(9,253.82)
Net cash generated from/(used in) financing activities	(xiii-xv)	(4,313.77)	(415.35)	(4,729.12)
Net increase/(decrease) in cash and cash equivalents		**(2,389.40)**	**(138.19)**	**(2,527.59)**
Cash and cash equivalents as at April 1, 2015	(xiii-xv)	8,525.66	(348.53)	8,177.13
Effect of exchange rate on translation of foreign currency cash and cash equivalents	(xiii-xv)	472.73	(13.22)	459.51
Cash and cash equivalents as at March 31, 2016	(xiii-xv)	6,608.99	(499.94)	6,109.05

Notes to reconciliation of total equity and total comprehensive income

(i) Financial Instruments

(a) In accordance with Ind AS 109 "Financial Instruments", investments in quoted equity instruments (other than in subsidiaries, associates and joint ventures) have been recognised at fair value at each reporting date through other comprehensive income.

Consequently, on eventual sale of such investments, profit or loss recognised in the consolidated statement of profit and loss under the Previous GAAP has been reversed as the fair value changes are recognised through other comprehensive income.

(b) In accordance with Ind AS 109 "Financial Instruments", premium payable on redemption, discount on issue, transaction costs on issue of bonds and debentures are required to be considered as effective finance costs and recognised in the consolidated statement of profit and loss using the effective interest rate.

Consequently, premium on redemption/discount on issue and transaction costs recognised directly in equity or amortised using a different approach under the Previous GAAP have been reversed and are now recognised through the consolidated statement of profit and loss using effective interest rate.

(c) In accordance with Ind AS 109 "Financial Instruments", investments in mutual funds are recognised at fair value through the consolidated statement of profit and loss at each reporting period.

(d) In accordance with Ind AS 109 "Financial Instruments", all derivative financial instruments are recognised at fair value as at each reporting date through the consolidated statement of profit and loss except where designated in a hedging relationship.

(ii) Property, plant and equipment

On transition to Ind AS, the Company and some of its subsidiaries have treated fair value as deemed cost for certain items of property, plant and equipment resulting in an uplift in the carrying value as compared to the Previous GAAP.

The consequential impact of additional depreciation on fair value uplift is recognised in the consolidated statement of profit and loss.

(iii) Leases

As per Ind AS 17, "Leases", the Group has assessed long term arrangements, fulfilment of which is dependant on use of specified assets and where the Group has the right to control the use of such assets for being in the nature of a lease.

This resulted in certain arrangements being treated as a lease and classified as finance lease. The impact on total equity and profit and loss is on account of timing difference in recognition of expenses under the lease accounting model as compared to those recognised under the Previous GAAP.

(iv) Business combinations

The Group has fair valued business combinations effected on or after April 2, 2007. The assets acquired and liabilities assumed in such business combinations have thus been recorded at fair values on the date of acquisition and adjusted for subsequent depreciation and amortisation till the date of transition to Ind AS and for subsequent reporting periods.

NOTES forming part of the consolidated financial statements

46. EXPLANATION OF TRANSITION TO IND AS (CONTD.)

(v) Re-classification of Hybrid Perpetual Securities

In accordance with Ind AS 109 "Financial Instruments", Hybrid Perpetual Securities have been re-classified as equity based on its substance and the fact that the Company has an unconditional right to avoid making payments on the instrument as per the contractual terms.

(vi) Equity accounting of joint ventures and changes in scope of consolidation

In accordance with Ind AS 28, "Investments in Associates and Joint Ventures", the Group has accounted for its joint ventures using the equity method unlike proportionate line by line method under the previous GAAP.

In addition, certain entities consolidated as subsidiaries under the Previous GAAP have been consolidated as joint ventures and accounted for using the equity method under Ind AS.

(vii) Reversal of proposed dividend

In accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", dividend recommended by the Board of Directors is recognised only once approved by the shareholders as compared to the Previous GAAP where it was considered as an adjusting event.

(viii) Employee benefits

(a) In accordance with Ind AS 19, "Employee benefits" re-measurement gains and losses on post employment defined benefit obligations are recognised in other comprehensive income as compared to the consolidated statement of profit and loss under the Previous GAAP.

(b) Interest expense/income on the net defined benefit liability/ asset is recognised in the consolidated statement of profit and loss using the discount rate used for defined benefit obligation as compared to the expected rate used for recognising income from plan assets under the Previous GAAP.

(c) Plan administration costs are recognised in the consolidated statement of profit and loss as and when incurred, as compared to the Previous GAAP where the same was included in the valuation of obligations or assets as the case may be.

(ix) Deferred Taxes

In accordance with Ind AS 12, "Income Taxes", the Company on transition to Ind AS has recognised deferred tax on temporary differences, i.e. based on balance sheet approach as compared to the earlier approach of recognising deferred taxes on timing differences , i.e. profit and loss approach.

The tax impacts as above primarily represent deferred tax consequences arising out of Ind AS re-measurement changes.

(x) Non-controlling Interests

Under the Previous GAAP, non-controlling interest was not considered as part of total equity and was presented separately. In the consolidated statement of profit and loss, share of non-controlling interest for the year was shown as a deduction from Group's profit or loss.

Under Ind AS, non-controlling interests are considered as a part of total equity and its share in profit or loss for the year and total comprehensive income is shown as an allocation instead of as a deduction from profit or loss for the year.

Further, under Ind AS, profit or loss and each component of other comprehensive income is attributed to the owners of the Company and to non-controlling interests even if this results in the non-controlling interests having a deficit balance. Under the Previous GAAP, the excess of such losses attributable to non-controlling interests over its interest in the equity of subsidiary was attributed to the owners of the Company.

(xi) Other Adjustments

(a) In accordance with Ind AS 20 "Government Grants", duty saved on import of capital goods and spares under the EPCG scheme has been treated as a Government grant.

The benefit has been grossed up with the cost of the related asset and has been recognised as a deferred income. Such deferred income is released to the consolidated statement of profit and loss based on fulfilment of related export obligations. The duty benefit grossed up to the cost of the asset is depreciated based on its useful economic life or as and when the spares are consumed.

(b) Other adjustments also include consequential impact on inventory valuation due to Ind AS transition.

NOTES forming part of the consolidated financial statements

46. EXPLANATION OF TRANSITION TO IND AS (CONTD.)

(xii) Other comprehensive Income

Under Ind AS, all items of income and expense recognised during the year are included in the profit or loss for the year, unless Ind AS requires or permits otherwise. Items that are not recognised in profit or loss but are shown in the consolidated statement of profit and loss and other comprehensive income include re-measurements gains or losses on defined benefit plans, effective portion of gains or losses on cash flow hedges, fair value changes of equity investments and foreign currency translation differences of foreign subsidiaries.

The concept of other comprehensive income did not exist under the Previous GAAP.

Notes to reconciliation of consolidated statement of cash flows

(xiii) The Group transfers trade receivables under discounting arrangements with banks and financial institutions. Some of the arrangements do not meet the de-recognition criteria due to recourse arrangements being in place. Consequently, proceeds received from such transactions are recorded as short term borrowings and trade receivables continue to be recognised in the consolidated financial statements. Under the Previous GAAP, such transactions were de-recognised and recorded as a sale.

As a result, cash flow from operating activities under Ind AS is lower and cash flow from financing activities is higher.

(xiv) On transition to Ind AS, long term arrangements have been assessed as being in the nature of a lease and classified as finance leases, where applicable. Under the Previous GAAP, such long term contracts were treated as a normal contract for purchase of output. Payments made under such contracts have therefore been re-classified as part of financing activities under Ind AS as compared to operating activities under the Previous GAAP.

As a result, cash flow from operating activities under Ind AS is higher and cash flow from financing activities is lower.

(xv) Under the Previous GAAP, joint ventures were consolidated using line by line proportionate method whereas under Ind AS joint ventures have been accounted for using the equity method. As a result, proportionate cash flows for operating, investing and financing activities including cash and cash equivalents of joint ventures included in the consolidated cash flow under the Previous GAAP do not form part of consolidated cash flow under Ind AS.

47. DIVIDEND

The dividends declared by the Company are based on the profits available for distribution as reported in the financial statements of the Company. On May 16, 2017, the Board of Directors of the Company have proposed a dividend of ₹10 per share in respect of the year ended March 31, 2017 subject to the approval of shareholders at the Annual General Meeting. If approved, the dividend would result in a cash outflow of ₹1,167.76 crore inclusive of a dividend distribution tax of ₹197.72 crore.

48. 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	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
A.	**PARENT**									
	Tata Steel Limited	INR	**19.64%**	**51,934.01**	**(44.44%)**	**3,444.55**	**(27.94%)**	**675.79**	**(40.52%)**	**4,120.34**
B.	**SUBSIDIARIES**									
a)	**Indian**									
1	Adityapur Toll Bridge Company Limited	INR	0.02%	39.79	0.05%	(3.50)	0.00%	-	0.03%	(3.50)
2	Tata Steel Special Economic Zone Limited	INR	0.05%	132.62	0.02%	(1.31)	0.00%	(0.00)	0.01%	(1.31)
3	Indian Steel & Wire Products Ltd.	INR	0.02%	63.41	(0.08%)	6.12	0.04%	(0.97)	(0.05%)	5.15
4	Jamshedpur Utilities & Services Company Limited	INR	0.02%	63.88	(0.67%)	51.56	0.00%	0.05	(0.51%)	51.61
5	Haldia Water Management Limited	INR	(0.06%)	(160.84)	0.18%	(13.57)	0.00%	-	0.13%	(13.57)
6	Rujuvalika Investments Limited	INR	0.03%	84.14	(0.03%)	2.38	(0.80%)	19.41	(0.21%)	21.79
7	T S Alloys Limited	INR	0.04%	112.79	(0.01%)	0.84	0.01%	(0.14)	(0.01%)	0.70
8	Tata Korf Engineering Services Ltd.	INR	0.00%	(9.80)	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
9	Tata Metaliks Ltd.	INR	0.08%	207.18	(1.50%)	116.48	0.09%	(2.26)	(1.12%)	114.22
10	Tata Sponge Iron Limited	INR	0.34%	864.85	(0.75%)	58.18	0.06%	(1.36)	(0.56%)	56.82
11	TSIL Energy Limited	INR	0.00%	1.14	0.00%	0.03	0.00%	-	0.00%	0.03
12	Kalzip India Private Limited	INR	0.00%	10.33	(0.01%)	0.90	0.00%	-	(0.01%)	0.90
13	Tata Steel International (India) Limited	INR	0.02%	43.18	(0.05%)	4.06	0.00%	-	(0.04%)	4.06
14	Tata Steel Odisha Limited	INR	0.00%	(0.01)	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
15	Tata Steel Processing and Distribution Limited	INR	0.20%	536.76	(0.52%)	40.41	0.07%	(1.76)	(0.38%)	38.65
16	Tayo Rolls Limited	INR	(0.15%)	(422.66)	1.08%	(84.00)	0.00%	0.02	0.83%	(83.98)
17	Tata Pigments Limited	INR	0.02%	46.45	(0.08%)	6.46	0.03%	(0.68)	(0.06%)	5.78
18	The Tinplate Company of India Ltd	INR	0.25%	622.29	(0.36%)	27.86	0.14%	(3.27)	(0.24%)	24.59
19	Tata Steel Foundation	INR	0.00%	0.99	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
b)	**Foreign**									
1	ABJA Investment Co. Pte. Ltd.	USD	(0.10%)	(265.46)	(0.97%)	75.52	0.00%	-	(0.74%)	75.52
2	NatSteel Asia Pte. Ltd.	USD	0.56%	1,493.07	0.94%	(72.97)	3.87%	(93.62)	1.64%	(166.59)
3	TS Asia (Hong Kong) Ltd.	USD	0.04%	115.31	(0.19%)	15.01	0.00%	-	(0.15%)	15.01
4	Tata Steel (KZN) (Pty) Ltd.	ZAR	(0.38%)	(1,011.91)	0.00%	-	0.00%	-	0.00%	-
5	T Steel Holdings Pte. Ltd.	GBP	17.98%	47,527.01	0.00%	(0.07)	0.00%	-	0.00%	(0.07)
6	T S Global Holdings Pte Ltd.	GBP	11.88%	31,410.60	69.17%	(5,361.11)	0.00%	-	52.72%	(5,361.11)
7	Orchid Netherlands (No.1) B.V.	EUR	0.00%	1.58	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
8	NatSteel Holdings Pte. Ltd.	SGD	0.00%	2.49	(0.25%)	19.60	(0.16%)	3.90	(0.23%)	23.50
9	Easteel Services (M) Sdn. Bhd.	MYR	0.01%	28.78	0.00%	(0.33)	0.00%	-	0.00%	(0.33)
10	Eastern Steel Fabricators Philippines, Inc.	SGD	(0.02%)	(39.91)	0.00%	-	0.00%	-	0.00%	-
11	NatSteel (Xiamen) Ltd.	CNY	(0.04%)	(101.09)	(1.23%)	95.39	0.00%	-	(0.94%)	95.39
12	NatSteel Recycling Pte Ltd.	SGD	0.07%	195.06	(0.05%)	4.23	0.00%	-	(0.04%)	4.23
13	NatSteel Trade International (Shanghai) Company Ltd.	CNY	0.00%	(0.27)	0.00%	(0.07)	0.00%	-	0.00%	(0.07)

48. 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	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
14	NatSteel Trade International Pte. Ltd.	USD	0.01%	15.03	(0.01%)	0.75	0.00%	-	(0.01%)	0.75
15	NatSteel Vina Co. Ltd.	VND	0.03%	75.59	(0.09%)	7.19	0.00%	-	(0.07%)	7.19
16	The Siam Industrial Wire Company Ltd.	THB	0.38%	1,003.63	(1.10%)	85.01	(0.04%)	0.85	(0.84%)	85.86
17	TSN Wires Co., Ltd.	THB	0.02%	56.85	0.13%	(10.05)	(0.01%)	0.16	0.10%	(9.89)
18	Tata Steel Europe Limited	GBP	6.39%	16,877.27	12.64%	(979.59)	0.00%	-	9.64%	(979.59)
19	Apollo Metals Limited	USD	0.03%	70.62	(0.51%)	39.57	(0.20%)	4.73	(0.44%)	44.30
20	Augusta Grundstucks GmbH	EUR	0.00%	(1.87)	0.01%	(1.12)	(0.01%)	0.30	0.01%	(0.82)
21	Automotive Laser Technologies Limited	GBP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
22	B S Pension Fund Trustee Limited	GBP	0.01%	17.93	0.00%	-	0.00%	-	0.00%	-
23	Beheermaatschappij Industriele Produkten B.V.	EUR	(0.02%)	(47.80)	0.00%	(0.34)	0.00%	-	0.00%	(0.34)
24	Bell & Harwood Limited	GBP	0.00%	(10.23)	0.00%	-	0.00%	-	0.00%	-
25	Blastmega Limited	GBP	0.28%	753.24	0.00%	-	0.00%	-	0.00%	-
26	Blume Stahlservice GmbH	EUR	0.02%	53.02	0.13%	(10.45)	0.06%	(1.44)	0.12%	(11.89)
27	Blume Stahlservice Polska Sp.Z.O.O	PLZ	0.00%	-	0.00%	0.06	0.00%	-	0.00%	0.06
28	Bore Samson Group Limited	GBP	0.05%	121.54	0.00%	-	0.00%	-	0.00%	-
29	Bore Steel Limited	GBP	0.05%	138.07	0.00%	-	0.00%	-	0.00%	-
30	British Guide Rails Limited	GBP	0.01%	39.35	0.00%	-	0.00%	-	0.00%	-
31	British Steel Corporation Limited	GBP	0.09%	247.04	0.00%	-	0.00%	-	0.00%	-
32	British Steel Directors (Nominees) Limited	GBP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
33	British Steel Engineering Steels (Exports) Limited	GBP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
34	British Steel Nederland International B.V.	EUR	0.16%	432.16	(0.07%)	5.56	0.00%	-	(0.05%)	5.56
35	British Steel Service Centres Limited	GBP	0.16%	433.06	0.00%	-	0.00%	-	0.00%	-
36	British Tubes Stockholding Limited	GBP	0.03%	85.29	0.00%	-	0.00%	-	0.00%	-
37	C V Benine	EUR	0.01%	15.00	0.00%	-	0.00%	-	0.00%	-
38	C Walker & Sons Limited	GBP	0.05%	131.58	0.00%	-	0.00%	-	0.00%	-
39	Catnic GmbH	EUR	0.02%	40.57	(0.05%)	4.03	0.00%	-	(0.04%)	4.03
40	Catnic Limited	GBP	0.00%	(0.49)	0.10%	(8.10)	0.00%	-	0.08%	(8.10)
41	CBS Investissements SAS	EUR	0.00%	1.64	0.00%	0.15	0.00%	-	0.00%	0.15
42	Cogent Power Inc.	CAD	0.06%	146.88	(0.09%)	6.80	0.00%	-	(0.07%)	6.80
43	Tata Steel International Mexico SA de CV	USD	0.00%	(0.45)	0.01%	(0.46)	0.00%	-	0.00%	(0.46)
44	Cogent Power Inc.	USD	0.01%	19.75	0.11%	(8.21)	0.00%	-	0.08%	(8.21)
45	Cogent Power Limited	GBP	0.04%	107.16	0.00%	(0.12)	0.00%	-	0.00%	(0.12)
46	Color Steels Limited	GBP	0.01%	36.71	0.00%	-	0.00%	-	0.00%	-
47	Corbeil Les Rives SCI	EUR	0.00%	8.51	0.00%	-	0.00%	-	0.00%	-
48	Corby (Northants) & District Water Company Limited	GBP	0.00%	4.65	0.00%	-	0.00%	-	0.00%	-
49	Cordor (C& B) Limited	GBP	0.00%	2.63	0.00%	-	0.00%	-	0.00%	-
50	Corus Aluminium Verwaltungsgesellschaft Mbh	EUR	0.00%	3.60	(0.11%)	8.23	0.00%	-	(0.08%)	8.23
51	Corus Beteiligungs GmbH	EUR	0.00%	1.76	0.24%	(18.35)	0.00%	-	0.18%	(18.35)
52	Corus Building Systems Bulgaria AD	LEV	(0.01%)	(23.98)	0.03%	(2.32)	0.00%	-	0.02%	(2.32)
53	Corus CNBV Investments	GBP	0.00%	-	0.00%	-	0.00%	-	0.00%	-

48. 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	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
54	Corus Cold drawn Tubes Limited	GBP	(0.01%)	(13.95)	0.00%	-	0.00%	-	0.00%	-
55	Corus Engineering Steels (UK) Limited	GBP	0.14%	370.97	0.00%	-	0.00%	-	0.00%	-
56	Corus Engineering Steels Holdings Limited	GBP	1.37%	3,629.26	0.00%	-	0.00%	-	0.00%	-
57	Corus Engineering Steels Limited	GBP	1.46%	3,851.26	0.00%	-	0.00%	-	0.00%	-
58	Corus Engineering Steels Overseas Holdings Limited	GBP	0.00%	8.05	0.00%	-	0.00%	-	0.00%	-
59	Corus Engineering Steels Pension Scheme Trustee Limited	GBP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
60	Corus Group Limited	GBP	0.33%	868.46	3.52%	(273.03)	0.00%	-	2.68%	(273.03)
61	Corus Holdings Limited	GBP	0.00%	3.35	(0.01%)	0.52	0.00%	-	(0.01%)	0.52
62	Corus International (Overseas Holdings) Limited	GBP	1.44%	3,806.01	(0.81%)	62.86	0.00%	-	(0.62%)	62.86
63	Corus International Limited	GBP	0.93%	2,447.49	(0.11%)	8.85	0.00%	-	(0.09%)	8.85
64	Corus International Romania SRL.	RON	0.00%	0.40	0.00%	0.01	0.00%	-	0.00%	0.01
65	Corus Investments Limited	GBP	0.07%	183.68	0.00%	-	0.00%	-	0.00%	-
66	Corus Ireland Limited	EUR	0.00%	5.34	(0.01%)	1.08	0.00%	-	(0.01%)	1.08
67	Corus Large Diameter Pipes Limited	GBP	0.22%	589.10	0.00%	-	0.00%	-	0.00%	-
68	Corus Liaison Services (India) Limited	GBP	(0.01%)	(19.36)	0.00%	-	0.00%	-	0.00%	-
69	Corus Management Limited	GBP	(0.14%)	(367.21)	0.00%	-	0.00%	-	0.00%	-
70	Corus Primary Aluminium B.V.	EUR	(0.05%)	(121.51)	0.03%	(2.49)	0.00%	-	0.02%	(2.49)
71	Corus Property	GBP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
72	Corus Service Centre Limited	GBP	0.05%	129.26	0.00%	-	0.00%	-	0.00%	-
73	Corus Steel Service STP LLC	RUB	0.00%	(1.68)	0.00%	0.19	0.00%	-	0.00%	0.19
74	Corus Tubes Poland Spolka Z.O.O	EUR	0.00%	(1.58)	0.00%	-	0.00%	-	0.00%	-
75	Corus UK Healthcare Trustee Limited	GBP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
76	Corus Ukraine Limited Liability Company	UAH	0.00%	0.02	0.00%	-	0.00%	-	0.00%	-
77	CPN (85) Limited	GBP	0.00%	(0.68)	0.00%	-	0.00%	-	0.00%	-
78	Crucible Insurance Company Limited	GBP	0.11%	278.99	(0.55%)	42.50	0.00%	-	(0.42%)	42.50
79	Degels GmbH	EUR	(0.01%)	(15.84)	(0.30%)	23.58	0.00%	-	(0.23%)	23.58
80	Demka B.V.	EUR	0.02%	60.79	0.00%	(0.10)	0.00%	-	0.00%	(0.10)
81	DSRM Group Plc.	GBP	0.06%	160.70	0.00%	-	0.00%	-	0.00%	-
82	Eric Olsson & Soner Forvaltnings AB	SEK	0.01%	16.03	0.00%	-	0.00%	-	0.00%	-
83	Esmil B.V.	EUR	0.01%	18.60	0.00%	0.05	0.00%	-	0.00%	0.05
84	Europressings Limited	GBP	0.00%	5.17	0.00%	-	0.00%	-	0.00%	-
85	Firsteel Group Limited	GBP	(0.03%)	(71.24)	2.79%	(216.43)	0.00%	-	2.13%	(216.43)
86	Firsteel Holdings Limited	GBP	0.02%	62.68	0.00%	-	0.00%	-	0.00%	-
87	Fischer Profil GmbH	EUR	0.00%	(7.29)	0.55%	(42.30)	(0.06%)	1.43	0.40%	(40.87)
88	Gamble Simms Metals Limited	EUR	0.00%	(1.95)	0.00%	-	0.00%	-	0.00%	-
89	Grant Lyon Eagre Limited	GBP	0.02%	47.70	0.00%	-	0.00%	-	0.00%	-
90	H E Samson Limited	GBP	0.02%	42.30	0.00%	-	0.00%	-	0.00%	-
91	Hadfields Holdings Limited	GBP	(0.02%)	(65.07)	0.00%	-	0.00%	-	0.00%	-
92	Halmstad Steel Service Centre AB	SEK	0.02%	64.90	0.10%	(8.08)	0.00%	-	0.08%	(8.08)

48. 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	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
93	Hammermega Limited	GBP	0.01%	18.22	0.00%	-	0.00%	-	0.00%	-
94	Harrowmills Properties Limited	GBP	0.06%	154.24	0.00%	-	0.00%	-	0.00%	-
95	Hille & Muller GmbH	EUR	0.04%	110.14	(0.04%)	3.15	0.03%	(0.74)	(0.02%)	2.41
96	Hille & Muller USA Inc.	USD	0.04%	114.90	(0.04%)	2.93	0.00%	-	(0.03%)	2.93
97	Hoogovens USA Inc.	USD	0.18%	475.58	(0.01%)	0.89	0.00%	-	(0.01%)	0.89
98	Huizenbezit "Breesaap" B.V.	EUR	0.00%	(7.47)	0.00%	0.06	0.00%	-	0.00%	0.06
99	Ickles Cottage Trust Limited	GBP	0.00%	1.63	0.00%	-	0.00%	-	0.00%	-
100	Inter Metal Distribution SAS	EUR	0.01%	34.38	(0.12%)	9.63	0.01%	(0.12)	(0.09%)	9.51
101	Kalzip Asia Pte Limited	SGD	(0.04%)	(114.09)	0.33%	(25.66)	0.00%	-	0.25%	(25.66)
102	Kalzip FZE	AED	0.00%	4.69	(0.01%)	0.85	0.00%	-	(0.01%)	0.85
103	Kalzip GmbH	EUR	0.00%	0.96	0.00%	-	0.00%	-	0.00%	-
104	Kalzip GmbH	EUR	0.01%	18.03	(0.03%)	2.57	(0.13%)	3.10	(0.06%)	5.67
105	Kalzip Inc	USD	(0.02%)	(45.24)	0.00%	0.14	0.00%	-	0.00%	0.14
106	Kalzip Italy SRL	EUR	0.00%	0.30	0.00%	0.04	0.00%	-	0.00%	0.04
107	Kalzip Limited	GBP	0.01%	15.76	(0.03%)	2.05	0.00%	-	(0.02%)	2.05
108	Kalzip Spain S.L.U.	EUR	0.00%	10.40	0.00%	0.11	0.00%	-	0.00%	0.11
109	Layde Steel S.L.	EUR	0.03%	71.09	(0.23%)	17.90	0.00%	-	(0.18%)	17.90
110	Lister Tubes Limited	EUR	0.00%	11.21	0.00%	-	0.00%	-	0.00%	-
111	London Works Steel Company Limited	GBP	(0.03%)	(83.46)	0.00%	-	0.00%	-	0.00%	-
112	Midland Steel Supplies Limited	GBP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
113	Montana Bausysteme AG	CHF	0.04%	93.45	(0.15%)	11.62	(0.27%)	6.51	(0.18%)	18.13
114	Naantali Steel Service Centre OY	EUR	0.01%	27.76	0.09%	(6.77)	0.00%	-	0.07%	(6.77)
115	Nationwide Steelstock Limited	GBP	0.00%	(9.18)	0.00%	-	0.00%	-	0.00%	-
116	Norsk Stal Tynnplater AS	NOK	0.02%	47.58	(0.11%)	8.77	0.00%	-	(0.09%)	8.77
117	Norsk Stal Tynnplater AB	NOK	0.01%	15.67	(0.04%)	2.94	0.00%	-	(0.03%)	2.94
118	Orb Electrical Steels Limited	GBP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
119	Ore Carriers Limited	GBP	0.01%	23.07	0.00%	-	0.00%	-	0.00%	-
120	Oremco Inc.	USD	0.00%	(10.31)	0.02%	(1.61)	0.00%	-	0.02%	(1.61)
121	Plated Strip International Limited	GBP	0.01%	14.39	0.00%	-	0.00%	-	0.00%	-
122	Precoat International Limited	GBP	0.02%	62.78	0.00%	-	0.00%	-	0.00%	-
123	Precoat Limited	GBP	(0.01%)	(17.18)	0.00%	-	0.00%	-	0.00%	-
124	Rafferty-Brown Steel Co Inc Of Conn.	USD	0.01%	28.95	0.00%	(0.20)	0.00%	-	0.00%	(0.20)
125	Round Oak Steelworks Limited	GBP	(0.15%)	(388.02)	0.00%	-	0.00%	-	0.00%	-
126	Runblast Limited	GBP	0.16%	421.42	0.00%	-	0.00%	-	0.00%	-
127	Runmega Limited	GBP	0.00%	3.52	0.00%	-	0.00%	-	0.00%	-
128	S A B Profiel B.V.	EUR	0.12%	321.10	(1.97%)	152.37	0.00%	-	(1.50%)	152.37
129	S A B Profil GmbH	EUR	0.05%	119.85	(0.08%)	6.56	0.00%	-	(0.06%)	6.56
130	Seamless Tubes Limited	GBP	0.06%	150.37	0.00%	-	0.00%	-	0.00%	-
131	Service Center Gelsenkirchen GmbH	EUR	0.13%	345.19	2.84%	(220.56)	0.15%	(3.56)	2.20%	(224.12)
132	Service Centre Maastricht B.V.	EUR	0.01%	28.93	(0.33%)	25.64	0.00%	-	(0.25%)	25.64

48. 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	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
133	Skruv Erik AB	SEK	0.00%	0.50	0.00%	-	0.00%	-	0.00%	-
134	Societe Europeenne De Galvanisation (Segal) Sa	EUR	0.07%	187.90	(0.05%)	3.59	0.00%	-	(0.04%)	3.59
135	Staalverwerking en Handel B.V.	EUR	0.47%	1,233.89	(5.32%)	412.46	0.00%	-	(4.06%)	412.46
136	Steel StockHoldings Limited	GBP	0.01%	37.10	0.00%	-	0.00%	-	0.00%	-
137	Steelstock Limited	GBP	0.00%	0.16	0.00%	-	0.00%	-	0.00%	-
138	Stewarts & Lloyds Of Ireland Limited	EUR	0.00%	(1.61)	0.00%	-	0.00%	-	0.00%	-
139	Stewarts And Lloyds (Overseas) Limited	GBP	0.06%	165.74	0.00%	-	0.00%	-	0.00%	-
140	Stocksbridge Works Cottage Trust Limited	GBP	0.00%	0.89	0.00%	-	0.00%	-	0.00%	-
141	Surahammar Bruks AB	SEK	0.05%	130.74	0.09%	(7.16)	(0.14%)	3.28	0.04%	(3.88)
142	Swinden Housing Association Limited	GBP	0.00%	5.23	0.00%	-	0.00%	-	0.00%	-
143	Tata Steel Belgium Packaging Steels N.V.	EUR	0.07%	192.85	(0.05%)	3.79	0.00%	-	(0.04%)	3.79
144	Tata Steel Belgium Services N.V.	EUR	0.14%	360.70	(0.12%)	9.09	0.00%	-	(0.09%)	9.09
145	Tata Steel Denmark Byggsystemer A/S	DKK	0.01%	18.79	0.03%	(2.71)	0.00%	-	0.03%	(2.71)
146	Tata Steel Europe Distribution BV	EUR	(0.01%)	(21.05)	(0.03%)	1.99	0.00%	-	(0.02%)	1.99
147	Tata Steel Europe Metals Trading BV	EUR	0.10%	257.22	0.00%	(0.31)	0.00%	-	0.00%	(0.31)
148	Tata Steel France Batiment et Systemes SAS	EUR	0.01%	13.63	0.19%	(14.72)	0.00%	-	0.14%	(14.72)
149	Tata Steel France Holdings SAS	EUR	0.30%	781.39	0.75%	(58.15)	0.13%	(3.23)	0.60%	(61.38)
150	Tata Steel Germany GmbH	EUR	0.00%	2.96	5.29%	(410.34)	0.05%	(1.21)	4.06%	(411.55)
151	Tata Steel IJmuiden BV	EUR	6.30%	16,647.07	(21.27%)	1,648.83	(2.63%)	63.50	(16.84%)	1,712.33
152	Tata Steel International (Americas) Holdings Inc	USD	0.22%	589.21	0.25%	(19.70)	0.00%	-	0.19%	(19.70)
153	Tata Steel International (Americas) Inc	USD	0.40%	1,044.64	(0.40%)	31.16	(0.13%)	3.11	(0.34%)	34.27
154	Tata Steel International (Benelux) BV	EUR	0.00%	8.67	0.00%	0.07	0.00%	-	0.00%	0.07
155	Tata Steel International (Canada) Holdings Inc	CAD	0.00%	1.74	0.00%	-	0.00%	-	0.00%	-
156	Tata Steel International (Czech Republic) S.R.O	CZK	0.00%	8.83	(0.04%)	3.17	0.00%	-	(0.03%)	3.17
157	Tata Steel International (Denmark) A/S	DKK	0.00%	0.48	0.00%	(0.28)	0.00%	-	0.00%	(0.28)
158	Tata Steel International (Finland) OY	EUR	0.00%	0.89	0.00%	-	0.00%	-	0.00%	-
159	Tata Steel International (France) SAS	EUR	0.01%	31.73	(0.01%)	0.41	0.00%	-	0.00%	0.41
160	Tata Steel International (Germany) GmbH	EUR	0.00%	0.79	(0.03%)	2.62	0.00%	0.10	(0.03%)	2.72
161	Tata Steel International (South America) Representações LTDA	USD	0.00%	0.53	0.00%	0.34	0.00%	-	0.00%	0.34
162	Tata Steel International Hellas SA	EUR	0.00%	1.02	0.00%	-	0.00%	-	0.00%	-
163	Tata Steel International (Italia) SRL	EUR	0.00%	12.40	(0.05%)	3.81	0.00%	-	(0.04%)	3.81
164	Tata Steel International (Middle East) FZE	AED	0.08%	209.76	(0.10%)	7.84	0.00%	-	(0.08%)	7.84
165	Tata Steel International (Nigeria) Ltd.	NGN	0.00%	-	0.00%	-	0.00%	-	0.00%	-
166	Tata Steel International (Poland) sp Zoo	PLZ	0.00%	3.04	(0.02%)	1.90	0.00%	-	(0.02%)	1.90
167	Tata Steel International (Schweiz) AG	CHF	0.00%	4.50	0.00%	(0.22)	0.00%	-	0.00%	(0.22)
168	Tata Steel International (Sweden) AB	SEK	0.00%	6.13	(0.03%)	2.07	0.00%	-	(0.02%)	2.07
169	Tata Steel International Iberica SA	EUR	0.00%	3.82	(0.04%)	3.04	0.00%	-	(0.03%)	3.04
170	Tata Steel Istanbul Metal Sanayi ve Ticaret AS	USD	0.01%	16.58	0.02%	(1.20)	0.00%	-	0.01%	(1.20)
171	Tata Steel Latvia Building Systems SIA	EUR	0.00%	0.09	0.00%	0.01	0.00%	-	0.00%	0.01

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			As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
172	Tata Steel Maubeuge SAS	EUR	0.05%	136.96	(0.99%)	76.88	0.11%	(2.73)	(0.73%)	74.15
173	Tata Steel Nederland BV	EUR	4.11%	10,856.48	(3.02%)	234.40	0.00%	-	(2.30%)	234.40
174	Tata Steel Nederland Consulting & Technical Services BV	EUR	0.01%	37.97	0.00%	(0.06)	0.00%	-	0.00%	(0.06)
175	Tata Steel Nederland Services BV	EUR	0.10%	275.48	1.15%	(89.40)	0.00%	-	0.88%	(89.40)
176	Tata Steel Nederland Star-Frame BV	EUR	0.00%	0.16	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
177	Tata Steel Nederland Technology BV	EUR	0.18%	477.16	(0.25%)	19.22	0.00%	-	(0.19%)	19.22
178	Tata Steel Nederland Tubes BV	EUR	(0.02%)	(41.60)	(0.33%)	25.70	0.00%	-	(0.25%)	25.70
179	Tata Steel Netherlands Holdings B.V.	EUR	2.78%	7,341.47	(2.37%)	184.08	(0.78%)	18.82	(1.99%)	202.90
180	Tata Steel Norway Byggsystemer A/S	NOK	0.02%	45.16	(0.09%)	7.06	0.00%	-	(0.07%)	7.06
181	Tata Steel Speciality Service Centre Suzhou Co. Limited	USD	0.00%	(3.90)	0.04%	(3.10)	0.00%	-	0.03%	(3.10)
182	Tata Steel Sweden Byggsystem AB	SEK	0.01%	20.38	0.21%	(15.94)	0.00%	-	0.16%	(15.94)
183	Tata Steel Speciality Service Centre Xian Co. Limited	USD	0.00%	5.88	0.00%	0.27	0.00%	-	0.00%	0.27
184	Tata Steel UK Consulting Limited	GBP	0.00%	3.14	(0.01%)	0.60	0.00%	-	(0.01%)	0.60
185	Tata Steel UK Holdings Limited	GBP	6.44%	16,992.15	4.79%	(371.92)	0.00%	-	3.66%	(371.92)
186	Tata Steel UK Limited	GBP	(6.38%)	(16,902.83)	88.67%	(6,873.37)	132.03%	(3,193.36)	99%	(10,066.73)
187	Tata Steel USA Inc.	USD	0.03%	79.70	(0.07%)	5.53	0.00%	-	(0.05%)	5.53
188	The Newport And South Wales Tube Company Limited	GBP	0.00%	0.13	0.00%	-	0.00%	-	0.00%	-
189	The Stanton Housing Company Limited	GBP	0.00%	7.80	0.00%	-	0.00%	-	0.00%	-
190	The Templeborough Rolling Mills Limited	GBP	0.05%	128.55	0.00%	-	0.00%	-	0.00%	-
191	Thomas Processing Company	USD	0.05%	135.94	0.02%	(1.40)	0.00%	-	0.01%	(1.40)
192	Thomas Steel Strip Corp.	USD	(0.08%)	(207.97)	(0.44%)	33.78	(3.27%)	79.15	(1.11%)	112.93
193	Toronto Industrial Fabrications Limited	GBP	0.00%	(4.02)	0.00%	-	0.00%	-	0.00%	-
194	Trierer Walzwerk Verwaltungsgsellschaft mbH	EUR	0.01%	26.40	0.01%	(0.73)	(0.06%)	1.45	(0.01%)	0.72
195	TS South Africa Sales Office Proprietary Limited	SAR	0.00%	4.61	(0.01%)	0.94	0.00%	-	(0.01%)	0.94
196	Tulip UK Holdings (No.2) Limited	GBP	5.04%	13,319.31	0.00%	-	0.00%	-	0.00%	-
197	Tulip UK Holdings (No.3) Limited	GBP	4.87%	12,862.25	4.18%	(322.96)	0.00%	-	3.18%	(322.96)
198	U.E.S. Bright Bar Limited	GBP	0.00%	12.15	0.00%	-	0.00%	-	0.00%	-
199	UK Steel Enterprise Limited	GBP	0.05%	125.24	0.07%	(5.66)	0.00%	-	0.06%	(5.66)
200	UKSE Fund Managers Limited	GBP	0.00%	0.37	0.00%	-	0.00%	-	0.00%	-
201	Unitol SAS	EUR	0.03%	69.86	(0.46%)	36.00	0.00%	0.03	(0.35%)	36.03
202	Walker Manufacturing And Investments Limited	GBP	0.05%	125.12	0.00%	-	0.00%	-	0.00%	-
203	Walkersteelstock Ireland Limited	EUR	0.00%	3.38	0.00%	-	0.00%	-	0.00%	-
204	Walkersteelstock Limited	GBP	0.00%	8.10	0.00%	-	0.00%	-	0.00%	-
205	Westwood Steel Services Limited	GBP	0.07%	190.31	0.00%	-	0.00%	-	0.00%	-
206	Whitehead (Narrow Strip) Limited	GBP	0.04%	92.88	0.00%	-	0.00%	-	0.00%	-
207	T S Global Minerals Holdings Pte Ltd.	USD	1.95%	5,135.42	0.89%	(69.95)	(0.29%)	7.00	0.62%	(62.95)
208	Al Rimal Mining LLC	OMR	0.00%	6.16	0.00%	(0.02)	0.00%	-	0.00%	(0.02)
209	Black Ginger 461 (Proprietary) Ltd	ZAR	0.04%	115.49	(0.67%)	52.27	0.00%	-	(0.51%)	52.27
210	Kalimati Coal Company Pty. Ltd.	AUD	(0.07%)	(189.17)	(0.02%)	1.55	0.00%	-	(0.02%)	1.55
211	Sedibeng Iron Ore Pty. Ltd.	ZAR	0.03%	86.37	(0.72%)	55.57	0.00%	-	(0.55%)	55.57

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212	Tata Steel Cote D'Ivoire S.A	FCFA	0.02%	64.24	0.02%	(1.26)	0.00%	-	0.01%	(1.26)
213	TSMUK Limited	USD	1.79%	4,744.06	0.00%	(0.04)	0.00%	-	0.00%	(0.04)
214	Tata Steel Minerals Canada Limited	USD	1.71%	4,516.02	2.09%	(162.28)	0.00%	-	1.61%	(162.28)
215	T S Canada Capital Ltd	USD	0.01%	32.38	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
216	Tata Steel International (Singapore) Holdings Pte. Ltd.	HKD	0.14%	378.18	0.00%	0.07	0.00%	-	0.00%	0.07
217	Tata Steel International (Shanghai) Ltd.	CNY	0.00%	7.20	0.00%	0.13	0.00%	-	0.00%	0.13
218	Tata Steel International (Singapore) Pte. Ltd.	SGD	0.01%	32.58	(0.05%)	3.85	0.00%	-	(0.04%)	3.85
219	Tata Steel International (Asia) Limited	HKD	0.20%	538.79	(0.01%)	0.40	0.00%	-	0.00%	0.40
220	Tata Steel (Thailand) Public Company Ltd.	THB	0.94%	2,497.71	(1.28%)	99.58	(0.07%)	1.75	(0.97%)	99.58
221	N.T.S Steel Group Plc.	THB	0.06%	146.88	0.74%	(57.36)	0.00%	-	0.56%	(57.36)
222	The Siam Construction Steel Co. Ltd.	THB	0.14%	380.52	(0.94%)	73.18	0.00%	-	(0.72%)	73.18
223	The Siam Iron And Steel (2001) Co. Ltd.	THB	0.08%	218.11	(0.39%)	30.39	0.00%	-	(0.30%)	30.39
224	T S Global Procurement Company Pte. Ltd.	USD	0.86%	2,264.92	(0.88%)	67.97	0.00%	-	(0.67%)	67.97
225	ProCo Issuer Pte. Ltd.	GBP	1.07%	2,841.49	(2.33%)	180.55	0.00%	-	(1.78%)	180.55
C.	**JOINT VENTURES**									
a)	**Indian**									
1	Industrial Energy Limited	INR	0.08%	212.93	0.00%	(0.00)	0.00%	0.08	0.00%	0.08
2	Jamipol Limited	INR	0.02%	53.93	0.00%	0.00	(0.01%)	0.14	0.00%	0.14
3	Strategic Energy Technology Systems Ltd	INR	0.00%	-	0.00%	-	0.00%	-	0.00%	-
4	TRF Limited	INR	(0.02%)	(43.94)	0.00%	-	0.00%	-	0.00%	-
5	TRL Krosaki Refractories Limited	INR	0.03%	88.75	0.00%	0.00	(0.31%)	7.52	(0.07%)	7.52
6	YORK Transport Equipment India Pvt. Ltd	INR	0.02%	52.18	0.00%	0.00	0.00%	-	0.00%	0.00
b)	**Foreign**									
1	European Profiles (M) Sdn. Bhd.	MYR	0.00%	-	0.00%	-	0.00%	-	0.00%	-
2	New Millennium Iron Corp.	CAD	0.02%	64.43	0.87%	(67.74)	0.00%	-	0.67%	(67.74)
3	Albi Profils SRL	EUR	0.00%	-	0.00%	-	0.00%	-	0.00%	-
4	Appleby Frodingham Cottage Trust Limited	GBP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
5	Fabsec Limited	GBP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
6	Gietwalsonderhoudcombinatie B.V.	EUR	0.01%	17.16	(0.01%)	0.62	0.00%	-	(0.01%)	0.62
7	Hoogovens Court Roll Service Technologies VOF	EUR	0.00%	-	0.00%	-	0.00%	-	0.00%	-
8	Hoogovens Gan Multimedia S.A. De C.V.	MEX PESO	0.00%	-	0.00%	-	0.00%	-	0.00%	-
9	ISSB Limited	GBP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
10	Wupperman Staal Nederland B.V.	EURO	0.04%	116.99	(0.27%)	21.30	0.00%	-	(0.21%)	21.30
11	YORK Transport Equipment (Asia) Pte Ltd	USD	0.05%	122.80	0.05%	(4.08)	0.00%	-	0.04%	(4.08)
12	YORK Transport Equipment Pty Ltd	AUD	0.00%	(7.12)	0.00%	0.06	0.00%	-	0.00%	0.06
13	YORK Sales (Thailand) Co. Ltd	BHT	0.01%	16.72	0.00%	0.34	0.00%	-	0.00%	0.34
14	YTE Transport Equipment (SA) (Pty) Limited	RAND	0.00%	0.27	(0.01%)	0.91	0.00%	-	(0.01%)	0.91
15	Rednet Pte Ltd.	USD	0.00%	(5.88)	0.00%	(0.03)	0.00%	-	0.00%	(0.03)

48. 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	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
16	PT YORK Engineering	Rupiah	0.00%	(2.21)	0.00%	-	0.00%	-	0.00%	-
17	YTE Special Products Pte Ltd	USD	0.00%	6.68	0.01%	(0.97)	0.00%	-	0.01%	(0.97)
18	Qingdao YTE Special Products Co. Ltd	RMB	(0.01%)	(17.07)	0.06%	(4.85)	0.00%	-	0.05%	(4.85)
19	YORK Transport Equipment (Shanghai) Co. Ltd	RMB	0.01%	16.52	0.01%	(0.81)	0.00%	-	0.01%	(0.81)
20	Dutch Lanka Trailer Manufacturing Limited	USD	0.00%	11.81	(0.02%)	1.89	0.00%	-	(0.02%)	1.89
21	Durch Lanka Engineering Private Limited	LKR	0.00%	4.54	(0.03%)	2.62	0.00%	-	(0.03%)	2.62
22	Durch Lanka Trailers Manufacturing LLC	OMR	0.00%	1.51	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
23	Hewit Robins International Limited	GBP	0.01%	30.59	(0.05%)	3.61	0.00%	-	(0.04%)	3.61
24	Hewit Robins International Holdings Limited	GBP	0.00%	0.60	0.00%	-	0.00%	-	0.00%	-
25	TRF Singapore Pte Limited	SGD	0.08%	215.34	0.01%	(0.78)	0.00%	-	0.01%	(0.78)
26	TRF Holding Pte Limited	USD	(0.01%)	(35.93)	0.07%	(5.31)	0.00%	-	0.05%	(5.31)
D.	**Joint Ventures**									
a)	**Indian**									
1	Bhubaneshwar Power Private Limited	INR	0.02%	52.41	0.08%	(6.25)	0.00%	0.01	0.06%	(6.24)
2	Himalaya Steel Mills Services Private Limited	INR	0.00%	2.07	0.00%	(0.06)	0.00%	0.00	0.00%	(0.06)
3	mjunction services Limited	INR	0.04%	114.34	(0.15%)	11.65	0.01%	(0.12)	(0.11%)	11.53
4	S &T Mining Company Private Limited	INR	0.00%	(0.50)	0.03%	(2.53)	0.00%	(0.00)	0.02%	(2.53)
5	Tata Bluescope Steel Limited	INR	0.07%	188.57	(0.36%)	28.20	(0.02%)	0.41	(0.28%)	28.61
6	Tata NYK Shipping (India) Pvt. Ltd.	INR	0.00%	2.61	0.00%	0.07	0.00%	-	0.00%	0.07
7	Naba Diganta Water Management Limited	INR	0.01%	16.41	(0.03%)	2.53	0.00%	-	(0.02%)	2.53
8	SEZ Adityapur Limited	INR	0.00%	(0.06)	0.00%	-	0.00%	-	0.00%	-
9	Jamshedpur Continuous Annealing & Processing Company Private Limited	INR	0.09%	235.19	1.35%	(104.88)	0.00%	(0.12)	1.03%	(105.00)
10	T M Mining Company Limited	INR	0.00%	(0.02)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
11	TM International Logistics Limited	INR	0.11%	289.44	(0.27%)	20.70	(0.04%)	0.94	(0.21%)	21.64
12	TKM Global Logistics Limited	INR	0.01%	24.89	0.00%	0.28	0.00%	(0.07)	0.00%	0.21
b)	**Foreign**									
1	Tata NYK Shipping Pte Ltd.	USD	0.02%	60.93	(0.27%)	21.11	(0.01%)	0.31	(0.21%)	21.42
2	Minas De Benga (Mauritius) Limited	USD	(0.33%)	(878.56)	(4.26%)	329.85	0.00%	-	(3.24%)	329.85
3	Minas de Benga Limited-Mozambique	USD	(0.61%)	(1,623.46)	0.51%	(39.58)	0.00%	-	0.39%	(39.58)
4	BlueScope Lysaght Lanka (Pvt) Ltd	LKR	0.01%	18.40	(0.06%)	4.35	0.00%	-	(0.04%)	4.35
5	International Shipping and Logistics FZE	USD	0.08%	214.87	(0.15%)	11.85	0.19%	(4.49)	(0.07%)	7.36
6	TKM Global China Ltd	CNY	0.00%	3.12	0.00%	(0.18)	0.01%	(0.29)	0.00%	(0.47)
7	TKM Global GmbH	EUR	0.06%	166.30	(0.64%)	49.95	0.29%	(7.12)	(0.42%)	42.83
8	Afon Tinplate Company Limited	GBP	0.01%	31.29	(0.04%)	2.73	0.00%	-	(0.03%)	2.73

48. 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	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of total comprehensive income	Amount
9	Caparo Merchant Bar Plc	GBP	0.00%	(5.13)	(0.02%)	1.23	0.00%	-	(0.01%)	1.23
10	Industrial Rail Services IJmond B.V.	EUR	0.00%	-	0.00%	-	0.00%	-	0.00%	-
11	Laura Metaal Holding B.V.	EUR	0.05%	128.11	(0.20%)	15.14	0.00%	-	(0.15%)	15.14
12	Ravenscraig Limited	GBP	(0.01%)	(37.70)	0.10%	(8.11)	0.00%	-	0.08%	(8.11)
13	Tata Elastron Steel Service Center SA	EUR	0.00%	9.26	0.06%	(4.48)	0.00%	-	0.04%	(4.48)
14	Tata Steel Ticaret AS	TRY	0.00%	12.11	(0.02%)	1.17	0.00%	-	(0.01%)	1.17
15	Air Products Llanwern Limited	GBP	0.00%	6.08	(0.03%)	2.48	0.00%	-	(0.02%)	2.48
16	BSR Pipeline Services Limited	GBP	0.00%	7.77	0.00%	0.19	0.00%	-	0.00%	0.19
17	Texturing Technology Limited	GBP	0.00%	4.70	(0.03%)	2.61	0.00%	-	(0.03%)	2.61
18	TVSC Construction Steel Solutions Limited	HKD	0.00%	2.95	0.19%	(14.75)	0.00%	-	0.15%	(14.75)
	TOTAL		**100.00%**	**2,64,383.29**	**100.00%**	**(7,750.62)**	**100.00%**	**(2,418.86)**	**100.00%**	**(10,169.48)**
D.	**Adjustment due to consolidation**			(2,26,563.97)		3,509.82		1,859.34		5,369.16
E.	**Minority Interests in subsidiaries**									
a)	**Indian Subsidiaries**									
1	The Tinplate Company of India Limited	INR		155.84		5.91		(0.82)		5.09
2	Indian Steel & Wire Products Ltd	INR		3.16		0.31		(0.05)		0.26
3	Tata Metaliks Ltd.	INR		103.40		57.40		(0.91)		56.49
4	Adityapur Toll Bridge Company Ltd	INR		4.57		1.44		-		1.44
5	Tata Sponge Iron Ltd	INR		397.50		25.50		(0.62)		24.88
6	Jamshedpur Utilities & Services Company Limited	INR		(10.32)		(5.43)		-		(5.43)
7	Tayo Rolls Limited	INR		(190.57)		(35.86)		0.01		(35.85)
b)	**Foreign Subsidiaries**									
1	Tata Steel (Thailand) Public Company Ltd.	THB		326.72		13.00		5.02		18.02
2	TATA Steel Europe Limited	GBP		(4.04)		(0.72)		-		(0.72)
3	Natsteel Holdings Pte. Ltd.	SGD		56.22		(0.74)		1.75		1.01
4	T S Global Minerals Holdings Pte Ltd.	USD		860.41		11.42		(0.68)		10.74
5	Tata Steel (KZN) (Pty) Ltd.	ZAR		(101.19)		-		(7.25)		(7.25)
				1,601.70		**72.23**		**(3.54)**		**68.69**
	Consolidated Net Asset / Profit after Tax			**39,421.02**		**(4,168.57)**		**(563.06)**		**(4,731.63)**

48. STATEMENT OF NET ASSETS AND PROFIT OR LOSS ATTRIBUTABLE TO OWNERS AND MINORITY INTEREST (CONTD.)

List of subsidiaries, associates and joint ventures which have not been consolidated and reasons for not consolidating

Sl. No.	Name	Reason
1	Fabsec Limited	The operations of the companies are not significant and hence are immaterial for consolidation
2	Industrial Rail Services IJmond B.V.	The operations of the companies are not significant and hence are immaterial for consolidation
3	European Profiles (M) Sdn. Bhd.	The operations of the companies are not significant and hence are immaterial for consolidation
4	New Millennium Iron Corp.	The operations of the companies are not significant and hence are immaterial for consolidation
5	Albi Profils SRL	The operations of the companies are not significant and hence are immaterial for consolidation
6	Hoogovens Gan Multimedia S.A. De C.V.	The operations of the companies are not significant and hence are immaterial for consolidation
7	ISSB Limited	The operations of the companies are not significant and hence are immaterial for consolidation
8	Kalinga Aquatics Ltd.	Not Consolidated as the financials were not available
9	Kumardhubi Fireclay & Silica Works Ltd.	Not Consolidated as the financials were not available
10	Kumardhubi Metal Casting & Engineering Ltd.	Not Consolidated as the financials were not available
11	Nicco Jubilee Park Limited	Not Consolidated as the financials were not available
12	Tata Construction & Projects Ltd.	Not Consolidated as the financials were not available
13	Malusha Travels Pvt Ltd.	Not Consolidated as the financials were not available
14	Mohar Export Services Pvt. Ltd	Not Consolidated as the financials were not available
15	Metal Corporation of India	Not Consolidated as the financials were not available
16	Medica TS Hospital Pvt. Ltd.	Not Consolidated as the financials were not available

For and on behalf of the Board of Directors

sd/- **N. Chandrasekaran** Chairman (DIN: 00121863)	sd/- **Ishaat Hussain** Director (DIN: 00027891)	sd/- **Andrew Robb** Director (DIN: 01911023)	sd/- **O. P. Bhatt** Director (DIN: 00548091)	sd/- **Mallika Srinivasan** Director (DIN: 00037022)	sd/- **Peter Blauwhoff** Director (DIN: 07728872)
sd/- **Aman Mehta** Director (DIN: 00009364)	sd/- **Deepak Kapoor** Director (DIN: 00162957)	sd/- **D. K. Mehrotra** Director (DIN: 00142711)	sd/- **Koushik Chatterjee** Group Executive Director (Finance, Corporate & Europe) (DIN: 00004989)	sd/- **T. V. Narendran** Managing Director (DIN: 03083605)	sd/- **Parvatheesam K.** Company Secretary (ACS: 15921)

Mumbai, May 16, 2017

NOTICE

Notice is hereby given that the 110th Annual General Meeting of the Members of Tata Steel Limited will be held on Tuesday, August 8, 2017, 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 a) - 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, 2017 and the Reports of the Board of Directors and the Auditors thereon.

Item No. 1 b) - 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, 2017 and the Report of the Auditors thereon.

Item No. 2 – Declaration of Dividend

To declare dividend of ₹10/- per Ordinary (equity) Share of ₹10/- each for the Financial Year 2016-17.

Item No. 3 – Re-Appointment of a Director

To appoint a Director in the place of Mr. Dinesh Kumar Mehrotra (DIN: 00142711), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, seeks re-appointment.

Item No. 4 – Re-Appointment of a Director

To appoint a Director in the place of Mr. Koushik Chatterjee (DIN: 00004989), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, seeks re-appointment.

Item No. 5 – Appointment of Auditors

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit & Auditors) Rules, 2014, including any amendment, modification or variation thereof, and pursuant to the recommendations of the Audit Committee and the Board of Directors, Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants having Firm Registration No. 304026E/E300009, be and are hereby appointed as the Auditors of the Company in place of the retiring auditors, Messrs Deloitte Haskins and Sells LLP, Chartered Accountants, for a period of five years to hold office from the conclusion of this Annual General Meeting till the conclusion of the 115th Annual General Meeting of the Company to be held in the year 2022, to examine and audit the accounts of the Company, at such remuneration as may be mutually agreed between the Board of Directors and the Auditors.

RESOLVED FURTHER THAT the appointment of Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants, as the Auditors of the Company shall be subject to ratification by the Members of the Company at every subsequent Annual General Meeting (as applicable under the Companies Act, 2013) held after this Meeting.

RESOLVED FURTHER THAT the Board of Directors (which term includes a duly constituted Committee of the Board of Directors) be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient to give effect to this Resolution and / or otherwise considered by them to be in the best interest of the Company."

SPECIAL BUSINESS:

Item No. 6 – Appointment of Mr. N. Chandrasekaran as a Director

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** Mr. N. Chandrasekaran (DIN: 00121863), who was appointed by the Board of Directors as an Additional Director of the Company effective January 13, 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 a Director of the Company liable to retire by rotation."

Item No. 7 – Appointment of Dr. Peter (Petrus) Blauwhoff as an Independent Director

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** Dr. Peter (Petrus) Blauwhoff (DIN: 07728872), who was appointed by the Board of Directors as an Additional Director of the Company effective February 7, 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 a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Rules framed thereunder read with Schedule IV to the Act, as amended from time to time, Dr. Peter (Petrus) Blauwhoff, who meets the criteria for independence as provided in Section 149(6) of the Act and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing February 7, 2017 through February 6, 2022."

Item No. 8 – Appointment of Mr. Aman Mehta as an Independent Director

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** Mr. Aman Mehta (DIN: 00009364), who was appointed by the Board of Directors as an Additional Director of the Company effective March 29, 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 a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Rules framed thereunder read with Schedule IV to the Act as amended from time to time, Mr. Aman Mehta, who meets the criteria for independence as provided in Section 149(6) of the Act and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term commencing March 29, 2017 through August 31, 2021."

Item No. 9 – Appointment of Mr. Deepak Kapoor as an Independent Director

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** Mr. Deepak Kapoor (DIN: 00162957), who was appointed by the Board of Directors as an Additional Director of the Company effective April 1, 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 a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act and the Rules framed thereunder read with Schedule IV to the Act as amended from time to time, Mr. Deepak Kapoor, who meets the criteria for independence as provided in Section 149(6) of the Act and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing April 1, 2017 through March 31, 2022 ."

Item No. 10 – 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 the provisions of 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 out-of-pocket expenses incurred in connection with the audit payable to Messrs Shome & Banerjee, Cost Accountants (Firm Registration Number - 000001) who have been appointed by the Board of Directors as the Cost Auditors of the Company, to conduct the audit of the cost records of the Company as prescribed under the Companies (Cost Records and Audit) Rules 2014, for the Financial Year ending March 31, 2018.

RESOLVED FURTHER THAT the Board of Directors (which term includes a duly constituted Committee of the Board of Directors) be and is hereby authorized 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. 11 – Issue of Non-Convertible Debentures on private placement basis not exceeding ₹10,000 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 might 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 authorized 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 ₹10,000 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 authorized 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 11 forms part of this Notice. Additional information, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings in respect of Directors seeking appointment/re-appointment at the Annual General 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 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 appropriate resolution or authority as applicable.

(e) Corporate Members intending to send their authorised representatives to attend the 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 22, 2017 to

Tuesday, August 8, 2017 (both days inclusive) for the purpose of Annual General Meeting and dividend for Financial Year 2016-17.

(i) If dividend on Ordinary Shares as recommended by the Board of Directors is approved at the meeting, payment of such dividend will be made on and from Thursday, August 10, 2017, as under:

- In respect of Ordinary Shares held in physical form, to all those Members whose names are on 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 21, 2017.
- 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 21, 2017.

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 the Members at the Registered Office of the Company during business hours on all working days, up to the date of the Annual General 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 Registrar 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(s).

(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 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. So in accordance with the Companies Act, 2013 read with the Rules framed thereunder, the Integrated Report 2016-17 is being sent through electronic mode to those Members whose email 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 email addresses, physical copies of the Integrated Report 2016-17 are being sent by the permitted mode. Members may note that Integrated Report 2016-17 will also be available on the Company's website i.e. 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 can contact the Company or TSR Darashaw Limited for assistance in this regard.

(p) To support the 'Green Initiative' the Members who have not registered their e-mail addresses are requested to register the same with TSR Darashaw Limited/Depository Participant(s).

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/Registrar and Transfer Agents to record additional details of Members, including their Permanent Account Number details (PAN), email address, bank details for payment of dividend, etc. Further the Securities and Exchange Board of India (**"SEBI"**) 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. Members holding shares in physical form are requested to submit the filled-in form to the Company or its Registrar and Transfer Agents. Members holding shares in electronic form are requested to submit the details to their respective Depository Participant(s).

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, as amended from time to time and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings (SS2) 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"**). Instructions for remote 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.

2. The facility for voting through electronic voting system or ballot paper shall be made available at the Annual General Meeting and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Annual General Meeting.

3. The Members who have cast their vote by remote e-voting prior to the Annual General Meeting may also 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 Client ID or Folio No. 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: Members already registered with NSDL for remote e-voting will not receive the PDF file "TSL remote e-voting.pdf".

ii. Open the internet browser and type the following URL: https://www.evoting.nsdl.com/

iii. Click on Shareholder – Login

iv. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote

NOTE: Members who forgot the User Details/Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available.

User ID

a) In case Members are holding shares in demat mode,
For NSDL: 8 character DP ID followed by 8 digits Client ID and
For CDSL: 16 digits beneficiary ID

b) In case Members are holding shares in physical mode, USER-ID is the combination of Even No.+Registered Folio No.

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

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. Please take utmost care to keep your password confidential.

vi. Once the remote e-voting home page opens, click on remote e-voting > Active e-Voting Cycles.

vii. Select "EVEN" (E-Voting Event Number) of Tata Steel Limited which is 106393. Now you are ready for remote e-voting as Cast Vote page opens.

viii. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

ix. Upon confirmation, the message "Vote cast successfully" will be displayed.

x. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently.

xi. Institutional Members (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 Scrutinizer through e-mail to tsl.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in.

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 along with EVEN (E-Voting Event Number), user ID and password.

ii. Please follow all steps from Sl. No. (ii) to Sl. No. (xi) 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.

ii. The remote e-voting period commences on Thursday, August 3, 2017 (9.00 a.m. IST) and ends on Monday, August 7, 2017 (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 Tuesday, August 1, 2017, 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 Tuesday, August 1, 2017 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., Tuesday, August 1, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. 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 email 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 Scrutinizer to scrutinize 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 Scrutinizer, allow voting for all those Members who are present but have not cast their vote electronically using the remote e-voting facility.

ix. The Scrutinizer 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 Scrutinizer'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 Scrutinizer'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 at NSDL, Trade World, 'A' wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013.

By Order of the Board of Directors

sd/-
Parvatheesam K
Company Secretary
(ACS: 15921)

Mumbai
May 16, 2017

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
Email: cosec@tatasteel.com

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("ACT")

The following Statement sets out all material facts relating to Item Nos. 5 to 11 mentioned in the accompanying Notice.

Item No. 5:

The Statement for this item is provided, though strictly not required, as per Section 102 of the Act.

In terms of Section 139 of the Act, the term of Messrs Deloitte Haskins and Sells LLP, the current Statutory Auditors of the Company, will end at the conclusion of the 110th Annual General Meeting (**"AGM"**) of the Company and the Company is required to appoint new Statutory Auditors to conduct the Statutory Audit of the books of accounts of the Company for the Financial Year 2017-18 onwards.

The Board of Directors recommend the appointment of Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants (Firm Registration No. 304026E/E300009) as the Statutory Auditors of the Company, for a period of 5 years commencing from the conclusion of the 110th AGM till the conclusion of the 115th AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM, if so required under the Act). The detailed background on the

process followed while recommending the new firm is provided in the Directors' Report.

Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants have consented to their appointment as Staturory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives are 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:

The Board of Directors (**"Board"**) upon recommendation of the Nomination and Remuneration Committee, appointed Mr. N. Chandrasekaran as an Additional (Non-Executive) Director of the Company effective January 13, 2017. Pursuant to the provisions of Section 161 of the Act and Article 121 of the Articles of Association of the Company, Mr. N. Chandrasekaran will hold office up to the date of the ensuing Annual General Meeting (**"AGM"**) and is eligible to be appointed a Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a Member, along with the requisite deposit of ₹1,00,000/-, proposing the candidature of Mr. Chandrasekaran for the office of Director. Mr. Chandrasekaran, once appointed, will be liable to retire by rotation and will be subject to the Tata Group Policy on Retirement of Directors adopted by the Company.

The Company has received from Mr. Chandrasekaran (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act.

The profile and specific areas of expertise of Mr. Chandrasekaran are provided as annexure to this Notice.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Chandrasekaran, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 6 of the Notice.

The Board recommends the resolution set forth in Item No. 6 for the approval of the Members.

Item No. 7:

The Board of Directors (**"Board"**), upon recommendation of the Nomination and Remuneration Committee, appointed Dr. Peter (Petrus) Blauwhoff as an Additional (Independent) Director of the Company, not liable to retire by rotation, effective February 7, 2017. Pursuant to the provisions of Section 161 of the Act and Article 121 of the Articles of Association of the Company, Dr. Blauwhoff will hold office up to the date of the ensuing Annual General Meeting (**"AGM"**) and is eligible to be appointed a Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a Member, along with the requisite deposit of ₹1,00,000/-, proposing the candidature of Dr. Blauwhoff for the office of Director.

The Company has received from Dr. Blauwhoff (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided under Section 149(6) of the Act.

The resolution seeks the approval of the Members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, for appointment of Dr. Blauwhoff as an Independent Director of the Company for a period commencing February 7, 2017 through February 6, 2022. Dr. Blauwhoff, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Dr. Blauwhoff is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder and is independent of the Management of the Company. A copy of the letter of appointment of Dr. Blauwhoff as an Independent Director setting out the terms and conditions is available for inspection without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the AGM.

The profile and specific areas of expertise of Dr. Blauwhoff are provided as annexure to this Notice.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Dr. Blauwhoff, to whom the resolution relates, are 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:

The Board of Directors (**"Board"**) upon recommendation of the Nomination and Remuneration Committee, appointed Mr. Aman Mehta, as an Additional (Independent) Director of the Company, not liable to retire by rotation, effective March 29, 2017. Pursuant to the provisions of Section 161 of the Act and Article 121 of the Articles of Association of the Company, Mr. Mehta will hold office up to the date of the ensuing Annual General Meeting (**"AGM"**) and is eligible to be appointed a Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a Member, along with the requisite deposit of ₹1,00,000/-, proposing the candidature of Mr. Mehta for the office of Director.

The Company has received from Mr. Aman Mehta (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act.

The resolution seeks the approval of the Members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, for appointment of Mr. Mehta as an Independent Director of the Company for a period commencing March 29, 2017 through August 31, 2021. Mr. Mehta, once appointed, will not be liable to retire by rotation and will be subject to the Tata Group Policy on Retirement of Directors adopted by the Company.

In the opinion of the Board, Mr. Mehta is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder and is independent of the Management of the Company. A copy of the letter of appointment of Mr. Mehta as an Independent Director setting out the terms and conditions is available for inspection without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the AGM.

The profile and specific areas of expertise of Mr. Mehta are provided as annexure to this Notice.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Mehta, to whom the resolution relates, are 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.

Item No. 9:

The Board of Directors (**"Board"**) upon recommendation of the Nomination and Remuneration Committee, appointed Mr. Deepak Kapoor as an Additional (Independent) Director of the Company, not liable to retire by rotation, effective April 1, 2017. Pursuant to the provisions of Section 161 of the Act and Article 121 of the Articles of Association of the Company, Mr. Deepak Kapoor will hold office up to the date of the ensuing Annual General Meeting (**"AGM"**) and is eligible to be appointed a Director of the Company. The Company has, in terms of Section 160 of the Act, received, in writing, a notice from a Member, along with the requisite deposit of ₹1,00,000/-, proposing the candidature of Mr. Kapoor for the office of Director.

The Company has received from Mr. Deepak Kapoor (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) a declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act.

The resolution seeks the approval of the Members in terms of Section 149 and other applicable provisions of the Act, read with Schedule IV of the Act and the Rules made thereunder, for appointment of Mr. Kapoor as an Independent Director of the Company for a period commencing April 1, 2017 through March 31, 2022. Mr. Kapoor, once appointed, will not be liable to retire by rotation.

In the opinion of the Board, Mr. Kapoor is a person of integrity, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management of the Company. A copy of the letter of appointment of Mr. Kapoor as an Independent Director setting out the terms and conditions is available for inspection without any fee payable by the Members at the Registered Office of the Company during the normal business hours on working days up to the date of the AGM.

The profile and specific areas of expertise of Mr. Kapoor are provided as annexure to this Notice.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives, except Mr. Kapoor, to whom the resolution relates, are concerned or interested in the Resolution mentioned at Item No. 9 of the Notice.

The Board recommends the resolution set forth in Item No. 9 for the approval of the Members.

Item No. 10:

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 (**"Cost Audit Rules"**), to have the audit of its cost records for products covered under the Cost Audit Rules 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 for Financial Year 2017-18.

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. 10 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2018.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 10 of the Notice.

The Board recommends the resolution set forth in Item No. 10 for the approval of the Members.

Item No. 11:

Over the last few years, the Company has been investing in its steel making facilities in India while continuing to upgrade its facilities in Europe and South-East Asia. The Company seeks to balance its growth ambitions with its goal of having a healthy balance sheet. Growth opportunities are carefully evaluated and benchmarked against its cost of capital. Moreover, all selected growth projects are phased keeping in mind the financial health of the Company.

As a step towards improving its capital structure, the Company strives to maximise the use of internal accruals and to monetise its non-core assets regularly to fund capital expenditure. 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. Financial markets are very dynamic in nature and it is hard to predict when and which market may provide us with windows of opportunity to raise capital that is cost-effective, has better terms and can help lengthen our maturity profile.

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 previous 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. 11 of the Notice will be done by the Board or a Committee thereof in accordance with applicable laws including the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and foreign exchange regulations, as may be applicable.

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, 2017, the net worth of the Company is ₹51,934 crore and the total debt of the Company is ₹28,285 crore including outstanding NCDs of ₹10,176 crore.

To allow the Company the flexibility to tap into these pools opportunistically, 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 & Debentures) Rules, 2014, to issue securities, as set out in the Special Resolution at Item No. 11 of the Notice, not exceeding ₹10,000 crore through issuance of NCDs in the international and / or domestic capital markets.

None of the Director(s) and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 11 of the Notice.

The Board recommends the resolution set forth in Item No. 11 for the approval of the Members.

By Order of the Board of Directors

sd/-
Parvatheesam K
Company Secretary
(ACS: 15921)

Mumbai
May 16, 2017

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
Email: cosec@tatasteel.com

ANNEXURE TO THE NOTICE

Details of the Directors seeking appointment/re-appointment at 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. Dinesh Kumar Mehrotra



Mr. Dinesh Kumar Mehrotra (64) was appointed as a Member of the Board effective October 22, 2012.

In the past, Mr. Mehrotra served as the Chairman of Life Insurance Corporation of India ("**LIC**"). Prior to that he was the Managing Director of LIC. He also served as the Executive Director (International Operations) to lead the Corporation's overseas thrust. Mr. Mehrotra joined LIC as a Direct Recruit Officer in 1977 and in an illustrious career spanning 35 years, served in several pivotal positions in LIC. Mr. Mehrotra has attended several important knowledge forums in India and abroad and is associated with the apex training institutes of insurance in India like the National Insurance Academy and the Insurance Institute of India.

Mr. Mehrotra is an Honours Graduate in Science from the University of Patna.

Particulars of experience, attributes or skills that qualify candidate for Board membership

Mr. Mehrotra has demonstrated executive leadership as the former Chairman of LIC and he has provided valued insights and perspectives to the Board deliberations on complex financial and operational issues. His unique insights with respect to regulatory and policy matters, compliance and internal controls has strengthened the Board's collective knowledge, capabilities and experience.

Board Meeting Attendance and Remuneration

During the year, Mr. Mehrotra attended ten out of the eleven Board Meetings held.

Details regarding the compensation is provided in the Corporate Governance Report forming part of the Directors' Report.

Bodies Corporate (other than Tata Steel Limited) in which Mr. Dinesh Kumar Mehrotra holds Directorships and Committee memberships

Directorships

1. Metropolitan Stock Exchange of India Limited
2. Cams Insurance Repository Services Limited
3. Indian Energy Exchange Limited
4. VLS Finance Limited
5. Computer Age Management Services Private Limited
6. Tata AIA Life Insurance Company Limited
7. West End Housing Finance Limited

Chairperson of Board Committees

Metropolitan Stock Exchange of India Limited
Audit Committee
Nomination and Remuneration cum Compensation Committee

Indian Energy Exchange Limited
Audit Committee
Surveillance Committee

Computer Age Management Services Private Limited
Audit Committee
Nomination and Remuneration Committee
Investment Committee

Tata AIA Life Insurance Company Limited
Investment Committee

Member of Board Committees

Metropolitan Stock Exchange of India Limited
Corporate Social Responsibility Committee
Stakeholder Relationship Committee

Indian Energy Exchange Limited
Nomination and Remuneration Committee

VLS Finance Limited
Audit Committee

Tata AIA Life Insurance Company Limited
Audit Committee

Disclosure of Relationship inter-se between Directors, Manager and other Key Managerial Personnel

There is no inter-se relationship between Mr. Dinesh Kumar Mehrotra, other Members of the Board and Key Managerial Personnel of the Company.

Shareholding in the Company

Mr. Dinesh Kumar Mehrotra does not hold any Ordinary (equity) Shares of the Company.

Profile of Mr. Koushik Chatterjee



Mr. Koushik Chatterjee (48) was inducted as a Whole-time Director of the Company effective November 9, 2012. Mr. Chatterjee is responsible for all corporate functions such as Finance, Legal, Secretarial, Communications and Regulatory Affairs among others. He is also the Company's Executive Director in charge for the Tata Steel operations in Europe.

Mr. Chatterjee joined the Company in 1995. During his stint in the Company, he worked in the areas of Corporate Finance and Planning. Mr. Chatterjee also worked in the Group Executive Office at Tata Sons Limited and became General Manager-Corporate Finance in 2002. Mr. Chatterjee re-joined the Company on August 1, 2003 and was appointed the Vice President (Finance) effective August 1, 2004. During his tenure, Mr. Chatterjee led the first overseas acquisition of the Company - NatSteel Asia which has 2 MnTPA finishing facilities in 7 countries in South East Asia. He subsequently led the acquisition of a 1.7MnTPA Millennium Steel (now Tata Steel Thailand) in Thailand. In 2006-07, he played a critical role in the acquisition of Corus Group plc for USD 13.7 billion, leading the country's largest capital raising process for the acquisition.

Mr. Chatterjee is a frequent speaker in various academic, professional and policy forums in India and abroad including the McKinsey Global CFO Forum 2008, Economist Conferences, G20 Summit, London Business School, Oxford University, International Integrated Reporting Council and CII. He is a member of the Primary Market Advisory Committee on Capital Markets of SEBI and was a member of the Takeover Regulations Advisory Committee of SEBI, which drafted the new Takeover Code. He has recently been appointed as the first Indian on the Global Preparers Forum which is an advisory body of the International Accounting Standards Board, London.

Mr. 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 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 Limited and Tata Steel Limited.

Mr. Chatterjee brings to the Board extensive experience in the areas of business responsibility (re-structuring and turnaround of large organisations), business development (mergers, acquisitions and divestments), strategies relating to financing and raising of capital, strategic communication, risk management, crisis leadership, public affairs, advocacy, 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 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 and experience.

Board Meeting Attendance and Remuneration

During the year, Mr. Chatterjee attended each of the eleven 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 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 memberships

Directorships

1. Tata Metaliks Limited
2. The Tinplate Company of India Ltd
3. Tata Steel Special Economic Zone Limited
4. Tata Steel Foundation (Section 8 Company)
5. Tata Steel Europe Limited
6. TS Global Holdings Pte. Ltd.
7. TS Global Minerals Holdings Pte. Ltd.
8. TS Global Procurement Co. Pte. Ltd.

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 1,320 Ordinary (equity) Shares of the Company.

Profile of Mr. N. Chandrasekaran



Mr. N. Chandrasekaran (53) 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 Chairman of Tata Sons Limited and the former Chief Executive Officer and Managing Director of Tata Consultancy Services Limited (TCS), a leading global IT solution and consulting firm, a position he has held since 2009.

Mr. Chandrasekaran joined TCS in 1987 after completing his Master's in Computer Applications from Regional Engineering College, Trichy, Tamil Nadu, India.

He has been on the Board of India's Central Bank, the Reserve Bank of India since 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 recognitions in the business community. Recently, 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 Jawaharlal Nehru Technological University, 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); Kalinga Institute of Industrial Technology University, Bhubaneswar, Odisha (2012); and the Sri Ramaswami Memorial University, Chennai, Tamil Nadu (2010).

Particulars of experience, attributes or skills that qualify candidate for Board membership

Under the leadership of Mr. Chandrasekaran, TCS became 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. N. Chandrasekaran attended two Board Meetings that were held post his appointment as Director.

Details regarding the compensation is provided in the Corporate Governance Report forming part of the Directors' Report. Mr. Chandrasekaran being the Executive Chairman of Tata Sons did not accept commission from the Company.

Bodies Corporate (other than Tata Steel Limited) in which Mr. N. Chandrasekaran holds Directorships and Committee memberships

Directorships

1. Tata Sons Limited
2. Tata Consultancy Services Limited
3. Tata Motors Limited
4. The Indian Hotels Company Limited
5. The Tata Power Company Limited
6. TCS Foundation (Section 8 company)
7. Jaguar Land Rover Automotive Plc
8. Reserve Bank of India

Chairperson of Board Committees

Tata Consultancy Services Limited
Corporate Social Responsibility Committee
Executive Committee

Tata Motors Limited
Executive Committee

Member of Board Committees

Tata Sons Limited
Nomination and Remuneration Committee
Special Committee

Tata Consultancy Services Limited
Nomination and Remuneration Committee
Risk Management Committee

Tata Motors Limited
Nomination and Remuneration Committee

The Indian Hotels Company Limited
Nomination and Remuneration Committee

Reserve Bank of India
Human Resource Management Sub-committee

Disclosure of Relationship inter-se between Directors, Manager and other Key Managerial Personnel

There is no inter-se relationship between Mr. N. Chandrasekaran, other Members of the Board and Key Managerial Personnel of the Company.

Shareholding in the Company

Mr. N. Chandrasekaran does not hold any Ordinary (equity) Shares of the Company.

Profile of Dr. Peter (Petrus) Blauwhoff



Dr. Peter (Petrus) Blauwhoff (63) was inducted as an Independent Member of the Board of Directors effective February 7, 2017.

Dr. Blauwhoff also serves as the Chairman of the Board of the Netherlands Standardization Institute (NEN), and as a Member of the Supervisory Board of Royal HaskoningDHV since June 2015. Between 2008 and 2015, Dr. Blauwhoff held the position as the Chief Executive Officer of Deutsche Shell Holding GmbH, Hamburg, Germany. He served, among others, as Chairman of the German National Oil Industry Association and as a Vice-Chairman of the German Forum for Future Energies.

Dr. Blauwhoff holds a Doctorate in Technical Sciences and a graduate degree in Chemical Engineering, with honours (cum laude) from University of Twente, Netherlands.

Particulars of experience, attributes or skills that qualify candidate for Board membership

Dr. Blauwhoff is a successful international leader with over 30 years of experience in the energy industry, in particular the downstream oil and gas business. He has wide range of experience in refining, supply, marketing and end-to-end value creation in challenging downstream organisations. Dr. Blauwhoff comes with strong track record in senior political and customer stakeholder and organisational change management.

Dr. Blauwhoff brings with him extensive experience in stewarding successful transformational changes within established, respected multinational company(ies), deep knowledge of the global manufacturing industry in general and of the energy, oil and gas business in particular and knowledge of European region.

With the above exceptionally distinguished record of accomplishments, Dr. Blauwhoff is well poised to add significant value and strength to the Board.

Board Meeting Attendance and Remuneration

During the year, Dr. Blauwhoff attended one Board Meeting that was held post his appointment.

Details regarding the compensation is provided in the Corporate Governance Report forming part of the Directors' Report.

Bodies Corporate (other than Tata Steel Limited) in which Dr. Peter (Petrus) Blauwhoff holds Directorships and Committee memberships

Directorships

1. Stichting (Foundation) Netherlands Normalisatie Instituut (NEN)
2. Royal HaskoningDHV B.V.
3. Blauwhoff International Consulting
4. Blue Court Holding B.V.
5. Stichting (Foundation) de PAN
6. Kongstein AS

Chairperson of Board Committee

Royal HaskoningDHV B.V.
Remuneration and Nomination Committee

Disclosure of Relationship inter-se between Directors, Manager and other Key Managerial Personnel

There is no inter-se relationship between Dr. Peter (Petrus) Blauwhoff, other Members of the Board and Key Managerial Personnel of the Company.

Shareholding in the Company

Dr. Peter (Petrus) Blauwhoff does not hold any Ordinary (equity) Shares of the Company.

Profile of Mr. Aman Mehta



Mr. Aman Mehta (70) was appointed as an Independent Member of the Board of Directors effective March 29, 2017. Mr. Mehta has over 39 years of experience in various positions with the HSBC Group from where he retired in January 2004 as CEO Asia Pacific.

Formerly, he has been a Member of the Supervisory Board of ING Group NV and a Director of Raffles Holdings, Singapore. He is also a Member of the Governing Board of the Indian School of Business, Hyderabad and a Member of the International Advisory Board of Prudential of America.

Mr. Mehta holds a Graduate Degree in Economics from Delhi University.

Particulars of experience, attributes or skills that qualify candidate for Board membership:

Mr. Mehta has extensive experience in the field of Banking/ Finance and has a proven track record of successfully managing large multinational enterprises. Mr. Mehta occupies himself primarily with Corporate Governance, Board and Advisory Roles in a range of global manufacturing and technology companies such as Tata Consultancy Services Limited. His prior experience enables him to provide the Board with valuable insights on a broad range of business, social and governance issues that are relevant to large corporations.

Board Meeting Attendance and Remuneration

Post the appointment of Mr. Aman Mehta, no Board meetings were held during the Financial Year 2016-17.

Bodies Corporate (other than Tata Steel Limited) in which Mr. Aman Mehta holds Directorships and Committee memberships

Directorships

1. Tata Consultancy Services Limited
2. Wockhardt Limited
3. Godrej Consumer Products Limited
4. Max Financial Services Limited
5. Vedanta Resources Plc
6. PCCW Limited
7. HKT Limited

Chairperson of Board Committees

Tata Consultancy Services Limited
Audit Committee
Nomination and Remuneration Committee

Max Financial Services Limited
Corporate Social Responsibility Committee

Vedanta Resources Plc
Audit Committee

PCCW Limited
Audit Committee
Nomination Committee
Remuneration Committee

HKT Limited
Nomination Committee

Member of Board Committees

Tata Consultancy Services Limited
Bank Account Committee

Wockhardt Limited
Audit Committee
Shareholder/Investors' Grievance Committee

Godrej Consumer Products Limited
Audit Committee
Nomination and Remuneration Committee

Max Financial Services Limited
Audit Committee
Nomination and Remuneration Committee

Vedanta Resources Plc
Remuneration Committee
Nomination Committee

Disclosure of Relationship inter-se between Directors, Manager and other Key Managerial Personnel

There is no inter-se relationship between Mr. Aman Mehta, other Members of the Board and Key Managerial Personnel of the Company.

Shareholding in the Company

Mr. Aman Mehta does not hold any Ordinary (equity) Shares of the Company.

Profile of Mr. Deepak Kapoor



Mr. Deepak Kapoor (58) was appointed as an Independent Member of the Board of Directors effective April 1, 2017.

Mr. Deepak Kapoor is the former Chairman of PwC India. Mr. Kapoor has been associated with PwC India for over 30 years. He was named Partner in 1991 and was the Managing Director between 2007 and 2016. As member of PwC's India Leadership Team, Mr. Kapoor served in various leadership and client service roles.

Mr. Deepak Kapoor is a meritorious Commerce Graduate from Delhi University (third rank holder). He is a Fellow Member of The Institute of Chartered Accountants of India, Fellow Member of The Institute of Company Secretaries of India and a Member of the Institute of Certified Fraud Examiners, USA.

Particulars of experience, attributes or skills that qualify candidate for Board membership

Mr. Deepak Kapoor has led deals for more than eight years and has practiced in the areas of Telecom, Entertainment and Media for over ten years. Mr. Kapoor successfully steered the PwC India during very challenging times and has strengthened the firm's footprint in India. Mr. Kapoor has extensive experience in the audit function as well as business advisory related work. His experience, in India and overseas, encompasses multiple industries including consumer products, manufacturing, telecom, technology, healthcare, entertainment and media.

Mr. Kapoor's senior executive level experience in business and management provides him with an insightful perspective on strategic planning, risk oversight and operational matters that is valuable to the Board.

Board Meeting Attendance and Remuneration

Mr. Deepak Kapoor was appointed effective April 1, 2017 and hence the above details are not applicable to him for the year ended March 31, 2017.

Bodies Corporate (other than Tata Steel Limited) in which Mr. Deepak Kapoor holds Directorships and Committee membership

None

Chairperson and Member of Board Committees

None

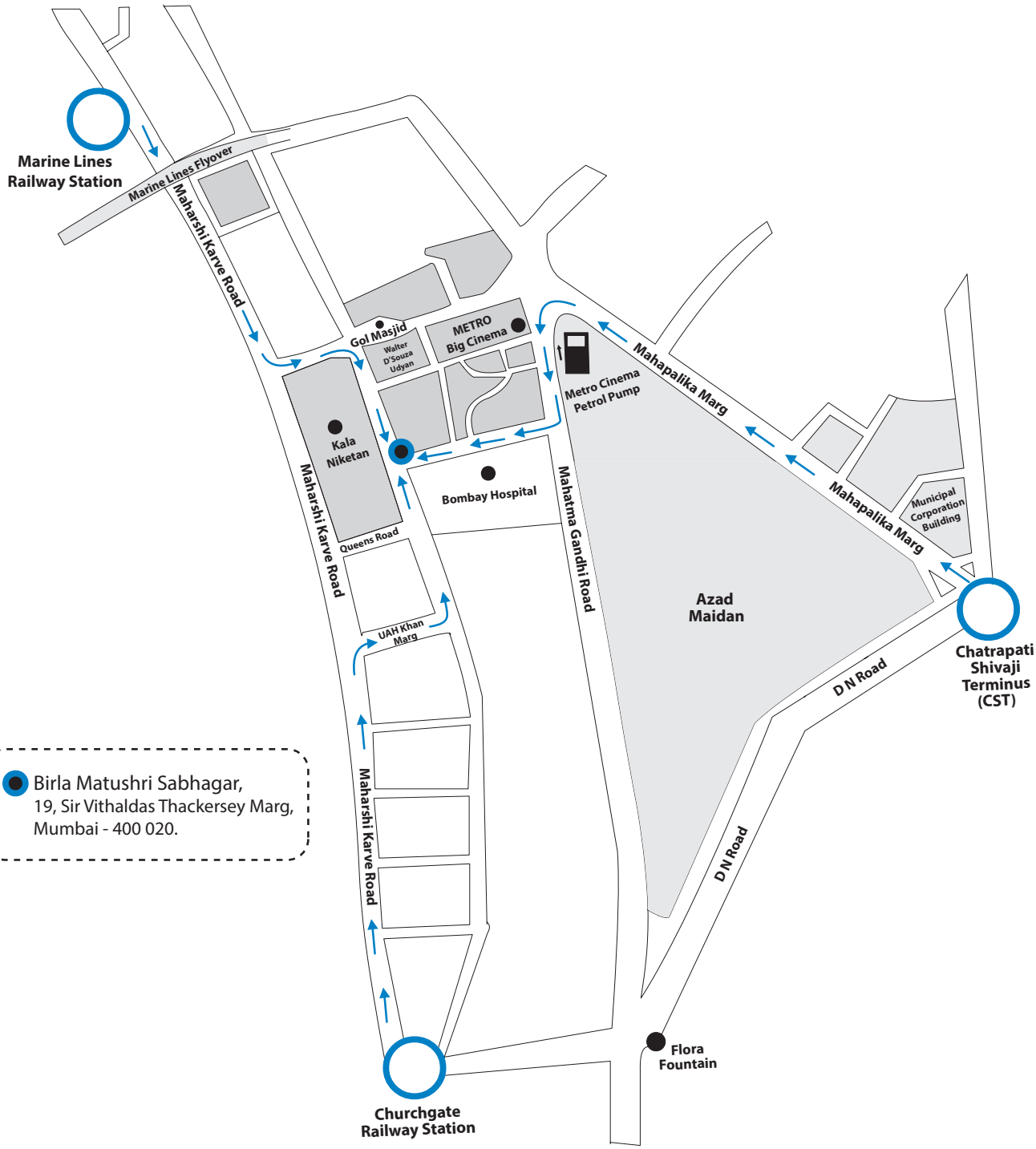
Disclosure of Relationship inter-se between Directors, Manager and other Key Managerial Personnel

There is no inter-se relationship between Mr. Deepak Kapoor, other Members of the Board and Key Managerial Personnel of the Company.

Shareholding in the Company

Mr. Deepak Kapoor does not hold any Ordinary (equity) Shares of the Company.

Route Map to the AGM Venue



Birla Matushri Sabhagar,
19, Sir Vithaldas Thackersey Marg,
Mumbai - 400 020.

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To,

TSR Darashaw Limited
Unit: Tata Steel Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20, Dr. E. Moses Road, Mahalaxmi, Mumbai - 400 011

Updation of Shareholders Information

I/We request you to record the following information against my/our Folio No.:

General Information:

Folio No.:	
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

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)

110TH ANNUAL GENERAL MEETING ON TUESDAY, AUGUST 8, 2017, AT 3.00 P.M.

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 110th Annual General Meeting of the Company held on Tuesday, August 8, 2017, 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)

Name of the Member(s) : _____

Registered address : _____

E-mail Id : _____

Folio No./Client ID No. _____ DP ID No. _____

I/We, being the member(s) of _____ 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 110th Annual General Meeting of the Company to be held on Tuesday, August 8, 2017, 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 a)	Consider and adopt Audited Standalone Financial Statements for the Financial Year ended March 31, 2017 and the Reports of the Board of Directors and Auditors thereon		
1 b)	Consider and adopt Audited Consolidated Financial Statements for the Financial Year ended March 31, 2017 and the Report of the Auditors thereon		

Resolution No.	Resolution	For	Against
Ordinary Business			
2	Declaration of dividend on Ordinary (equity) Shares for Financial Year 2016-17		
3	Appointment of Director in place of Mr. Dinesh Kumar Mehrotra, (DIN: 00142711) who retires by rotation and being eligible, seeks re-appointment		
4	Appointment of Director in place of Mr. Koushik Chatterjee, (DIN: 00004989) who retires by rotation and being eligible, seeks re-appointment		
5	Appointment of Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants as Statutory Auditors of the Company		
Special Business			
6	Appointment of Mr. N. Chandrasekaran, (DIN: 00121863) as a Director		
7	Appointment of Dr. Peter (Petrus) Blauwhoff (DIN: 07728872) as an Independent Director		
8	Appointment of Mr. Aman Mehta, (DIN: 00009364) as an Independent Director		
9	Appointment of Mr. Deepak Kapoor, (DIN: 00162957) as an Independent Director		
10	Ratification of the remuneration of Messrs Shome & Banerjee, Cost Auditors of the Company		
11	Issue of Non- Convertible Debentures on Private Placement Basis not exceeding ₹10,000 crore		

Signed this _____ day of _____ 2017

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 jointholders, the signature of any one holder will be sufficient, but names of all the jointholders should be stated.

TATA



Samvaad - A Tribal Conclave to revive, preserve and promote tribal culture (November 2016)



Board Members' visit to Jamshedpur on Founder's Day (March 3, 2017)



Kolkata Literary Meet (January 2017)



Kolkata 25K Run (December 2016)



Bhubaneswar Literary Meet (January 2017)



Bhubaneswar Half Marathon (January 2017)

Enriching Lives, Enabling Excellence

TATA STEEL

Tata Steel Limited
Bombay House, 24 Homi Mody Street, Mumbai - 400 001
www.tatasteel.com

Scan the QR Code and download the 'Tata Steel' app on your device now!

iPhone | android | iPad

/TataSteelLtd
/company/tata-steel
/tatasteelltd
/user/thetatasteel

content and design consultants QICL [info@aicl.in]